



THE ANIKA FOUNDATION Annual Report

2018 - 2019



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CHAIRMAN'S REPORT

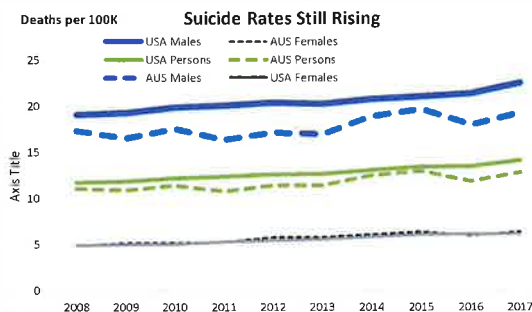
On behalf of the board, I am delighted to present the 2018-19 annual report.

The Anika Foundation's mission is to fund research into adolescent depression and suicide at schools and universities, including support for indigenous communities, and to increase awareness of these issues in society. A detailed description of our work can be found at:

<http://www.anikafoundation.com/>

Youth suicide is a key focus for the Anika Foundation because the changes that occur during adolescence can be the start of a lifelong problem with depression which, in extreme cases, can result in suicide. Early detection can save lives and reduce long-term suffering.

Suicide rates are creeping upwards relentlessly in most countries. There is a significant difference between males and females. The first graph shows suicide rates (per 100,000) from 2008 to 2017 for the United States and Australia.

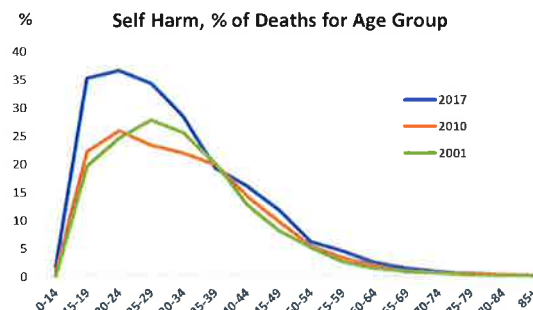


Source: ABS, 3303.0, National Institute of Mental Health, USA.

Male suicide rates are higher than that for females. Female suicides in Australia and the USA show a very similar pattern. Australian male suicides, however, are less than their USA counterparts. It is often thought that this is due to gun availability in the United States. Of the 47,173 suicides in 2017, 50% involved the use of firearms. However, other methods are much more prevalent in Australian suicides. There are always alternative to guns, so explanations for suicide need to look to more complex societal issues than the availability of weapons as a means.

As noted last year, research shows that the rise in suicide is correlated with similarly rising morbidity through other problems in society: alcohol and opioids; serious illnesses related to obesity; rising income inequality, job losses and related stress. These stressors interact with mental health issues. The data suggest these societal issues may be more prevalent in the United States than in Australia. Nevertheless, the upward trend in suicides has been similar here since the financial crisis and needs to be a policy priority.

Suicide is the largest morbidity issue for young people—which is one of the reasons why the Anika Foundation focuses on this demographic group. This can be seen in the second graph, which shows suicides as a percentage of all deaths for each age group. Young healthy people are expected to live a long healthy life, because the afflictions of older aged people are largely absent (cancer, heart attack, stroke). Consequently, suicide is proportionately the largest killer of young people.



Source: ABS, 3303.0

What is very concerning is that since 2010 (after the crisis and with building global competition and tensions) there has been a tendency for these percentages to rise. The age groups of 0-14, 15-19 and 20-24 had seen the percentage of deaths due to suicide at around 25% from 2001 to 2010. But this has now increased to 35% in 2017.

This suggests that a broader approach is required to address the issues: education and careers spheres need to be included alongside mental health counselling and training. This is because it is important to ensure that young people do not fall into isolation: by leaving school too soon or failing to get a place in



tertiary education and/or training programs of some form. Encouraging sporting participation, and musical events; funding skill-training programs, including how to set up a home business, can all help to ensure that young people maintain hope and don't lapse into loneliness and a sense of hopelessness in their lives.

