

WALKLEY FOUNDATION LIMITED

ABN 99 164 809 349



FINANCIAL REPORT
for the financial year ended 30 June 2020

Walkley Foundation Limited

Financial report for the year ended 30 June 2020

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Walkley Foundation Limited

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Directors' Report

The directors present their report, together with the financial statements, on Walkley Foundation Limited (referred to hereafter as the 'Foundation') for the year ended 30 June 2020.

1. Director details

The following persons were directors of the Foundation during or since the end of the financial year:

Marina Go (Chair)

Michael Janda

Karen Percy

Marcus Strom

Lenore Taylor

Adele Ferguson (Appointed during the year)

Kerry O'Brien (Resigned during the year)

2. 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 the 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 and public talks. They uphold the integrity and credibility of the Walkley processes.

Our mission is to celebrate and support great Australian journalism.

3. 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.

4. Key Strategic Directions

1. Recognise great Australian journalism
2. Lift the craft of journalism through professional development
3. Invest in journalism
4. Ensure organisational health

We do this by:

- Managing the Walkley Awards for Excellence in journalism
- Maintaining and developing a digital archive of award-winning journalism
- Managing scholarships, fellowships and mentoring programs
- Managing masterclasses and training
- Seeking broad based funding to support journalism
- Providing events and networking opportunities for journalist
- Working independently and collaboratively with all media
- Maintaining independence and good governance

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Directors' Report

5. 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, 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.

6. Awards Program

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

7. 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.

8. Auditor's Independence Declaration

The auditor's independence declaration, for the financial year ended 30 June 2020 has been received and can be found on page 8.

9. Information of Directors


	<p>Name: Marina Go</p> <p>Title: Chair, Non-Executive Director</p> <p>Qualifications: MBA from Australian Graduate School of Management, BA (Mass Communications), Macquarie University, MAICD</p> <p>Responsibilities: Chair, Chief Executive Remuneration Committee</p>
Experience:	<p>Marina Go is Chair of Suncorp Super Netball and Ovarian Cancer Australia, a non-executive director of Energy Australia, Autosports Group, 7-Eleven, Pro-Pac, and Booktopia, UNSW Business Advisory Council member, a director of PWC's Diversity Advisory Board, and author of the business book for women, Break Through: 20 Success Strategies for Female Leaders. Marina has over 25 years of leadership experience in the media industry, having started her career as a journalist. She was a founder of the female leadership website Women's Agenda. She is a member of the Australian Institute of Company Directors and CEW.</p>


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Directors' Report

9. Information of Directors (continued)

	<p>Name: Adele Ferguson</p> <p>Title: Non-Executive Director</p> <p>Qualifications: Order of Australia AM</p> <p>Responsibilities: No special responsibilities</p>
Experience:	<p>Adele Ferguson is a multi-award winning journalist and columnist for The Age, The Sydney Morning Herald and The Australian Financial Review. She is a regular guest reporter on ABC's Four Corners and 7.30. She is the author of Banking Bad: Whistleblowers, corporate cover-ups and one journalist's fight for the truth, and the best-selling unauthorised biography Gina Rinehart: The untold story of the richest person in Australian history. Adele Ferguson started her career in journalism at The Advertiser in Adelaide. She has been deputy editor and chief business commentator at BRW magazine and a senior columnist at The Australian. Ms Ferguson has a Bachelor of Economics and a Bachelor of Arts (Honours) from Adelaide University. Her journalism honours include eight Walkleys including the Gold Walkley, a series of Quill awards including two Gold Quill Awards, a series of Kennedy Awards including two Gold Kennedy Awards, a Logie, National Press Club awards including Journalist of the Year, and the Graham Perkin Journalist of the Year award from the Melbourne Press Club. In 2019 Adele Ferguson was appointed a Member of the Order of Australia (AM).</p>


