



THE ANIKA FOUNDATION Annual Report

2008 - 2009



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CHAIRMAN'S REPORT

On behalf of the board, I am delighted to present the Chairman's Report for 2008-09.

The Anika Foundation Strategy

Since June 2008 the Anika Foundation has continued to build its corpus of funds to enable it to sustain its activities in the future, while at the same time continuing and expanding its activities on adolescent depression and suicide. This has been possible with generous help from a number of financial institutions. The main new research initiative is the Macquarie Group Foundation PhD Scholarship in Adolescent Depression and Suicide. The teachers' travelling scholarships and activities in the community also remain a key activity. During the financial year the foundation gave away \$65,000 in scholarships.

Fund Raising Activities

The Foundation received a one-off amount from Tudor Foundation to help fund some of our activities in 2009. It also made outlays from the funds provided by the Macquarie Group Foundation to launch the PhD scholarship on the research treatment side of adolescent depression. The annual Glenn Stevens event to publicise the Foundation and raise funds in July was a good success.

Citigroup arranged a very interesting approach to fundraising, organising the chairman to talk to clients in exchange for 'tag' donations directly to the Anika Foundation from fund managers.¹ ASIC made a donation as an appreciation to the chairman's keynote address at their annual conference, and similar marks of appreciation resulted from other director's speeches to community groups. Finally, donations from the broader community continued—in the past year personal donations for amounts in the \$100-\$1000 range were received from individuals,

¹ Tags are where an equity order is given to a broker in recognition of services provided. The only benefit to Citigroup in this process is goodwill from clients in recognition of their supporting social issues in this way. Thanks are due to Grant Eshuys for thinking this through for us.

and also repeat donations from people who feel very strongly about the issue.²

Glenn Stevens' Speech on the Conduct of Monetary Policy

On the 16th of July 2008 the Anika Foundation held its third annual fund raiser at which Glenn Stevens spoke to financial market participants to raise money for the Foundation's work. This year the event was again co-hosted by Macquarie Bank and the Australian Business Economists (ABE).

The event was preceded by a short speech from Danae Blundell-Wignall, Anika's sister, about the work of the Foundation. Glenn's speech was entitled "*Challenges for Monetary Policy*". He looked at the international challenges first, and the impact on the inflation outlook of the emerging economies and their exchange rate and monetary policy arrangements. These present risks to the global economy. He argued that there is a need to balance global demand and supply. He also looked at the policy issues for Australia, and the need to strike the right balance between terms of trade pressures and domestic monetary policy in judging the inflation outlook. Most of Australia's major financial institutions were present, and contributed to the funds raised.

Raising Community Awareness

In the past year the Foundation once again focussed on raising awareness about adolescent depression in the wider community.

Depression, self harm and the risk of suicide are major issues for our young people, both in Australia and all around the world. Mission Australia's National Youth Survey results have once again shown that suicide and self-harm are amongst the most pressing issues for young Australians.

² A few individual netbank donations did not leave the details required to send receipts, and they are encouraged to contact us via the administrator link on the website.



Apart from the activities noted earlier, the Board made contact with the Department of Education and Training (DET) on two occasions, at the most senior levels, to achieve a closer working relationship between the Foundation, returning scholars and work in the schools. It was agreed to work towards a resources page on the DET website, in the first instance for Principal Education Officers. There was also a discussion on how better to involve private schools in the work of the Foundation, including by us making contact with the Australian Counselling and Guidance Association.