For these reasons we urge those with the means to support the issue of youth suicide. We think that our new and original initiative with the University of WA on Aboriginal suicide could benefit from further support.

The Year in Brief

As usual the year began with the annual fund-raising speech by the Governor of the Reserve Bank (Dr Philip Lowe) to the financial market community, sponsored by National Australia Bank and the Australian Business Economists. Phil's speech was entitled "*Demographic Change and Recent Monetary Policy*", in which he reflected upon the implications of the level and composition of immigration and retirement policies. This speech can be found on the Reserve Bank website, at:

<https://www.rba.gov.au/speeches/2018/sp-gov-2018-08-08.html>

The roles of National Australia Bank and Australian Business Economists are particularly important to the Anika Foundation for fund raising in the area of youth depression and suicide. Without them our efforts would not be possible. The board wishes to express its thanks to both organisations.

Most of the subsequent activities for the year involved the schools and university programs and continuing with the new Aboriginal fellowships.

The Foundation now funds three major Scholarship Programs to meet its objectives:

1. **The Schools Program** – with the objective of providing teachers with global travel possibilities to study how schools in other countries deal with the youth depression issues and to seek knowledge at conferences and learning institutions.
2. **The PhD Program** – with the objective of funding ground-breaking university research that may include both social and/or clinical studies to develop

treatments and programs that improve mental health outcomes.

3. **The Indigenous Australian Program** – the Board decided in 2017 to move into this area by teaming up with the Centre for Indigenous Studies and the Young Lives Matter project based in the University of Western Australia. The aim is to help young Aboriginal persons to take up leadership roles in their own communities in the area of adolescent depression and suicide.

The Schools Program

In 2018-19, the NSW Scholarships were awarded to Mirela Fricot (Port Hacking High) and Andrew Stephens (Lidcombe Primary School). Mirela will study educational systems that have embedded mindfulness practice into their school's culture, and Andrew will study whether cognitive-behavioural therapy (CBT) can be taught to students in a classroom setting through a universal, curriculum linked program.

The WA Scholarship was awarded to Stella Rodgers of Jandakot. Stella will explore the Therapeutic Crisis Intervention - in Schools (TCI-S) program. Separately, the Board agreed to fund Donna Sturgeon of Kulin District High School to attend the 2019 Rural and Remote Mental Health Symposium, to be held in Adelaide later this year.

The Board invited several of our 2018 Scholarship winners to attend our August board meeting and brief us on their studies. The NSW Scholarship attendees were Emma Sue San (Redbank), Sandra Scott (North Sydney Girls High) and Deborah Costa (Cessnock West Public School).

Paul Russell, the Lead Psychologist at the Association of Independent Schools of Western Australia also attended. Paul focused on the *Mental Health and Highschool Curriculum Guide* of Canada, which he modified for use in Australia. This teacher-driven program is used to teach mental health in classrooms like any other subject. It targets the stigma around mental health, teaches students what a mental health issue is, and what it is not, and presents treatments that work. Improving knowledge in schools helps students to seek help. A key feature of the program is that it is made available to schools for free via an online portal.



Applications for the 2019-20 'Premier's Anika Foundation Youth Depression Awareness Scholarships' were reviewed in June 2019. As usual the field was very strong, and the winners will be announced by the Premier in August 2019.

The PhD Program

As the two previous Anika Foundation PhD scholars (Karl Andriessen and Ally Nicolopoulos) have both completed their studies and the board has just provided the funds for a new set of scholarships. Both awards are in the final stages of selecting candidates.

While precise thesis-topics are not yet set, the Black Dog scholarship is earmarked for work in the area of using digital metadata (e.g. smartphone sensory and social media data). This is an increasing area of focus for mental health research and provides novel ways to advance risk prediction and detection. The board was initially concerned about the privacy issues of such a project and spent a considerable amount of time discussing this with Black Dog before final approval. The board is satisfied that these issues will be handled professionally.

