



INDEPENDENT AUDITOR'S REPORT

The Brett Whiteley Foundation

To Members of the New South Wales Parliament

Report on the audit of the financial statements

Opinion

I have audited the accompanying financial statements of the Brett Whiteley Foundation (the Foundation), which comprise the Directors' declaration and the Responsible Entity's Declaration, the Statement of Comprehensive Income for the year ended 30 June 2021, the Statement of Financial Position as at 30 June 2021, the Statement of Changes in Funds and the Statement of Cash Flows for the year then ended, and notes comprising a Statement of Significant Accounting Policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Foundation as at 30 June 2021, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the Government Sector Finance Act 2018 (GSF Act), the Government Sector Finance Regulation 2018 (GSF Regulation) and the Treasurer's Directions
- are in accordance with the Charitable Fundraising Act 1991 (CF Act) and the Charitable Fundraising Regulation 2015 (CF Regulation), including showing a true and fair view of the Foundation's financial result of fundraising appeals for the year ended 30 June 2021
- evidence there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they fall due over the 12-month period from the date of this report
- have been prepared in accordance with Division 60 of the Australian Charities and Not for Profits Commission Act 2012 and Division 60 of the Australian Charities and Not for profits Commission Regulation 2013.

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the Auditor's Responsibilities for the 'Audit of the Financial Statements' section of my report.

I am independent of the Foundation in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

The Directors' Responsibilities for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, the CF Act and the *Australian Charities and Not-for-Profits Commission Act 2012*, and for such internal control as the Directors determine are necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are 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.

The Directors are also responsible for ensuring the Foundation will be able to pay its debts as and when they fall due.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Foundation carried out its activities effectively, efficiently and economically
- that the Foundation has complied with requirements of the CF Act and CF Regulation other than those specified
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to / from the financial statements.

Report on compliance with other aspects of the *Charitable Fundraising Act 1991*

Opinion

In addition, I have undertaken an audit to provide reasonable assurance on Foundation's compliance, in all material respects with the matters specified at sections 24(2)(b) and 24(2)(c) of the CF Act for the year ended 30 June 2021.

In my opinion:

- the Foundation has properly kept the accounts and associated records during the year ended 30 June 2021 in accordance with the CF Act and CF Regulation (section 24(2)(b) of the CF Act)
- the Foundation has, in all material respects, properly accounted for and applied money received as a result of fundraising appeals conducted during the year ended 30 June 2021 in accordance with the CF Act and the CF Regulation (section 24(2)(c) of the CF Act).

My opinion should be read in conjunction with the rest of this report, including the inherent limitations.

Opinion

I conducted my audit in accordance with the Standard on Assurance Engagements ASAE 3100 'Compliance Engagements' (ASAE 3100) issued by the Auditing and Assurance Standard Board.

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

The Directors' Responsibilities under the *Charitable Fundraising Act 1991*

The Directors are responsible for:

- complying with the requirements and conditions of the CF Act and CF Regulation
- identification of risks that threaten compliance with the requirements identified above being met and controls which will mitigate those risks and monitor ongoing compliance.

Independence and Quality Control

In conducting this audit, I have:

- complied with the independence and other relevant ethical requirements relating to assurance engagements
- applied ASQC 1 'Quality Control for firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements and Related Service Engagements'.

Auditor's Responsibilities

My responsibility is to express an opinion on the matters specified at sections 24(2)(b) and 24(2)(c) of the CF Act. ASAE 3100 requires that I plan and perform procedures to obtain reasonable assurance whether the Foundation has, in all material respects, complied with specific requirements of the CF Act and CF Regulation.

This audit involved performing procedures to obtain audit evidence about the Foundation's compliance with specific requirements of the CF Act and CF Regulation. The procedures selected depend on my judgement, including the identification and assessment of the risks of material non-compliance with specific requirements of the CF Act and CF Regulation.

My procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting the Foundation's compliance with specific requirements of the CF Act and CF Regulation.

Inherent Limitations

Because of the inherent limitations of any compliance procedure, together with the Foundation's internal control structure it is possible that fraud, error or non-compliance with the CF Act and CF Regulation may occur and not be detected.

An audit for the year ended 30 June 2021 does not provide assurance on whether compliance with sections 24(2)(b) and 24(2)(c) of the CF Act will continue in the future.