	<p>Name: Michael Janda</p> <p>Title: Non-Executive Director</p> <p>Qualifications: Bachelor of Economics (Social Sciences) Hon I and a Bachelor of Laws Degree.</p> <p>Responsibilities: Finance, Audit and Risk Committee Member</p>
Experience:	<p>Michael Janda has worked at the ABC for more than a decade across 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 has also worked as a reporter and producer for The Business and as a business and economics reporter for PM, The World Today and AM, and remains a regular contributor to the ABC's finance coverage on TV and radio. Michael is also vice-president of MEAA's media section.</p>


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Financial report for the year ended 30 June 2020

Directors' Report

9. Information of Directors (continued)

	<p>Name: Karen Percy</p> <p>Title: Non-Executive Director</p> <p>Qualifications: Bachelor of Arts</p> <p>Responsibilities: No special responsibilities</p>
Experience:	<p>Karen Percy is a senior multi-platform journalist at the Australian Broadcasting Corporation in Melbourne, with more than 30 years' experience, currently covering court/legal issues. She served as an ABC foreign correspondent based in Bangkok from 2006 and as a freelance correspondent based in Moscow from 2010-2013. She also worked for the Canadian Broadcasting Corporation from 1996 to 2002. Karen is the Co Vice President of the Media section of the Media Entertainment and Arts Alliance. She is dedicated to raising awareness about the impacts of trauma in media workers as well as advocating for a trauma-informed approach to journalism. She has worked closely with Women In Media Victoria to assist women in the industry.</p>

	<p>Name: Marcus Strom</p> <p>Title: Non-Executive Director, Member</p> <p>Qualifications: Bachelor of Science (honours - first class) from the University of Sydney</p> <p>Responsibilities: Chief Executive Remuneration Committee</p>
Experience:	<p>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.</p>

	<p>Name: Lenore Taylor</p> <p>Title: Non-Executive Director</p> <p>Responsibilities: Chair of the Walkley Judging Board</p>
Experience:	<p>Lenore Taylor is the editor of Guardian Australia. Over almost three decades of political reporting, she has won two Walkley awards and twice won the Paul Lyneham Award for excellence in press gallery journalism. She was the Australian Financial Review's Europe correspondent in the early 2000s. She co-authored the book <i>Shitstorm: Inside Labor's Darkest Days</i>, which examined the Rudd government's response to the global economic crisis.</p>

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Directors' Report

10. Walkley Judging Board

Lenore Taylor	Chair, Editor, The Guardian Australia
Claire Harvey	Deputy chair, Deputy editor, The Sunday Telegraph
Natalie Ahmat	Presenter, NITV News
Michael Bachelard	Editor investigations unit, foreign editor, Fairfax Media
Patricia Karvelas	Presenter, RN Drive, ABC
Mags King	Managing photo editor, Sydney Morning Herald, Australian Financial Review
Deborah Knight	Presenter, Weekend News, Nine
Stella Lauri	Network news director, WIN News
John Lehmann	Commercial director & managing editor, The Australian
Mark Mallabone	Deputy editor, The West Australian
Heidi Murphy	Executive producer, Mornings, Radio 3AW
Tory Shepherd	Journalist, The Advertiser
Michael Brissenden	Journalist, ABC
Hamish Macdonald	Presenter, Q&A, Radio National Breakfast, ABC
Bhakthi Puvanenthiran	Editor, ABC Life

11. Contributions on winding up

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

Signed in accordance with a resolution of the Board of Directors:

Director: Marina Go

Dated: 26/08/2020

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER S60-40 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT
TO THE DIRECTORS OF WALKLEY FOUNDATION LIMITED**

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act, as lead auditor for the audit of Walkley Foundation Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

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

Name of Firm: 
Moore Australia Audit (NSW)

