

WALKLEY FOUNDATION LIMITED

ABN 99 164 809 349

FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2018

WALKLEY FOUNDATION LIMITED

ABN 99 164 809 349

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WALKLEY FOUNDATION LIMITED

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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 2018.

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
Angelos Frangopoulos AM
Marina Go APPOINTED 30/7/2017
Michael Janda REAPPOINTED 7/7/2017
Marcus Strom APPOINTED 7/7/2017
Karen Percy APPOINTED 7/7/2017
Gina McColi RESIGNED
Stuart Washington RESIGNED

About

The Walkley Awards were established by Ampol Petroleum founder Sir William Gaston Walkley in 1956. The Walkley Foundation is today independently funded, and registered with Register of Cultural Organisations, the Australian Charities and Not-for-Profit Commission and has tax deductible status (DGR). Our funding comes from media companies, corporate Australia, government, philanthropy and donations. We draw on the expertise of senior journalists and editors, chosen from a diverse cross-section of media organisations, formats and backgrounds. They guide our leadership and share their experience and insights through judging, projects, public talks and The Walkley Magazine. They uphold the integrity and credibility of the Walkley processes.

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:

The Walkley Foundation has been celebrating and supporting great Australian journalism since 1956

We sustain journalism that enriches our communities:

- By managing the Walkley Awards for Excellence in Journalism
- By promoting the public value of journalism and press freedom
- By fostering innovation in news gathering and storytelling
- By working collaboratively with all media
- By funding and facilitating mentorships and scholarships
- Through independence and good governance

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 and research; The Walkley Magazine, website and social media platforms;
- Encouraging Long-form journalism: The Walkley Literary and Documentary Programs;
- Skills for the future: Scholarships, Fellowships and international media exchanges
- Walkley grants program.

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Directors' report

Awards Programs

The Walkley Foundation has two awards programs, The Walkley Awards and the Mid-Year Awards. It administers awards programs on behalf of other organisations including the Our Watch Awards and the MEAA State Awards.

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.

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:	Angelos Frangopoulos
Title:	Non-Executive Director, Member
Qualifications:	AM, Honorary Doctorate, Charles Sturt University, Graduate AICD, BA Communications Mitchell CAE
Experience and expertise:	<p>Angelos Frangopoulos AM is the CEO and Managing Editor at Australian News Channel Pty Ltd (ANC), the operator of the SKY NEWS services and the leading provider of 24 hour television news services in Australia and New Zealand. ANC is owned by News Corp Australia, a subsidiary of News Corp.</p> <p>Angelos is Chairman of the Australia Day Council of NSW, Chair of the Centre for Media History at Macquarie University, Pro-Chancellor (Sydney) for Charles Sturt University, Deputy Chair of the Walkley Advisory Board, a Director of the Victor Chang Cardiac Research Institute and Australian Subscription Television and Radio Association (ASTRA).</p>
Special responsibilities:	Finance & Audit Committee, Chair Walkley Judging Board

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Directors' report

Information on directors (Cont.)

Name:	Marina Go
Title:	Non-Executive Director
Qualifications:	MBA from Australian Graduate School of Management, BA (Mass Communications), Macquarie University, Graduate AICD
Experience and expertise:	<p>Marina Go is Chair of the Wests Tigers NRL Club, Chair of Office Brands, a non-executive director of Energy Australia, 7-eleven, Pro-Pac, Autosports Group and Ovarian Cancer Australia, Chair of the Advisory Board of the Centre For Media Transition at the University of Technology Sydney, and author of the business book for women, Break Through: 20 Success Strategies for Female Leaders. She was previously Head of Hearst Australia at Bauer Media. Boss magazine named her as one of 20 True Leaders of 2016.</p> <p>Marina has over 25 years of leadership experience in the media industry, having started her career as a journalist. She was appointed Editor of Dolly magazine at the age of 23, before spending the next decade editing a number of leading women's magazines. She has held senior leadership roles at Fairfax, Pacific, Emap, Bauer and Private Media, where she was CEO of news and business websites including Crikey and Smart Company, and founder of the career website Women's Agenda.</p>
Special responsibilities:	Chief Executive Remuneration Committee