Use of Report

The 'Report on compliance with other aspects of the *Charitable Fundraising Act 1991*' section of my report was prepared for the purpose of fulfilling Foundation's reporting obligations under the CF Act. I

disclaim any assumption of responsibility for any reliance on this section of the report for any other purpose other than for which it was prepared.

A handwritten signature in black ink, appearing to read 'Margaret Crawford', written in a cursive style.

Margaret Crawford
Auditor-General for New South Wales

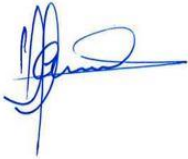
20 October 2021
SYDNEY

THE BRETT WHITELEY FOUNDATION

ACN 068 008 837

**ANNUAL REPORT
FOR THE YEAR ENDED
30 June 2021**

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 under the Corporations Act to be laid before the Annual General Meeting.



Chief Operating Officer

Hakan Harman

Dated 15th October 2021

THE BRETT WHITELEY FOUNDATION

ACN 068 008 837

DIRECTORS' DECLARATION

STATEMENT IN ACCORDANCE WITH SECTION 7.6(4) OF THE *GOVERNMENT SECTOR FINANCE ACT 2018* AND THE *CHARITABLE FUNDRAISING ACT 1991*

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 Government Sector Finance Act 2018, the applicable clauses of the Government Sector Finance Regulation 2018, applicable Accounting Standards, other mandatory reporting requirements and the Financial Reporting Directions mandated by the Treasurer;
- (b) The financial statements and notes thereto exhibit a true and fair view of the financial position as at 30 June 2021 and the financial performance 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 attached financial statements and notes thereto comply with Australian Accounting Standards and other mandatory professional reporting requirements;
- (e) in the Directors' opinion, 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;
- (f) the statement of comprehensive income of the Brett Whiteley Foundation for the year ending 30 June 2021 gives a true and fair view of all income and expenditure of the organisation with respect to fundraising appeals;
- (g) the statement of financial position of the Brett Whiteley Foundation as at 30 June 2021 gives a true and fair view of the state of affairs of the organisation with respect to fundraising appeals conducted by the organisation;
- (h) the provisions of the *Charitable Fundraising Act 1991*, the Regulations under that Act and the conditions attached to the Charitable Fundraising Authority have been complied with by the organisation; and
- (i) the internal controls exercised by the Brett Whiteley Foundation are appropriate and effective in accounting for all income received and applied by the organisation from any of its fundraising appeals.



Samantha Meers
CHAIRPERSON



Brian Ladd
DIRECTOR

Dated 15th October 2021

THE BRETT WHITELEY FOUNDATION

ACN 068 008 837

RESPONSIBLE ENTITIES' DECLARATION UNDER THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFIT COMMISSIONS ACT 2012

In the opinion of the Responsible Entities of the Brett Whiteley Foundation:

1. 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:
 - (a) Giving a true and fair view of its financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and
 - (b) Complying with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Regulation 2013; and
2. 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.

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



Samantha Meers
CHAIRPERSON



Brian Ladd
DIRECTOR

Dated 15th October 2021

THE BRETT WHITELEY FOUNDATION

ACN 068 008 837

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021 \$	2020 \$
Revenue			
Donations		1,502,650	1,012,000
Investment revenue			
Interest		1,824	85,660
Net gain on investments carried at fair value through profit or loss		379,364	5,214
Total revenue		<u>1,883,839</u>	<u>1,102,874</u>
Expenses excluding losses			
Operating expenses	2	<u>157,732</u>	<u>161,515</u>
Total expenses excluding losses		<u>157,732</u>	<u>161,515</u>
Net Result		<u>1,726,107</u>	<u>941,359</u>
Other comprehensive income for the year		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,726,107</u>	<u>941,359</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 2021**

	Note	2021 \$	2020 \$
Assets			
Current assets			
Cash and cash equivalents	3	526,394	74,519
Total Current Assets		526,394	74,519
Non-current assets			
Property, plant and equipment - Collection assets	4	805,200	805,200
Financial assets at fair value through profit or loss	5	5,618,758	4,339,394
		6,423,958	5,144,594
Total Assets		6,950,352	5,219,113
Liabilities			
Current Liabilities			
Trade and other payables	6	12,676	7,543
Total Current Liabilities		12,676	7,543
Total Liabilities		12,676	7,543
NET ASSETS		6,937,676	5,211,570
Funds			
Accumulated funds	1 (f)	6,937,676	5,211,570
TOTAL FUNDS		6,937,676	5,211,570