Our past scholars have already begun to contribute to the community upon their return from abroad. Here is a recent quotation from one past scholar:

"I am delivering full day workshops in every state and some regional areas this year on Understanding Mood Disorders. These workshops are not necessarily for teachers but for any interested person and participants tend to come from a range of backgrounds. I am also delivering Youth Depression/Positive Psychology training to staff in number of schools including Canberra Girls Grammar School, Hornsby Girls High School, Model Farms High School, James Ruse High School, Mereweather High School, The King's Prep School & The ACT Catholic Education Office, Selective Principals Association, Northern Sydney Regional Principals Association, Selective Deputies Association, Western Sydney Principals Association, Illawarra School Counselling Association and the AIS. I have also done a series on 'Surviving the HSC' presentations to parents of a number of schools, including Randwick Girls High School, Penrith High School, and Sydney Boys High School. It touches on supporting their children through the pressures of their final year. So, it has been a busy time! I never fail to mention your foundation and I hope this feedback provides you with a sense that the Foundation is doing good things!"

The Anika Foundation was chosen by Windsor House of Ravenswood School for Girls in early 2009, to be the beneficiary of its fund raising throughout the year. In early March the Chairman went to the school to talk to girls from years 7 to 12 about the work of the Foundation.

The Premier's Anika Foundation Youth Depression Awareness Scholarships

Over the past year the Anika Foundation completed and sent a second set of scholars on their research travel scholarships. The scholarships were awarded by the NSW Premier in August 2008. The selection panel has recently met to choose 2 new scholars to undertake study in 2009/2010.³ Danae Blundell-Wignall and Jeff White once again represented *The Anika Foundation* on the panel. The winners will be announced in August 2009. Feedback (such as from the above past scholar) has been so positive, that the Board decided to renew its commitment to the program for a number of years.

The Macquarie Group Foundation PhD Scholarship in Adolescent Depression and Suicide

After the signing of agreements with the Macquarie Group Foundation, and following the allocation of the first annual payment, the Foundation embarked upon a search for the right candidate. A national newspaper campaign was undertaken in late 2008 to meet the potential interest for the new academic year. Interviews were held early in March 2009, and three top-rate candidates were shortlisted for the scholarship. The interview panel consisted of Professor Phil Mitchell, Head of Psychiatry UNSW and board member of the Anika Foundation, Professor Denis Wakefield (the Assoc. Dean for Research in the Medicine faculty), and Prof Margaret Harding, the Head of the Graduate Research School.

The scholarship was awarded to **Mona Taouk** from Melbourne. Mona is a very bright, articulate and energetic young woman who completed her honours year in 2008. She has developed a questionnaire for identifying depression in adolescents. The PhD will involve the further development of this scale. This is very important work, as there are no

³ The board decided to cut the number of scholarships from 3 to 2, and to increase the amount from \$10000 to \$15000, bringing it into line with other scholarships.



existing questionnaires specifically for identifying depression in adolescents.

The supervisors will be: Professor Mitchell; Dr Michael Dudley (psychiatrist and director of the adolescent service at Prince of Wales Hospital, and Chair of Suicide Prevention Australia); and Mr Dusan Hadzi-Pavlovic, a research statistician psychologist in the UNSW School of Psychiatry, who has expertise in the development of questionnaires and rating scales. Mona will be based in the Black Dog Institute.

www.anikafoundation.com

The website is proving to be a huge success in raising the profile of the Foundation on the topic of adolescent depression and suicide. In mid 2006 the site was averaging approximately 50 sessions per day. By June 2009 this rate had more than doubled to 105. The Anika Foundation continues to rise sharply in its search engine rankings for key words and individual names.

Momentum into 2009 - 2010

The fourth Glenn Stevens annual speech for the Anika Foundation should enable us to kick off the new financial year with a quick start. The event is to be held on 28 July 2009. This year the event is once again being co-sponsored by Macquarie Bank, who really does show the way in corporate interest in mental health and related youth issues. The new innovative approaches to fundraising are also expected to continue this year.