The Indigenous Australian Fellowships

In 2019, Foundation made its inaugural grant for the "Anika Foundation Indigenous Australian Fellowship in Youth Depression Awareness" (the "Fellowship"). The successful candidates were identified and selected via the University of Western Australia's Centre for Indigenous Studies (Professors Jill Milroy and Pat Dudgeon).

Candidates are required to be Aboriginal, aged between 18-30 and to be currently involved in youth mental health or youth leadership.

The Fellowship winners were funded to attend the 2nd National Aboriginal and Torres Strait Islander Suicide Prevention Conference and The 2nd World Indigenous Suicide Prevention Conference, on 20-23 November 2018. These were hosted by the Poche Centre for Indigenous Health at the University of Western Australia.

The aim of the Conferences was to bring together experts, leaders and members of the

national and international Indigenous communities to identify culturally appropriate approaches to suicide prevention. The theme of the Conferences was 'Building a Stronger Tomorrow by Connecting Communities Through Culture'. The board saw this as a unique opportunity for indigenous people, policy makers and researchers to share learning and to collaborate on solutions that work in indigenous suicide prevention.

The conferences attracted over 500 delegates from across Australia and the World. The two conferences were preceded by the *World Indigenous Youth Cultural Exchange Day*, held on 19th November 2018.

In addition to attending the youth stream of the conference, the Fellowship winners undertook to share the knowledge learnt at the conference with their own communities and to provide a written report to the Anika Foundation on the relevance of the conference for them. Four of the bursary holders provided a video interview in place of a written report.

[ISPC Report](#)

https://www.youtube.com/watch?v=efPWBCPc_1M&feature=youtu.be

And the cultural exchange day participants also provided a video:

[Love and Hope Video](#)

<https://www.youtube.com/watch?v=d415CdeNemM>

The *World Indigenous Suicide Prevention Conference* will be held in Vancouver Canada in 2020, and the Anika Foundation will be providing Fellowships for suitable applicants to join the Australian contingent.

Fund Raising

Fund raising activity has again been sound. The annual Governor's speech raised \$71,793 this year. National Australia Bank was our single largest supporter, separately providing \$45,845 during the year. Unsolicited donations amounted to \$13,274.

Tax and Compliance Issues

As a Public Ancillary Fund, the Anika Foundation submitted its tax return for the previous financial year and is fully compliant



with the rules. Looking forward, foundations like our own do not have to submit a tax return from this point, provided they carry out the annual review with the Australian Charities and Not-for-Profits Commission: the ACNC—which can be found at:

<https://www.acnc.gov.au/ACNC/FindCharity/QuickSearch/ACNC/OnlineProcessors/OnlineRegister/SearchtheRegister.aspx?noleft=1>

The ACNC annual review is an important compliance tool designed to ensure that ancillary funds fully meet their obligations as charitable institutions.

The revised guidelines for ancillary funds may be found on the website:

<https://www.legislation.gov.au/Details/F2016C00434>

The guidelines require ancillary funds to distribute at least 4% of the assets of the fund at the end of the preceding financial year. The foundation is pleased to report that it has exceeded this requirement again in 2018-19, due to the new initiatives.

The Anika Foundation is very fortunate to have the support of the audit and accounting firms KPMG and John Atkinson and Co. KPMG carries out the annual audit and John Atkinson deals with franking credit refund claims, both on a pro bono basis, for the foundation.

Signed:

Adrian Blundell-Wignall, Chairman, 24 July 2019

www.anikafoundation.com

The website run by Anika's brother Tate Dogan is an important conduit for information concerning the Anika Foundation. This website links to the Anika Foundation Facebook page.

Self Portrait', from Anika's Art Portfolio





DIRECTORS' REPORT

The directors present their annual report for The Trustee for the Anika Trust (The Anika Foundation or the Foundation), for the year ended 30 June 2019.

