



THE ANIKA FOUNDATION Annual Report

2019-2020



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CHAIRMAN'S REPORT

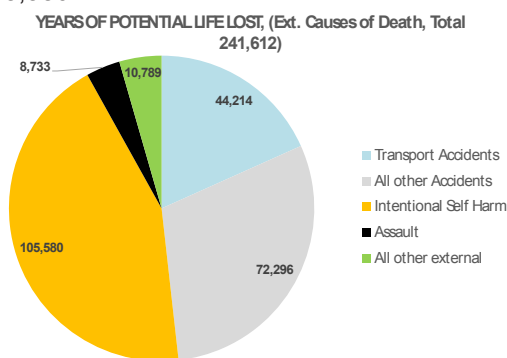
On behalf of the board, I am delighted to present the 2019-20 annual report.

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. When a young person dies many more years of potential life are lost, compared to an old person at average life expectancy dying from heart disease, respiratory problems, stroke or cancer.

For all external causes of death, the chart shows Years of Potential Life Lost (YPLL) caused by Intentional Self Harm in the latest year data is available (2018). There were 105,580 YPLL.



Source: ABS, 3303.0, 2018.

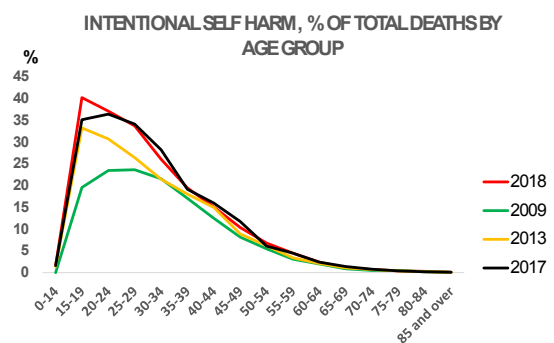
In comparison all transport accidents (vehicles, motorcycles, trucks, boats etc) accounted for 44,214 YPLL; all non-transport accidents 72,296 (such as drowning, falling, electrical, etc.); and assaults, 8733.

COVID-19

In the current year COVID-19 has become the greatest risk to life from a pandemic since the Spanish Flu of 1918. This is an issue of grave

concern for suicides, which anecdotally are already perceived globally to be picking up. As people lose their jobs in numbers not seen since the Great Depression mental health issues are coming to the fore. Confinement in lockdown and concern about the future is leading to increased stress and family violence. This affects young people who are also concerned about missing school, passing exams, finding places in higher education, supporting themselves via casual work and getting a job upon graduation.

The second graph updates that shown in last year's annual report for suicides as a percentage of all deaths for each age group. Young healthy people are expected to live a long life, because the afflictions of old-aged persons are largely absent (cancer, heart attack, stroke).



Source: ABS, 3303.0, 2018.

We had hoped that 2018 data would begin to show an improvement in the numbers, given the greater focus on this issue with government and other programs. Unfortunately, the proportion of 15-to-19-year-old deaths attributable to suicide has actually risen to 40%, from 35% in 2017.

Being usefully occupied in education or employment is important for mental health. It reduces isolation and brings a sense of purpose to life. To this end an early return to school will be important, provided it is done in a safe way. Anxiety would risk worsening in the event of a serious outbreak in schools and transmission to parents and siblings, teachers, and other school staff.



But once we are through the pandemic it is to be hoped that the devastating Australian bushfires and the pandemic corona crises will provide an opportunity to re-evaluate values in society giving a greater weight to inclusiveness and helping each other. Many young people we meet express the desire to play a much greater role in shaping the future that they will inherit. Harnessing this sense of purpose could help more young people to find new and productive directions.

To this end the Anika Foundation looks to provide financial support for young people to find the answers themselves: teachers, researchers, and the support we are providing for indigenous Australian youth to attend global conferences on matters that concern them. In all of this the idea is to support young people to bring fresh ideas back into their various communities.

The Year in Brief

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. Dr Lowe's speech was entitled "*Inflation Targeting and Economic Welfare*", in which he reflected upon whether or not inflation targeting was still the best way for central banks to enhance social welfare.