Name of Partner: 
Charles Oosthuizen

Date: 26 August 2020

Address: Level 7, 9 Castlereagh Street, Sydney NSW 2000

Walkley Foundation Limited

Financial report for the year ended 30 June 2020

Statement of Profit or Loss and Other Comprehensive Income

Figures in Australian Dollars	Notes	2020	2019
Income	2	<u>2,049,797</u>	<u>3,390,345</u>
Expenses			
Employee benefits expense	3	(978,931)	(1,070,946)
Awards expenses		(228,209)	(443,212)
Office expenses		(218,388)	(232,680)
Events and programs expenses		(115,031)	(191,763)
Communication expenses		(71,270)	(138,373)
Grant expenses		(89,031)	(89,749)
Training program expenses		(14,614)	(74,900)
Service expenses		(4,311)	(71,651)
Digitisation expenses		(20,674)	(38,640)
Finance costs		(3,215)	(8,392)
Travel expenses		(16,982)	(15,202)
Other expenses		(6,347)	(6,329)
		<u>(1,767,003)</u>	<u>(2,381,837)</u>
Surplus before tax	3	<u>282,794</u>	<u>1,008,508</u>
Tax expense		-	-
Surplus for the year		<u>282,794</u>	<u>1,008,508</u>

The accompanying notes form part of these financial statements

Walkley Foundation Limited

Financial report for the year ended 30 June 2020

Statement of Financial Position as at 30 June 2020

Figures in Australian Dollars	Notes	2020	2019
Assets			
Current Assets			
Cash and cash equivalents	4	2,729,161	2,218,099
Trade and other receivables	5	1,279,344	2,878,300
Prepayments		44,989	31,030
Total Current Assets		4,053,494	5,127,429
Non-current Assets			
Property, plant and equipment	6	36,905	71,494
Total Non-current Assets		36,905	71,494
Total Assets		4,090,399	5,198,923
Liabilities			
Current Liabilities			
Trade and other payables	7	159,813	440,904
Deferred revenue		790,989	581,349
Program liability	8	922,533	2,283,091
Provisions	9	218,381	166,890
Total Current Liabilities		2,091,716	3,472,234
Non-current Liabilities			
Provisions	9	1,040	11,840
Total Non-current Liabilities		1,040	11,840
Total Liabilities		2,092,756	3,484,074
Net Assets		1,997,643	1,714,849
Equity			
Accumulated surplus		1,997,643	1,714,849
Total Equity		1,997,643	1,714,849

The accompanying notes form part of these financial statements

Walkley Foundation Limited

Financial report for the year ended 30 June 2020

Statement of Changes in Equity as at 30 June 2020

Figures in Australian Dollars	Accumulated surplus	Total equity
Balance at 1 July 2018	706,341	706,341
Surplus for the year	1,008,508	1,008,508
Balance at 30 June 2019	1,714,849	1,714,849
Balance at 1 July 2019	1,714,849	1,714,849
Surplus for the year	282,794	282,794
Balance at 30 June 2020	1,997,643	1,997,643

The accompanying notes form part of these financial statements

Walkley Foundation Limited

Financial report for the year ended 30 June 2020

Statement of Cash Flows

Figures in Australian Dollars	Notes	2020	2019
Cash flows from operating activities			
Receipts from customers and funders		5,881,677	3,151,724
Payments to suppliers, employees and grant recipients		(5,397,291)	(2,482,680)
Interest received		38,026	3,809
Finance costs		(3,215)	(8,392)
Net cash flows from operating activities		519,197	664,461
Cash flows from investing activities			
Purchase of property, plant and equipment		(8,135)	(73,923)
Net cash flows from investing activities		(8,135)	(73,923)
Net change in cash and cash equivalents		511,062	590,538
Cash and cash equivalents at the beginning of the year		2,218,099	1,627,561
Cash and cash equivalents at the end of the year	4	2,729,161	2,218,099

The accompanying notes form part of these financial statements

Walkley Foundation Limited

Financial report for the year ended 30 June 2020

Notes to the Financial Statements

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements cover Walkley Foundation Limited (the Foundation) as an individual entity. The Foundation is incorporated and domiciled in Australia.