The accompanying notes form part of these financial statements

**STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 30 JUNE 2021**

	Accumulated Funds \$	Total Funds \$
Balance at 1 July 2019	4,270,211	4,270,211
Net result for the year	941,359	941,359
Balance at 30 June 2020	5,211,570	5,211,570
Balance at 1 July 2020	5,211,570	5,211,570
Net result for the year	1,726,107	1,726,107
Balance at 30 June 2021	6,937,676	6,937,676

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 2021**

	Note	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Payments to suppliers		(152,599)	(161,332)
Total Payments		<u>(152,599)</u>	<u>(161,332)</u>
Receipts			
Donations		1,502,650	1,021,314
Interest received		1,824	85,660
Total Receipts		<u>1,504,474</u>	<u>1,106,974</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	7	<u>1,351,875</u>	<u>945,642</u>
Payments			
Purchase of investments		(900,000)	(1,954,935)
Purchase of collection assets		-	(805,200)
NET CASH FLOWS FROM INVESTING ACTIVITIES		<u>(900,000)</u>	<u>(2,760,135)</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		451,875	(1,814,493)
Opening cash and cash equivalents		74,519	1,889,012
CLOSING CASH AND CASH EQUIVALENTS	3	<u>526,394</u>	<u>74,519</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

For the year ended 30 June 2021

1 SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

The Brett Whiteley Foundation (Foundation) is a company limited by guarantee. It was incorporated on 1st February, 1995. The Foundation is a not-for-profit entity registered with the Australian Charities and Not-for-Profits Commission. 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* and is registered with the Australian Charities and Not-for-Profits Commission.

The financial statements have been authorised for issue by the Board on 15th October 2021

(b) Basis of Preparation

The Foundation's financial statements are general purpose financial statements, which have been prepared in accordance with:

- Australian Accounting Standards, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board
- the requirements of the Government Sector Finance Act 2018
- the Australian Charities and Not for Profits Commission Act 2012 and Australian Charities and Not for Profits Commission Regulation 2013
- the requirements of the Charitable Fundraising Act 1991

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

The financial statements are 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 statements.

COVID-19

COVID-19 continues to impact the Foundation, with outbreaks in various states and corresponding measures taken by respective governments to contain the virus affecting economic activity. The Foundation has put in place safety and health guidelines for staff and visitors to mitigate the effect of COVID-19 in accordance with the latest health advice from NSW Health including the implementation of social distancing measures, working from home arrangements and QR Code check-in.

Where applicable, the impacts of COVID-19 have also been considered on any assumptions and estimates when preparing the financial statements. Additional COVID-19 disclosures can be found in the following notes to the Financial Statements:

Note 4: Non Current Assets - Property, Plant and Equipment

Note 5: Financial Assets at Fair Value through Profit or Loss

Note 11: Events After the Reporting Period

(c) Statement of Compliance

The financial statements comply with Australian Accounting Standards and Interpretations.

THE BRETT WHITELEY FOUNDATION

ACN 068 008 837

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

(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

Donation Revenue

Donations collected, including cash and goods are recognised as revenue when the Foundation gains control of the asset. Bequests are recognised when the Foundation is notified of an impending distribution or the bequest is received, whichever occurs earlier. Receipt of volunteer services is recognised when and only when the fair value of those services can be reliably determined and the services would have been purchased if not donated.

Investment Revenue

Interest revenue is calculated by applying the effective interest to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For financial assets that become credit impaired, the effective interest rate is applied to the amortised cost of the financial asset (i.e. after deducting the loss allowance for expected credit losses).

(f) Accumulated funds

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

(g) 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.

(h) Taxation Status

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

THE BRETT WHITELEY FOUNDATION

ACN 068 008 837

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

(i) Changes to Accounting Policies, including new or revised Australian Accounting Standards

(i) Applicable for the first time

The accounting policies applied in the current financial year are consistent with those of the previous financial year except as a result of the following new or revised Australian Accounting Standards that have been applied for the first time in 2020-21:

AASB 1059 applies to those NSW Government Agencies that are grantors in a service concession arrangement. Adoption of this standard had no impact on the financial statements.