<https://www.rba.gov.au/speeches/2019/sp-gov-2019-07-25.html>

The roles of National Australia Bank and Australian Business Economists are particularly important to the Anika Foundation for its fundraising efforts for youth depression and suicide programs. 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

youth depression issues are dealt with in other countries and to bring ideas and expert knowledge back to their communities in Australia.

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 for young people.
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 for dealing with adolescent depression and suicide.

The Schools Program

In 2018-19, the NSW Scholarships were awarded to Wayne Humphreys (Baulkham Hills High School) and Tiffany Barreca (Kingsgrove High School). Their overseas travel arrangements approved by the Minister were originally scheduled for May, but all Department work-related overseas travel has been placed on hold until further notice due to Covid-19. Both winners will reschedule their overseas tours.

The WA Scholarship was awarded to Elizabeth Kent. As with NSW, Elizabeth's agreed program of travel is no longer possible due to Covid-19. UWA will continue to work with Elizabeth and the Department of Education as necessary, on her revised itinerary and ensure agreed learning objectives are achieved in-line with this new timeline.

The Board invited several of our 2018 Scholarship winners to attend our August board meeting and brief us on their studies. Cate Seghezzi reported on her trip (to Ghent and West Midlands UK), where she studied a number of perspectives: neuro-cognitive approaches (visualisations and suicide ideation); coordinated interventions to suicide ideation (rescripting narratives and alternative visualisations); therapeutic approaches; and Youth Aware Mental health (YAM). School



based interventions are important with YAM—the student voice is key. This has been shown to be very effective in the UK. Cate believes it would also be very effective in Aboriginal communities.

Mirela Fricot spoke to her study trip on mindfulness. She illustrated some of the content in the USA at schools which were well advanced in teacher and student involvement (the Memphis model with 10 minutes at the start of the day, and then one minute of reflection prior to each and every lesson). She explained the success of implementing this at Joseph Banks High School. 30 staff at the school have agreed to lessons on using this approach. This has also saved the school money, with her teaching mindfulness for free, instead of the \$2000 that a private company charges to do this in high schools.

The PhD Program

The Black Dog Institute, after a concerted search process, confirmed the success of an ideal PhD candidate to take up the next Anika Foundation PhD Scholarship. She is Ms Karen Kusuma and she joined the program in January 2020.

Karen has a Bachelor of Psychological Sciences (First Class Honours) from the University of Queensland. There she received the Dean's Commendation for Academic Excellence two years in a row (2016, 2017). She completed a first-class thesis in Organisational Psychology, under the supervision of Dr Stacey Parker. The thesis was an investigation of the effectiveness of coping mechanisms resulting from stress perceptions.

A key element of Karen's PhD proposal is to investigate the effectiveness of machine learning in predicting suicide attempts in Australian youth (ages 10–24 years). This will involve producing a comprehensive model integrating risk factors from electronic linked data (social media). Karen's PhD supervisors will be Dr Michelle Tye and Professor Helen Christensen.

Our new PhD scholarship in the university of NSW, under prof. Mitchell, was also renewed during the year. The PhD scholar is Kaiwan Thomson, a very bright and impressive first-class honours graduate, also from the

University of Queensland. His topic of research is in the areas of deliberate self-harm (cutting, etc.), depression and suicide in adolescents.

The Indigenous Australian Fellowships

Prof. Pat Dudgeon, of the University of Western Australia is on the organising committee for the *3rd World Indigenous Suicide Prevention Conference*, (WISPC), 2020. This will be held in Vancouver, Canada, at the end of this year, with a major focus on youth. Consequently, the Board felt it was a great opportunity to sponsor the attendance of a number of indigenous youth to attend the Conference. It was felt that this has the potential to be a life changing event for those involved.

Five bursaries to attend this conference have been provided for. These were allocated on three criteria: gender (two males/two females, one LGBTIQ); a national geographic spread; and youth working in suicide prevention and/or who have an emerging-leaders profile.

Most of the winners are associated with the *Culture is Life* group, a national body who have nurtured a youth squad as emerging leaders.

