

Reconciliation Western Australia Inc
ABN 75 316 177 473
Special Purpose Financial Report
for the year end
30 June 2017

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BOARD MEMBER'S REPORT

BOARD MEMBER'S

The board members submit the Board Members' report for the year ended 30 June 2017.

The names of the board members of Reconciliation Western Australia Inc ("RWA" or the "Association"), in office during the year and until the date of this report are:

Carol Innes
Alan Carter
Jim Morrison (ceased 12 December 2017)
Irina Cattalini
Fred Chaney
Ezra Jacobs (appointed 11 July 2017)
Pamela Thorley (appointed 12 December 2017)
Verity Sebire
Ian Hobson
Gary Smith
Barry McGuire
Rischelle Hume (resigned 28 February 2017)

PRINCIPAL ACTIVITY, REVIEW AND RESULTS OF OPERATIONS OF THE INCORPORATION

Reconciliation Western Australia Inc was incorporated in October 2015 and commenced operations effective 1 July 2016. Therefore, this is RWA's first financial report.

Purposes

The Association is established for public charitable purposes of promoting reconciliation by addressing and reducing the disadvantages faced by Aboriginal and Torres Strait Islander people in Western Australia by, without limitation:

- (a) increasing awareness in the Western Australian community about Australia's true history, the impact that this history has had on Western Australian communities, and how the reconciliation process can assist in reducing the negative impacts of that history;
- (b) expanding and coordinating the network of government, business, and community organisations which have reconciliation strategies and action plans;
- (c) developing a range of funding and resource options for people and agencies that are involved in the reconciliation process;
- (d) providing leadership and advocacy on issues that promote and assist in achieving reconciliation; and
- (e) promoting opportunities to maximise the benefits of programs and projects that assist in improving the general wellbeing (including social and emotional wellbeing) of Aboriginal and Torres Strait Islander people.

Not for profit status

- (a) The Association's income and property must be applied solely towards promoting the Association's purposes.
- (b) No part of the income or property may be paid, transferred or distributed, directly or indirectly, by way of dividend, bonus, or other profit distribution, to any of the members.

Signed in accordance with a resolution of the directors.



Gary Smith
Co-Chair
Perth, 25 January 2018

The Board Members
Reconciliation Western Australia Inc
Cygnet House
Corner Mounts Bay Road & Hacket Drive
CRAWLEY WA 6009

25 January 2018

Dear Board Members

Reconciliation Western Australia Inc

In accordance with Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the directors of Reconciliation Western Australia Inc.

As the lead audit partner for the audit of the financial statements of Reconciliation Western Australia Inc for the financial year ended 30 June 2017, I declare to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Nicole Menezes
Partner
Chartered Accountants

RECONCILIATION WESTERN AUSTRALIA INC
Financial Report for the year ended 30 June 2017

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	2017	5 October 2015 to 30 June 2016
	\$	\$
Income		
Interest received	482	-
Sponsorship income	226,092	-
Grant income	161,953	-
Membership fees	24,573	-
Total income	413,100	-
Expenses		
Bank charges	164	-
Computer software	541	-
Copier / Printing	1,871	-
Cleaning expenses	69	-
Catering / Hospitality	10,051	-
Grants – Schools	10,909	-
IT / Website	3,057	-
Meeting costs	2,548	-
Parking	1,402	-
Postage	208	-
Refunds	778	-
Rent	14,462	-
Staff amenities	2,400	-
Stationery / Office supplies	2,218	-
Taxi fares	467	-
Telephone / Internet	3,720	-
Travel	1,209	-
Vehicle hire	131	-
Events & performers	24,815	-
Event hire	3,864	-
Advertising & promotion	7,253	-
Professional services	43,017	-
Payroll expenses	240,343	-
Motor vehicle expenses	5,057	-
Insurance expenses	3,015	-
Total expenses	383,569	-
Net income for the year	29,531	-
Other comprehensive income for the year	-	-
Total comprehensive income for the year	29,531	-

RECONCILIATION WESTERN AUSTRALIA INC
Financial Report for the year ended 30 June 2017

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note	2017 \$	2016 \$
ASSETS			
Current Assets			
Cash and cash equivalents	3	23,200	-
Receivables	4	25,980	-
Accrued income		30,000	-
Total Current Assets		79,180	-
TOTAL ASSETS		79,180	-
LIABILITIES			
Current Liabilities			
Trade and other payables	5	37,735	-
Provision for employee entitlements	6	11,914	-
Total Current Liabilities		49,649	-
TOTAL LIABILITIES		49,649	-
NET ASSETS		29,531	-
EQUITY			
Surplus funds		29,531	-
TOTAL EQUITY		29,531	-

RECONCILIATION WESTERN AUSTRALIA INC
Financial Report for the year ended 30 June 2017

