



INDEPENDENT AUDITOR'S REPORT

The Brett Whiteley Foundation

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of the Brett Whiteley Foundation (the Foundation), which comprise the Directors' declaration and the Responsible Persons' Declaration, the Statement of Comprehensive Income for the year ended 30 June 2022, the Statement of Financial Position as at 30 June 2022, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements:

- 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
- presents fairly the Foundation's financial position, financial performance and cash flows
- 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.

Directors' Responsibilities for the Financial Statements

The Directors of the Foundation are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulation and Treasurer's Directions and the *Australian Charities and Not-for-Profits Commission Act 2012*. The Directors' responsibility also includes such internal control as the Directors determine is 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.

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 / is] 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
- 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.



Margaret Crawford
Auditor-General for New South Wales

27 October 2022
SYDNEY

Annual Report
for the year ended 30 June 2022

I certify that this document (numbered pages 1 to 15 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
21 October 2022

Directors' declaration

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 applicable Accounting Standards, other mandatory reporting requirements.
- (b) The financial statements and notes thereto exhibit a true and fair view of the financial position as at 30 June 2022 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 2022 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 2022 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

21 October 2022

Responsible persons' declaration under the Australian Charities and Not-for-profit Commissions Act 2012

In the opinion of the Responsible Persons 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 2022 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

21 October 2022

Statement of comprehensive income for the year ended 30 June 2022

	Note	2022 \$	2021 \$
Revenue			
Donations		500,000	1,502,650
Investment revenue			
Distribution		147,618	667,975
Interest		948	1,824
Total revenue		<u>648,566</u>	<u>2,172,449</u>
Expenses excluding losses			
Operating expenses	2	207,640	157,732
Net loss on investments carried at fair value through profit or loss		618,417	288,611
Total expenses excluding losses		<u>826,057</u>	<u>446,343</u>
Net Result		<u>(177,491)</u>	<u>1,726,106</u>
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u>(177,491)</u>	<u>1,726,106</u>

The accompanying notes form part of these financial statements

Statement of financial position as at 30 June 2022

	Note	2022 \$	2021 \$
Assets			
Current assets			
Cash and cash equivalents	3	314,826	526,394
Total Current Assets		<u>314,826</u>	<u>526,394</u>
Non-current assets			
Property, plant and equipment - Collection assets	4	805,200	805,200
Financial assets at fair value through profit or loss	5	5,647,959	5,618,758
Total Non-Current Assets		<u>6,453,159</u>	<u>6,423,958</u>
Total Assets		<u>6,767,985</u>	<u>6,950,352</u>
Liabilities			
Current Liabilities			
Trade and other payables	6	7,800	12,676
Total Current Liabilities		<u>7,800</u>	<u>12,676</u>
Total Liabilities		<u>7,800</u>	<u>12,676</u>
Net Assets		<u>6,760,185</u>	<u>6,937,676</u>
Equity			
Accumulated funds	1 (f)	6,760,185	6,937,676
Total Equity		<u>6,760,185</u>	<u>6,937,676</u>

The accompanying notes form part of these financial statements

Statement of changes in equity for the year ended 30 June 2022

	Accumulated Funds	Total
	\$'000	\$'000
Balance at 1 July 2020	5,211,570	5,211,570
Net result for the year	1,726,106	1,726,106
Other comprehensive income	-	-
Total Comprehensive Income	1,726,106	1,726,106
Balance at 30 June 2021	6,937,676	6,937,676
Balance at 1 July 2021	6,937,676	6,937,676
Net result for the year	(177,491)	(177,491)
Other comprehensive income	-	-
Total Comprehensive Income	(177,491)	(177,491)
Balance at 30 June 2022	6,760,185	6,760,185

The accompanying notes form part of these financial statements

Statement of cash flows for the year ended 30 June 2022

	Note	2022 \$	2021 \$
Cash Flows From Operating Activities			
Payments			
Payments to suppliers		(212,516)	(152,599)
Total Payments		<u>(212,516)</u>	<u>(152,599)</u>
Receipts			
Donations		500,000	1,502,650
Interest received		948	1,824
Total Receipts		<u>500,948</u>	<u>1,504,474</u>
Net Cash Flows From Operating Activities	7	<u>288,432</u>	<u>1,351,875</u>
Cash Flows From Investing Activities			
Payments			
Purchase of investments		(500,000)	(900,000)
Net Cash Flows From Investing Activities		<u>(500,000)</u>	<u>(900,000)</u>
Net (increase) / decrease in cash and cash equivalents		(211,568)	451,875
Opening cash and cash equivalents		526,394	74,519
Closing Cash And Cash Equivalents	3	<u>314,826</u>	<u>526,394</u>

The accompanying notes form part of these financial statements

Brett Whiteley Foundation

Notes to the financial statements for the year ended 30 June 2022

1 Statement of 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 21 October 2022

(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 *Australian Charities and Not for Profits Commission Act 2012* and Australian Charities and Not for Profits Commission Regulation 2013; and
- **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. 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 and working from home arrangements.