Directors

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

- Adrian Blundell-Wignall (chair, investments)
- Dr Philip Lowe
- Glenn Stevens (AC)
- Prof. Phillip Mitchell
- Crispin Murray (investments)
- Paul Brennan
- Jeffrey White
- Tate Dogan
- Danae Blundell-Wignall

The Foundation was:

- Established 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.
- Authorised by NSW Fair Trading (previously Dept of Gaming & Racing), to fundraise for charitable purposes, issued on 29 July 2005, and renewed again in 2006, 2012 and 2018.

Principal Activity

The principal activity of the Foundation over the course of the year was to support research into adolescent depression and suicide.

Grants summing to \$121,423 were paid in the course of 2018-2019.

Disbursements for fund raising activities amounted to \$46,296. The grant funds have been dispersed to the scholarship winners in the course of the year. The foundation is committed to maintaining its grant programs in 2019-2020.

Review and Result of Operations

The total revenue from continuing operations was \$164,652 (2018: \$156,262).

Earnings of interest and dividends from direct investments was: \$29,731 (2018: \$25,143), excluding those re-invested in the WRAP account, which is treated as an investment in a *balanced portfolio* of securities for these accounts.

The management of the investment portfolio has reflected the continued cautious view of the board investment subcommittee related to extremely high and rising levels of debt in emerging markets, and the high level of equity valuations. The allocation to the passive structure WRAP account with BT Funds Management is performing as expected. The overall fund rose in absolute terms, which it has managed to do in all years since its inception.

Available for Sale Assets	
Jun-18	\$2,579,891
Deficit for the year \$	-\$3,067
Change in AFS Value	\$63,684
Investment return %	2.5
Jun-19	\$2,640,507

The income of the fund (interest and dividends plus available for sale gains) adds to \$93,415 which is slightly less than the 4% required to distribute this year. This is due to the allocation to cash, the return on which is lower than previous years. The directors were satisfied with the progress made during the year.

State of Affairs

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



Environmental Regulation

The Foundation's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. However, the board believes that the Foundation has adequate systems in place for the management of its environmental requirements as they apply to the Foundation.

Events Subsequent to the Balance Date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Foundation, to affect significantly the operations of the Foundation, the results of those operations, or the state of affairs of the Foundation, in future financial years.

Likely Developments

The Foundation expects the endowment fund raising activity to continue in the 2018-2019 financial year. We expect to make awards in the range of \$100,000-\$130,000 in the course of 2019-2020.

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 Foundation.

Proceedings on Behalf of the Company

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



**Lead Auditor's Independence Under
Subdivision 60-C Section 60-40 of
the Australian Charities and Not-for-
Profits Commission Act 2012**

The lead auditor's independence declaration is set out on page 9 and forms part of the director's report for the year ended 30 June 2019.

Dated at Sydney at this 24 July 2019.

Signed in accordance with a resolution of the directors.

Adrian Blundell-Wignall
Director and Chairman



Auditor's Independence Declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

To: the directors of The Trustee for the Anika Trust

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2019 there have been:

- i. no contraventions of 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. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Nicholas Buchanan

Partner

Sydney

24 July 2019



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2019	Note	2019 \$	2018 \$
Revenue from continuing operations	4	164,652	156,262
Scholarships granted		(121,423)	(137,686)
Other expenses from operating activities	5	(46,296)	(48,204)
(Deficit) / Surplus for the year	9b	<u>(3,067)</u>	<u>(29,628)</u>
Other comprehensive income for the year (items that may be recycled to profit or loss)			
Net change in fair value of available-for-sale financial assets		63,684	83,442
Total comprehensive income for the year		<u>60,617</u>	<u>53,814</u>

The statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to the financial statements set out on pages 13 to 18.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2019	Note	2019 \$	2018 \$
Current Assets			
Cash and cash equivalents	9a	835,950	852,717
Available for sale securities	8	1,777,558	1,713,874
Prepayments		27,000	13,300
Total Current Assets		<u>2,640,508</u>	<u>2,579,891</u>
Total Assets		<u>2,640,508</u>	<u>2,579,891</u>
Current liabilities			
Payables		-	-
Total Current liabilities		<u>-</u>	<u>-</u>
Total Liabilities		<u>-</u>	<u>-</u>
Net Assets		<u>2,640,508</u>	<u>2,579,891</u>
Fair value reserve		311,999	248,315
Retained surplus		2,328,509	2,331,576
Total funds		<u>2,640,508</u>	<u>2,579,891</u>

The Statement of Financial Position is to be read in conjunction with the notes to the financial statements set out on pages 13 to 18.



STATEMENT OF CHANGES IN FUNDS

For the year ended 30 June 2019	Fair value Reserve	Retained Surplus	Total
	\$	\$	\$
Balance at 1 July 2017	164,873	2,361,204	2,526,077
Total comprehensive income for the year			
Deficit for the year	-	(29,628)	(29,628)
Other comprehensive income			
Net change in fair value of available-for-sale financial assets	83,442	-	83,442
Balance at 30 June 2018	<u>248,315</u>	<u>2,331,576</u>	<u>2,579,891</u>
Total comprehensive income for the year			
Deficit for the year	-	(3,067)	(3,067)
Other comprehensive income			
Net change in fair value of available-for-sale financial assets	63,684	-	63,684
Balance at 30 June 2019	<u>311,999</u>	<u>2,328,509</u>	<u>2,640,508</u>

The Statement of Changes in Funds is to be read in conjunction with the notes to the financial statements set out on pages 13 to 18.



STATEMENT OF CASH FLOWS

	Note	2019 \$	2018 \$
For the year ended 30 June 2019			
Cash from operating activities			
Cash receipts from fundraising activities		134,921	131,120
Cash payment for fundraising costs		(45,183)	(47,899)
Scholarships paid		(121,423)	(137,686)
Interest received		12,858	12,137
Dividends received		16,873	13,006
Movement in prepayment		(13,700)	12,460
Other expenses paid		(1,113)	(306)
Net cash from operating activities	9b	<u>(16,767)</u>	<u>(17,168)</u>
Net cash flows from investment activities			
Proceeds from sale of available for sale securities		-	6,230
Purchases of available for sale securities		-	(23,095)
Net cash used in investment activities		<u>-</u>	<u>(16,865)</u>
Net (decrease) / increase in cash held		(16,767)	(34,033)
Cash at the beginning of the year		<u>852,717</u>	<u>886,750</u>
Cash at the end of the year	9a	<u>835,950</u>	<u>852,717</u>

The Statement of Cash Flows is to be read in conjunction with the notes to the financial statements set out on pages 13 to 18.



Notes to the financial statements for the year ended 30 June 2019

Note 1: Reporting entity

This financial report covers The Trustee for the Anika Trust (The Anika Foundation or the Foundation") as an individual not-for profit entity for the year ended 30 June 2019.

Note 2: Basis of preparation and significant accounting policies

(a) **Statement of compliance**

In the opinion of the directors, the Foundation is not publicly accountable. The financial report of the Foundation is Tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements (AASB-RDRs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Australian Charities and Not-for-profits Commission Act 2012 (ACNC) and with the requirements of the Charitable Fundraising Act 1991 (NSW) and its regulations.

The financial report was authorised for issue by the directors on 24 July 2019.

(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 Foundation'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.



Notes to the financial statements for the year ended 30 June 2019 (continued)

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

(e) **Financial instruments**

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

Available-for-sale financial assets

The Foundation's investments in equity securities and wrap investment products are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, are recognised in other comprehensive income and presented within equity in the fair value reserve. When an investment is derecognised, the cumulative gain or loss in equity is transferred to profit or loss. The Foundation accounts for the listed investments on the settlement date.