I look forward to on-going success in 2009-2010. We hope to raise more money and, by so doing, enable our programs to be funded in a sustainable way. The next milestones for us are:

- To build our corpus from around \$985,000 currently to \$1.6million (another \$600,000 or so) over the next 2 years.
- To look for other corporate partnerships that will enable us to extend our programs

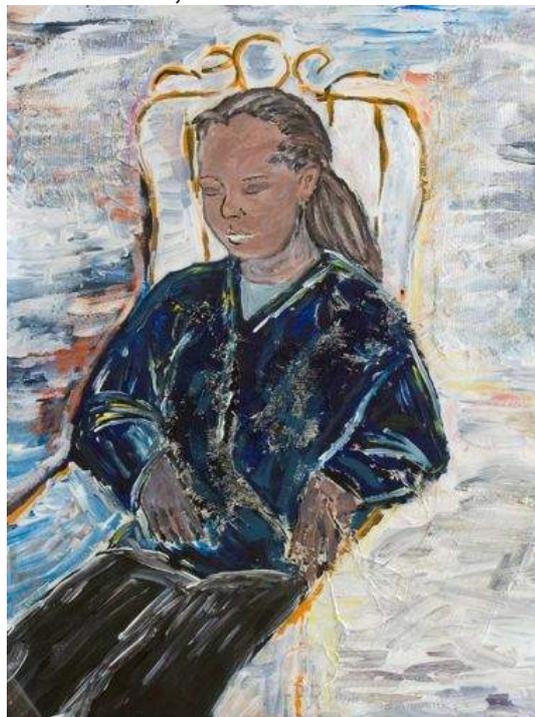
in this critically underfunded area of youth mental health.

- To explore ways to extend the scholarships to other states in Australia.

Finally, I am pleased to confirm that once again the foundation has incurred no expenses throughout the year. This is a result of generous support by our auditor KPMG, our lawyer, DET, Macquarie Bank and our Directors to meet whatever administrative costs have arisen. This ensures that every dollar raised for the Foundation goes towards funding our core research programs.

Adrian Blundell-Wignall
Chairman

'Self Portrait', from Anika's Art Portfolio





DIRECTOR'S REPORT

The directors present their annual report for The Anika Foundation, for the year ended 30 June 2009.

Directors

The directors of the company any time during or since the end of the year are:

- Adrian Blundell-Wignall (chair, investments)
- Glenn Stevens
- Prof. Phillip Mitchell
- Crispin Murray (investments)
- Paul Brennan
- Jeffrey White
- Tate Dogan
- Danae Blundell-Wignall
- Tanya Branwhite (corporate relations)

The company was set up on 13 March 2005;

Endorsed as a Deductible Gift Recipient by the Australian Tax Office on 12 May 2005, under Subdivision 30-B of the Income Tax Assessment Act 1997.

Endorsed for income tax exemption from 12 May 2005, under Subdivision 50-B of the Income Tax Assessment Act 1997.

Endorsed for GST concessions from 1 July 2005, under Division 176 of A New Tax System (Goods and Services Tax) Act 1999.

NSW Dept of Gaming & Racing, authority to fundraise for charitable purposes, issued on 29 July 2005, and renewed from 29 July 2006.

Principal Activity

The principal activity of the company over the course of the year was fund raising for an endowment fund, the income from which will support research into adolescent depression and suicide.

3 grants of \$10,000 were made in the course of 2008-2009, under the Premier's Anika Foundation Youth Depression Awareness Scholarships scheme. One grant of \$35,000

was made to the University of NSW to support first payments of the Macquarie Group Foundation PhD Scholarship in Youth Depression and Suicide. The Foundation is committed to making similar grants in 2009-2010.

Review and Result of Operations

The total revenue from ordinary activities was \$175,742.

Earnings including interest and dividends was \$59,679.

The management of the investment portfolio has reflected the bearish view of the board investment subcommittee. The move to a very high cash allocation, and a defensive stock selection (that outperformed the ASX in 2 of the worst years on record) meant that the fund rose in absolute terms in each of the past 2 financial years.

