

**THE BRETT WHITELEY FOUNDATION**  
**ACN 068 008 837**

**ANNUAL REPORT**  
**FOR THE YEAR ENDED**  
**30-June-2010**

I certify that this document (numbered pages 1 to 13 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.

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

Secretary

John Wicks

Dated: 15 October 2010

# THE BRETT WHITELEY FOUNDATION

ACN 068 008 837

## DIRECTORS' REPORT

Your directors submit the financial accounts for the year ended 30th June, 2010

### Directors

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

Mr. John Meacock (Chair)  
Ms. Wendy Whiteley  
Ms. Anna Schwartz  
Ms Jane Wynter  
Mr Brian Ladd

### 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 operating Surplus (loss) of the company for the financial year was \$ 90,744  
The Company is exempt from income tax.

### Information on Directors

		Meetings Attended
John Meacock	Managing Partner, NSW Deloitte Independent Member and Chairperson of the Board of the Brett Whiteley Foundation	2
Wendy Whiteley	Art Consultant	2
Anna Schwartz	Art Gallery Owner	1
Jane Wynter	Benefaction Manager, Art Gallery of NSW	1
Brian Ladd	Head, Public Programmes Department, Art Gallery of NSW	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.

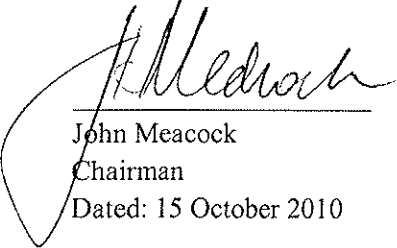
### Directors' benefits

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 normal commercial margins.

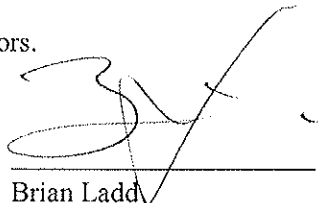
With the exception of the matter mentioned above, no director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company with a director, a firm in which the director is a member or an entity in which the director has a substantial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

Dated: 15 October 2010

  
Brian Ladd  
Director



GPO BOX 12  
Sydney NSW 2001

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 2010, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

A handwritten signature in black ink, appearing to read 'S. Martin', written over a horizontal line.

Steven Martin  
Director, Financial Audit Services

19 October 2010  
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 2010, 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 2010 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 2009 to 30 June 2010, 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 2009 to 30 June 2010 has been properly accounted for and applied in accordance with the Charitable Fundraising Act 1991 (NSW) and Regulations.



.....  
JOHN MEACOCK  
CHAIRMAN



.....  
BRIAN LADD  
DIRECTOR

Dated: 15 October 2010

**THE BRETT WHITELEY FOUNDATION**  
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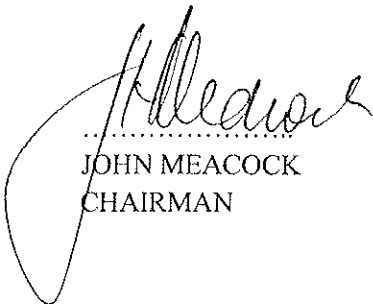
**DIRECTORS' DECLARATION**

The directors declare that:

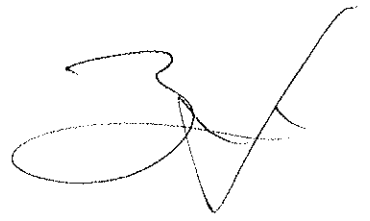
- (a) the attached financial statements and notes thereto comply with Australian Accounting Standards and other mandatory professional reporting requirements;
- (b) the attached financial statements and notes thereto give a true and fair view of the financial position and performance of the company;
- (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



.....  
BRIAN LADD  
DIRECTOR

Dated: 15 October 2010

# THE BRETT WHITELEY FOUNDATION

ACN 068 008 837

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 \$	2009 \$
<b>Revenue</b>			
Sale of goods and services	2	39,922	35,518
Interest revenue		8,842	7,966
Sponsorships		60,000	-
Donations		-	200
<b>Total revenue</b>		<b>108,764</b>	<b>43,684</b>
<b>Expenses</b>			
Cost of goods sold	3 (a)	12,869	19,435
Other operating expenses	3 (b)	5,151	5,131
<b>Total expenses</b>		<b>18,020</b>	<b>24,566</b>
<b>SURPLUS FOR THE YEAR</b>		<b>90,744</b>	<b>19,118</b>
<b>Other comprehensive income for the year</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>90,744</b>	<b>19,118</b>

The accompanying notes form part of these statements

# THE BRETT WHITELEY FOUNDATION

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## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2010

	Note	2010 \$	2009 \$
<b>Current Assets</b>			
Cash and cash equivalents	4 (a)	244,834	149,487
Trade and other receivables	4 (b)	3,175	1,970
Inventories	1(g)	50,198	54,183
<b>TOTAL ASSETS</b>		<b>298,207</b>	<b>205,640</b>
<b>Current Liabilities</b>			
Trade and other payables	4 (c)	8,976	7,153
<b>TOTAL LIABILITIES</b>		<b>8,976</b>	<b>7,153</b>
<b>NET ASSETS</b>		<b>289,231</b>	<b>198,487</b>
<b>Equity</b>			
Accumulated funds		289,231	198,487
<b>TOTAL EQUITY</b>		<b>289,231</b>	<b>198,487</b>