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

Name:	Karen Percy
Title:	Non-Executive Director, Member
Qualifications:	Bachelor of Arts.
Experience and expertise:	<p>Karen Percy is a senior reporter with ABC News in Melbourne filing across topics and platforms. Her career, which began with the ABC in Adelaide more than three decades ago, has taken her to Alice Springs, Darwin, Sydney, Bangkok, Moscow and now Melbourne. She has also worked for Channel 10 and the Canadian Broadcasting Corporation. From 2006-2009 she was the ABC's Southeast Asia correspondent, based in Bangkok. In 2010 she went to Moscow and freelanced for a number of agencies including CBC, SBS, Radio France International, Deutsche Welle, ORF in Austria and Radio New Zealand. Karen is currently Treasurer of Women In Media Victoria, a MEAA initiative aimed at supporting women in the workplace. She is also part of the ABC's peer support program which provides support and advice to colleagues experiencing trauma and workplace stress. Karen is vice-president of MEAA's media section.</p>
Special responsibilities:	None

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Directors' report

Information on directors (Cont.)

Name:	Marcus Strom
Title:	Non-Executive Director, Member
Qualifications:	Bachelor of Science (honours - first class) from the University of Sydney
Experience and expertise:	Marcus Strom is president of MEAA Media, Australia's journalist union. He has been a journalist for more than two decades in both Australia and Britain and was a Walkley finalist in 2015 and a finalist for the Eureka Prize for science journalism in 2017. Marcus worked for 13 years at the Sydney Morning Herald in senior roles including deputy foreign editor and morning news director. He was also the chair of the Herald's MEAA committee for almost a decade. Marcus was most recently the Herald's science editor. Marcus is now the science media adviser at the University of Sydney.
Special responsibilities:	Chief Executive Remuneration Committee

Walkley Judging Committee

Walkley Judging Committee are appointed by the Company Directors.

Angelos Frangopoulos AM	Chair, CEO Australian News Channel
Lenore Taylor	Deputy Chair, Editor The Guardian Australia
Natalie Ahmat	Presenter, NITV News
Dennis Atkins	National affairs editor, <i>The Courier Mail</i>
Michael Bachelard	Editor investigations unit, foreign editor, Fairfax Media
Simon Crerar	Editor in-chief, BuzzFeed
Claire Harvey	Deputy editor, <i>The Sunday Telegraph</i>
Patricia Karvelas	Presenter, <i>RN Drive</i> , ABC
Mags King	Managing photo editor, <i>The Sydney Morning Herald</i> , <i>The Australian Financial Review</i>
Deborah Knight	Presenter, <i>Weekend News</i> , Nine
Stella Lauri	Network news director, WIN News
John Lehmann	Editor, <i>The Australian</i>
Mark Mallabone	Deputy editor, <i>The West Australian</i>
Heidi Murphy	Executive producer, <i>Mornings</i> , Radio 3AW
Tory Shepherd	State editor, <i>The Advertiser</i>
Sandra Sully	Presenter, senior editor, <i>TEN Eyewitness News</i> , TEN

Related Party Loan with MEAA

In reference to Note 6 in the Financial Report: Included in the balance of trade and other receivables as at 30 June 2017 was an amount of \$381,091 reported as receivable from Media, Entertainment and Arts Alliance (MEAA). This amount was the subject of an intended formal mediation process between Walkley Foundation Limited and MEAA during the year ended 30 June 2018. However MEAA withdrew from the mediation process and subsequently advised Walkley Foundation Limited that no payment would be made. Walkley Foundation Limited directors have accepted MEAA's position given that MEAA and Walkley Foundation Limited are dedicated to ensuring a positive, co-operative relationship through a renewed operating agreement.