	Asset Alloc.	Anika	B/mark	Anika	Anika	Anika
Ann Perf.	% Equity	Perf Eq. %	ASX	Div Yld	Int Rate	Tot Perf %
Jun-07	29.57					
Jun-08	19.70	-11.43	-16.95	5.26	7.84	3.70
Jun-09	15.46	-15.18	-24.24	5.29	5.15	2.83

The directors were delighted with the progress made during the year.

State of Affairs

There were no significant changes in the state of affairs of the company that occurred during the year under review.

Environmental Regulation

The companies operations are not regulated by any significant environmental regulation under a law of the Commonwealth or State legislation, which sets the minimum requirement the company must meet.

Events Subsequent to the Balance Date

No other matters of circumstance have arisen since the end of the year which significantly affected or may significantly affect the operations of the company, the results of



those operations, or the state of affairs of the company in future years.

Likely Developments

The company expects the endowment fund raising activity to continue in the 2009-2010 financial year. We expect to make awards in the vicinity of \$65,000 in the course of 2009-2010.

Dividends, Options Remuneration

No common or preferred stocks have been issued.

All activities of the Foundation are voluntary. No remuneration was paid to directors.

Indemnification and Insurance of Officers & Auditors

No indemnities have been given or insurance premiums paid, during or since the end of the balance date year, for any person who is or has been an officer of the company.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.



**Lead Auditor's Independence Under
Section 307c of the Corporations
Act 2001**

The lead auditor's independence declaration is set out on page 8 and forms part of the director's report for the year ended 30 June 2009.

Dated at Sydney at this 7th August 2009.

Signed in accordance with a resolution of the directors.

.....
Adrian Blundell-Wignall
Director and Chairman



Lead Auditors Independence Declaration Under Section 307c of the Corporations Act 2001.

To: The directors of The Anika Foundation

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2009 there have been:

- a) No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- b) No contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Peter Russell
10 Shelley St.
Sydney, 2000 Australia

7th August 2009



INCOME STATEMENT

	Note	2009 \$	2008 \$
For the year ended 30 June 2009			
Revenue from continuing operations	5	175,742	261,403
Scholarships		(65,000)	(65,000)
Net loss from financial assets		(50,980)	(5,353)
Other expenses from operating activities		(83)	(140)
Profit for the year		<u>59,679</u>	<u>190,910</u>
Total changes in equity from non-owner related transactions	12	<u>59,679</u>	<u>190,910</u>

The income statement is to be read in conjunction with the notes to the financial statements set out on the following pages.

BALANCE SHEET

	Note	2009 \$	2008 \$
As at 30 June 2009			
Current Assets			
Cash and cash equivalents	13	832,488	727,185
Available for sale securities	6	152,196	178,425
Total Current Assets		<u>984,684</u>	<u>905,610</u>
Total Assets		<u>984,684</u>	<u>905,610</u>
Current liabilities			
Unearned income	8 & 9	4,500	6,600
Payables	8	35,000	35,000
Total Current liabilities		<u>39,500</u>	<u>41,600</u>
Total Liabilities		<u>39,500</u>	<u>41,600</u>
Net Assets		<u>945,184</u>	<u>864,010</u>
Fair value reserve		21,283	(212)
Retained earnings	10	923,901	864,222
Total Equity		<u>945,184</u>	<u>864,010</u>

The balance sheet is to be read in conjunction with the notes to the financial statements set out on the following pages.



STATEMENT OF RECOGNISED INCOME AND EXPENSE

	Note	2009 \$	2008 \$
For the year ended 30 June 2009			
Change in fair value of available for sale securities		21,495	(22,662)
Net profit/(loss) recognized directly in equity		<u>21,495</u>	<u>(22,662)</u>
Profit for the year		59,679	190,910
Total recognised income and expense for the year		<u>81,174</u>	<u>168,248</u>

The statement of recognised income and expense is to be read in conjunction with the notes to the financial statements set out on the following pages.

