

**WALKLEY FOUNDATION LIMITED**

**ABN 99 164 809 349**

**FINANCIAL REPORT  
FOR THE YEAR ENDED  
30 JUNE 2017**

**WALKLEY FOUNDATION LIMITED**

ABN 99 164 809 349

<b>CONTENTS</b>	<b>PAGE</b>
Directors' report	1
Auditor's Independence Declaration	5
Statement of Profit and Loss and Other Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10
Responsible Person's Declaration	19
Independent Auditor's Report	20

## **WALKLEY FOUNDATION LIMITED**

ABN 99 164 809 349

### **Directors' report**

The directors present their report, together with the financial report, on Walkley Foundation Limited (referred to hereafter as the 'Foundation') for the year ended 30 June 2017.

#### **Directors**

The following persons were directors of the Foundation during the whole of the financial year and up to the date of this report, unless otherwise stated:

Quentin Dempster AM  
Gina McColl  
Stuart Washington  
Michael Janda  
Angelos Frangopoulos APPOINTED 1/5/2017  
Laurie Oakes RESIGNED 30/5/2017  
Kate McClymont RESIGNED 27/4/2017

#### **Objectives**

The Foundation has been established to promote excellence in journalism in all its forms including visual arts, literature, film, video, television, photography, documentary and radio.

#### **Key Strategic Directions:**

- Promote excellence in media practice
- Encourage and support innovative and vibrant media that meets the information needs of the community and serves Australian democracy
- Guide the industry and craft through change
- Promote community understanding of journalism and its value

The Foundation continues to work with MEAA to offer a range of professional development opportunities, an awards program and The Walkley Magazine for MEAA members and the broader community of journalists.

#### **Principal activities**

During the financial year the principal continuing activities of the Foundation were:

- Awards Program;
- Building communities and networking: conferences and public talks;
- Showcasing outstanding images: The Nikon-Walkley Photography Program;
- Keeping in touch: Communications, advocacy and research; The Walkley Magazine, website and social media platforms;
- Encouraging Long-form journalism: The Walkley Literary and Documentary Programs;
- Promoting press freedom; Australia Press Freedom Dinner;
- Skills for the future: Walkley Foundation Training Program; and
- Walkley Grants for Innovation in Journalism.

#### **Performance measures**

The Foundation measures performance through the establishment and monitoring of financial KPIs:

- To assess the cost-effectiveness of events;
- To assess control over the company's administrative and other indirect costs;
- To assess new sponsorship and existing sponsorship targets; and
- To assess effective revenue and income streams.

## WALKLEY FOUNDATION LIMITED

ABN 99 164 809 349

### Directors' report

#### Information on directors

Name:	Quentin Dempster
Title:	Non-Executive Director, Chair
Qualifications:	AM
Experience and expertise:	Quentin Dempster AM is a broadcaster, journalist and author. He is currently contributing editor of The New Daily. He is a former director (staff-elected) of the Australian Broadcasting Corporation (1992-96). He was made a member of the Order of Australia in 1992 for services to current affairs and journalism. Starting from a cadetship with the Maryborough Chronicle in Queensland, he worked for the Brisbane Telegraph as chief political reporter and columnist. From 1984 he joined the ABC as political reporter and then current affairs presenter of The 7.30 Report. He presented the NSW edition of the program from 1990 to 1994, headed the ABC investigative unit and presented Stateline, later 7.30 NSW from 1996 to 2016. He is the author of three ground breaking books: Honest Cops (1992); Whistleblowers (1997) and Death Struggle - How political malice and boardroom power plays are killing the ABC (2000).
Special responsibilities:	Chairman

Name:	Gina McColl
Title:	Non-Executive Director
Qualifications:	
Experience and expertise:	Gina McColl is deputy editor of the multi-award winning Investigative unit at The Age, where she was previously deputy editor of The Sunday Age and arts editor. Prior to that, she worked at BRW for 13 years, where she edited flagship issues and brw.com.au, Gina has been vice-president of the Media section of MEAA since 2007.
Special responsibilities:	None