The Operating Agreement will be for a term of five years and for the term of the agreement offer the Walkley Foundation Limited free rental for a secure sole use area that has been re-fitted within the MEAA owned premises including 2 car spaces. MEAA will continue its an annual contribution of \$115,000 per annum, indexed to CPI and cover insurances and support for Walkley Foundation awards, programs and events through its communications. The Walkley Foundation Limited will continue to offer MEAA members free entry into its award programs and offer discounts on events and support through communications.

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Directors' report

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.

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 3 day of December, 2018
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 2018, 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



Charles Oosthuizen
Partner - Audit and Assurance

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**STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018 \$	2017
Revenue	3	2,419,181	2,319,408
Expenses			
Employee benefits expense	4	(1,192,277)	(1,128,551)
Awards Expenses		(415,543)	(439,907)
Events expenses		(189,438)	(173,089)
Innovation Expenses		2,443	(128,695)
Grants Expenses		(148,523)	(64,175)
Service Expenses		(24,026)	(29,418)
Communication Expenses		(120,605)	(107,952)
Office Expenses		(213,890)	(154,546)
Travel expenses		(11,553)	(22,462)
Finance costs		(8,939)	(6,500)
Impairment loss on loan	13(b)	(11,923)	-
Other expenses		(4,047)	(2,302)
Total direct costs		(2,338,321)	(2,257,597)
(Deficit)/surplus before income tax		80,860	61,811
Income tax expense	1(a)	-	-
(Deficit)/surplus for the year		80,860	61,811

The accompanying notes form part of these financial statements.

WALKLEY FOUNDATION LIMITED

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**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018**

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	1,627,561	1,594,452
Trade and other receivables	6	422,085	858,487
Prepayments		93,754	65,163
TOTAL CURRENT ASSETS		<u>2,143,400</u>	<u>2,518,101</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	15,117	2,201
Intangible assets	8	-	1,055
TOTAL NON-CURRENT ASSETS		<u>15,117</u>	<u>3,256</u>
TOTAL ASSETS		<u>2,158,517</u>	<u>2,521,357</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	216,806	395,995
Deferred revenue		1,015,000	774,455
Employee benefits	10	205,460	341,372
TOTAL CURRENT LIABILITIES		<u>1,437,266</u>	<u>1,511,822</u>
NON-CURRENT LIABILITIES			
Employee benefits	10	14,910	11,850
TOTAL NON-CURRENT LIABILITIES		<u>14,910</u>	<u>11,850</u>
TOTAL LIABILITIES		<u>1,452,176</u>	<u>1,523,672</u>
NET ASSETS		<u>706,341</u>	<u>997,685</u>
EQUITY			
Reserves	14	-	372,204
Accumulated surplus	15	706,341	625,481
TOTAL EQUITY		<u>706,341</u>	<u>997,685</u>

The accompanying notes form part of these financial statements.

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**STATEMENT OF CHANGE IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018**

	Reserves \$	Accumulated Surplus \$	Total Equity \$
2017			
Balance at 1 July 2016	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
Balance at 30 June 2017	<u>372,204</u>	<u>625,481</u>	<u>997,685</u>
2018			
Balance at 1 July 2017	372,204	625,481	997,685
Net loss for the year attributable to the Foundation	-	80,860	80,860
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	80,860	80,860
Derecognition of reserve	(372,204)	-	(372,204)
Balance at 30 June 2018	<u>-</u>	<u>706,341</u>	<u>706,341</u>

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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		2,317,005	2,015,258
Interest received		14,582	17,656
Payments to suppliers and employees		(2,269,220)	(1,953,284)
Finance costs		(8,939)	(6,500)
Net cash generated from operating activities		<u>53,428</u>	<u>73,130</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		<u>(20,320)</u>	<u>(2,515)</u>
Net cash used in investing activities		<u>(20,320)</u>	<u>(2,515)</u>
Net increase in cash held		33,108	70,615
Cash and cash equivalents at beginning of financial year		<u>1,594,452</u>	<u>1,523,837</u>
Cash and cash equivalents at end of financial year	5	<u><u>1,627,561</u></u>	<u><u>1,594,452</u></u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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 2018.

