

BLUE KNOT FOUNDATION

(A COMPANY LIMITED BY GUARANTEE)
A.B.N. 49 072 260 005

FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED
30 JUNE 2017

BLUE KNOT FOUNDATION
A.B.N. 49 072 260 005

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Blue Knot Foundation is a company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Centre in the Park
2A Montpelier Street
NEUTRAL BAY, NSW, 2089

BLUE KNOT FOUNDATION
A.B.N. 49 072 260 005

CHAIRMAN'S REPORT

Blue Knot Foundation successfully rebranded in 2016-2017. All stakeholders have embraced the brand and it has become well recognised within the community. Blue knot has continued to advocate, educate, build and deliver supports to facilitate recovery with and for people, families and communities, affected by childhood trauma.

Blue Knot Day 2016 marked the 21st year since the inception of the organisation. The significant milestone was marked by lighting up the Opera House sails blue, signifying public support for all those affected by childhood trauma.

In May 2017 a tragedy struck the Foster family and our community, as Anthony Foster Blue Knot Foundation Ambassador passed away. Both Anthony and Chrissie Foster fought tirelessly for justice for many. Blue Knot was honoured to have them both as our Ambassadors, and Anthony is and will be sorely missed. Chrissie continues to advocate and provide awareness to the community.

The organisation has continued to grow its training arm. Continued collaboration and ongoing review ensure that key areas to which people who have experienced trauma present, are addressed and that growth and targets are maintained in this area. This growth in professional development trainings enables the further stabilisation of Blue Knot and its other survivor services.

Dr Cathy Kezelman's leadership has continued to provide new opportunities and awareness. Cathy's professionalism, knowledge and experience has been well respected and received by our members and stakeholders. Cathy has been involved in key advisory roles, successfully integrating strategic collaborations and presenting as a keynote speaker at several events. This has given the organisation further visibility and reach enabling the 1 in 4 Australian's impacted by childhood trauma to have a voice, be heard and have access to support and resources.

The team at Blue Knot has also been instrumental in the successful rebranding and continued growth of the organisation. Our staff continue to go over and above for our members and community. Our volunteers provide additional support to the organisation and without them we would not be able to provide the levels of service and support we do. Thank you all for making Blue Knot the organisation it is.

I would like to thank my fellow directors for their support and guidance throughout the year and acknowledge the considerable time, effort and skills they bring to Blue Knot foundation.



Belinda Johnson
Chairperson

Date: 2/11/2017

BLUE KNOT FOUNDATION
A.B.N. 49 072 260 005

PRESIDENT'S REPORT

This last year has been a significant one for Blue Knot Foundation. Not only was it our first full year as Blue Knot Foundation, rather than ASCA, but one in which we continued to expand our reach, in all areas of our endeavours. Survivors themselves, additionally made significant inroads, many enabled by the Royal Commission into Institutional Responses to Child Sexual Abuse, a powerful instrument for systemic change, survivors' individual and collective voices growing stronger.

Alongside these changes we have witnessed a societal awakening around issues of abuse and violence with an attitudinal shift underway amongst many segments of society, previously less aware. That said we cannot become complacent, and a critical role of Blue Knot Foundation is one of advocacy around the broader issues of childhood trauma, beyond those of abuse alone.

Part of greater awareness is a society which is able to talk about trauma. Our publication, "Talking about Trauma – Guide to Everyday Conversations for the General Public" is the first in a series of guides. It is designed to enable us all to have safe conversations with people we suspect might have experienced trauma, as well as with those who might wish to speak about trauma with us. Next year we will be releasing further publications in the series, for services, including health services and for the primary care sector.

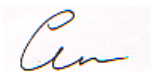
Blue Knot Day, our annual awareness day in 2016 was mammoth, as we illuminated the iconic Opera House blue in honour of the day, and as a tribute to survivor recovery. Not only was the lighting up of the Opera House a symbol of the community coming together in support of survivors but a pivotal celebration on the occasion of our 21st birthday.

