

THE BRETT WHITELEY FOUNDATION

ACN 068 008 837

**ANNUAL REPORT
FOR THE YEAR ENDED
30-June-2015**

I certify that this document (numbered pages 1 to 14 for identification) is a true copy of all accounts required to be laid before the company at the Annual General Meeting, together with a copy of every other document which is required under Section 316 to be laid before the Annual General Meeting.



Secretary

John Wicks

Dated 16 October 2015

THE BRETT WHITELEY FOUNDATION

ACN 068 008 837

DIRECTORS' REPORT

Your directors submit the financial report for the year ended 30th June, 2015

Directors

The names of the directors in office at date of this report are:

Mr. John Meacock (Chairman)
Ms. Wendy Whiteley
Ms. Anna Schwartz
Mr. Brian Ladd
Ms. Jane Wynter (resigned June 2015)
Mr. Wayne Tunncliffe (appointed June 2015)

Principal activities

The principal activities of the company were the promotion and encouragement of knowledge and appreciation of the work of Brett Whiteley.

There has been no change in the nature of these activities since incorporation of the company.

Operating results

The net result of the company for the financial year was

(24,064)

The Company is exempt from income tax.

Information on Directors

Meetings
Attended

| | | |
|-------------------------------|---|---|
| John Meacock | Chief Strategy Officer, Deloitte Independent Member and Chairperson of the Board of the Brett Whiteley Foundation | 2 |
| Wendy Whiteley | Art Consultant | 2 |
| Anna Schwartz | Art Gallery Owner | 2 |
| Jane Wynter | Head of Philanthropy, Art Gallery of NSW | 2 |
| Brian Ladd | Former Head, Public Programmes Department, Art Gallery of NSW | 1 |
| Wayne Tunncliffe | Head curator, Australian Art, Art Gallery of NSW | 1 |
| Total number of meeting held: | | 2 |

Directors and Auditors Indemnification

The company has not, during or since the end of the financial year, in respect of any person who is or has been an officer or auditor of the company.

- * indemnified or made any relevant agreement for indemnifying against a liability incurred as officer, including costs and expenses in successfully defending legal proceedings: or
- * paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings.

Directors' benefits

With the exception of the matter mentioned in Note 7 no director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company with a director, a firm in which the director is a member or an entity in which the director has a substantial financial interest.

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on the next page.

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


John Meacock
Chairman


Wayne Tunncliffe
Director

Dated 16 October 2015



To the Directors
The Brett Whiteley Foundation

Auditor's Independence Declaration

As auditor for the audit of the financial statements of the Brett Whiteley Foundation for the year ended 30 June 2015, I declare, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit
- any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read "A. T. Whitfield".

A T Whitfield
Acting Auditor-General

16 October 2015
SYDNEY

THE BRETT WHITELEY FOUNDATION

ACN 068 008 837

DIRECTORS' STATEMENT

STATEMENT IN ACCORDANCE WITH SECTION 41C(1C) OF THE *PUBLIC FINANCE AND AUDIT ACT, 1983*

In accordance with a resolution of the Board of Directors of the Brett Whiteley Foundation, we state that:

- (a) The accompanying financial statements have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, the applicable clauses of the Public Finance and Audit Regulation 2015, applicable Australian Accounting Standards, other mandatory reporting requirements and the Treasurer's Directions;
- (b) The financial statements and notes thereto exhibit a true and fair view of the financial position as at 30 June 2015 and the operations for the year then ended;
- (c) At the date of signing we are not aware of circumstances that would render the financial statements misleading or inaccurate;
- (d) The financial statements have been properly drawn up and the associated records have been properly kept for the period from 1 July 2014 to 30 June 2015, in accordance with the *Charitable Fundraising Act 1991 (NSW)* and Regulations; and
- (e) Money received as a result of fundraising activities conducted during the period from 1 July 2014 to 30 June 2015 has been properly accounted for and applied in accordance with the *Charitable Fundraising Act 1991 (NSW)* and Regulations.


.....
John Meacock
CHAIRMAN


.....
Wayne Tunnicliffe
DIRECTOR

Dated 16 October 2015

THE BRETT WHITELEY FOUNDATION

ACN 068 008 837

DIRECTORS' DECLARATION

The directors declare that:

- (a) the attached financial statements and notes thereto comply with Australian Accounting Standards and other mandatory professional reporting requirements;
- (b) the attached financial statements and notes thereto give a true and fair view of the financial position and performance of the company;
- (c) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001* and the Corporation Regulation 2001; and
- (d) 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.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the *Corporations Act 2001*.