(f) **Revenue**

Donations and fundraising

The Foundation is a not-for-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.

(g) **Finance income**

Finance income comprises interest income and dividend income.

(h) **Income tax**

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

(i) **Prepayment**

Deposits for following year fund raising events are recognised as prepayment in the statements of financial position and expensed when the events are completed.

Note 3: Determination of fair values

The following table shows the carrying amounts and fair values of financial assets, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value as the carrying amount is a reasonable approximation of fair value.

	Fair Value \$			Total
	Level 1	Level 2	Level 3	
30-June-2019				
Financial assets measured at fair value				
Investment in listed securities	346,873	-	-	346,873
Investment in wrap platform	1,430,684	-	-	1,430,684
Total	1,777,558	-	-	1,777,558
30-June-2018				
Investment in listed securities	336,792	-	-	336,792
Investment in wrap platform	1,377,082	-	-	1,377,082
Total	1,713,874	-	-	1,713,874



Notes to the financial statements for the year ended 30 June 2019 (continued)

Note 3: Determination of fair values (cont.)

The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair values have been determined for measurement and / or disclosure purposes based on the following methods.

Available-for-sale financial assets

The fair value of listed shares is determined by reference to their quoted bid price at the reporting date. Valuation of investments in wrap investment products, which comprises cash, Australian shares and international shares is based on the quoted market price provided by the wrap operator. All available for sale financial assets are quoted as level 1.

	2019	2018
	\$	\$
Note 4: Revenue		
Donations	130,912	123,471
--of which annual July event	--117,638	--114,523
--of which presentations for fees	--0	--6,800
--of which unsolicited	--13,274	--2,155
Interest	12,858	12,137
Dividends	16,873	
Other income	4,009	13,001
Total revenue	<u>164,652</u>	<u>156,261</u>

Note 5: Other expenses

	2019	2018
	\$	\$
Fundraising costs	45,183	47,899
Administrative expenses	1,113	306
	<u>46,296</u>	<u>48,204</u>

Note 6: Fundraising appeals conducted during the financial period

Fundraising appeals conducted during the financial period included the foundation's annual fundraiser with Philip Lowe, presentations given by the Chairman, and general receiving of donations.



Notes to the financial statements for the year ended 30 June 2019 (continued)

Note 7: Results of fundraising appeals

	2019	2018
	\$	\$
(1) Gross proceeds from fundraising appeals	130,912	123,478
Less: Direct costs from fundraising appeals	(45,183)	(47,899)
Net surplus obtained from fundraising appeals	<u>85,729</u>	<u>75,579</u>
(2) Application of net surplus obtained from fundraising appeals		
Scholarships (expenditure on direct services)	(121,423)	(137,686)
Administrative expenses	(1,113)	(306)
	<u>(122,536)</u>	<u>(137,991)</u>
(Deficit) / Surplus	<u>(36,807)</u>	<u>(62,412)</u>

(3) The deficit of -\$36,807 (2018: Deficit of -\$62,412) was used as part of the Foundation's endowment fund.

(4) Comparisons of certain monetary figures and percentages:

	2019	2019	2018	2018
	\$	%	\$	%
Total cost of fundraising/ gross income from fundraising	45,183/ 130,912	34.5	47,899/ 123,478	38.8
Net surplus from fundraising/ gross income from fundraising	85,729/ 130,912	65.5	75,579/ 123,478	61.2
Total costs of services/ total expenditure	121,423/ 167,719	72.4	137,686/ 185,890	74.1
Total costs of services/ total income received	121,423/ 164,652	73.7	137,686/ 156,262	88.1
Total disbursements/ Assets previous financial year*	167,719/ 2,579,891	6.5*	185,890/ 2,526,077	7.4*

* NOTE: It is a requirement for public ancillary funds to distribute at least 4% of the assets at the end of the previous financial year, see Chairman's report. Scholarship only disbursements were 4.7% of the assets at the end of the year.