Blue Knot Foundation continues to provide crucial services to survivors and their loved ones as well as professional services including training, supervision and consultancy to those who work with survivors in various capacities. Our Helpline counsellors provided close to 6,000 occasions of service with the primary service sought being counselling in almost 60% of service users, close to 20% seeking information and around 20% seeking referral.

In addition we delivered over 300 days of training to over 5,000 attendees. This included some training funded by Commonwealth Department of Social Services to build the capacity of others services funded to provide support to people engaging with or affected by the Royal Commission into Institutional Responses to Child Sexual Abuse. That training was very well received with 98% of clients stating that they had improved knowledge and skills across all learning outcomes. As part of our funded training we were also honoured to deliver culturally sensitive training to organisations working with Aboriginal and Torres Strait Islander populations, some in remote communities. Additionally once again our community of support pulled together to donate sufficient funding for us to deliver educational workshops for survivors in every State and Territory of the country.

Blue Knot Foundation is committed to continuing its life affirming work, and is continually exploring ways to further disseminate the rich evidence base with now informs its clinical work with adult survivors of childhood trauma, trauma-informed practice and the critical work of mitigating vicarious trauma, within the workforce. In this financial year Blue Knot Foundation developed a number of partnerships and collaborations with other organisations to enhance its impact and improve outcomes for survivors around the country.

While Blue Knot Foundation has a small albeit growing team, we are passionate and dedicated, driven by shared values and purpose to empower recovery for adults across Australia impacted by childhood trauma. I would like to take this opportunity to thank our remarkable team – staff, volunteers, counsellors, supervisors and trainers. As well as our board, led by the committed Belinda Johnson, who always goes above and beyond. The untimely passing of the incredibly special human being, Anthony Foster, one of our Ambassadors, a beacon of light and hope, was a tragedy beyond words. Our love, care and thoughts to his wonderful family and to the legions of survivors who he supported, and helped.



Dr Catherine Kezelman AM
President

Date: 2/11/2017

BLUE KNOT FOUNDATION
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DIRECTORS' REPORT