The accompanying notes form part of these statements

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2010

	Accumulated Fund	Accumulated Fund
	2010 \$	2009 \$
<b>Balance at the beginning of the financial year</b>	<b>198487</b>	<b>179369</b>
Surplus for the year	90,744	19118
<b>Balance at the end of the financial year</b>	<b>289,231</b>	<b>198,487</b>

The accompanying notes form part of these statements

# THE BRETT WHITELEY FOUNDATION

ACN 068 008 837

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 \$	2009 \$
<b>Cash Flows from Operating Activities</b>			
<b>Receipts</b>			
Sales of goods and services		39,922	35,865
Interest received		7,637	7,966
Sponsorships received		60,000	-
<b>Total Receipts</b>		<b>107,559</b>	<b>43,831</b>
<b>Payments</b>			
Payments to suppliers		(12,212)	(26,448)
<b>Total Payments</b>		<b>(12,212)</b>	<b>(26,448)</b>
<b>Net cash flows from operating activities</b>		<b>95,347</b>	<b>17,383</b>
Cash at beginning of year		149,487	132,104
<b>Cash Balance at end of year</b>	4(a)	<b>244,834</b>	<b>149,487</b>

### Reconciliation of Surplus/(Deficit) for the year with Net Cash Flows from Operating Activities

<b>Net surplus/(deficit) for the year</b>	90,744	19,118
Add: Decrease (increase) in inventories	3,985	1,879
Decrease (increase) in receivables	(1,205)	147
(Decrease) increase in payables	1,823	(3,761)
<b>Net cash flows from operating activities</b>	<b>95,347</b>	<b>17,383</b>

The accompanying notes form part of these 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 company was incorporated on 1st February, 1995 and is a not-for-profit entity. The Australian Securities & Investment Commission (ASIC) has issued a Section 383 licence to the Company approving the omission of the word "Limited" from the Company name. A condition of this licence is that amendments to the company'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 15 October 2010.

#### (b) Basis of Preparation

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

- the Corporations Act 2001;
- Australian Accounting Standards and Interpretations, and
- the requirements for the Public Finance 1983 and Audit Act and Regulation 2010.

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.

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

#### (c) Statement of Compliance

The financial statements and notes comply with Australian Accounting Standards and Interpretations.

#### (d) Income Recognition

Income 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*

Income 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 Income*

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

##### *(iii) Donations*

Donations are recognised as income 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

ACN 068 008 837

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### (e) 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*

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.

### Risk Management of Financial Assets

The Foundation's investment's are confined to Term Deposits and are administered by the Art Gallery of NSW (Art Gallery) in line with its Investment Policy which was endorsed by its Finance Committee/Board during 2007/08 and subsequently adopted by the Foundation. The Policy is reviewed annually by the Art Gallery's Risk Management Committee.

During 2008/09 the Gallery undertook a risk analysis of its financial management, which included the Foundation's investments. 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.

# THE BRETT WHITELEY FOUNDATION

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## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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 and Audit Committee during 2009/10 resolved to confine the deposits to the four major banks. 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.

### 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 income statement, where there is objective evidence.

### 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.

### (f) Income Tax

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

### (g) Inventories

Inventories are measured at the lower of cost or net realisable value.

Costs are assigned on an weighted average cost basis.

### (h) 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, the following Standards and Interpretations were on issue and applicable to the Foundation, 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 BRETT WHITELEY FOUNDATION

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## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2010	2009
	\$	\$
<b>2 Sales of Goods and Services</b>		
Sale of goods - postcards and other merchandise	35,013	33,954
Sale of services - venue hire & other	4,909	1,564
	<b>39,922</b>	<b>35,518</b>
<b>3 (a) Cost of goods sold*</b>	<b>12869</b>	<b>19435</b>

\* Cost of good sold in 2010 includes a stock gain of \$6,847.

<b>3 (b) Other Operating Expenses</b>		
Auditors remuneration - audit of the Financial Statements*	5,000	5,000
Other costs (ASIC fees, bank fees, catering)	151	131
Total other operating expenses	<b>5,151</b>	<b>5,131</b>

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

#### 4 Financial Instruments

##### a) Current assets - cash and cash equivalents

Cash on hand and at bank	86,517	4,487
Term Deposits <span style="float: right;">Less than 1 year</span>	158,317	145,000
Total cash and cash equivalents	<b>244,834</b>	<b>149,487</b>

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.

Average interest earned was 4.5% (2009 5.7%). The carrying amount is equal to net fair value.

##### b) Receivables

Trade and other receivables <span style="float: right;">Not past due</span>	3,175	1,970
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##### c) Trade and other payables

Trade creditors <span style="float: right;">Non interest bearing</span>	8,976	7,153
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#### 5 Members' guarantee

The company is limited by guarantee. If the company 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 company.

At 30 June 2010 the number of members was (5) five.

**THE BRETT WHITELEY FOUNDATION**  
**ACN 068 008 837**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**6 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. The amount owing to her was \$1,823 as at 30 June 2010 (\$2,153 at 2009).

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 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.

**7 Contingent Liabilities**

There were no contingent liabilities as at 30 June 2010 (nil - 2009).

**8 Commitments for Expenditure**

There were no outstanding capital and expenditure commitments as at 30 June 2010 (nil - 2009).

**9 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.

An extension to the lease agreement with Arts NSW, to use the Brett Whiteley Studio premises at 2 Raper Street, Surry Hills for a nominal rental of \$1 per annum is currently under negotiation with the Department of Communities.

**10 Fundraising Appeals**

The Brett Whiteley Foundation did not undertake any specific fundraising appeals during the year.

END OF AUDITED FINANCIAL STATEMENTS