The financial statements were authorised for issue by the Directors on 26 August 2020.

(a) 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 of the Australian Accounting Standards Board and the Australian Charities and Not-for-profits Commission Act. The Foundation is not-for-profit for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

(b) Income tax

As the Foundation 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.

(c) Property, plant and equipment

Property, 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 property, plant and equipment is depreciated over the useful lives of the assets commencing from the time the asset is held ready for use.

Depreciation on other assets is calculated on a straight-line basis over the estimated useful life of the specific assets as follows:

Plant and equipment	2 to 3 years
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Depreciation is recognised immediately in surplus or deficit.

Walkley Foundation Limited

Financial report for the year ended 30 June 2020

Notes to the Financial Statements

(d) Revenue and other income

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

Revenue is measured at the fair value of the consideration received or receivable and 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 and award revenue

Sponsorship revenue is recognised in the statement profit or loss and other comprehensive income on an accrual 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 and entry fees from the Foundation's awards, conferences and programs and is recognised when the event takes place.

iv) Donation and bequest revenue

Donations and bequests 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.

(e) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

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Notes to the Financial Statements

(f) Provisions

Provisions are recognised when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting period date. If the effect of the time value of money is material, provisions are discounted using a pre-tax discount rate that reflects the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost in surplus or deficit.

(g) Employee benefits

Short-term employee benefits

Provision is made for the liability for employee benefits arising from services rendered by employees to end of the reporting period date. Employee benefits expected to be settled within one year, together with entitlements arising from wages and salaries and annual leave which will be settled after one year, are measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Other employee benefits payable later than one year are measured at the present value of the estimated future cash outflows to be made for those benefits.

Long-term employee benefits

The Foundation classifies employees' long service leave as long-term employee benefits, when they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the Foundation's obligation for other long-term employee benefits, which is measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in surplus or deficit as part of employee benefit expense.

The Foundation's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where they do not have an unconditional right to defer settlement for at least 12 months after the reporting date, in which case the obligations are presented as current provisions.

Retirement benefit obligations

All employees of the Foundation receive defined contribution superannuation entitlements, for which the Foundation pays the fixed superannuation guarantee contribution to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The Foundation's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as part of current trade and other payables in the Foundation's statement of financial position.

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Financial report for the year ended 30 June 2020

Notes to the Financial Statements

(h) Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Foundation becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVPL)
- equity instruments at fair value through other comprehensive income (FVOCI)
- debt instruments at fair value through other comprehensive income (FVOCI)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Classifications are determined by both:

- The entity's business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables, which is presented within other expenses.

Classification and measurement of financial liabilities

As the accounting for financial liabilities remains largely unchanged from AASB 139, the Foundation's financial liabilities were not impacted by the adoption of AASB 9. However, for completeness, the accounting policy is disclosed below.

The Foundation's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Foundation designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

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Financial report for the year ended 30 June 2020

Notes to the Financial Statements

(h) Financial instruments (continued)

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Subsequent measurement financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Foundation's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as government bonds that were previously classified as held-to-maturity under AASB 139.

Financial assets at fair value through profit or loss (FVPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply (see below).

Equity instruments at fair value through other comprehensive income (Equity FVOCI)

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under Equity FVOCI, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividend from these investments continue to be recorded as other income within the profit or loss unless the dividend clearly represents return of capital.

Debt instruments at fair value through other comprehensive income (Debt FVOCI)

Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of collecting the contractual cash flows and selling the assets are accounted for at debt FVOCI.

Any gains or losses recognised in OCI will be reclassified to profit or loss upon derecognition of the asset. This category includes corporate bonds that were previously classified as 'available-for-sale' under AASB 139.

(i) Accounts receivable

Accounts receivable and other debtors include amounts due to the Foundation 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

(j) Accounts payable

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Foundation 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) 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.

(l) 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 surplus or deficit.