1. Directors

<p>Jon Kaplan (Resigned 08/10/2016)</p> <p><i>BSc, MBA, MBT, MACID, SA FIN</i></p>	<p>Jon has more than twenty years' experience in financial and general management with a significant emphasis on operational matters. His career includes working for large public listed organisations in the U.K. as well as private companies here in Australia and continued involvement in the not for profit sector. Jon holds a Master of Business Administration as well as a Master of Business and Technology, both from the University of New South Wales. Jon is also a Doctoral candidate at the University Of Newcastle (DBA).</p> <p>Special Responsibilities: Treasurer</p>
<p>Dr Catherine Kezelman AM</p> <p><i>MBBS (Hons)</i></p>	<p>Catherine Kezelman is a medical practitioner, mental health consumer advocate, Blue Knot Foundation President, member of the Mental Health Community Advisory Council (NSW), and on the NSW Jewish Board of Deputies Child Protection Taskforce and Advisory Panel of Tzedek. Under her stewardship Blue Knot Foundation has grown from a peer support organisation to a leading national organisation combining a prominent consumer voice with that of researchers, academics and clinicians advocating for socio-political change and informed responsiveness to complex trauma. She is a prominent voice in the media and at conferences, as well as author of a memoir chronicling her journey of recovery from child sexual abuse: Innocence Revisited - a tale in parts. She is co-author of the 2012 Blue Knot Foundation documents: Practice Guidelines for Treatment of Complex trauma and Trauma Informed Care and Service Delivery, 2015 Economic Report into the Cost of Unresolved Childhood Trauma and Abuse in Adults in Australia (with Pegasus Economics) and 2016 Trauma and the Law: Applying Trauma-informed Practice to Legal and Judicial Contexts.</p> <p>Special Responsibilities: President</p>
<p>Simon Cole</p> <p><i>BA, MArt (Admin), JD</i></p>	<p>Simon Cole is a survivor and a lawyer who has helped many other survivors to seek compensation and justice for past abuse. The Child Abuse Royal Commission has increased social awareness of the damage and financial cost to society of childhood trauma. Simon is committed to improving the quality of justice for survivors seeking just compensation, restitution and healing. Simon believes the relationship between personal injury lawyers and survivors can be improved through professional legal training. In a previous career, Simon worked in Government and in trade unions. He has experience in juvenile justice and employment law. As a Senior Policy Adviser to NSW Government Ministers, Simon worked in policy development and to improve the access of community organisations to Government decision-making.</p>
<p>Elana Cohen</p> <p><i>BSc Psychology (Hons), MScMed (Psychotherapy)</i></p>	<p>Elana is a psychologist and psychotherapist with extensive experience in working with trauma. She also has an interest in biofeedback, in particular Heart Rate Variability Biofeedback, which is an evidence-based treatment modality. Prior to her career as a psychologist and psychotherapist Elana spent 18 years in the corporate sector. She is a clinical member of the Australia and New Zealand Association of Psychotherapy (ANZAP), a member of the International Association for Relational Psychoanalysis and Psychotherapy (IARPP), an associate member of the Australian Psychological Society (APS) and is Treasurer to the APS Neurofeedback and Psychology Interest Group. She is also an active member of the BKF Clinical Advisory Committee and the ANZAP Education Sub-Committee. Elana works in private practice.</p>
<p>Clare Hallam</p> <p><i>Cert1V Financial Services</i></p>	<p>Clare has more than 10 years' experience working across Australia's high-growth startup ecosystem. Her extensive skills in governance, operations, investment due diligence and silo busting culture growth for technology businesses underpin her success in advising, guiding and mentoring innovation and commercialization of early stage business and larger innovation programs across the corporate and education sectors. She has an interest in evidence based learning and how experimentation supports and drives business decisions.</p>
<p>Sharon Rockell</p> <p><i>BCmn, Marketing and Event Management</i></p>	<p>Sharon has more than 14 years' experience in media and communications, predominantly in financial services firms. She specialises in reputation management strategy, media relations, issues and crisis management, internal communications and strategic planning. Previous roles include Head of Corporate Affairs and Head of Communications for large divisions at two of Australia's major banks. She is currently in Group Media Relations at a major Australian Bank. Sharon also serves as a Strategic Advisor (Media & Communications) for the Australian Futures Project and was previously an advisory committee member for the MLC Community Foundation.</p>
<p>Anita Prabhu</p> <p><i>Executive MBA (AGSM), General Manager Program (AGSM)</i></p>	<p>Anita is a business development specialist with over 30 years' experience having held Senior Management roles in the Education, Art, Travel, Retail and IT sectors. She most recently held the role of the Corporate Development Manager at Australian Catholic University (executive education) and over the last 34 years has served on community committees and within her own professional area of IT to improve working conditions for Women through Directorship of the Women's Board at the Australian Computer Society. Her extensive background in NGO and Fundraising includes World Vision, the Konkani Association of Australia, the Art Gallery of NSW and the Contempo Committee where she served as Treasurer. Anita has first-hand experience as a volunteer with the Indo Dutch Project for Child Welfare in India where she worked tirelessly to improve the outcomes for families and communities affected by traumatic events.</p>

Belinda Johnson JP, B.Bus(Acc), CSA(Cert), MIPA	Belinda Johnson is an Accountant with over 25 years of finance and business experience in a variety of SME's. Belinda has a strong background in corporate governance, business and finance management, audit and risk and competitive/lean manufacturing. Belinda currently is in Public Practice providing Cloud based financial management solutions to a variety of micros and SME. Belinda holds a Bachelor of Business (Accounting) from UWS and a Certificate in Governance Practice with the Governance Institute of Australia. Special Responsibilities: Chairperson
Angela McKenzie - Mountain BA Acc, CPA, CIMA	Angela is a senior finance professional with over 20 years' experience in commerce. She has experience in reporting to the boards of both small and large corporations, some of which were listed on the stock exchange in Australia and the UK. Angela specialises in Finance, Leadership, Change Management, Governance and Retail. She is currently studying for a Graduate Diploma of Applied Corporate Governance at the Governance Institute Australia. Special Responsibilities: Treasurer
Terry Kirkpatrick BA, MA, Dip Ed, LLB	BA Psychology (Hons), PGrad Dip Psychology, PhD, MAPS Terry is a registered psychologist with over 30 years clinical experience working in mental health in the public sector, non-government organizations and private practice. Terry is currently appointed by the Minister of Health to the Official Visitor Program under the Mental Health Act (2007). He has researched the impact of trauma and vicarious trauma on emergency service personnel funded by the Australian Research Council. Terry is a member of the Australian Psychological Society and sits on the Sydney Branch Management Committee and he is also a clinical member of the International Association of Applied Psychology. Terry is a survivor of childhood abuse. Special Responsibilities: Company Secretary
Adrian Heath Grad Cert Adult Ed Training, HND Business & Finance	Adrian is a leadership speaker, facilitator, coach and consultant. He is a director of Evolution Learning. He has eighteen years of knowledge and experience developing, conducting and leading successful development and transformation programs for major corporations across Australasia, Asia and Oceania.