On behalf of the Directors,



.....
John Meacock
CHAIRMAN



.....
Wayne Tunnicliffe
DIRECTOR

Dated 16 October 2015

THE BRETT WHITELEY FOUNDATION

ACN 068 008 837

Australian Charities and Not-for-profits Commission Act 2012 Declaration

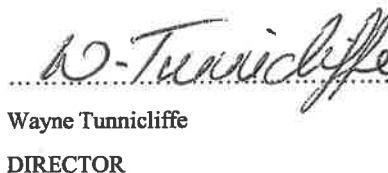
In accordance with a resolution of the Board of Directors of the Brett Whiteley Foundation, we state that:

- a) The financial statements and notes of the Brett Whiteley Foundation are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including giving a true and fair view of its financial position as at 30 June 2015 and of its performance for the financial year ended on that date.
- b) The Brett Whiteley Foundation complies with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Australian Charities and Not-for-profits Commission Regulation 2013.
- c) There are reasonable grounds to believe that the Brett Whiteley Foundation will be able to pay its debts as and when they become due and payable.
- d) the attached financial statements and notes thereto comply with Australian Accounting Standards and other mandatory professional reporting requirements;
- e) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001* and the Corporations Regulations 2001; and
- f) 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.



.....

John Meacock
CHAIRMAN



.....

Wayne Tunncliffe
DIRECTOR



.....

John Wicks
SECRETARY & DIRECTOR
FINANCE & COMMERCIAL OPERATIONS / CFO

Dated: 16 October 2015

THE BRETT WHITELEY FOUNDATION
ACN 068 008 837
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

| | Note | Actual 2015 \$ | Actual 2014 \$ |
|--|------|------------------------|-------------------------|
| Expenses excluding losses | | | |
| Operating expenses | | | |
| Cost of goods sold | | - | 15,646 |
| Other expenses | 2 | <u>101,672</u> | <u>89,832</u> |
| Total expenses excluding losses | | <u>101,672</u> | <u>105,478</u> |
| Revenue | | | |
| Sale of goods and services | 3 | - | 40,712 |
| Interest revenue | | 77,608 | 52,963 |
| Donations | | - | 1,100,000 |
| Other Revenue | | - | <u>1,253</u> |
| Total revenue | | <u>77,608</u> | <u>1,194,928</u> |
| Net Result | | <u>(24,064)</u> | <u>1,089,450</u> |
| Other comprehensive income for the year | | - | - |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | <u>(24,064)</u> | <u>1,089,450</u> |

The accompanying notes form part of these financial statements

THE BRETT WHITELEY FOUNDATION

ACN 068 008 837

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2015

| | Note | Actual 2015 \$ | Actual 2014 \$ |
|----------------------------------|-------------|-------------------------------|-------------------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 4 (a) | 2,470,200 | 2,445,269 |
| Trade and other receivables | 4 (b) | 2,013 | 10,469 |
| Inventories | 1(j) | - | 41,036 |
| Total current assets | | <u>2,472,213</u> | <u>2,496,774</u> |
| Total assets | | <u>2,472,213</u> | <u>2,496,774</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 4 (c) | <u>14,126</u> | 14,623 |
| Total current liabilities | | <u>14,126</u> | <u>14,623</u> |
| Total liabilities | | <u>14,126</u> | <u>14,623</u> |
| NET ASSETS | | <u>2,458,087</u> | <u>2,482,151</u> |
| Equity | | | |
| Accumulated funds | 1 (f) | <u>2,458,087</u> | <u>2,482,151</u> |
| TOTAL EQUITY | | <u>2,458,087</u> | <u>2,482,151</u> |

The accompanying notes form part of these financial statements

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015**

| | Accumulated Fund \$ | Total Equity \$ |
|--------------------------------|------------------------------------|----------------------------|
| Balance at 1 July 2013 | 1,392,701 | 1,392,701 |
| Net result for the year | 1,089,450 | 1,089,450 |
| Balance at 30 June 2014 | <u>2,482,151</u> | <u>2,482,151</u> |
| Balance at 1 July 2014 | 2,482,151 | 2,482,151 |
| Net result for the year | (24,064) | (24,064) |
| Balance at 30 June 2015 | <u>2,458,087</u> | <u>2,458,087</u> |