Notes to the financial statements for the year ended 30 June 2019 (continued)

Note 8: Available-for-sale financial assets

	2019	2018
	\$	\$
Available-for-sale financial assets - at fair value (all level 1)	<u>1,777,558</u>	<u>1,713,874</u>

Note 9: Cash and cash equivalents

	2019	2018
	\$	\$
a) Reconciliation of cash		
For the purposes of the statement of cash flows, cash includes cash 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	<u>835,950</u>	<u>852,717</u>
b) Reconciliation of cash flow from operations with surplus for the year:		
(Deficit) / Surplus for the year	(3,067)	(29,628)
Adjustments for:		
(Increase) / Decrease in prepayments	<u>(13,700)</u>	<u>12,460</u>
Net cash (used in) / provided by operating activities	<u>(16,767)</u>	<u>(17,168)</u>



Notes to the financial statements for the year ended 30 June 2019 (continued)

Note 10: New accounting standards and interpretations not yet adopted

AASB 9 Financial Instruments replaces *AASB 139 Financial Instruments: Recognition and Measurement*. AASB 9 sets out the requirements for the classification, recognition and measurement of financial assets, financial liabilities, and provides updates to hedge accounting. The standard becomes mandatory for annual reporting periods beginning on or after 1 January 2019 for not-for-profit entities. Management's assessment concluded that the adoption of *AASB 9 Financial Instruments* will result in changes to the accounting policies adopted by the Foundation. Under AASB 9, the classification of financial assets as Available-for-sale will no longer be available. Under AASB 9 these financial assets will be designated as Financial Assets held at fair value through other comprehensive income. The transitional disclosure for the reclassification of the Available for sale financial assets will be presented in the Foundation's Financial Statements for financial year 2020. There is no impact to the fair value measurement on transition expected. However unlike AASB 139 the accumulated fair value reserve related to these investments will never be reclassified to profit or loss. AASB 9 also establishes a new model for the recognition and measurement of impairment of financial assets measured at Amortised Cost. This is not expected to have a material impact on the Foundation.

AASB 1058 Income for Not-for-Profit Entities clarifies and simplifies the income recognition requirements that apply to Not-for-Profit entities, in conjunction with *AASB 15 Revenue from Contracts with Customers*. AASB 1058 supersedes the income recognition requirements relating to private sector Not-for-Profit entities set out in *AASB 1004 Contributions*. The requirements of AASB 1058 more closely reflect the economic reality of Not-For-Profit entity transactions that are not deemed as contracts with customers. AASB 1058 is effective for annual reporting periods beginning on or after 1 January 2019. The Foundation is currently assessing the potential impact on its financial statements resulting from the application of AASB 1058.

Note 11: Directors Remuneration

The Directors did not receive any income from the Foundation for their office during the year.

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

Adrian Blundell-Wignall, Chairman
Dr Philip Lowe
Glenn Stevens
Prof. Phillip Mitchell
Crispin Murray
Paul Brennan
Tate Dogan
Danae Blundell-Wignall
Jeffrey White

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

Note 12: Subsequent events

There are no subsequent events occurring post 30 June 2019 that affected, could have affected the financial position or the financial performance or requiring disclosure as at that date.



Directors' Declaration

In the opinion of the directors of The Trustee for the Anika Trust (The Anika Foundation or the Foundation):

- (a) the Foundation is not publicly accountable;
- (b) the financial statements and notes that are set out on pages 10 to 18 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, and the Charitable Fundraising 1991 (NSW) Act, the regulations under that Act and the conditions attached to the authority granted under the Act, including:
 - (i) giving a true and fair view of the Foundation's financial position as at 30 June 2019 and of its performance, for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards – Reduced Disclosure Regime and the Australian Charities and Not-for-profits Commission Regulation 2013 ; and
- (c) there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:

Dated at Sydney this 24th day of July 2019.