2. Principal activities

The principal activities of the Company during the financial year were the operation of an association offering support to survivors of childhood trauma.

3. Dividends

The Company is prohibited by its Constitution from declaring dividends to members.

4. Review of operations

Operating revenue

The Company's revenue for the financial year was \$2,313,320 (2016: \$1,773,385).

Operating result

The operating surplus/(deficit) for the financial year was \$450,720 (2016: \$132,031).

Significant changes in state of affairs

There were no significant changes in the nature of the Company's principal activities during the financial year.

5. Matters subsequent to the end of the financial year

No matters or circumstances have arisen since the end of the financial year which significantly affect, or may significantly affect:

- (i) the operation of the Company in the future financial years; or
- (ii) the results of those operations in future financial years; or
- (iii) the Company's state of affairs in the future financial years.

6. Likely developments

The Company will continue to actively support survivors of child abuse.
 There are no significant likely developments not otherwise disclosed in this report.

7. Environment regulation

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

8. Company Secretary

At the date of this report, the position of Company Secretary was held by Terry Kirkpatrick.

9. President

At the date of this report, the position of President was held by Dr Cathy Kezelman AM.

10. Meetings of directors

During the financial year 2016/2017, seven face-to-face meetings of Directors were held. These meetings occurred on 27 August 2016, 8 October 2016, 26 November 2016, 4 February 2017, 25 March 2017, 29 April 2017 and 17 June 2017.

The number of meetings of the Company's board of directors held during the year ended 30 June 2017 and the number of meetings attended by each Director were:

Director	Board of Directors	
	Meetings eligible to attend	Meetings attended
Cathy Kezelman	7	6
Belinda Johnson	7	5
Jon Kaplan	1	0
Terry Kirkpatrick	7	7
Angela McKenzie Mountain	7	5
Clare Hallam	1	1
Adrian Heath	7	4
Anita Prabhu	7	7
Elana Cohen	7	5
Sharon Rockell	7	4
Simon Cole	7	3

11. Loans to directors and executives

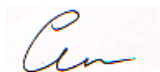
There were no loans to directors and executives during the year ended 30 June 2017.

12. Insurance of officers

The Company has paid a premium to insure the directors and secretary of the Company against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director or secretary of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

This report is made in accordance with a resolution of the directors.

For and on behalf of the Board



Dr. Catherine Kezelman AM
Director

Date: 2/11/2017

BLUE KNOT FOUNDATION
A.B.N. 49 072 260 005

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

	Note	2017 \$	2016 \$
Revenue			
Government grants		1,087,865	908,594
Donations		102,196	69,605
Membership fees		10,941	8,598
Fundraising income	13	17,000	43,607
Workshop income		1,003,661	660,969
Other		77,727	67,147
Interest received		13,930	14,865
Total Revenue		<u>2,313,320</u>	<u>1,773,385</u>
Expenses			
Expenditure supporting fundraising activities	13	19,300	1,556
Expenditure supporting grant activities		911,829	903,697
Expenditure supporting Blue Knot Foundation/ASCA services		13,676	3,338
Expenditure to support workshops		618,476	513,456
Administrative expenses		299,319	219,307
Total Expenses		<u>1,862,600</u>	<u>1,641,354</u>
Surplus/(Deficit) before income tax		450,720	132,031
Income tax expense	1 (f)	-	-
Surplus/(Deficit) for the year		<u>450,720</u>	<u>132,031</u>
Other Comprehensive Income		-	-
Other Comprehensive income/(loss) attributable to members of the entity		<u>-</u>	<u>-</u>
Total comprehensive income/(loss) for the year		<u>450,720</u>	<u>132,031</u>

The accompanying notes form part of these financial statements.