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Notes to the Financial Statements

Figures in Australian Dollars	2020	2019
2 Income		
Revenue comprises of:		
Sponsorship and award revenue	1,275,713	1,608,546
Donation and bequest revenue	129,934	1,033,685
Service revenue	360,581	323,376
Events and programs revenue	59,713	154,138
Training program revenue	29,167	121,660
Digitisation revenue	22,000	68,900
Grant revenue	5,000	56,211
Sundry revenue	7,640	17,491
Communication revenue	23	2,529
Other income comprises of:		
Interest from financial institutions	38,026	3,809
Government stimulus packages	122,000	-
	2,049,797	3,390,345
3 Results for the year		
Results for the year were derived after accounting for the following specific items:		
Depreciation and amortisation	42,724	17,456
Employee benefits expense comprising of:		
Salaries	793,840	907,144
Leave provision adjustments	40,921	(41,640)
Superannuation	89,153	91,156
Separation and redundancies	-	58,108
Other employee costs	55,017	56,178
	978,931	1,070,946
4 Cash and cash equivalents		
Term deposits	802,949	497,372
Bank balances	1,926,212	1,720,727
	2,729,161	2,218,099
5 Trade and other receivables		
Current assets		
Trade receivables	1,255,344	2,814,228
Related party receivables due from MEAA	-	64,072
Sundry receivables	24,000	-
	1,279,344	2,878,300

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Notes to the Financial Statements

Figures in Australian Dollars 2020 2019

6 Property, plant and equipment

Plant and equipment - at cost	106,824	98,689
Plant and equipment - accumulated depreciation	(69,919)	(27,195)
	<u>36,905</u>	<u>71,494</u>

Movements in carrying amounts of property, plant and equipment

As at 30 June 2020	Opening balance	Additions	Depreciation and amortisation	Closing balance
Plant and equipment	71,494	8,135	(42,724)	<u>36,905</u>

7 Trade and other payables

Current liabilities

Trade payables	2,298	32,086
GST payable	90,165	298,292
Accrued expenses	67,350	71,694
Related party payables due to MEAA	-	38,832
	<u>159,813</u>	<u>440,904</u>

8 Program liability

Current liability	<u>922,533</u>	<u>2,283,091</u>
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In April 2019, under the terms of various service agreements, organisations have engaged the Walkley Foundation to manage programs, some of which are projected to continue into the next financial year. The organisations have provided funding to the Walkley Foundation which is required to be used for services such as marketing the program, managing staff, processes, events and in some instances involve distributing funds to participants in the program. This liability account represents the balance of unspent funds which will be distributed early in the next financial year.

9 Provisions

Current liabilities

Provision for employee benefits	<u>218,381</u>	<u>166,890</u>
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Non-current liabilities

Provision for employee benefits	<u>1,040</u>	<u>11,840</u>
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Analysis of provisions:

As at 30 June 2020	Opening balance	Net additional amounts raised	Closing balances
Provisions for:			
Employee benefits	178,730	40,691	219,421

Walkley Foundation Limited

Financial report for the year ended 30 June 2020

Notes to the Financial Statements

Figures in Australian Dollars 2020 2019

10 Commitments

MEAA obligations to the Foundation

The Foundation entered into an agreement with MEAA, effective from 1 July 2018 to 30 June 2023, whereby MEAA will provide the Foundation with:

- secure office space for the duration of the agreement;
- two underground car parking spaces;
- insurance coverage under MEAA insurance policies;
- \$100,000 per annum for communications activities to be indexed by CPI; and
- \$15,000 per annum as a contribution to Walkley-run conferences, seminars and workshops to be indexed by CPI.

Grant commitments

The Foundation has entered into several agreements, under varying terms and conditions, whereby it is committed to future grant payments totalling a maximum of \$109,051 (2019: \$17,178).

11 Related parties

The Foundation's main related parties are as follows:

Trustee

The Foundation's trustee is Media Entertainment and Arts Alliance (MEAA).