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

Notes to the financial statements for the year ended 30 June 2022

(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

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.

Notes to the financial statements for the year ended 30 June 2022

(i) Changes to Accounting Policies, including new or revised Australian Accounting Standards 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 2021-22.

No new accounting standards have been applied in 2021-2022.

Issued but not yet effective

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

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

AASB 2020-1 Amendments to Australian Accounting Standards – Classifications of Liabilities as Current or Non-Current effective for reporting periods beginning on or after 1 January 2023

AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments effective for reporting periods beginning on or after 1 January 2023

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 or after 1 January 2023

AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction [AASB 1 and AASB 112], effective for periods beginning on / after 1 January 2023

AASB 2014 – 10 Sale or contribution of Assets between an Investor and its Associate or Joint Venture effective for periods beginning on or after 1 January 2025 (not applicable to the Foundation).

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.

2 Other Operating Expenses

	2022	2021
	\$	\$
Auditors remuneration - audit of the Financial Statements*	7,640	7,732
Contribution to the Art Gallery of New South Wales	200,000	150,000
Total other operating expenses	<u>207,640</u>	<u>157,732</u>

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

Brett Whiteley Foundation

Notes to the financial statements for the year ended 30 June 2022

	2022	2021
	\$	\$
3 Current Assets - Cash and Cash Equivalents		
Cash on hand and at bank	314,826	526,394

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

Gross carrying amount	805,200	805,200
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Collection assets are not depreciated.

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

Opening balance	805,200	-
Additions	-	805,200
Net revaluation increment/revaluation decrements	-	-
Closing balance	805,200	805,200

Fair Value Measurement of Non Financial Assets

	Level 1	Level 2	Level 3	Total fair value
	\$	\$	\$	\$
2021				
Collection Assets	-	805,200	-	805,200
2022				
Collection Assets	-	805,200	-	805,200

Notes to the financial statements for the year ended 30 June 2022

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.

An impairment loss is recognised when the carrying value of an asset exceeds its estimated recoverable amount. For plant and equipment, impairment losses are recognised in the statement of profit or loss and other comprehensive income. Impairment losses on land, buildings and collection assets are treated as a revaluation decrement.

	2022	2021
	\$	\$
5 Financial Assets at Fair Value through Profit or Loss		
Tcorp Managed Funds	5,647,959	5,618,758

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.

Financial Risks

(i) 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.

(ii) 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.

Notes to the financial statements for the year ended 30 June 2022

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

(iii) 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.

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 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.

	2022	2021
	\$	\$
6 Trade and other payables		
Trade creditors - non interest bearing	7,800	12,676

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

Net cash flows from operating activities	288,432	1,351,875
Net gain/(loss) on fair value of financial assets	(470,799)	379,364
Decrease/(increase) in payables	4,876	(5,133)
Net Result	(177,491)	1,726,106

Brett Whiteley Foundation

Notes to the financial statements for the year ended 30 June 2022

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.

At 30 June 2022 the number of members was 6.

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 \$200,000 (2021 \$150,000).

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 2022 (\$0 at 2021). Ms Whiteley donated \$500,000 to the Foundation during the year (2021: \$1,500,000).

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.

The Foundation has been named as a joint recipient with the Art Gallery of New South Wales of the promised Wendy and Arkie Whiteley Bequest. Proceeds from the future sale of Wendy Whiteley's private Lavender Bay residence, are to be left to the Brett Whiteley Foundation, to fund management and conservation of the collection, the staging of exhibitions, the continuation of public and education programming and to support external projects.

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 (2021: nil).

The Foundation received \$500,000 in donations during the year (2021: \$1,500,000).

Brett Whiteley Foundation

Notes to the financial statements for the year ended 30 June 2022

11 Events After the Reporting Period

There are no significant events which have occurred after the reporting period that management believe would impact the financial statements.

12 Lease

The Brett Whiteley 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 Whiteley foundation to extend the term for a further 10 years. If the option has not been exercised and if the Lessor allows, the Brett Whiteley 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 Whiteley Foundation is restricted to use the premises only for exhibiting, holding, maintaining and promoting the Brett Whiteley 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 2022 (2021: nil).

14 Commitments for Expenditure

There were no outstanding capital and expenditure commitments as at 30 June 2022 (2021: nil).

End of audited financial statements