BLUE KNOT FOUNDATION
A.B.N. 49 072 260 005

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note	2017 \$	2016 \$
Current assets			
Cash and cash equivalents	3	1,388,454	1,082,395
Trade and other receivables	4	85,062	99,104
Other assets		29,069	27,584
Total current assets		<u>1,502,585</u>	<u>1,209,083</u>
Non-current assets			
Property, plant and equipment	5	5,828	13,136
Total non-current assets		<u>5,828</u>	<u>13,136</u>
Total assets		<u>1,508,413</u>	<u>1,222,219</u>
Current liabilities			
Trade and other payables	6	45,051	83,052
Provisions	8	50,269	41,272
Other liabilities	7	209,868	353,896
Total current liabilities		<u>305,188</u>	<u>478,220</u>
Non-current liabilities			
Provisions	8	18,939	10,433
Total non-current liabilities		<u>18,939</u>	<u>10,433</u>
Total liabilities		<u>324,127</u>	<u>488,653</u>
Net assets		<u>1,184,286</u>	<u>733,566</u>
Equity			
Retained earnings	9	1,184,286	733,566
Total equity		<u>1,184,286</u>	<u>733,566</u>

The accompanying notes form part of these financial statements.

BLUE KNOT FOUNDATION
A.B.N. 49 072 260 005

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

	2017	2016
	\$	\$
Total accumulated funds at the beginning of the financial year	733,566	601,535
Surplus/(Deficit) for the year	450,720	132,031
Total accumulated funds at the end of the financial year	1,184,286	733,566

The accompanying notes form part of these financial statements.

BLUE KNOT FOUNDATION
A.B.N. 49 072 260 005

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Cash flows from operating activities			
Receipts from customers and other contributions		2,389,123	2,099,499
Payments to suppliers and employees		(2,098,574)	(1,893,707)
Interest received		<u>15,510</u>	<u>13,883</u>
Net cash inflow from operating activities	12	<u>306,059</u>	<u>219,675</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment		<u>-</u>	<u>-</u>
Net cash (outflow)/inflow from investing activities		<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents		306,059	219,675
Cash and cash equivalents at the beginning of the financial year		<u>1,082,395</u>	<u>862,720</u>
Cash and cash equivalents at the end of the financial year	3	<u>1,388,454</u>	<u>1,082,395</u>

The accompanying notes form part of these financial statements.

BLUE KNOT FOUNDATION
A.B.N. 49 072 260 005

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

1 Significant Accounting Policies

(a) Basis of Accounting

This special purpose financial report has been prepared for distribution to members and directors of Blue Knot Foundation to fulfil the directors' financial reporting requirements under the Australian Charities and Not-for-profits Commission Act 2012. The accounting policies used in the preparation of this report, as described below are, in the opinion of the directors, appropriate to meet the needs of members and users.

The financial report has been prepared using historical cost convention except for derivative financial instruments which are measured at fair value.

The requirements of Accounting Standards and other professional reporting requirements in Australia do not have mandatory applicability to Blue Knot Foundation in relation to the year ended 30 June 2017 because it is not a reporting entity. The directors have, however, determined that in order for the financial report to give a true and fair view of the Company's performance, cash flows and financial position, the requirements of Accounting Standards and other professional reporting requirements in Australia relating to the measurement of assets, liabilities, revenues, expenses and equity should be complied with.

Accordingly, the directors have prepared the financial report in accordance with Accounting Standards and other professional reporting requirements in Australia with the following exceptions:

- AASB 7: Financial Instruments: Disclosures

The directors are of the view that the omission of the presentation and disclosure items referred to above does not detract from the true and fair presentation of the financial report of the Company.