Key management personnel

The Chief Executive Officer and Secretary of the Foundation.

Related party balances and transactions

Receivables from/(payables to) related parties

Receivables due from MEAA	153,703	64,072
Payables due to MEAA	-	(38,832)
	<u>153,703</u>	<u>25,240</u>

Transactions with related parties

Income from MEAA partnership value contribution	117,530	116,783
Income from MEAA management fees and reimbursements	78,773	-
Expenses charged by MEAA	2,523	37,931

Key management personnel remuneration

Gross remuneration	193,893	172,315
Superannuation	19,516	18,093
	<u>213,409</u>	<u>190,408</u>

* Note that in addition to the above gross remuneration, bonuses of \$13,515 (2019: \$17,187) were accrued to key management personnel at the end of the reporting period.

Walkley Foundation Limited

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2019

12 Impact of COVID-19

The COVID-19 pandemic has developed rapidly in 2020, with a significant number of cases recorded in Australia. Measures taken by various governments to contain the virus have affected economic activity. The Foundation has taken a number of measures to monitor and mitigate the effects of COVID-19, such as implementing safety and health measures for its people (such as social distancing and working from home) and securing the supply of services that are essential to the Foundation such as IT, Human Resources and Financial Services. At this stage, the impact on the Foundation's business and results has not been significant. If the lockdown restrictions imposed by COVID-19 continue revenue from future events and sponsorship is likely to be affected, although the Foundation has reasonable reserves to carry it through 2021 and 2022. The Foundation will continue to deliver events on-line and offer stakeholder engagement through virtual activities. We will also monitor costs and operational activities, making adjustments where necessary as we follow the various government policies and advice. We will do our utmost to continue operations in the best and safest way possible without jeopardising the health of our people. The Board is of the view that the Foundation continues to be a going concern on the basis that it has in excess of \$2m cash reserves and has approved a budget for the next financial year which has a \$250k deficit.

13 Events after the reporting period

The ongoing significance of COVID-19, as referred to in Note 12 above, is not expected to have an impact on the Foundation as a going concern. Whilst it is expected to have an impact on events such as the Walkley Awards, management is taking action to mitigate any substantial financial impact in the future. No other matters or circumstances have arisen since the end of the reporting period which have significantly affected or could significantly affect the operations of the Foundation, the results of those operations, or the state of affairs of the Foundation in future financial years.

Walkley Foundation Limited

Financial report for the year ended 30 June 2020

Directors' Declaration

In accordance with a resolution of the Directors of Walkley Foundation Limited, the Directors of the Foundation declare that:

1. In the opinion of the Directors, responsible for the financial report as set out on pages 1 to 22:
 - a. there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they become due and payable; and
 - b. the financial report and notes satisfy the requirements of the Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Act.

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

Director: *Marina Go*

Dated: 26/08/2020

INDEPENDENT AUDITOR'S REPORT

To the members of Walkley Foundation Limited

Opinion

We have audited the financial report of Walkley Foundation Limited, which comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Walkley Foundation Limited, is in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act, including:

- (a) giving a true and fair view of the Foundation's financial position as at 30 June 2020, and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and Division 60 of the Australian Charities and Not-for-profits Commission Act.

Basis for Opinion

We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (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 confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Emphasis of Matter - Impact of COVID-19

We draw your attention to Note 12, which indicates the significance of the matters surrounding COVID-19 and the impact thereof on the Foundation. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance

Management and those charged with governance of the Foundation are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Act and for such internal control as they determine 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility

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 the 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 this 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:

- 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.
- 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and those charged with governance.
- 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 Foundation'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 Foundation to cease to continue as a going concern.
- 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.



MOORE

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.

Moore Australia

Name of Firm: Moore Australia Audit (NSW)

[Signature]

Name of Partner: _____
Charles Oosthuizen

Date: 26 August 2020

Address: Level 7, 9 Castlereagh Street, Sydney NSW 2000