Name:	Angelos Frangopoulos
Title:	Non-Executive Director
Qualifications:	Bachelor of Arts (Communications) MCAE; GAIDC - Graduate Member of the Australian Institute of Company Directors
Experience and expertise:	<p>Angelos Frangopoulos is the Chief Executive Officer and Managing Editor of Australian News Channel Pty Ltd, a News Corp Company. He began his media career in community radio at 2SER and 2MCE, before working as a journalist at Mid State Television, Orange. He was then part of the launch team for Prime Television Canberra before moving onto the Nine Network, Sydney. After six years at Nine, Angelos moved to British Sky Broadcasting in London. In 1996, he returned home to Sky News Australia. He was appointed Managing Editor in 2000 and later CEO.</p> <p>Angelos holds a number of Directorships including Chair of the Australia Day Council of NSW; Chair of the Centre for Media History; Director, Victor Chang Cardiac Research Centre and Director, Australian Subscription Television and Radio Association. He is a former Council Member of Charles Sturt University and has been awarded a Doctor of Arts, Honoris Causa and is CSU's Pro Chancellor for Sydney.</p>
Special responsibilities:	Finance, Audit and Risk Committee Member

## WALKLEY FOUNDATION LIMITED

ABN 99 164 809 349

### Directors' report

#### Information on directors (Cont.)

Name:	Stuart Washington
Title:	Non-Executive Director
Qualifications:	
Experience and expertise:	<p>Stuart Washington has reported from New York, Singapore and Cambodia in a career kickstarted as a police reporter for the Newcastle Herald. Award-winning work has included a lengthy pursuit of the villains at the center of Australia's largest superannuation theft and a feature that presaged the global financial crisis. The quality of his work has been recognized with a Knight Bagehot fellowship, giving him a one-Year sabbatical at Columbia University. The period in New York allowed him access to some of the key characters in the GFC, and a unique perspective as a reporter.</p> <p>Stuart is currently the Managing Editor for The Sydney Morning Herald.</p>
Special responsibilities:	None

Name:	Michael Janda
Title:	Non-Executive Director
Qualifications:	Bachelor of Economics (Social Sciences) Hon I and a Bachelor of Laws Degree.
Experience and expertise:	<p>Michael Janda has worked at the ABC for almost eight years a cross online, radio and television news and current affairs. He started out as the national broadcaster's inaugural business and finance cadet in 2008 which, in a stroke of luck, was probably the best year to cover economics and the markets since 1929. For most of his time at the ABC, Michael has been responsible for editing the business news page, as well as writing much of its content. However, he is also a regular contributor to The Drum, and has worked as a reporter and producer for The Business and as a business and economics reporter for PM, The World Today and AM.</p>
Special responsibilities:	Finance, Audit and Risk Committee Member

#### Contributions on winding up

In the event of the company being wound up, ordinary members are required to contribute a maximum of \$100 each. Honorary members are not required to contribute for:

- (a) payment of the debts and liabilities of the Company contracted before the time at which he or she ceases to be a member;
- (b) the costs, charges and expenses of winding up the company; and
- (c) the adjustment of the rights of the contributories among themselves.

The total amount that members of the company are liable to contribute if the company is wound up is \$500, based on five current ordinary members.

**WALKLEY FOUNDATION LIMITED**

ABN 99 164 809 349

**Directors' report**

**Auditor's Independence declaration**

A copy of the auditor's independence declaration is set out on the following page.

This report is made in accordance with a resolution of directors.

On behalf of the directors



Quentin Dempster

Director

Dated this 24th day of November 2017  
Sydney

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER S 60 40 OF THE ACNC ACT 2012  
TO THE COMMITTEE MEMBERS OF WALKLEY FOUNDATION LIMITED**

Walkley Foundation Limited  
245 Chalmers St.  
Redfern NSW 2016  
Australia

To the members of the Committee,

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, as lead auditor for the audit of Walkley Foundation Limited for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been:

1. no contraventions of the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
2. no contraventions of any applicable code of professional conduct in relation to the audit.