The accompanying notes form part of these financial statements

THE BRETT WHITELEY FOUNDATION

ACN 068 008 837

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015**

| | Note | Actual 2015 \$ | Actual 2014 \$ |
|---|-------------|-------------------------------|-------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Payments | | | |
| Payments to suppliers | | <u>(61,133)</u> | <u>(94,351)</u> |
| Total Payments | | <u>(61,133)</u> | <u>(94,351)</u> |
| Receipts | | | |
| Sales of goods and services | | - | 38,024 |
| Donations | | - | 1,100,000 |
| Interest received | | 86,064 | 52,963 |
| Other Revenue | | - | 1,253 |
| Total Receipts | | <u>86,064</u> | <u>1,192,240</u> |
| NET CASH FLOWS FROM OPERATING ACTIVITIES | 5 | <u>24,931</u> | <u>1,097,889</u> |
| NET INCREASE / (DECREASE) IN CASH | | 24,931 | 1,097,889 |
| Opening cash and cash equivalents | | <u>2,445,269</u> | <u>1,347,380</u> |
| CLOSING CASH AND CASH EQUIVALENTS | 4(a) | <u>2,470,200</u> | <u>2,445,269</u> |

The accompanying notes form part of these financial statements

THE BRETT WHITELEY FOUNDATION

ACN 068 008 837

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1 SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

The Foundation was incorporated on 1st February, 1995. It is a not-for-profit entity as profit is not its primary objective and, it has no cash generating units. The Australian Securities & Investment Commission (ASIC) has issued a Section 151 licence to the Foundation approving the omission of the word "Limited" from the Foundation name. A condition of this licence is that amendments to the Foundation's memorandum and/or articles of association will need prior approval of the ASIC before a meeting of members can be held to pass a special resolution to effect those changes.

The Foundation holds authority number CFN18153 to fundraise under the provisions of the *Charitable Fundraising Act*, 1991.

The financial statements have been authorised for issue by the Board on 16 October 2015.

(b) Basis of Preparation

The Brett Whiteley Foundation's financial report is a general purpose financial report, which has been prepared in accordance with:

- the *Corporations Act 2001* ;
- Australian Accounting Standards and Interpretations;
- the requirements for the Public Finance and Audit Act 1983 and the Public Finance and Audit Regulation 2015 and
- the requirements for the Australian Charities and Not-for-Profits Commission Act 2012.

The financial report is based on historical cost, except where a different basis of measurement is specified. Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial report.

All amounts are rounded to the nearest dollar and are expressed in Australian currency.

(c) Statement of Compliance

The financial statements comply with Australian Accounting Standards and Interpretations.

(d) Accounting for Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of amount of GST except that;

- the amount of GST incurred by the Foundation as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense: and
- receivables and payables are stated with the amount of GST included.

Operating cash flows are stated on a gross basis in the Statement of Cash Flows. The cash flows arising from investing and financing activities which are receivable from, or payable to, the Australian Taxation Office are also classified as operating cash flows.

(e) Revenue Recognition

Revenue is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of income are discussed below.

(i) Sale of Goods and Services

Revenue from the sale of goods and services is recognised when the Foundation transfers the significant risks and rewards of ownership of the assets.

(ii) Interest Revenue

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

(iii) Donations

Donations are recognised as revenue when the Foundation obtains control over the assets comprising the donations. Control over donations is normally obtained upon receipt of cash.

(iv) Venue Hire

Venue hire is recognised when the service is provided.

THE BRETT WHITELEY FOUNDATION

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

(f) Equity - Accumulated funds

The category of 'Accumulated Funds' includes all current and prior period retained earnings.

(g) Financial Instruments

The Foundation's financial instruments arise directly from the Foundation's operations or are required to finance its operations. The Foundation does not enter into or trade financial instruments for speculative purposes and does not use financial derivatives.

(i) Cash and cash equivalents

Cash comprises cash on hand and bank balances. Interest is earned at a variable interest rate on daily bank balances and paid monthly at the normal commercial rate.