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Surplus funds \$	Total Equity \$
Balance 5 October 2015	-	-
Profit for the period	-	-
Balance 30 June 2016	-	-

	Surplus funds \$	Total Equity \$
Balance 1 July 2016	-	-
Profit for the period	29,531	29,531
Balance 30 June 2017	29,531	29,531

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	5 October 2015 to 30 June 2016 \$
Cash flows from operating activities			
Interest received		482	-
Membership fees		27,031	-
Grant income		148,148	-
Sponsorship income		228,709	-
Payments to suppliers and employees		(381,170)	-
Net cash flows from operating activities	7	23,200	-
Cash flows from investing activities		-	-
Net cash flows from/(used in) investing activities		-	-
Cash flows from financing activities		-	-
Net cash flows from/(used in) financing activities		-	-
Net increase in cash and cash equivalents		23,200	-
Cash and cash equivalents at beginning of year		-	-
Cash and cash equivalents at end of year		23,200	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

1 AUTHORITY

The financial report of Reconciliation Western Australia Inc (“RWA” or “Association”) for the year ended 30 June 2017 was authorised for issue in accordance with a resolution of the board members on 15 December 2017.

Reconciliation Western Australia Inc is a not for profit organisation incorporated on 5 October 2015 and commenced operations effective 1 July 2016.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

As determined by the board, the entity is not a reporting entity and hence the special purpose financial statements have been prepared to satisfy the Board’s reporting requirements, the *Australian Charities and Not-for-profits Commission Act 2012* (“ACNC Act”) and the *Associations Incorporations Act 2015* (WA) requirements.

RWA is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the ACNC Act and Associations Incorporations Act 2015 (WA), the recognition and measurement requirements specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of the following standards:

- AASB 101, Presentation of Financial Statements
- AASB 107, Statement of Cashflows
- AASB 108, Accounting Policies, Changes in Accounting estimates and Errors
- AASB 1054, Australian Additional Disclosures

The financial report is presented in Australian dollars and is prepared on an accruals basis and based on historical cost basis. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

(b) Going Concern Basis

The financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the discharge of liabilities in the ordinary course of business. The continuance of the Association is dependent on the ongoing receipt of grant funding and sponsorship income to meet its working capital requirements.

Given the Association’s continuing efforts to secured additional funding and the careful management of expenses incurred, the Board Members are satisfied that the going concern basis of preparation of is appropriate.

Should the Association not achieve additional funding or reduce expenses accordingly, there is a material uncertainty whether the Association will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The financial report does not contain any adjustments relating to the recoverability and classification of recorded assets or to the amounts or classification of recorded assets or liabilities that might be necessary should be Association not be able to continue as a going concern.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Revenue Recognition

Revenue will be recognised as revenue as it accrues to the extent that it is probable that the economic benefits will flow to the Association and the revenue can be reliably measured.

Grant Funding

Funding from grants is recognised on an accruals basis in accordance when there is reasonable basis that the Association will comply with conditions attached to the relevant agreement and the grant will be received.

Membership Fees

Membership fees are recognised in the period to which the membership relates.

Sponsorship Income and Donations

Sponsorship Income and donations are recognised when received.

(d) Trade and Other Payables

Trade and other payables are carried at cost and represent liabilities for goods and services provided to the Association prior to the reporting date that are unpaid and arise when the Association becomes obliged to make future payments in respect to the purchase of these goods and services.

(e) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office.

Receivables and payables in the Balance Sheet are shown inclusive of GST. Accruals are exclusive of GST.

Cash flows in the Cash Flow statement is on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

(f) Income Tax

The Association is exempt from Income Tax. This exemption will remain in force unless there is any change to the legislation or the activities of the Association.

(g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks and other short-term, highly liquid investments that are readily convertible into known amounts of cash.

(h) Trade and Other Receivables

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Employee Entitlements

Provision is made for benefits accruing to employees in respect of wages and salaries and annual leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of wages and salaries, annual leave and long service leave are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provision made in respect of long service leave which is not expected to be settled within 12 months is measured as the present value of estimated future cash outflows to be made in respect of services provided by employees up to reporting date.

