

THE ANIKA FOUNDATION

ABN 48 961 479 647

(Supporting Research into Adolescent Depression)

**1st Financial Report
for the period from 30 March 2005 to 30 June 2006**

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CHAIRMAN'S REPORT

On behalf of the board, I am delighted to present my Chairman's report for 2005-06.

The aims of the foundation are:

- In phase 1, to raise an endowment fund of \$500,000
- In phase 2, to distribute grants from the income of the fund (around \$20,000 if the endowment fund is achieved) for supporting research into adolescent depression and suicide.
- To raise awareness in the community generally about the vastness of the issue.

The past year has exceeded even my optimism about the willingness of the community to embrace the issue of adolescent depression and suicide. We had thought that it might take 2 to 3 years to raise an endowment fund of \$500,000, to support annual grants of around \$20,000 p.a. in perpetuity. With the momentum we have achieved, it seems as though the first phase of our activities will be achieved much more quickly than we thought. This is in no small part due to the very high quality of our Board. I believe we will be in a position to start the process of grant making in calendar year 2007.

Furthermore, the Foundation has made some big steps in raising public awareness about the issues of adolescent depression and suicide.

Donations and activities for the period ended 30 June 2006

(1) Friends, family and colleagues

The very first activity was to send a letter in early September 2005 to friends, family and colleagues who gave us support in the initial days of the tragedy of Anika. We outlined the aims of the foundation, its tax status, and we emphasized the vastness of the issue. People could make a small donation if they so desired. The response was quite extensive, and people's generosity often surprising—donations kept coming in for up to 6 months after the letter went out.

(2) "Movember" 2005

In November 2005, The Anika Foundation was chosen to be the charity for "Movember". A number of colleagues were sponsored to participate in a competition to grow the largest moustache (mo) in the month of November. A good deal of money was collected.

(3) Corporate donations

A good start to the endowment fund was provided by a donation from Citigroup, the current employer of the Chairman. Subsequently, the fund has been greatly augmented by a generous donation from one of the global hedge funds that runs its own global charitable foundation. This shows that the financial community has resources that it is prepared to donate to a worthy cause like our own.

(4) Momentum into 2006-07

We organized our first major event public event, sponsored by the Australian Business Economists for July 13 2006: Mr. Glenn Stevens, Deputy Governor of the Reserve Bank and an Anika Foundation Board member is to speak on: “The Conduct of Monetary Policy”, to the financial community, with banks and brokers sponsoring tables. While the income from this function will fall into the 2006-2007 financial year, all of the organization took place in the first half of 2006.

Raising awareness about adolescent depression and suicide

(1) Anika Foundation at Ravenswood School for Girls, Friday 24 March 2006

Depression self harm and risk of suicide is such a big issue 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 the most pressing issues for young Australians. The survey of 11,300 young people found that 94 per cent of 11 to 24-year-olds ranked suicide and self harm, physical and sexual abuse, and family conflict as issues of most concern. Almost 42 per cent of people surveyed ranked suicide/self harm in their top three issues of concern, and one in three young people was concerned about depression.

As an illustration of how big an issue this is, the Board was surprised recently that in a vote on which charity they would support for their annual fund raising activities, year 9 girls at Ravenswood School For Girls chose ‘The Anika Foundation’ with a landslide majority. A large number of well know charities were also presented upon, but the teacher who contacted the Foundation said: “we were amazed at the outcome, it was not even close”. This mirrors the Mission Australia findings. If this is a huge issue for our children, it has to be a huge issue for all of us.

The Board of the Anika Foundation would like to thank Ravenswood for inviting us to address the year 9 girls about the aims and work of the foundation. We would also like to thank Annabelle and Sophie, year 9 girls, for the good work they did by presenting the Foundation to the girls, and helping to raise awareness about this issue. The launch function at Ravenswood was attended by: the Chairman of the foundation (Anika’s father), who spoke about its aims; by Danae (Anika’s sister), who also spoke; and Tate (Anika’s brother) who took photos for the website, of which he is the administrator.