(ii) Term Deposits

The Foundation has placed funds in bank deposits "at call" or for a fixed term. The interest rate payable is negotiated initially and is fixed for the term of the deposits. The deposits are usually held to maturity. Interest is accrued as at 30 June and brought to account in the Statement of Comprehensive Income.

(iii) Trade and Other Receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are accounted for in the Statement of Comprehensive Income when impaired, derecognised or through the amortisation process. No interest is earned on trade and other receivables. Sales are made on 30 day terms. Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(iv) Trade and Other Payables

The amounts represent liabilities for goods and services provided to the Foundation and other amounts, including interest. Trade and other payables are recognised initially at transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(v) Risk Management of Financial Assets

The Foundation's investments are confined to Term Deposits and are administered by the Art Gallery of NSW (Art Gallery) in line with its Investment Policy. The Art Gallery's Investment Policy and its Strategic Risk Management Plan were reviewed by the Finance Committee / Board during 2011/12. The policy is reviewed annually by the Art Gallery's Audit and Risk Committee.

This entailed a review of the major risks associated with the financial instruments i.e. Credit, Liquidity, Market, Interest rate, Currency and other risks. The likelihood and the consequences of each risk were analysed and the controls and risk mitigation strategies confirmed.

Credit risk arises when there is the possibility of the Foundation's debtors defaulting on their contractual obligations, resulting in a financial loss to Foundation. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment). The Foundation is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. The credit risk for trade debtors is the carrying amount (net of any allowance for impairment). No collateral is held by the Foundation. The Foundation has not granted any financial guarantees.

Credit risk on term deposit is managed by ensuring that only those banks and building societies approved by the Reserve Bank / Australian Prudential Regulatory Authority (APRA) and included in the 'AGNSW Approved List', all of which have A rating or better. The Finance Committee during 2009/10 resolved to confine the deposits to the four major banks and this policy remains unchanged. Maturities are generally less than 12 months.

Liquidity risk is the risk that the Foundation will be unable to meet its payment obligations when they fall due. The Foundation continuously manages this risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The Foundation has no loans or overdrafts and no assets have been pledged as collateral. An overdraft facility is not considered necessary as arrangements have been put in place to call in term deposits at short notice if needed. A penalty of reduced interest rate may sometimes be incurred.

Interest rate risks - The Foundation's exposure to interest rate risks is limited with the fixed rate term deposits which are negotiated prior to investment.

Other risks - The Foundation does not have financial assets which are exposed to market, currency or other risks.

THE BRETT WHITELEY FOUNDATION

ACN 068 008 837

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

(vi) Impairment of Financial Assets

All financial assets, except those measured at fair value through profit and loss, are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that the Foundation will not be able to collect all amounts due. Any reversals of impairment losses are reversed through the Statement of Comprehensive Income, where there is objective evidence.

(vii) De-recognition of financial assets and liabilities

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the Foundation transfers the financial asset.

- where substantially all the risks and rewards have been transferred or
- where the Foundation has not transferred substantially all the risks and rewards, if the entity has not retained control.

Where the Foundation has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Foundation's continuing involvement in the asset.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expired.

(h) Comparative information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

(i) Taxation Status

The Foundation is a registered charitable fund and is entitled to an income tax exemption concession.

(j) Inventories

Inventories are held for sale and are stated at the lower of cost or net realisable value. Costs are assigned on an weighted average cost basis.

(k) Accounting Standards Issued but not yet Effective

The Foundation did not early adopt any new accounting standards and interpretations that are not yet effective. At the date of authorisation of the financial statements, there were a number of Standards and Interpretations that were on issue but not yet effective.

The Foundation has assessed the impact of these new standards and interpretations and considers the impact to be not applicable or insignificant.

The following new Australian Accounting Standards have not been applied and are not yet effective.