The financial report of the Blue Knot Foundation for the financial period ended 30 June 2017 was authorised for issue in accordance with a resolution of the directors on 2 November 2017.

The nature of the operations and principal activities of the Company are described in the Directors' Report.

(b) Statement of compliance

The financial report is a special purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by Australian Accounting Standards Board and the *Australian Charities and Not-for-profits Commission Act 2012*, except as noted above.

(c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below.

(d) Government grants

Income from non reciprocal grants is recognised when the entity obtains control of the grant or the right to receive the grant; it is probable that the economic benefits comprising the grant will flow to the entity; and the amount of the grant can be measured reliably. Income from such grants is therefore recognised on receipt as the revenue recognition criteria are met when the entity receives those grants.

BLUE KNOT FOUNDATION
A.B.N. 49 072 260 005

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

1 Significant Accounting Policies (continued)

(e) Fundraising

Income from non reciprocal donations is recognised when the entity obtains control of the donation or the right to receive the donation; it is probable that the economic benefits comprising the donation will flow to the entity; and the amount of the donation can be measured reliably. Income from such donations is therefore recognised on receipt as the revenue recognition criteria are met when the entity receives those donations.

(f) Income tax

Blue Knot Foundation is a registered charity and is exempt from the payment of income tax. This has been confirmed by the Australian Taxation Office.

(g) Cash and cash equivalents

Cash and cash equivalent represent amounts held with financial institutions that are readily convertible to cash and which are subject to an insignificant risk of changes in value.

(h) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment. Trade receivables are generally due for settlement no more than 30 days from the date of recognition.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability of the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that a trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the amount which is expected to be collected.

(i) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. These amounts are unsecured and are usually paid within 30 days of recognition.

(j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from or payable to the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority are presented as operating cash flow.

BLUE KNOT FOUNDATION
A.B.N. 49 072 260 005

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

1 Significant Accounting Policies (continued)

(k) Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in profit and loss as incurred.

Depreciation is calculated on a straight line basis over the estimated useful life of the assets as follows:

Plant and equipment - over 5 years.

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate at each financial year end.

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of the fair value less costs to sell and depreciated replacement value.

(l) Economic Dependence

The Company is dependent upon the ongoing receipt of Federal and State government grants and community and corporate donations to ensure the ongoing continuance of its programs. At the date of this report management has no reason to believe that this financial support will not continue.

(m) Adoption of New and Revised Accounting Standards

During the current year, the Company adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory. There are no standards that have impacted the recognition, measurement and disclosure of transaction.

(n) New Accounting Standards for Application In Future Periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory applications dates for future periods. The Company has decided against early adoption of these Standards.

2 Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Estimates will, by definition, seldom equal the related actual results. There are no estimates or assumptions which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

BLUE KNOT FOUNDATION
A.B.N. 49 072 260 005

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

3	Cash and cash equivalents	2017	2016
		\$	\$
	Cash and cash equivalents	<u>1,388,454</u>	<u>1,082,395</u>
(a)	Reconciliation to cash at the end of the year		
	The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:		
	Balance as above	<u>1,388,454</u>	<u>1,082,395</u>
	Balances per statement of cash flows	<u>1,388,454</u>	<u>1,082,395</u>
(b)	Cash at bank and on hand		
	Cash at bank is held at prevailing bank interest rates. Cash on hand is non interest bearing.		
4	Receivables		
	Trade & other receivables	<u>85,062</u>	<u>99,104</u>
		<u>85,062</u>	<u>99,104</u>
5	Property, plant and equipment		
	Cost		
	Opening balance	34,139	34,139
	Additions	-	-
	Disposals	-	-
	Closing balance	<u>34,139</u>	<u>34,139</u>
	Accumulated depreciation		
	Opening balance	(21,003)	(17,820)
	Depreciation charge for the year	(7,308)	(3,183)
	Disposals	-	-
	Closing balance	<u>(28,311)</u>	<u>(21,003)</u>
	Net book value	<u>5,828</u>	<u>13,136</u>
6	Trade and other payables		
	Trade payables	41,789	78,132
	Other payables	<u>3,262</u>	<u>4,920</u>
		<u>45,051</u>	<u>83,052</u>
7	Other liabilities		
	Grants received in advance	-	180,000
	Income received in advance	<u>209,868</u>	<u>173,896</u>
		<u>209,868</u>	<u>353,896</u>
8	Provisions		
	CURRENT		
	Employee benefits and related on-costs liabilities	<u>50,269</u>	<u>41,272</u>
		<u>50,269</u>	<u>41,272</u>