STATEMENT OF CASH FLOWS

	Note	2009 \$	2008 \$
For the year ended 30 June 2009			
Cash from operating activities			
Cash receipts in the course of operations		126,750	253,247
Scholarships paid		(65,000)	(65,000)
Interest received		37,454	38,398
Dividends received		9,438	10,842
Other expenses paid		(83)	-
Other income received		-	376
Net cash from operating activities	13b	<u>108,559</u>	<u>237,863</u>
Net cash flows from investment activities			
Proceeds from sale of investments		8,131	-
Net proceeds from sale of investments		<u>(11,387)</u>	<u>(722)</u>
Net cash from investment activities		<u>(3,256)</u>	<u>(722)</u>
Net increase in cash held		105,303	237,141
Cash at the beginning of the year		<u>727,185</u>	<u>490,044</u>
Cash at the end of the year	13a	<u>832,488</u>	<u>727,185</u>

The statement of cash flows is to be read in conjunction with the notes to the financial statements set out on the following pages.



Notes to the financial statements for the year ended 30 June 2009

Note 1: Reporting entity

The Anika Foundation (the “company”) is a company domiciled in Australia. The address of the company’s registered office is 56 Ballast Point Rd, Birchgrove, NSW (2041).

The Company is primarily involved in the raising of funds from donations and organization of events for an endowment fund, the income from which will support research into adolescent depression.

Note 2: Basis of preparation and significant accounting policies

a) Basis of preparation

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The financial report comply with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB).

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The financial report was authorised for issue by the directors on 7th August 2009.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for available for sale securities that are measured at fair value.

The methods used to measure fair values are discussed further in note 3.

(c) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Company’s functional currency.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

(e) Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, cash and cash equivalents and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.



Notes to the financial statements for the year ended 30 June 2009 (continued)

Note 2: Basis of preparation and significant accounting policies (cont.)

(e) Financial instruments (cont.)

Cash and cash equivalents comprise cash balances.

Accounting for finance income and expense is discussed in note 2 (i).

Available-for-sale securities

The Company's investments in equity securities and certain debt securities are classified as available-for-sale securities. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses (see note 2 (g)), and foreign exchange gains and losses on available-for-sale monetary items, are recognised directly in a separate component of equity. When an investment is derecognised, the cumulative gain or loss in equity is transferred to profit or loss.

Other

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

(f) Trade and other payables

Trade and other payables are stated at their amortised cost.

Trade payables are non-interest bearing and are normally settled within 30 days. The carrying amount of accounts payable approximates net fair value.

(g) Impairment

(i) Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in profit or loss.



Notes to the financial statements for the year ended 30 June 2009 (continued)

Note 2: Basis of preparation and significant accounting policies (cont.)

(g) Impairment (cont.)

(ii) *Non-financial assets*

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

(h) Revenue

Donations and fundraising

The Company is a non-profit organisation and receives significant income from donations and fundraising. Grants and donation income is brought to account when there is a reasonable assurance that monies will be received. Funds received in advance of obligations being met are deferred and taken to income as the related expenses are incurred and obligations are met.

(i) Finance income

Finance income comprises interest income. Interest income is recognised as it accrues in profit and loss using the effective interest method.

Finance income comprises interest income, dividend income, gains on the disposal of available-for-sale financial assets. Interest income is recognised as it accrues in profit and loss using the effective interest method. Dividend income is recognised in profit or loss on the date that the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Finance expenses comprise interest expense losses on disposal of available-for-sale financial assets and impairment losses recognised on financial assets. All borrowing costs are recognised in profit or loss using the effective interest method.

(j) Income tax

The Company has been granted an exemption from income tax pursuant to Section 50-5 of the Income Tax Assessment Act 1997.



Notes to the financial statements for the year ended 30 June 2009 (continued)

Note 2: Basis of preparation and significant accounting policies (cont.)