	2017 \$	2016 \$
3 CASH AND CASH EQUIVALENTS (CURRENT)		
Cash at bank	23,200	-
	<u>23,200</u>	<u>-</u>
4 RECEIVABLES (CURRENT)		
Trade debtors	23,330	-
Goods and services tax	2,650	-
	<u>25,980</u>	<u>-</u>
5 PAYABLES (CURRENT)		
Trade & other creditors	22,994	-
Payroll liabilities	14,741	-
	<u>37,735</u>	<u>-</u>
6 EMPLOYEE PROVISIONS (CURRENT)		
Annual leave / long service leave	11,914	-
	<u>11,914</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

7 RECONCILIATION OF NET INCOME FOR THE YEAR TO NET CASH FLOWS FROM OPERATING ACTIVITIES

	2017	2016
	\$	\$
Net income for the year	29,531	-
Adjustments for:		
Movements in working capital		
Increase in trade and other receivables	(55,980)	-
Increase in trade and other payables	37,735	-
Increase in employee provisions	11,914	-
Net cash inflows from operating activities	23,200	-

8 COMMITMENTS

Reconciliation Western Australia Inc has no operating or finance lease commitments or contingent liabilities as at 30 June 2017 (30 June 2016: Nil).

9 SUBSEQUENT EVENTS

There have been no significant events since the end of the year that have not otherwise been disclosed herein.

BOARD MEMBERS' DECLARATION

As detailed in Note 3 to the financial statements, the Board members have determined that the Association is not a reporting entity as there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, this special purpose financial report has been prepared to satisfy the Board members reporting requirements under the *Australian Charities and Not-for-profits Commission Act 2012* and the *Associations Incorporations Act 2015 (WA)*.

In the opinion of the board members:

1. the special purpose financial report has been prepared in accordance with Australian Accounting Standards (including Interpretations) to the extent described in Note 1 of the financial statements;
2. the financial statements and notes of the Reconciliation Western Australia Inc give a true and fair view of the financial position as at 30 June 2017 and of the performance of the Reconciliation Western Australia Inc for the year ended on that date;
3. the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012 and Associations Incorporations Act 2015 (WA)*; and
4. there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.

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

Dated this 25 January 2018



Gary Smith
Co-Chair
Perth

Independent Auditor's Report to the Board Members of Reconciliation Western Australia Inc

Opinion

We have audited the financial report, being a special purpose financial report, of Reconciliation Western Australia Inc (the "Entity") which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by the Board Members. In addition, we have audited the Entity's compliance with specific requirements of the *Associations Incorporations Act 2015 (WA)*.

In our opinion,

- a) the accompanying financial report of the Entity is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (the "ACNC Act"), including:
 - (i) giving a true and fair view of the Entity's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
 - (ii) complying with Australian Accounting Standards to the extent described in Note 1 and Division 60 of the ACNC Act.
- b) the financial report agrees to the underlying financial records of the Entity, that have been maintained, in all material respects, in accordance with the *Associations Incorporations Act 2015 (WA)* for the year ended 30 June 2017.

We have obtained all the necessary information required in connection with our audit in respect of the financial year ended 30 June 2017.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report and Compliance with Specific Requirements of the Associations Incorporation Act 2015 (WA)* section of our report. We are independent of the Entity in accordance with the auditor independence requirements of the ACNC Act and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the "Code") that are relevant to our audit of the financial report and compliance with specific requirements of the *Associations Incorporation Act 2015 (WA)* in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Entity will require to obtain additional funding to support its operations. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Entity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of Matter – Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 1 in the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Board Members financial reporting responsibilities under the ACNC Act and the *Associations Incorporation Act 2015 (WA)*. Our report is intended solely for the Board Members and the *Australian Charities and Not-for-profits Commission* ("ACNC") and should not be distributed to or used by parties other than the Board Members and the ACNC. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Information

The Board Members are responsible for the other information. The other information comprises the information included in the Entity's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board Members for the Financial Report and for Compliance with the Associations Incorporation Act 2015 (WA)

The Board Members are responsible for compliance with the *Associations Incorporation Act 2015 (WA)* and the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act and the *Associations Incorporation Act 2015 (WA)* and is appropriate to meet the needs of the Board Members. The Board Members' responsibility also includes such internal control as the Board Members determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error, and to enable compliance with the *Associations Incorporation Act 2015 (WA)*.

In preparing the financial report, the Board Members are responsible for assessing the ability of the Entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board Members either intend to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report and Compliance with Specific Requirements of the Associations Incorporation Act 2015 (WA)

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error; and the entity complied, in all material respects, with specific requirements of *Associations Incorporation Act 2015 (WA)*, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of non-compliance with the specific requirement of the *Associations Incorporation Act 2015 (WA)* and the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board Members.
- Conclude on the appropriateness of the Board Members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

Because of the inherent limitations of any compliance procedure, it is possible that fraud, error or non-compliance with the *Associations Incorporation Act 2015 (WA)* may occur and not be detected. An audit is not designed to detect all weaknesses in the Entity's compliance with the *Associations Incorporation Act 2015 (WA)* as an audit is not performed continuously throughout the period and the tests are performed on a sample basis. Any projection of the evaluation of the compliance procedures to future periods is subject to the risk that the procedures, may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

We communicate with the Board Members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Nicole Menezes

Partner

Chartered Accountants

Perth, 25 January 2018