(ii) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise. The following new Australian Accounting Standards have not been applied and are not yet effective:

AASB 17 Insurance Contracts is effective for annual reporting periods beginning on / after 1 January 2023.

AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities is effective for annual reporting periods beginning on / after 1 July 2021.

AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture is effective for annual reporting periods beginning on / after 1 January 2022.

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as current or Non-current is effective for annual reporting periods beginning on / after 1 January 2022.

AASB 2020-2 Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities is not applicable to the Foundation.

AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018– 2020 and Other Amendments is effective for annual reporting periods beginning on / after 1 January 2022.

AASB 2020-5 Amendments to Australian Accounting Standards – Insurance Contracts is effective on / after 1 January 2022.

AASB 2020-7 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions is effective on / after 1 July 2021.

AASB 2020-8 & 9 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform is effective for periods beginning on / after 1 January 2021.

AASB 2021-1 Amendments to Australian Accounting Standards – Transition to Tier 2: Simplified Disclosures for Not-for-Profit Entities amends AASB 1060 to provide not-for-profit entities with optional relief from presenting comparative information in the notes to the financial statements where the entity did not disclose the comparable information in its most recent previous general purpose financial statements and is effective on / after 1 July 2021.

AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates amends a number of existing standards, effective for periods beginning on / after 1 January 2023.

As at the date of this report, it is management's opinion that there will be no material impact on the transactions and balances recognised in the financial statements when these standards are applied or become effective.

THE BRETT WHITELEY FOUNDATION

ACN 068 008 837

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

	2021	2020
	\$	\$
2 Other Operating Expenses		
Auditors remuneration - audit of the Financial Statements*	7,732	7,534
Other costs (ASIC fees, bank fees, catering)	-	3,981
Contribution to Art Gallery of New South Wales	150,000	150,000
Total other operating expenses	157,732	161,515

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

3 Current Assets - Cash and Cash Equivalents

Cash on hand and at bank	526,394	74,519
	526,394	74,519

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.

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.

4 Non-current assets - property, plant and equipment

	Collection Assets	Total
At 30 June 2020 -fair value		
Gross carrying amount	805,200	805,200
Accumulated depreciation	-	-
Net carrying amount	805,200	805,200
At 30 June 2021 -fair value		
Gross carrying amount	805,200	805,200
Accumulated depreciation	-	-
Net carrying amount	805,200	805,200

THE BRETT WHITELEY FOUNDATION

ACN 068 008 837

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS For the year ended 30 June 2021

Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the each reporting period are set out below:

	Collection Assets	Total
Year ended 30 June 2020		
Net Carrying Amount at 1 July 2019	-	-
Additions	805,200	805,200
Disposals	-	-
Depreciation expenses	-	-
Net Carrying Amount at 30 June 2020	805,200	805,200
Year ended 30 June 2021		
Net Carrying Amount at 1 July 2020	805,200	805,200
Additions	-	-
Disposals	-	-
Depreciation expenses	-	-
Net Carrying Amount at 30 June 2021	805,200	805,200

	Level 1	Level 2	Level 3	Total fair value
Fair Value Measurement of Non Financial Assets				
2020				
Collection Assets	-	805,200	-	805,200
2021				
Collection Assets	-	805,200	-	805,200

The Foundation acquired a Brett Whiteley artwork, 'The Blue bathroom - 1963' during the prior year at auction. The artwork has been recorded at its purchase price which is also considered to be its fair value. The fair value of collection assets are confirmed with sufficient regularity to ensure the carrying amounts do not differ from the asset's fair values at reporting date. Management's valuation are used if an independent valuation does not take place during an annual reporting period.

Impairment indicators over collection assets are considered at each reporting date. Management have considered the impact of Covid-19 in making this assessment during the current year and consider the recent purchase price to be the most reliable indicator of the fair values of the Foundation's collection assets.

If indicators of impairment were to exist, the recoverable amount of the relevant asset would be determined as the higher of fair value less costs of disposal and value in use.

Collection assets are not depreciated.

THE BRETT WHITELEY FOUNDATION

ACN 068 008 837

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

	2021	2020
	\$	\$
5 Financial Assets at Fair Value through Profit or Loss	5,618,758	4,339,394

The investments in TCorp Managed funds are units held in the TCorp IM Short Term income Fund and the TCorp IM Long Term Growth Fund. The Foundation's investments can be redeemed on a short-term basis at the market value of the investment at the date of redemption less certain fees and charges.