MOORE STEPHENS NSW  
Level 7, 9 Castlereagh Street, Sydney NSW 2000



Elizabeth Perez  
Partner - Audit and Assurance

Dated this 13th day of December 2017





# WALKLEY FOUNDATION LIMITED

ABN 99 164 809 349

## STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
<b>Revenue</b>	3	2,319,408	1,991,915
<b>Expenses</b>			
Depreciation and amortisation expense	4	(12,869)	(13,280)
Employee benefits expense	4	(1,105,631)	(942,697)
Site costs	4	(49,925)	(56,260)
Printing & postage expenses		(9,377)	(8,317)
Telephone expenses		(17,386)	(20,972)
Magazines expenses		(81,308)	(67,202)
Repairs and maintenance expense		(1,221)	(2,638)
Travel expenses		(21,980)	(13,496)
Events expenses		(835,565)	(568,480)
Finance costs		(6,500)	(3,325)
Other expenses		(115,835)	(66,775)
<b>Total direct costs</b>		<b>(2,257,597)</b>	<b>(1,763,442)</b>
<b>Profit before income tax</b>		<b>61,811</b>	<b>228,473</b>
Income tax expense	1(a)	-	-
<b>Profit for the year</b>		<b>61,811</b>	<b>228,473</b>
<b>Total comprehensive income for the year</b>		<b>61,811</b>	<b>228,473</b>

# WALKLEY FOUNDATION LIMITED

ABN 99 164 809 349

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	Note	2017 \$	2016 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	1,594,452	1,523,837
Trade and other receivables	6	858,487	842,171
Prepayments		65,163	59,078
<b>TOTAL CURRENT ASSETS</b>		<b>2,518,101</b>	<b>2,425,086</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	2,201	-
Intangible assets	8	1,055	13,610
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,256</b>	<b>13,610</b>
<b>TOTAL ASSETS</b>		<b>2,521,357</b>	<b>2,438,696</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	395,995	156,271
Deferred revenue		774,455	1,051,418
Employee benefits	10	341,372	293,073
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,511,822</b>	<b>1,500,762</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefits	10	11,850	2,060
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>11,850</b>	<b>2,060</b>
<b>TOTAL LIABILITIES</b>		<b>1,523,672</b>	<b>1,502,822</b>
<b>NET ASSETS</b>		<b>997,685</b>	<b>935,874</b>
<b>EQUITY</b>			
Reserves	14	372,204	372,204
Accumulated surplus	15	625,481	563,670
<b>TOTAL EQUITY</b>		<b>997,685</b>	<b>935,874</b>

# WALKLEY FOUNDATION LIMITED

ABN 99 164 809 349

## STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017

	Reserves \$	Accumulated Surplus \$	Total Equity \$
<b>2016</b>			
<b>Balance at 1 July 2015</b>	372,204	335,197	707,401
Net surplus for the year attributable to the Foundation	-	228,473	228,473
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	228,473	228,473
<b>Balance at 30 June 2016</b>	<u>372,204</u>	<u>563,670</u>	<u>935,874</u>
<b>2017</b>			
<b>Balance at 1 July 2016</b>	372,204	563,670	935,874
Net surplus for the year attributable to the Foundation	-	61,811	61,811
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	61,811	61,811
<b>Balance at 30 June 2017</b>	<u>372,204</u>	<u>625,481</u>	<u>997,685</u>

**WALKLEY FOUNDATION LIMITED**

ABN 99 164 809 349

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2017**

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (inclusive of GST)		2,015,258	2,808,293
Interest received		17,656	10,831
Payments to suppliers and employees		(1,953,284)	(1,882,412)
Finance costs		(6,500)	(3,325)
Net cash generated from operating activities		73,129	933,387
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(2,515)	-
Net cash used in investing activities		(2,515)	-
Net increase in cash held		70,614	933,387
Cash and cash equivalents at beginning of financial year		1,523,837	590,450
Cash and cash equivalents at end of financial year	5	1,594,452	1,523,837

## WALKLEY FOUNDATION LIMITED

ABN 99 164 809 349

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

#### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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##### General information

The financial report covers Walkley Foundation Limited as an individual entity. The financial report is presented in Australian dollars, which is the Foundation's functional and presentation currency.

Walkley Foundation Limited is a company limited by guarantee.

The financial report was authorised for issue, in accordance with a resolution of directors, on 24th of November 2017.

The directors have the power to amend and reissue the financial report.

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### New revised or amending Accounting Standards and Interpretations adopted

The Foundation has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

##### Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Act 2012. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

##### Accounting Policies

###### (a) Income Tax

As the entity is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

###### (b) Property, Plant and Equipment (PPE)

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

The depreciable amount of all PPE is depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use.

Plant and equipment

2 years

## WALKLEY FOUNDATION LIMITED

ABN 99 164 809 349

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

#### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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**(c) Impairment of Assets**

At the end of each reporting period, the Foundation reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in the income and expenditure statement.