See:

<https://www.cultureislife.org/>

and

<https://www.cultureislife.org/people/>

As with other scholarships, it remains to be seen if the conference will go ahead as scheduled or will be delayed to a future date. The Board is happy for the funds to be held over for this purpose.

Fund Raising

Fund raising activity has again been very sound. The annual Governor's speech raised \$86,200 this year. National Australia Bank was our single largest supporter, separately providing \$46,579 during the year. Glenn Stevens donated the \$500 honorarium for a speech he made during the year. Unsolicited donations amounted to \$3,200.

The Board has concerns for 2020-21 as the July Conference will likely fall within a period



where large meeting in NSW will not be permitted, due to the corona virus. It is hoped that the event will be held with virtual technology keeping the format as close as possible to that of past events.

Tax and Compliance Issues

As a Public Ancillary Fund, the Anika Foundation submitted its ACNC return for the previous financial year and is fully compliant with the rules. 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/Online_register/Search_the_Register.aspx?noleft=1

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 2019-20, in meeting all the new initiatives.

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

Guidelines for Ancillary funds can be found at:

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

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.

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.

www.anikafoundation.com

Signed:

Adrian Blundell-Wignall, Chairman, 24 July 2020

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 2020.

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 \$118,839 were paid in the course of 2019-2020.

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 \$160,395 (2019: \$164,652).

Earnings of interest and dividends from direct investments was: \$18,310 (2019: \$29,732), 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.

Financial Assets fair value movement	
Opening Balance at 1 July 2019	\$ 1,777,558.00
Purchases	\$ -
Sales	-\$11,245.00
Fair Value Change	-\$87,761.00
Closing Balance at 30 June 2020	\$ 1,678,552.00

The income of the fund consists of interest and dividends, of \$18,310 plus financial assets at fair value through other comprehensive income gains/(losses) of \$(87,767) for a total of \$(69,451), compared to the need to distribute 4%, or \$105,620. This is due to the



fall in asset values caused by the Covid-19 crisis and low interest rates. The directors were satisfied that the losses were not greater, a result of the cautious investment style.

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

State of Affairs

The Covid19 pandemic has been very disruptive to the operation of the foundation during the financial year. Interviews for new teacher scholarships were placed on hold, and past winners have had to delay their trips due to government travel bans. Travel related to the Aboriginal fellowship may also be delayed at the end of 2020. Our two new PhD scholars from Queensland have delayed their studies until the start of 2021. We hope to be able to get operations back on track in 2021.

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 2020-2021 financial year. We expect to make awards in the range of \$100,000-\$110,000 in the course of 2020-2021.

Dividends, Options Remuneration

No common or preferred stocks have been issued.



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 2020.

Dated at Sydney at this 24 July 2020.

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 2020 there have been:

- a) 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
- b) No contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Nicholas Buchanan
Tower Three
International Towers Sydney
300 Barangaroo Avenue
Sydney NSW 2000 Australia

24 July 2020



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2020	Note	2020 \$	2019 \$
Revenue from continuing operations	4	160,395	164,652
Scholarships granted		(118,839)	(121,423)
Other expenses from operating activities	5	(51,267)	(46,296)
(Deficit) / Surplus for the year	9b	<u>(9,711)</u>	<u>(3,067)</u>
Other comprehensive income for the year			
Net change in fair value of financial assets at fair value		(87,761)	63,684
Total comprehensive income for the year		<u>(97,472)</u>	<u>60,617</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 19.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2020	Note	2020 \$	2019 \$
Current Assets			
Cash and cash equivalents	9a	864,483	835,950
Financial Assets at fair value through other comprehensive income	8	1,678,552	1,777,558
Prepayments		0	27,000
Total Current Assets		<u>2,543,035</u>	<u>2,640,508</u>
Total Assets		<u>2,543,035</u>	<u>2,640,508</u>
Current liabilities			
Payables		-	-
Total Current liabilities		<u>-</u>	<u>-</u>
Total Liabilities		<u>-</u>	<u>-</u>
Net Assets		<u>2,543,035</u>	<u>2,640,508</u>
Fair value reserve		224,237	311,999
Retained surplus		2,318,798	2,328,509
Total funds		<u>2,543,035</u>	<u>2,640,508</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 19.



