

**Watarrka Foundation Limited  
(formerly Lilla Foundation Limited)**

**Financial Statements**

**For the Year Ended 30 June 2016**

# Watarrka Foundation Limited

For the Year Ended 30 June 2016

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# Watarrka Foundation Limited

## For the Year Ended 30 June 2016

The directors of the company present the financial statements for Watarrka Foundation Limited (formerly Lilla Foundation Limited) for the year ended 30 June 2016. The company decided to change its name from Lilla Foundation Limited to Watarrka Foundation Limited with effect from 11 July 2016.

### Directors

The following persons held office as directors of the company during the period and up to the date of this report:

Mr Richard Ramsden

Mr Campbell Hudson

Mr Paul Jensen

Mr Jonathan Trollip

### Principal Activities

The principal activity of the company is to raise funds to send to the Aboriginal community in the Northern Territory. The foundation supplies goods and services required by the Aboriginal communities which are funded by the donations received.

### Review of Operations

The net surplus of the company for the year ended 30 June 2016 was \$14,259 (2015: net deficit \$21,688).

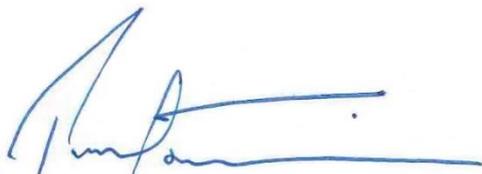
### Matters Subsequent to the End of the Period

There have been no events occurring subsequent to the end of the period which would have a material impact on the financial position of the company as at year end.

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

### Paul Jensen

Director



Sydney, NSW

Dated: 24 January 2017

# Watarrka Foundation Limited

## Statement of Comprehensive Income

For the Year Ended 30 June 2016

		2016	2015
	Note	\$	\$
Revenue	2	121,592	25,352
Cost of Sales: Community Support Expenses		(92,283)	(44,486)
Gross Profit		29,309	(19,134)
Other expenses from ordinary activities		(15,050)	(2,554)
<b>Net surplus / (deficit) for the year</b>		<b>14,259</b>	<b>(21,688)</b>

The accompanying notes form part of these financial statements.

# Watarrka Foundation Limited

## Statement of Financial Position

As at 30 June 2016

	Note	2016 \$	2015 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	39,773	32,971
Other receivables		9,867	2,301
<b>Total Current Assets</b>		<b>49,640</b>	<b>35,272</b>
<b>TOTAL ASSETS</b>		<b>49,640</b>	<b>35,272</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	6	2,714	2,605
<b>Total Current Liabilities</b>		<b>2,714</b>	<b>2,605</b>
<b>TOTAL LIABILITIES</b>		<b>2,714</b>	<b>2,605</b>
<b>NET ASSETS</b>		<b>46,926</b>	<b>32,667</b>
<b>Equity</b>			
Retained earnings		46,926	32,667
<b>TOTAL Equity</b>		<b>46,926</b>	<b>32,667</b>

The accompanying notes form part of these financial statements.

# Watarrka Foundation Limited

## Statement of Cash Flows

For the Year Ended 30 June 2016

		2016	2015
	Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from donors		113,901	28,800
Payments to suppliers and employees		(107,224)	(49,897)
Interest received		125	87
<b>Net cash provided by / (used in) by operating activities</b>	9	<u>6,802</u>	<u>(21,010)</u>
<b>Net increase / (decrease) in cash held</b>		<b>6,802</b>	<b>(21,010)</b>
Cash at beginning of the year		<u>32,971</u>	<u>53,981</u>
<b>Cash and cash equivalents at end of the year</b>	5	<u><u>39,773</u></u>	<u><u>32,971</u></u>

The accompanying notes form part of these financial statements.

# Watarrka Foundation Limited

## Statement of Changes in Equity For the Year Ended 30 June 2016

	Retained Earnings	Total
	\$	\$
<b>Balance at 1 July 2014</b>	54,355	54,355
Deficit for the year	<u>(21,688)</u>	<u>(21,688)</u>
<b>Balance at 30 June 2015</b>	<u><b>32,667</b></u>	<u><b>32,667</b></u>
<b>Balance at 1 July 2015</b>	32,667	32,667
Surplus for the year	<u>14,259</u>	<u>14,259</u>
<b>Balance at 30 June 2016</b>	<u><b>46,926</b></u>	<u><b>46,926</b></u>

The accompanying notes form part of these financial statements.

# Watarrka Foundation Limited

## Notes to the Financial Statements (cont)

For the Year Ended 30 June 2016

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the needs of members.

The financial statements have been prepared in accordance with the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of the statements are as follows:

#### Accounting Policies

**a. Revenue**

Revenue arising from donations is recognised on a cash receipts basis.

All revenue is stated net of GST.

**b. Income Tax**

The Company is exempt from income tax as a charitable entity under subdivision 30-B of The Income Tax Assessment Act 1997 (Cth). This exemption is to be reviewed annually.

**c. Other Creditors**

These amounts represent liabilities for goods and services provided to Watarrka Foundation Limited prior to the end of the period and which are unpaid.

**d. 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 three months or less, and bank overdrafts.

**e. Financial Instruments**

**Recognition**

Financial instruments and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

**f. Critical Accounting Estimates and Judgements**

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

There were no estimates incorporated into the financial statements at 30 June 2016.