**(d) Employee Benefits**

*Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

*Long-term employee benefits*

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

**(e) Provisions**

Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**(f) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of twelve months or less.

**(g) Accounts Receivable and Other Debtors**

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from donors. Receivables expected to be collect within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

## WALKLEY FOUNDATION LIMITED

ABN 99 164 809 349

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

#### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

##### (h) Revenue and Other Income

Revenue is recognised when it is probable that the economic benefit will flow to the entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

All revenue is stated net of the amount of goods and services tax (GST).

##### i) *Grant revenue*

Grant revenue is recognised at its fair value where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with.

##### ii) *Sponsorship revenue*

Sponsorship revenue is recognised in the statement profit or loss and other comprehensive income on an accruals basis, as the relevant service is provided. When the sponsorship spans across several events, the funds are allocated to each event based on the stipulated amount in the contract.

##### iii) *Event revenue*

Event revenue is generated by ticket sales for the Walkley's Award event and is recognised when the event takes place. As the event occurs prior to the end of the reporting period each year, there is no need for the recognition of deferred revenue.

##### iv) *Donations revenue*

In previous years, donations were recognised as revenue when received unless they are designated for a specific purpose in future periods, in which case they are carried forward as deferred income in the statement of financial position until expensed.

On the 23rd October 2017, the Board approved a change to the accounting policy for donation revenue recognition and applied the change retrospectively to 30 June 2017. For the year ended 30 June 2017, donations are recognised as revenue when received.

##### v) *Interest revenue*

Interest revenue is recognised when received.

##### vi) *Sundry revenue*

Other revenue is recognised when it is received or when the right to receive payment is established.

##### (i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the assets and liabilities statement.

## WALKLEY FOUNDATION LIMITED

ABN 99 164 809 349

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

#### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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**(j) Accounts Payable and Other Payables**

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

**(k) New Accounting Standards and Interpretations**

The entity has adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period.

#### NOTE 2: Critical accounting judgements, estimates and assumptions

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The preparation of the financial report requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial report. Management continually evaluates its judgments and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

*Provision for impairment of receivables*

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtors financial position.

*Estimation of useful lives of assets*

The entity determines the estimated useful lives and related depreciation and amortization charges for its property, plant and equipment and finite life intangible asset. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortization charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

*Employee benefits*

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.



# WALKLEY FOUNDATION LIMITED

ABN 99 164 809 349

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### NOTE 3: Revenue

	2017	2016
	\$	\$
Operating activities		
Grants, sponsorships and events income	2,199,459	1,838,334
Sundry revenue	102,293	142,750
Interest from financial institutions	17,656	10,831
	<b>2,319,408</b>	<b>1,991,915</b>

### NOTE 4: Expenses

Profit before tax has been determined after charging the following expenses:	2017	2016
	\$	\$
Depreciation and amortization expense		
Depreciation of property, plant and equipment	314	725
Amortization of intangible assets	12,555	12,555
	<b>12,869</b>	<b>13,280</b>
Employee benefits expense		
Salaries	742,328	569,974
Annual leave	80,529	84,026
Long service Leave	45,765	-
Superannuation	96,334	109,296
Separation and redundancies	-	4,686
Other employee costs	140,675	174,985
	<b>1,105,631</b>	<b>942,967</b>
Site expenses		
Rent expense - 245 Chalmers St, Redfern	36,450	36,540
Utilities	8,311	12,631
Cleaning	5,164	7,089
	<b>49,925</b>	<b>56,260</b>

### NOTE 5: CASH AND CASH EQUIVALENTS

	2017	2016
	\$	\$
Cash at bank and in hand	1,264,988	1,202,115
Term deposits	329,464	321,722
Cash at bank	<b>1,594,452</b>	<b>1,523,837</b>

# WALKLEY FOUNDATION LIMITED

ABN 99 164 809 349

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### NOTE 6: ACCOUNTS RECEIVABLE AND OTHER DEBTORS

	Note	2017 \$	2016 \$
Trade receivables		373,612	445,258
Intercompany receivables due from Media, Entertainment & Arts Alliance	13(b)	92,163	23,704
Related party loan due from Media, Entertainment & Arts Alliance	a	381,136	357,387
Other receivables		11,576	15,822
		<u>858,487</u>	<u>842,171</u>

- a. Included in the balance of trade and other receivables is the balance of loans to Media, Entertainment and Arts Alliance of \$381,091 (2016: \$357,387) and receivables due from Media, Entertainment and Arts Alliance \$92,163 (2016: \$23,704).