Danae shared something special with the girls. She read out a speech that Anika herself had given for her Cross Curricula Study at SCEGGS on the subject of mental health. She also offered a few personal observations about avoiding tragedies like the Anika story. Later this year, the Board will be formally presented with a cheque for the funds raised.

(2) The website

Tate, Anika's brother, has built our website and administers it. This is proving to be a huge success in raising the profile of adolescent depression and suicide. The Anika Foundation website is linked to:

- The Black Dog Institute.
- Beyond Blue.
- Depressionet.

In its first months new visits per day were averaging 13. In recent months this has risen to around 54 visits per day. The Anika foundation has been rising sharply in its priority in global search engine results for key words and individual names.

(3) Momentum into 2005-2006

While these activities fall into the next financial year, we can say that Dr Geoff Gallop, the former Premier of WA, who recently resigned over depression, will introduce Mr Glenn Stevens at the 13 July function, and relate the reason for the gathering back to the topic of depression, even as the participants in the room eagerly await Glenn's insights into policy making at the Reserve Bank. Furthermore, the chairman has been invited to participate on the ABC Radio National Breakfast show, with Fran Kelly, on the morning of the function. All of this will raise awareness about the issues of adolescent depression and suicide.

Looking To 2006-2007

I look forward to on-going success in 2006-2007. We hope to achieve our \$500,000 target in that year, and extend it if we can. But the main thing now is to begin the process of setting in motion the grant process a good 12 months ahead of what we thought might be possible. This will require some solid work by the Board to push into phase 2 of our aims.

Adrian Blundell-Wignall
Chairman

DIRECTOR'S REPORT

The directors present their annual report for The Anika Foundation, for the period ended 30 June 2006.

Directors

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

Adrian Blundell-Wignall (chair)
Glenn Stevens
Prof. Phillip Mitchell
Crispin Murray
Paul Brennan
Alison Tarditi
Tate Dogan
Danae Burgess

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 period was fund raising for an endowment fund, the income from which will support research into adolescent depression and suicide.

As the Foundation is still in the process of raising its endowment Fund, no grants were made in the course of 2005-2006.

Review and result of operations

- The operating income from ordinary activities was \$223,139.
- Earnings including interest and dividends were \$226,260.
- The directors were delighted with the progress made during the first year of the Foundation.

State of Affairs

There were no significant changes in the state of affairs of the company that occurred during the period 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 matters of circumstance have arisen since the end of the period 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 achieve its stated target of \$500,000 in the 2006-2007 financial year.
- We expect to make our first awards some time in calendar year 2007.

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 period, 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 period.

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 period ended 30 June 2006.

Dated at Sydney at this 8th day of September 2006

Signed in accordance with a resolution of the Directors

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

The Anika Foundation
ABN 48 961 479 647

Lead Auditors Independence Declaration Under Section 307 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 of the Company for the period from 30 March 2005 to 30 June 2006 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

P.A. Russell
Partner

Place: Sydney

Date: 8th September 2006

INCOME STATEMENT
For the period ended 30 June 2006

	Note	2006 \$
Total revenue	2	226,260
Other expenses		<u>(3,121)</u>
Profit for the period		<u>223,139</u>
Total changes in equity from non-owner related transactions	7	<u>223,139</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
As at 30 June 2006

	Note	2006 \$
Current Assets		
Cash assets	9	177,828
Interest receivable		163
Available for sale securities	3	54,053
Dividend receivable		<u>288</u>
Total current assets		<u>232,332</u>
Total assets		232,332
Current liabilities		
Unearned income	5	<u>9,000</u>
Total current liabilities		<u>9,000</u>
Total liabilities		<u>9,000</u>
Net assets		<u>223,332</u>
Equity		
Fair value reserve		193
Retained earnings	7	<u>223,139</u>
Total equity		<u>223,332</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
For the period ended 30 June 2006

	Notes	2006 \$
Change in fair value of available for sale securities		<u>193</u>
Net income recognised directly in equity		193
Profit for the period		<u>223,139</u>
Total recognised income and expense for the period		<u>223,332</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
For the period ended 30 June 2006