- AASB 9, AASB 2010-7, AASB 2013-9 (Part C), AASB 2014-1 (Part E), AASB 2014-7 and AASB 2014-8 regarding financial instruments
- AASB 14 and AASB 2014-1 (Part D) regarding Regulatory Deferral Accounts
- AASB 127 separate financial statements and AASB 128 investments in associates and joint ventures
- AASB 15 and AASB 2014-5 regarding Revenue from Contracts with Customers
- AASB 1056 Superannuation Entities
- AASB 2014-3 regarding accounting for acquisitions of interests in joint operations
- AASB 2014-4 regarding acceptable methods of depreciation and amortisation
- AASB 2014-6 regarding bearer plants
- AASB 2014-9 regarding equity method in separate financial statements
- AASB 2014-10 regarding sale or contribution of assets between and investor and its associate or joint venture
- AASB 2015-1 regarding annual improvements to Australian Accounting Standards 2012-2014 cycle
- AASB 2015-2 regarding amendments to AASB 101 disclosure initiatives
- AASB 2015-3 regarding materiality

THE BRETT WHITELEY FOUNDATION

ACN 068 008 837

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

| | 2015 | 2014 |
|--|----------------|---------------|
| | \$ | \$ |
| 2 Other Operating Expenses | | |
| Auditors remuneration - audit of the Financial Statements* | 6,455 | 6,300 |
| Other costs (ASIC fees, bank fees, catering, shrinkage) | 55,217 | 27,532 |
| Contribution to Art Gallery of New South Wales | 40,000 | 56,000 |
| Total other operating expenses | <u>101,672</u> | <u>89,832</u> |

* The Auditors received no other benefits other than those disclosed above.

3 Sales of Goods and Services

| | | |
|---|----------|---------------|
| Sale of goods - postcards and other merchandise | - | 38,421 |
| Sale of services - venue hire & other | - | 2,291 |
| | <u>-</u> | <u>40,712</u> |

*The Brett Whiteley Studio was transferred to Art Gallery of NSW Trust last financial year. The studio bookshop revenue and associated expenses are part of the Brett Whiteley cost centre in the Trust.

4 Financial Instruments

a) Current assets - cash and cash equivalents

| | | |
|---------------------------------|------------------|------------------|
| Cash on hand and at bank | 20,200 | 955,269 |
| Term Deposits less than 1 year | 2,450,000 | 1,490,000 |
| Total cash and cash equivalents | <u>2,470,200</u> | <u>2,445,269</u> |

For the purpose of the Statement of Cash Flows, cash includes cash on hand and at bank, short term deposits and bank overdraft. As there is no bank overdraft, the cash at end of the financial year as shown in the Statement of Cash Flows is the same as above. The carrying amount is equal to net fair value.

Average interest earned was 3.2% (2014 2.8%).

b) Receivables

| | | |
|--|--------------|---------------|
| Trade and other receivables - not past due | <u>2,013</u> | <u>10,469</u> |
|--|--------------|---------------|

c) Trade and other payables

| | | |
|--|---------------|---------------|
| Trade creditors - non interest bearing | <u>14,126</u> | <u>14,623</u> |
|--|---------------|---------------|

5 Reconciliation of Net Cash Flows from Operating Activities to Net Result

| | | |
|---|-----------------|------------------|
| Net cash flows from operating activities | 24,931 | 1,097,889 |
| (Decrease)/increase in inventories | (41,035) | (9,560) |
| (Decrease)/increase in receivables | (8,456) | 2,688 |
| Decrease/(increase) in payables | 497 | (1,567) |
| Net Result | <u>(24,063)</u> | <u>1,089,450</u> |

6 Members' guarantee

The Foundation is limited by guarantee. If the Foundation is wound up, the Articles of Association state that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the Foundation.

At 30 June 2015 the number of members was (5) five.

THE BRETT WHITELEY FOUNDATION

ACN 068 008 837

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

7 Related Parties

No remuneration or loans were provided to the directors.

The Foundation has entered into an agreement with Ms Wendy Whiteley for the sale of certain Whiteley publications on her behalf. These publications are supplied on a consignment basis at commercial terms. There was \$7,719 owing to her as at 30 June 2015 (\$7,599 at 2014).

With the exception of the above matter, no director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the Foundation with a director, a firm in which the director is a member, or an entity in which the director has a substantial financial interest.

8 Events After the Reporting Period

None.

9 Contingent Liabilities

There were no contingent liabilities as at 30 June 2015 (nil - 2014).

10 Commitments for Expenditure

There were no outstanding capital and expenditure commitments as at 30 June 2015 (nil - 2014).

11 Assistance received by the Foundation

The Brett Whiteley Foundation receives administrative and secretariat support at no cost from the Art Gallery of New South Wales.

12 Fundraising Appeals

The Brett Whiteley Foundation did not undertake any specific fundraising appeal during the year. (Nil - 2014)

END OF AUDITED FINANCIAL STATEMENTS