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
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

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

(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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

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.

iv) Donations revenue

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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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

(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

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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 3: Revenue

	2018	2017
	\$	\$
Operating activities		
Awards Revenue	1,306,520	1,329,756
Events and Programs Revenue	264,949	297,797
Services Revenue	150,740	180,750
Innovation Revenue	-	185,000
Grants Revenue	291,449	183,176
Communications Revenue	11,744	52,274
Sundry revenue	379,197	72,999
Interest from financial institutions	14,582	17,656
	2,419,181	2,319,408

NOTE 4: Result for the Year

The result for the year includes the following specific expenses:

	2018	2017
	\$	\$
Depreciation and amortization expense		
Depreciation of property, plant and equipment	7,404	314
Amortization of intangible assets	1,055	12,555
	8,459	12,869
Employee benefits expense		
Salaries	886,118	925,807
Annual leave Provision	18,521	6,129
Long service Leave Provision	14,470	45,765
Superannuation	88,344	116,334
Separation and redundancies	176,654	-
Other employee costs	8,170	34,516
	1,192,277	1,128,551
Rental expense on operating leases		
Rent expense - 245 Chalmers St, Redfern	37,584	36,450

NOTE 5: CASH AND CASH EQUIVALENTS

	2018	2017
	\$	\$
Cash at bank and in hand	1,290,189	1,264,988
Term deposits	337,372	329,464
Cash at bank	1,627,561	1,594,452

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 6: ACCOUNTS RECEIVABLE AND OTHER DEBTORS

	Note	2018 \$	2017 \$
Trade receivables		242,276	373,612
Intercompany receivables due from MEAA	13(b)	169,376	92,163
Related party loan due from MEAA	a	8,933	381,136
Other receivables		1,500	11,576
		<u>422,085</u>	<u>858,487</u>

a. Included in the balance of trade and other receivables as at 30 June 2017 was an amount of \$381,091 reported as receivable from Media, Entertainment and Arts Alliance (MEAA). This amount was the subject of an intended formal mediation process between Walkley Foundation Limited and MEAA during the year ended 30 June 2018. However MEAA withdrew from the mediation process and subsequently advised Walkley Foundation Limited that no payment would be made. Walkley Foundation Limited directors have accepted MEAA's position given that MEAA and Walkley Foundation Limited are dedicated to ensuring a positive, co-operative relationship through a renewed operating agreement.

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

	2018 \$	2017 \$
Plant and equipment - at cost	24,766	4,446
Less: Accumulated depreciation	(9,649)	(2,245)
	<u>15,117</u>	<u>2,201</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 2017	2,201
Additions	20,320
Depreciation expense	(7,404)
Balance at 30 June 2018	<u>15,117</u>

NOTE 8: INTANGIBLE ASSET

	2018 \$	2017 \$
Website - at cost	41,850	41,850
Less: Accumulated amortization	(41,850)	(40,795)
	<u>-</u>	<u>1,055</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 2017	1,055
Amortisation expense	(1,055)
Balance at 30 June 2018	<u>-</u>

WALKLEY FOUNDATION LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 9: TRADE AND OTHER PAYABLES

	Note	2018 \$	2017 \$
Trade payables		38,574	148,471
Goods and services tax payable		95,079	42,786
Creditors and accruals		43,946	122,793
Intercompany payables due to Media, Entertainment & Arts Alliance	13(b)	39,207	40,195
GPF Trust - Geraldine Pascall Foundation trust funds liability	13(c)	-	41,750
		216,806	395,995

NOTE 10: EMPLOYEE BENEFITS

	2018 \$	2017 \$
Current		
Annual leave provision	114,600	145,912
Long service Leave provision	90,630	195,230
Other provisions	230	230
	205,460	341,372
Non-current		
Long service Leave provision	14,910	11,850

NOTE 11: CONTINGENT LIABILITIES

The company had no contingent liabilities as at 30 June 2018 (2017: none).