(k) New standards and interpretations not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They are available for early adoption at 30 June 2009, but have not been applied in preparing this financial report:

Revised AASB 101 Presentation of Financial Statements (2007) introduces the term total comprehensive income, which represents changes in equity during a period other than those changes resulting from transactions with owners in their capacity as owners. Total comprehensive income may be presented in either a single statement of comprehensive income (effectively combining both the income statement and all non-owner changes in equity in a single statement) or, in a income statement and a separate statement of comprehensive income.

Revised AASB 101, which becomes mandatory for the Company's 30 June 2010 financial statements, is expected to have a significant impact on the presentation of the financial statements. The Company plans to provide total comprehensive income in a single statement of comprehensive income in a single statement of comprehensive income for its 2010 financial statements.

AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Process and 2008-6 Further Amendments to Australian Accounting Standards arising from The Annual Improvements Process affect various AASBs resulting in minor changes for presentation, disclosure, recognition and measurement purposes. The amendments, which become mandatory for the Company's 30 June 2010 financial statements, are not expected to have any impact on the financial statements.

3 Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Investments in equity and debt securities

The fair value of financial assets at fair value through profit or loss, held-to-maturity investments and available-for-sale financial assets is determined by reference to their quoted bid price at the reporting date. The fair value of held-to-maturity investments is determined for disclosure purposes only.



Notes to the financial statements for the year ended 30 June 2009 (continued)

4 Financial risk management

Overview

The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

Significant Accounting Policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset and financial liabilities are disclosed in note 2 to the financial statements.

(a) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's credit risk is primarily attributable to cash and cash equivalents and investment securities.

The Company's cash and cash equivalents are placed with major financial institutions.

Investments

The Company limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have a high credit rating. Given these high credit risk ratings, management does not expect any counterparty to fail to meet its obligations.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

(c) Market risk

Market risk is the risk that changes in market prices will affect the Company's income or the value of its holdings of financial instruments. The Company is exposed to interest rate risk attributable to cash and cash equivalents and other financial assets.

(d) Capital management

The Company, being a not-for-profit entity, retains all surpluses to satisfy both working capital requirements and the long-term viability of the operations.



Notes to the financial statements for the year ended 30 June 2009 (continued)

Note 5: Revenue

	2009	2008
	\$	\$
Revenue from continuing operations		
Donations	128,850	211,647
Interest	37,454	38,398
Dividends	9,438	10,842
Other	-	516
Total revenue from continuing operations	<u>175,742</u>	<u>261,403</u>

Note 6: Available for sale securities

	2009	2008
	\$	\$
Available for sale securities - at fair value	<u>152,196</u>	<u>178,425</u>

Note 7: Auditors' Remuneration

	2009	2008
	\$	\$
Audit of financial report	<u>-</u>	<u>-</u>

The auditors have completed the audit without charge to the foundation.

Note 8: Payables

	2009	2008
	\$	\$
Unearned income	4,500	6,600
Payables	<u>35,000</u>	<u>35,000</u>
	<u>39,500</u>	<u>41,600</u>

Note 9: Unearned income

The annual fundraiser is held on 28 July 2009, but some cash receipts were collected prior to 30 June 2009. If the function had been cancelled, the money would have to be returned.

Note 10: Retained profits

	2009	2008
	\$	\$
Retained profit at the beginning of the year	864,222	673,312
Net profit for the year	<u>59,679</u>	<u>190,910</u>
Retained profit at the end of the year	<u>923,901</u>	<u>864,222</u>



Notes to the financial statements for the year ended 30 June 2009 (continued)

Note 11: Financial instruments

Exposure to credit, liquidity and market risk arises in the normal course of the Company's business.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. At the balance sheet date there were no significant concentrations of credit risk.