STATEMENT OF CHANGES IN FUNDS

	Fair value Reserve	Retained Surplus	Total
	\$	\$	\$
For the year ended 30 June 2019			
Balance at 1 July 2018	248,315	2,331,576	2,579,891
Total comprehensive income for the year			
Deficit for the year	-	(3,067)	(3,067)
Other comprehensive income			
Net change in fair value of financial assets at fair value	63,684	-	63,684
Balance at 30 June 2020	<u>311,999</u>	<u>2,328,509</u>	<u>2,640,508</u>
Total comprehensive income for the year			
Deficit for the year	-	(9,711)	(9,711)
Other comprehensive income			
Net change in fair value of financial assets at fair value	(87,761)	-	(87,761)
Balance at 30 June 2020	<u>224,237</u>	<u>2,318,798</u>	<u>2,543,035</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 19.



STATEMENT OF CASH FLOWS

	Note	2020 \$	2019 \$
For the year ended 30 June 2020			
Cash from operating activities			
Cash receipts from fundraising activities		142,085	134,921
Cash payment for fundraising costs		(51,023)	(45,183)
Scholarships paid		(118,839)	(121,423)
Interest received		5,638	12,858
Dividends received		12,672	16,873
Movement in prepayment		(27,000)	(13,700)
Other expenses paid		(244)	(1,113)
Net cash from operating activities	9b	<u>17,289</u>	<u>(16,767)</u>
Net cash flows from investment activities			
Proceeds from sale of financial assets		11,244	
Purchases of financial assets			
Net cash used in investment activities		<u>11,244</u>	
Net (decrease) / increase in cash held		28,533	(16,767)
Cash at the beginning of the year		<u>835,950</u>	<u>852,717</u>
Cash at the end of the year	9a	<u>864,483</u>	<u>835,950</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 19.



Notes to the financial statements for the year ended 30 June 2020

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 2020.

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 2020.

(b) **Basis of measurement**

The financial statements have been prepared on the historical cost basis except for financial assets at fair value through other comprehensive income.

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 2020 (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.

Financial Assets at fair value through other comprehensive income

The Foundation's investments in equity securities and wrap investment products are classified as Financial Assets at fair value through other comprehensive income. 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.

(j) **New and amended accounting standards adopted by the Foundation**

Except as described below, there are no other new standards, interpretations or amendments to existing standards that are effective for the first time for the financial reporting period beginning 1 July 2019 that have a material impact on the Foundation.

i. AASB 9 Financial Instruments

AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities. It replaces the multiple classification and measurement models in *AASB 139 Financial Instruments: Recognition and Measurement* with a new model that classifies financial instruments based on the business model within which the financial instruments are managed, and whether the contractual cashflows under the instrument solely represent the payment of principal and interest. It also introduces revised rules around hedge accounting and impairment. The standard becomes mandatory for annual reporting periods beginning on or after 1 January 2019 for not-for-profit entities.

Under AASB 9, financial instruments are classified as:



Notes to the financial statements for the year ended 30 June 2020 (continued)

- Amortised cost if the objective of the business model is to hold the financial instruments to collect contractual cash flows only and the contractual cash flows under the instrument represent solely payments of principal and interest (SPPI);
- Fair value through other comprehensive income if the objective of the business model is to hold the financial instruments both to collect contractual cashflows from SPPI and for the purpose of sale; or
- All other financial instruments must be recognised at fair value through profit or loss. An entity may however, at initial recognition, irrevocably designate a financial instrument as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

AASB 9 has been applied retrospectively (without restating comparatives) by the Foundation from 1 July 2019 and it did not result in a change to the measurement of financial instruments. The Foundation's investment portfolio continues to be measured at fair value through other comprehensive income. The derecognition rules have not been changed from previous requirements and the Foundation does not apply hedge accounting. As the Foundation's investments are all at fair value through other comprehensive income, the change in impairment rules will not have a material impact on the Foundation.

The Foundation's previous classification as 'Available-for-sale' is no longer available, as such these assets will be designated as Financial Assets held at fair value through other comprehensive income.