At the time of incorporation of Walkley Foundation Limited in July 2013, the assets, reserves and liabilities of the previously unincorporated Foundation were transferred to the Company. These were the cash reserves, deferred income (that is, post-incorporation income received prior to incorporation) prepaid expenses and the provision for staff entitlements. The aggregate value of these four components was \$995,523. This value was recorded as a loan owing by MEAA to the Company. The terms of the loan were expressed in the 30 June 2014 financial report as follows:

This is a transactional intercompany loan account and is interest free. The loan could also be called upon demand by the Foundation when necessary thus making this a current asset.

During the years ended 30 June 2014 and 30 June 2015, the amount owing was adjusted as a result of the transfer of cash and the net value of various Walkley transactions that operated through the MEAA bank account. As a result, the net balance of the loan owed by MEAA to the Foundation as at June 30, 2015 was \$868,520.

During the year ended 30 June 2016, three payments were made by MEAA to the Foundation totalling \$511,133 and intercompany transactions at \$23,704, resulting in a net balance of \$381,091 as at 30 June 2016 and 30 June 2017. This is currently part of a formal mediation process with MEAA that was scheduled for August 2017 however it did not eventuate and a future date is yet to be advised. The Walkley directors are of the view that this amount is fully recoverable and as such, have not calculated a provision for impairment.

### NOTE 7: PROPERTY, PLANT AND EQUIPMENT

	2017 \$	2016 \$
Plant and equipment - at cost	4,446	1,931
Less: Accumulated depreciation	(2,245)	(1,931)
	<u>2,201</u>	<u>-</u>

#### Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Plant and equipment
Balance at 1 July 2016	-
Additions	2,515
Depreciation expense	(314)
Balance at 30 June 2017	<u>2,201</u>

**WALKLEY FOUNDATION LIMITED**

ABN 99 164 809 349

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017**

**NOTE 8: INTANGIBLE ASSET**

	2017	2016
	\$	\$
Website - at cost	41,850	41,850
Less: Accumulated amortization	(40,795)	(28,240)
	<u>1,055</u>	<u>13,610</u>

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Website
Balance at 1 July 2016	13,610
Amortisation expense	(12,555)
Balance at 30 June 2017	<u>1,055</u>

**NOTE 9: TRADE AND OTHER PAYABLES**

	Note	2017	2016
		\$	\$
Trade payables		148,471	34,806
Goods and services tax payable		42,786	92,161
Creditors and accruals		122,793	29,304
Intercompany payables due to Media, Entertainment & Arts Alliance	13(b)	40,195	-
GPF Trust - Geraldine Pascall Foundation trust funds liability	13(c)	41,750	-
		<u>395,995</u>	<u>156,271</u>

**NOTE 10: EMPLOYEE BENEFITS**

	2017	2016
	\$	\$
Current		
Annual leave provision	145,912	138,820
Long service Leave provision	195,230	154,000
Other provisions	230	253
	<u>341,372</u>	<u>293,073</u>
Non-current		
Long service Leave provision	<u>11,850</u>	<u>2,060</u>

**NOTE 11: CONTINGENT LIABILITIES**

The company had no contingent liabilities as at 30 June 2017 (2016: none).

**NOTE 12: COMMITMENTS**

The company had no commitments for expenditure as at 30 June 2017 (2016: none).

# WALKLEY FOUNDATION LIMITED

ABN 99 164 809 349

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

### NOTE 13: RELATED PARTY TRANSACTIONS

#### (a) Key management personnel

The aggregate compensation of key management personnel of the company is set out below:

	2017	2016
	\$	\$
Aggregate compensation of key management personnel	352,790	286,688

#### (b) Loans to/from related parties- MEAA

	Note	2017	2016
		\$	\$
Balance at 1 July	6(a)	381,091	868,520
Increase/(decrease) on related party loan		45	(511,133)
Intercompany receivables due from Media, Entertainment & Arts Alliance	6	92,163	23,704
Intercompany payables due to Media, Entertainment & Arts Alliance	9	(40,195)	-
Balance at 30 June		433,104	381,091

The balance is unsecured, interest-free. Inter-company receivables and payables arose during the year ended 30 June 2017 from the Operating Agreement between MEAA and the Foundation.