# Watarrka Foundation Limited

## Notes to the Financial Statements (cont)

For the Year Ended 30 June 2016

### NOTE 2: REVENUE

	2016	2015
	\$	\$
Cash Revenue from Operating Activities		
— Donations	121,467	25,265
— Other income	125	87
<b>Total Revenue</b>	<b>121,592</b>	<b>25,352</b>

### NOTE 3: SURPLUS FOR THE YEAR

#### a. Significant Revenue and Expense

The following significant revenue and expense item is relevant in explaining the financial performance:

Donations	121,467	25,265
<b>Total Revenue</b>	<b>121,467</b>	<b>25,265</b>

Cost of Sales: Community Support Expense	(92,283)	(44,486)
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### NOTE 4: AUDITOR'S REMUNERATION

The audit of the financial statements has been conducted by RSM Australia Pty Ltd.

RSM Australia Pty Ltd have not charged a fee for this service.

RSM Australia Pty Ltd provided no other services during the period.

### NOTE 5: CASH AND CASH EQUIVALENTS

Cash at bank	39,773	32,971
	<b>39,773</b>	<b>32,971</b>

### NOTE 6: TRADE AND OTHER PAYABLES

Accounts payable	2,714	2,605
	<b>2,714</b>	<b>2,605</b>

### NOTE 7: SEGMENT REPORTING

The Company operates in one business and geographical segment, being a charitable institution to raise funds for goods and services for the Aboriginal communities in the Northern Territory.

# Watarrka Foundation Limited

## Notes to the Financial Statements (cont)

For the Year Ended 30 June 2016

### NOTE 8: DIRECTORS' REMUNERATION

The constitution of Watarrka Foundation Limited (formerly Lilla Foundation Limited) does not permit the payment of any fees to a Director for performing that person's duties and responsibilities as a Director. Accordingly, no director of the company received, or was due to receive remuneration directly or indirectly for the year ended 30 June 2016.

### NOTE 9: CASH FLOW INFORMATION

	2016	2015
	\$	\$
<b>Reconciliation of Cash Flow from Operations with Surplus/(Deficit)</b>		
Surplus/(Deficit) for the year	<u>14,259</u>	(21,688)
Changes in assets and liabilities:		
Decrease/(Increase) in other receivables	(7,566)	3,535
(Decrease)/Increase in trade and other payables	<u>109</u>	(2,857)
<b>Net cash provided by / (used in) operating activities</b>	<u><u>6,802</u></u>	<u><u>(21,010)</u></u>

### NOTE 10: EVENTS AFTER THE REPORTING DATE

There have been no events occurring subsequent to the end of the period which would have a material impact on the financial position of the Company as at year end.

### NOTE 11: COMPANY DETAILS

The registered office and principal place of business of the company is 43 Spicer Crescent, Araluen NT. Its principal activities are to raise funds to purchase and distribute goods and services for the Aboriginal community in the Northern Territory.

### NOTE 12: RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. Transactions with related parties:

Cost of Sales paid to a Director related entity - Remote Tours Pty Limited	23,743	13,501
	<u>23,743</u>	<u>13,501</u>

# Watarrka Foundation Limited

## Directors' Declaration

### For the Year Ended 30 June 2016

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

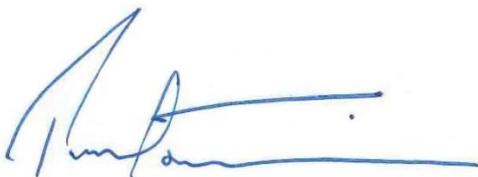
The directors of the company declare that:

1. the financial statements and notes, as set out on pages 4 to 10, present fairly the company's financial position as at 30 June 2016 and its performance for the period ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

**Paul Jensen**

Director



Sydney, NSW

Dated: 24 January 2017

**RSM Australia Pty Ltd**

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

We have audited the accompanying financial report, being a special purpose financial report, of Watarrka Foundation Limited, which comprises the statement of financial position as at 30 June 2016 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors declaration.

*Director's Responsibility for the Financial Report*

The directors responsible for the preparation of the financial report, and have determined that the basis of preparation described in Note 1, is appropriate to meet the needs of the members. The director's responsibility also includes such internal control as the director's determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

### *Independence*

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

### *Basis for Qualified Opinion*

Cash donations are a significant source of fundraising income for Watarrka Foundation Limited. The company has determined that it is not practical to establish control over the collection of cash donations prior to entry into its financial records. Accordingly, as the evidence available to us regarding revenue from this source was limited, our audit procedures with respect to cash donations had to be restricted to the amounts recorded in the financial records. We therefore are unable to express a conclusion as to whether cash donations of the company recorded are complete.

### *Qualified Opinion*

In our opinion, with the exception of the matter described in the preceding paragraph, the financial report presents fairly, in all material respects, the financial position of Watarrka Foundation Limited as of 30 June 2016 and its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financials.

### *Basis of accounting*

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Watarrka Foundation Limited to meet the requirements of the members. As a result, the financial report may not be suitable for another purpose.



**RSM AUSTRALIA PTY LTD**



**C J Hume**  
Director

Sydney, NSW  
Dated: 24 January 2017