Signed in accordance with a resolution of the directors.

.....
Director



Declaration by Chairman in respect of fundraising appeals

I, Adrian Blundell-Wignall, Chairman of The Trustee for the Anika Trust (The Anika Foundation or the Foundation), declare in my opinion:

- (a) The financial report gives a true and fair view of all income and expenditure of The Anika Foundation with respect to fundraising appeal activities for the financial year ended 30 June 2019;
- (b) The statement of financial position gives a true and fair view of the state of affairs with respect to fundraising appeal activities as at 30 June 2019;
- (c) The provisions of the Charitable Fundraising 1991 (NSW) Act and Regulations and the conditions attached to the authority have been complied with for the financial year ended 30 June 2019; and
- (d) The internal controls exercised by The Anika Foundation are appropriate and effective in accounting for all income received and applied from any fundraising appeals.

Dated at Sydney this 24th day of July 2019.

Adrian Blundell-Wignall



Independent Auditor's Report

To the members of The Trustee for the Anika Trust

Report on the audit of the Financial Report

Opinion

We have audited the **Financial Report** of The Trustee for the Anika Trust (The Anika Foundation or the Foundation).

In our opinion, the accompanying **Financial Report** of The Anika Foundation is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

- i. giving a true and fair view of the Foundation's financial position as at 30 June 2019, and of its financial performance and its cash flows for the year ended on that date; and
- ii. complying with *Australian Accounting Standards Reduced Disclosure Requirements* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

The **Financial Report** comprises:

- i. Statement of financial position as at 30 June 2019.
- ii. Statement of profit or loss and other comprehensive income, Statement of changes in funds, and Statement of cash flows for the year then ended.
- iii. Notes including a summary of significant accounting policies.
- iv. Directors' declaration of the Foundation.
- v. Declaration by the Chairman in respect of fundraising appeals of the Foundation.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Foundation in accordance with the auditor independence requirements of the *ACNC Act 2012* 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 in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

Other information

Other Information is financial and non-financial information in The Anika Foundation's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Chairman's Report and Directors Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, 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. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- i. Preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards Reduced Disclosures Requirements and the ACNC.
- ii. Preparing the Financial Report in accordance with Section 24(2) of the Charitable Fundraising (NSW) Act 1991 and Regulations
- iii. Implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
- iv. Assessing the Foundation's ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Foundation or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- i. to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- ii. 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 *Australian Auditing Standards* will always detect a material misstatement when it



exists.

Misstatements can arise from fraud or error. They 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 *Australian Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- i. Identify and assess 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.
- ii. 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 registered Foundation's internal control.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- iv. Conclude on the appropriateness of the Directors' 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 registered Foundation'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 registered Foundation to cease to continue as a going concern.
- v. 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.

We communicate with the Directors of the Foundation 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.

In addition we have:

- i. Obtained an understanding of the internal control structure for fundraising appeal activities.
- ii. Examined on a test basis of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the Act and Regulation.

We have not audited on a continuous basis the accounting records relied upon for reporting on fundraising appeal activities. These do not necessarily reflect accounting adjustments after the event or normal year-end financial adjustments required for the preparation of Financial Report such as accruals, prepayments, provisioning and valuations.



Report on Other Legal and Regulatory Requirements

Opinion pursuant to the Charitable Fundraising Act (NSW) 1991

In our opinion,

- i. the Financial Report gives a true and fair view of the Foundation's financial result of fundraising appeal activities for the financial year ended 30 June 2019;
- ii. the Financial Report has been properly drawn up, and the associated records have been properly kept for the period from 1 July 2018 to 30 June 2019, in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations;
- iii. money received as a result of fundraising appeal activities conducted during the period from 1 July 2018 to 30 June 2019 has been properly accounted for and applied in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations; and
- iv. there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they fall due.

KPMG

Nicholas Buchanan

Partner

Sydney

24 July 2019