The carrying amount of financial assets represents the maximum credit exposure, which at reporting date was:

	Note	Carrying amount	
		2009	2008
		\$	\$
Cash and cash equivalents	13	832,488	727,185
Available for sale securities	6	152,196	178,425

Market risk

Market risk is the risk that changes in market prices, such as interest rates and equity prices, will affect the Company's income or the value of its holdings of financial instruments.

Interest rate risk

At the reporting date the interest rate profile of the Company's interest bearing financial instruments were:

	Note	2009	2008
		\$	\$
Variable rates instruments			
Cash and cash equivalents	13	832,488	727,185

Average interest rate for the year ended 30 June 2009 4.80% (2008: 6.30%)

Trade payables are non-interest bearing.

Other market price risks

The company's investments subject to price risk are listed on the Australian Stock Exchange. A 1% increase at the reporting date in the All Ordinaries Index (which includes the majority of the Company's investment) would increase the market value of the securities by \$1,522 (2008: \$1,784), and an equal change in the opposite direction would decrease the value by the same amount. The increase/decrease would be reflected in equity as these financial instruments are classified as available-for-sale.

Impairment losses

An impairment loss of \$ 45,392 in respect to available for sale securities was recognised in the profit and loss for investments that had a significant decline in their fair value below their cost.

Cash flow sensitivity analysis for floating rate instruments

An increase of 100 basis points in the interest rates at the reporting date would have increased the profit for the year by \$8,325 (2008: \$7,272) and an equal change in the opposite direction would decrease the value by the same amount. This analysis assumes that all other variables remain constant. This analysis is performed on the same basis for 2008.



Notes to the financial statements for the year ended 30 June 2009 (continued)

Note 11: Financial instruments (cont.)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The following are the contractual maturities of financial liabilities:

2009	Note	Carrying amount	0 - 30 days	31 - 60 days	More than 60 days	More than 1 year
		\$	\$	\$	\$	\$
Payables	8	39,500	4,500	35,000	-	-

2008	Note	Carrying amount	0 - 30 days	31 - 60 days	More than 60 days	More than 1 year
		\$	\$	\$	\$	\$
Payables	8	41,600	6,600	35,000	-	-

Fair values

The fair values of financial assets and liabilities approximate their carrying amounts shown in the balance sheet.

Note 12: Total equity reconciliation

	2009	2008
	\$	\$
Equity at the beginning of the year	864,010	695,762
Changes in fair value of available for sale securities	21,495	(22,662)
Total changes in equity recognised in the income statement	59,679	190,910
Total equity at the end of the year	945,184	864,010

Note 13: Notes to the statement of cash flows

	2009	2008
	\$	\$
a) Reconciliation of cash		
For the purposes of statement of cash flows, cash includes cash on hand and at bank.		
Cash as at the end of the year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:		
Cash at bank	832,488	727,185
b) Reconciliation of cash flow from operations with profit for the year:		
Profit for the year	59,679	190,910
Adjustments for:		
Net loss on financial assets	50,980	5,353
(Decrease) / Increase in payables	(2,100)	41,600
Net cash provided by operating activities	108,559	237,863



Notes to the financial statements for the year ended 30 June 2009 (continued)

Note 14: Directors Remuneration

The Directors did not receive any income from the company or related parties for their office during the year.

The names of directors who have held office during the year are:

Adrian Blundell-Wignall (chair)

Glenn Stevens

Prof. Phillip Mitchell

Crispin Murray

Paul Brennan

Tate Everett Dogan

Danae Rhiannon Blundell-Wignall

Jeffrey White

Tanya Branwhite (corporate relations)

The directors are limited by guarantee to a maximum of AU\$10 each.



Director's Declaration

In the opinion of the Directors of The Anika Foundation (the "Company"):

a) the financial statements and notes, set out on pages 9 to 19, are in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the financial position of the company as at 30 June 2009 and of its performance for the financial year ended on that date, and
- (ii) complying with Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;

b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2; and

c) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Dated at Sydney this 7th day of August 2009.

Signed in accordance with a resolution of the directors.

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Director