	Notes	2006 \$
Cash flows from operating activities		
Cash receipts in the course of operations		229,555
Cash payments in the course of operations		(3,121)
Interest received		5,132
Dividends received		<u>122</u>
Net cash from operating activities	9 (b)	<u>231,688</u>
Cash flows from investment activities		
Increase in available for sale securities		<u>(53,860)</u>
Net cash from investment activities		<u>(53,860)</u>
Net increase in cash held		<u>177,828</u>
Cash at the beginning of the period		<u>-</u>
Cash at end of the period	9 (a)	<u>177,828</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 period ended 30 June 2006**

Note 1: Statement of significant accounting policies

The significant policies which have been adopted in the preparation of this financial report are:

The financial report was authorised for issue by the directors on 8th September 2006.

(a) Basis of preparation

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ('AASBs') adopted by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001. International Financial Reporting Standards ('IFRSs') form the basis of Australian Accounting Standards ('AASBs') adopted by the AASB, and for the purposes of this report are called Australian equivalents to IFRS ('AIFRS') to distinguish from previous Australian GAAP. The financial report of the Company also complies with IFRSs and interpretations adopted by the International Accounting Standards Board.

This is the Company's first financial report prepared in accordance with Australian Accounting Standards, being AIFRS and IFRS, and AASB 1 *First Time Adoption of Australia Equivalents to International Financial Reporting Standards* has been applied.

(b) Revenue recognition

Revenues are recognised at fair value of the consideration received.

Interest revenue

Interest revenue is recognised in the income statement using the effective yield method on the financial asset.

(c) Taxation

No provision for income tax has been raised as the company is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

(d) Cash assets

Cash assets are carried at face value of the amounts deposited or drawn.

(e) Payables

Liabilities are recognised for amounts to be paid in the future for goods or services rendered. Trade accounts payable are normally settled within 30 days. The carrying amount of accounts payable approximates net fair value.

2006
\$

Note 2: Revenue

Other revenues:

From operating activities:

Interest:

Other parties	5,294
Dividends	411
Donations	<u>220,555</u>
Total revenue	<u>226,260</u>

Note 3: Available for sale securities

Available for sale securities – at fair value	<u>54,053</u>
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Note 4: Auditors' remuneration

Audit of financial report	<u> -</u>
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The auditors have completed the audit without charge to the foundation

Note 5: Payables

Unearned income	<u>9,000</u>
	<u>9,000</u>

Note 6: Unearned income

The annual fundraiser was held on 13 July 2006, but cash receipts were collected prior to 30 June 2006. If the function had been cancelled, the money would have had to be returned. It is disclosed as a liability on the balance sheet and explains the difference between cash flow and income statement.

2006
\$

Note 7: Retained profits

Retained profits at the beginning of the period	-
Net profit	<u>223,139</u>
Retained profits at the end of the period	<u>223,139</u>

Note 8: Total equity reconciliation

Equity at start of period	-
Movement in fair value reserve	193
Total changes in equity recognised in the income statement	<u>223,139</u>
Total equity at end of period	<u>223,332</u>

Note 9: Notes to the statement of cash flows

(a) Reconciliation of cash

For the purposes of the statement of cash flows, cash includes cash on hand and at bank and short term deposits at call. Cash as at the end of the period 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>177,828</u>
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(b) Reconciliation of cash flow from operations with profit after income tax

Profit after income tax	223,139
Changes in assets and liabilities during the period:	
(Increase)/decrease in interest receivable	(163)
(Increase)/decrease in marketable securities	(288)
Increase/(decrease) in unearned income	<u>9,000</u>
Net cash provided by operating activities	<u>231,688</u>

Note 10: Directors' remuneration
Directors' income

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

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

Adrian Blundell-Wignall (chair)
Glenn Stevens
Prof. Phillip Mitchell
Crispin Murray
Paul Brennan
Alison Tarditi

The date of appointment for all the Directors is 13 April 2005.

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

Directors' declaration

In the opinion of the directors of The Anika Foundation:

- (a) The financial statements and notes, set out on pages 9 to 16, 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 2006 and of its performance, as represented by results of its operations and its cash flows for the period ended on that date; and
 - ii. complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- (b) 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 8th day of September 2006.