NOTE 12: COMMITMENTS

The company had no commitments for expenditure as at 30 June 2018 (2017: none).

NOTE 13: RELATED PARTY TRANSACTIONS

(a) Key management personnel

The remuneration of the Walkley Foundation Chief Executive Officer has been disclosed below:

	J Park, Walkley Foundation CEO	L Graham, Company Secretary and CEO	Total 2018
Salary	111,412	161,926	273,338
Superannuation	9,615	16,510	26,125
Termination benefits	386,660	-	386,660
Total	507,687	178,436	686,123

Remuneration for the Chief Executive is disclosed as: J.Park total \$507,687 and L.Graham total \$178,436. Note that an additional bonus of \$5,000 was paid to L Graham as a FY2017 accrual.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

(b) Loans to/from related parties- MEAA

	Note	2018 \$	2017 \$
Related party loan due from MEAA	6(a)	381,091	381,091
Increase/(decrease) on related party loan	6(a)	(372,158)	45
Intercompany receivables due from MEAA	6	169,376	92,163
Intercompany payables due to MEAA	9	(39,207)	(40,195)
Balance at 30 June		<u>139,102</u>	<u>433,104</u>

The balance is unsecured and interest-free. Inter-company receivables and payables arose during the year ended 30 June 2018 from the Operating Agreement between MEAA and the Foundation.

Included in the balance of Trade and Other Receivables as at 30 June 2017 is the net balance between MEAA and Walkley Foundation Limited of \$381,136. This amount was the subject of an intended formal mediation process between Walkley Foundation Limited and MEAA during the year ended 30 June 2018. However MEAA withdrew from the mediation process and subsequently advised Walkley Foundation Limited that no payment would be made. Walkley Foundation Limited directors have accepted MEAA's position given that MEAA and Walkley Foundation Limited are dedicated to ensuring a positive, co-operative relationship through a renewed operating agreement.

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

	2018 \$	2017 \$
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 were not consolidated with Walkley since Walkley did not have control. GPF's financial statements are not audited prior to being voluntarily revoked as at 1 June 2018. All the funds owned by GPF trust were donated to Walkley Foundation Limited in 2018.

NOTE 14: RESERVES

	2018 \$	2017 \$
Walkley Foundation Reserve	-	372,204

Refer to commentary at note 6 and within the Directors' Report. The Walkley Foundation reserve has been derecognised as at 30 June 2018.

WALKLEY FOUNDATION LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 15: ACCUMULATED SURPLUS

	2018	2017
Accumulated surplus at the beginning of the financial year	625,481	563,670
Surplus for the year	80,860	61,811
Retained profits at the end of the financial year	<u>706,341</u>	<u>625,481</u>

NOTE 16: EVENT AFTER THE REPORTING DATE

MEAA and Walkley Foundation Limited are dedicated to ensuring a positive, co-operative relationship through a renewed operating agreement. The Operating Agreement will be for a term of five years and for the term of the agreement offer the Walkley Foundation Limited free rental for a secure sole use area that has been re-fitted within the MEAA owned premises including 2 car spaces. MEAA will continue its an annual contribution of \$115,000 per annum, indexed to CPI and cover insurances and support for Walkley Foundation awards, programs and events through its communications. The Walkley Foundation Limited will continue to offer MEAA members free entry into its award programs and offer discounts on events and support through communications.

WALKLEY FOUNDATION LIMITED

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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 19:

- (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 3 day of December 2018

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

Opinion

We have audited the financial report of Walkley Foundation Limited (the Organisation), which comprises the statement of financial position as at 30 June 2018, 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, 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 2018 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 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.

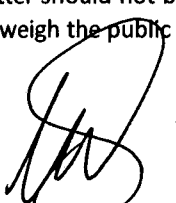
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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.



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

Dated this 3rd day of Dec 2018