The loan balance of \$381,091 is currently part of a formal mediation process with MEAA that was scheduled for August 2017 however it did not eventuate and a future date is yet to be advised. The Walkley directors are of the view that this amount is fully recoverable and as such, have not calculated a provision for impairment.

#### (c) GPF Trust - Geraldine Pascall Foundation trust funds liability

	2017	2016
	\$	\$
GPF Trust - Geraldine Pascall Foundation trust funds liability	41,750	-

Walkley Foundation Limited became the trustee of the Geraldine Pascall Foundation (GPF) at 5th May 2017. During the year ended 30 June 2017, cash assets of \$41,750 were transferred to Walkley Foundation Limited. These cash assets are included in the cash balances disclosed in Note 5. GPF is considered a separate legal entity and as such the cash assets belong to GPF and recorded as a liability. GPF's financials are not consolidated with Walkley since Walkley do not have control. GPF's financial statements are not audited as at 30 June 2017.

#### (d) Receivables from related party- International Federation of Journalist

	2017	2016
	\$	\$
Receivable from International Federation of Journalist	7,984	-

International Federation of Journalists paid the Foundation \$18,276 (2016: \$7,179) to reimburse employee benefits expense incurred by the Foundation. Receivables from International Federation of Journalist is recorded in other receivable in Note 6.

**WALKLEY FOUNDATION LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017****NOTE 14: RESERVES**

	2017	2016
	\$	\$
Walkley Foundation Reserve	372,204	372,204

The Walkley Awards Reserve has been set up to advance the interests of the Walkley Foundation Limited. This reserve was transferred from Media, Entertainment and Arts Alliance on incorporation.

**NOTE 15: ACCUMULATED SURPLUS**

	2017	2016
Accumulated surplus at the beginning of the financial year	563,670	335,197
Surplus for the year	61,811	228,473
Retained profits at the end of the financial year	625,481	563,670

**NOTE 16: EVENT AFTER THE REPORTING DATE**

Subsequent to year end:

- i. A bonus of \$31,000 was approved by the Walkley Foundation.
- ii. Included in the balance of Trade and Other Receivables as at 30 June 2017 is the net balance between MEAA and Walkley Foundation of \$381,136 (2016: \$381,136). A component of this balance is the Walkley Awards Reserve of \$372,203. This is currently part of a formal mediation process with MEAA that was scheduled for August 2017 however it did not eventuate and a future date is yet to be advised.
- iii. Please refer to Note 1 (h)(iv) regarding change in accounting policy.
- iv. Subsequent to year end and as a result of a restructure, a key employee has accepted a redundancy offer made by the Board. This offer was accepted on 23 November 2017. Since the decision was made after year end it has not been brought to account as at 30 June 2017.

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**RESPONSIBLE PERSONS' DECLARATION**

The responsible persons declare that in the responsible persons' opinion:

In the opinion of the responsible persons the financial report as set out on pages 1 to 18:

- (a) there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- (b) the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Responsible person:  .....

Responsible person:  .....

Dated this 15th day of December 2017

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WALKLEY FOUNDATION LIMITED

### **Qualified Opinion**

We have audited the financial report of Walkley Foundation Limited (the Organisation), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Responsible Persons' declaration.

In our opinion, except for the effects of the matter described in the Basis of Qualified Opinion section of our report, the accompanying financial report presents fairly, in all material respects, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance for the year ended; and
- (b) complying with Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

### **Basis of Qualified Opinion**

Included in the balance of Trade and Other Receivables as at 30 June 2017 is the net balance between MEAA and Walkley Foundation of \$381,136 (2016: \$381,136). This is currently part of a formal mediation process with MEAA that was scheduled for August 2017 however it did not eventuate and a future date is yet to be advised. The Walkley directors are of the view that this amount is fully recoverable and as such, have not calculated a provision for impairment. Our audit procedures indicate that no amounts have been received as at the date of this report and it is difficult to ascertain the extent of impairment, if any, until mediation progresses or the matter is settled.

### **Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibilities of Management and Those Charged with Governance**

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- i) Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- iv) Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- v) Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Elizabeth Perez  
Partner - Audit and Assurance  
MOORE STEPHENS NSW  
Level 7, 9 Castlereagh Street, Sydney NSW 2000

Dated this 13th day of December 2017