Signed in accordance with a resolution of the directors.

.....

Director

Independent audit report to the members of The Anika Foundation

Pursuant to the Corporations Act 2001 and Charitable Fundraising (NSW) Act 1991 and Regulations

Scope

We have audited the financial report of The Anika Foundation for the financial period from 30 March 2005 to 30 June 2006, consisting of the income statement, balance sheet, statement of recognised income and expense, statement of cash flows, accompanying notes 1 to 10 and the directors' declaration set out on page 17. The company's directors are responsible for the financial report. The directors are also responsible for preparing the relevant reconciling information regarding the adjustments required under Australian Accounting Standard AASB 1 *First-time Adoption of Australian equivalents to International Financial Reporting Standards*. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the Company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Australian Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with our understanding of the company's financial position, and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report pursuant to the Corporations Act 2001 has been formed on the above basis.

Additional scope pursuant to the Charitable Fundraising (NSW) Act 1991

In addition, our audit report has also been prepared for the members of the company in accordance with Section 24(2) of the Charitable Fundraising (NSW) Act 1991. Accordingly we have performed additional work beyond that which is performed in our capacity as auditors pursuant to the Corporations Act 2001. These additional procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the Charitable Fundraising (NSW) Act 1991 and Regulations.

It should be noted that the accounting records and data relied upon for reporting on fundraising appeal activities are not continuously audited and do not necessarily reflect after the event accounting adjustments and the normal year end financial adjustments for such matters as accruals, prepayments, provisioning and valuations necessary for year end financial report preparation.

The performance of our statutory audit included a review of internal controls for the purpose of determining the appropriate audit procedures to enable an opinion to be expressed on the financial report. This review is not a comprehensive review of all those systems or of the system taken as a whole and is not designed to uncover all weaknesses in those systems.

The audit opinion expressed in this report pursuant to the Charitable Fundraising (NSW) Act has been formed on the above basis.

Qualification

Fundraising revenue is a significant source of revenue for The Anika Foundation. The Anika Foundation has determined that it is impracticable to establish controls over the collection of fundraising revenue prior to entry into its financial records. Accordingly, as the evidence available to us regarding revenue from this source was limited, our audit procedures with respect to fundraising revenue had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion whether the fundraising revenue The Anika Foundation obtained is complete.

In respect of the qualification however, based on our understanding of the internal controls, nothing has come to our attention which would cause us to believe that the internal controls over revenue from fundraising appeal activities by the company are not appropriate given the size and nature of the company.

Qualified audit opinion pursuant to the Corporations Act 2001

In our opinion, except for the effects on the financial report of such adjustments, if any, as might have been required had the limitation referred to in the qualification paragraph not existed, the financial report of The Anika Foundation is in accordance with:

- a) the Corporations Act 2001, including:
 - i. giving a true and fair view of the company's financial position as at 30 June 2006 and of its performance for the period ended on that date; and
 - ii. complying Australian Accounting Standards and the Corporations Regulations 2001; and
- b) other mandatory professional reporting requirements in Australia.

Qualified audit opinion pursuant to the Charitable Fundraising (NSW) Act 1991

In our opinion, except for the effects on the financial report of such adjustments, if any, as might have been required had the limitation referred to in the qualification paragraph not existed:

- a) the financial report gives a true and fair view of the financial result of fundraising appeal activities for the financial period from 30 March 2005 to 30 June 2006;
- b) the financial report has been properly drawn up, and the associated records have been properly kept for the period from 30 March 2005 to 30 June 2006, in accordance with the Charitable Fundraising (NSW) Act 1991 and Regulations;
- c) money received as a result of fundraising appeal activities conducted during the period from 30 March 2005 to 30 June 2006 has been properly accounted for and applied in accordance with the Charitable Fundraising (NSW) Act 1991 and Regulations; and

- d) there are reasonable grounds to believe that The Anika Foundation will be able to pay its debts as and when they fall due.

KPMG

P.A. Russell
Partner

Place: Sydney

Date: 8th September 2006