Risk Management of Financial

The main risks arising from the Foundation's financial instruments are liquidity risk, credit risk and market price risk.

Market price risk is the risk that changes in market prices such as interest rates and equity prices will affect the value of the Foundation's holdings of financial instruments. The Foundation is exposed mainly to market price risk i.e. fluctuations in the value of its financial investments due to its investments with TCorp. During the current financial year, global markets were impacted due to economic uncertainty caused by the Covid-19 pandemic. Management's response has been to move the Foundation's investments into TCorp's Short-Term Income Fund which is weighted heavily towards cash and other defensive assets.

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.

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.

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

Impairment of financial assets

The entity recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual and expected cash flows, discounted at the original effective interest rate.

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

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.

THE BRETT WHITELEY FOUNDATION

ACN 068 008 837

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

6 Trade and other payables

	2021	2020
	\$	\$
Trade creditors - non interest bearing	<u>12,676</u>	<u>7,543</u>

The amounts represent liabilities for goods and services provided to the Foundation and other amounts, including fees accrued. 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.

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

	2021	2020
	\$	\$
Net cash flows from operating activities	1,351,875	936,145
Net gain/(loss) on fair value of financial assets	379,364	5,214
(Decrease)/increase in receivables	-	-
Decrease/(increase) in payables	(5,132)	-
Net Result	<u>1,726,107</u>	<u>941,359</u>

8 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.

9 Related Parties

As per AASB 124 *Related Party Disclosures* a *Key Management Personnel* (KMP) is a person who has the authority and responsibility for planning, directing and controlling the activities of the Foundation, directly or indirectly.

The key management personnel of the Foundation are the Board Members. The Board Members act in an honorary capacity and receive no compensation for their services.

The contribution to Art Gallery of NSW Trust was \$150,000 (2020 \$150,000). See note 2.

No remuneration or loans were provided to the members.

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 \$0 owing to her as at 30 June 2021 (\$0 at 2020). Ms Whiteley donated \$1,500,000 to the Foundation during the year.

With the exception of the above matter, no member 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 member, a firm in which the member is a member, or an entity in which the member has a substantial financial interest.

10 Disclosure under the *Charitable Fundraising Act 1991*

Any donations received where the use of those funds is restricted under the conditions of the contribution to specific purposes are applied for those specific purposes. Costs of fundraising include all fundraising costs in accordance with the Act.

The Foundation did not undertake any specific fundraising appeals during the year (2020: nil). The Foundation received \$1,500,000 in donations during the year (2020: \$1,000,000).

THE BRETT WHITELEY FOUNDATION

ACN 068 008 837

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

11 Events After the Reporting Period

Subsequent to the end of the financial year there have been considerable economic impacts in Australia and globally arising from the Coronavirus (COVID-19) pandemic, and Government actions to reduce the spread of the virus. The directors acknowledge their responsibility to continuously monitor the situation and evaluate this impact going forward. There are no other significant events which have occurred after the reporting period that management believe would impact the financial statements.

12 Lease

The Brett Whitley Foundation has entered into a lease with the Art Gallery of New South Wales (Lessor) for the Land and Building at 2 Raper Street Surry Hills. The lease term is 10 years and commenced 17 December 2020. The annual fee is \$1 and payment has been made in full for the full term. An option has been granted to the Brett Whitley foundation to extend the term for a further 10 years. If the option has not been exercised and if the Lessor allows, the Brett Whitley Foundation may continue as a monthly tenant under the same terms and conditions of the existing lease. All outgoings are the responsibility of the Lessor.

The Brett Whitley Foundation is restricted to use the premises only for exhibiting, holding, maintaining and promoting the Brett Whitley collection, including conducting any associated commercial or retail activities, and the running of any programs associated with the Brett Whiteley Scholarship.

13 Contingent Liabilities

There were no contingent liabilities as at 30 June 2021 (2020: nil).

14 Commitments for Expenditure

There were no outstanding capital and expenditure commitments as at 30 June 2021 (2020: nil).

15 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. These services are not recognised as income because they can't be reliably measured.

END OF AUDITED FINANCIAL STATEMENTS