The Foundation's cash and cash equivalents and receivables which had previously been classified as loans and receivables and measured at amortised cost under AASB 139 are now classified as amortised cost and continue to be measured at amortised cost under AASB 9 and the impact of any expected credit losses (ECL) is not material.

ii. AASB 1058 Income for Not-for-Profit Entities

AASB 1058 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.

There were no adjustments to 2019 comparatives.

iii. AASB 16 Leases

AASB 16 introduces a single on-balance sheet accounting model for leases. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

This new standards will not have an impact on the Foundation as it does not act as a lessor or lessee for any lease.



Notes to the financial statements for the year ended 30 June 2020 (continued)

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-2020				
Financial assets measured at fair value				
Investment in listed securities	260,874	-	-	260,874
Investment in wrap platform	1,417,679	-	-	1,417,679
Total	1,678,552	-	-	1,678,552
30-June-2019				
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

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.

Financial Assets at fair value through other comprehensive income

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 financial assets at fair value through other comprehensive income are quoted as level 1.

	2020	2019
	\$	\$
Donations	136,479	130,912
--of which annual July event	--86,200	--117,638
--of which presentations for fees	--500	--0
--of which unsolicited	--3,200	--13,247
Interest	5,638	12,858
Dividends	12,672	16,873
Other income	5,606	4,009



Total revenue

160,395

164,652

Notes to the financial statements for the year ended 30 June 2020 (continued)

Note 5: Other expenses

	2020 \$	2019 \$
Fundraising costs	51,023	45,183
Administrative expenses	244	1,113
	<u>51,267</u>	<u>46,296</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.

Note 7: Results of fundraising appeals

	2020 \$	2019 \$
(1) Gross proceeds from fundraising appeals	136,479	130,912
Less: Direct costs from fundraising appeals	(51,023)	(45,183)
Net surplus obtained from fundraising appeals	<u>85,456</u>	<u>85,729</u>
(2) Application of net surplus obtained from fundraising appeals		
Scholarships (expenditure on direct services)	(118,839)	(121,423)
Administrative expenses	(244)	(1,113)
	<u>(119,083)</u>	<u>(122,536)</u>
(Deficit) / Surplus	<u>(33,627)</u>	<u>(36,807)</u>
(3) The deficit of -\$33,627 (2019: Deficit of -\$36,807) was used as part of the Foundation's endowment fund.		



Notes to the financial statements for the year ended 30 June 2020 (continued)

(4) Comparisons of certain monetary figures and percentages:

	2020 \$	2020 %	2019 \$	2019 %
Total cost of fundraising/ gross income from fundraising	51,023/ 136,479	37.4	45,183/ 130,912	34.5
Net surplus from fundraising/ gross income from fundraising	85,456/ 136,479	62.6	85,729/ 130,912	65.5
Total costs of services/ total expenditure	118,839/ 170,106	69.9	121,423/ 167,719	72.4
Total costs of services/ total income received	118,839/ 160,395	74.1	121,423/ 164,652	73.7
Total disbursements/ Assets previous financial year*	170,106/ 2,640,508	6.4*	167,719/ 2,579,891	6.5*

* 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.

Note 8: Financial Assets at fair value through other comprehensive income

	2020 \$	2019 \$
Financial Assets at fair value through other comprehensive income (all level 1)	<u>1,678,552</u>	<u>1,777,558</u>

Note 9: Cash and cash equivalents

	2020 \$	2019 \$
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>864,483</u>	<u>835,950</u>
b) Reconciliation of cash flow from operations with surplus for the year:		
(Deficit) / Surplus for the year	(9,711)	(3,067)
Adjustments for:		
(Increase) / Decrease in prepayments	<u>27,000</u>	<u>(13,700)</u>



Net cash (used in) / provided by operating activities

17,289

(16,767)

Notes to the financial statements for the year ended 30 June 2020 (continued)

Note 10: 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 11: Subsequent events

There are no subsequent events occurring post 30 June 2020 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 19 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 2020 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 2020.

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 2020;
- (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 2020;
- (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 2020; 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 2020.

Adrian Blundell-Wignall