BLUE KNOT FOUNDATION
A.B.N. 49 072 260 005

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

8	Provisions continued	2017	2016
		\$	\$
	NON-CURRENT		
	Employee benefits and related on-costs liabilities	18,939	10,433
		<u>18,939</u>	<u>10,433</u>
9	Reserves and retained earnings		
	Movement in retained earnings were as follows:		
	Balance at 1 July 2016	733,566	601,535
	Net surplus/(deficit) for the year	<u>450,720</u>	<u>132,031</u>
	Balance at 30 June 2017	<u>1,184,286</u>	<u>733,566</u>
10	Remuneration of auditors		
	During the year the following fees were paid or payable for services provided by the auditor of the Company, and its related practices:		
	Audit services		
	Audit of financial reports under the Annual Charities and Not-For-Profits Commission Act 2012	6,000	-
	Other Audit Services	<u>4,000</u>	<u>9,000</u>
	Total remuneration for audit services	<u>10,000</u>	<u>9,000</u>
11	Commitments		
(a)	Capital commitments		
	The company had no capital commitments at 30 June 2017.		
(b)	Lease commitments: Company as lessee		
	The company had no lease commitments at 30 June 2017.		
12	Reconciliation of surplus for the year to net cash inflow from operating activities		
	Surplus/(deficit) for the year	450,720	132,031
	Add non cash items- depreciation & loss on sale of assets	7,308	3,184
	Decrease/(Increase) in trade receivables	14,042	(19,158)
	Decrease/(Increase) in other assets	(1,485)	(6,459)
	Increase/(Decrease) in trade payables and provisions	(182,029)	93,207
	Increase/(Decrease) in other creditors	17,503	16,870
	Net cash inflow from operating activities	<u>306,059</u>	<u>219,675</u>
13	Fundraising activities conducted during the year		
	Information to be furnished under the <i>Charitable Fundraising Act 1991</i> (NSW). The net surplus from fundraising activities conducted during the financial year was:		
	Forget me Knot Appeal	-	-
	Blue Knot Day	-	143
	Other	<u>99,896</u>	<u>111,513</u>
		<u>99,896</u>	<u>111,656</u>
	Donations revenue	<u>102,196</u>	<u>69,605</u>
	Fundraising revenue	17,000	43,607
	Less fundraising expenses	<u>(19,300)</u>	<u>(1,556)</u>
		<u>99,896</u>	<u>111,656</u>
	Ratio of expenses to revenue	16%	1%
	Ratio of net surplus to revenue	84%	99%

BLUE KNOT FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

14 Members' Guarantee

The Company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$2 towards meeting any outstanding obligations of the entity. At 30 June 2017, the number of members was 1564 (2016: 1490).

15 Related Parties

a. Transactions with Related Parties

The Company entered into the following transactions with related parties during the year:

The Company has engaged Balac Pty Limited ATF CB Family Trust T/A Accounting Logic to provide financial management services for the Company. Accounting Logic is an associated entity of Belinda Johnson.

The supply of the financial management services by Accounting Logic has been approved by the Board of Directors. Declaration of interest is declared at each meeting of the Board of Directors and managed accordingly.

Fees rendered for the full year were \$41,676 (excl. GST) (May-June 2016: \$6,800).

b. Key Management Personnel Disclosures

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

The Directors of Blue Knot Foundation during the year were J.Kaplan, Dr. C. Kezelman, S. Cole, E. Cohen, C. Hallam, S. Rockell, A. Prabhu, B. Johnson, A. McKenzie-Mountain, T. Kirkpatrick, A. Heath. Dr. C. Kezelman was also the President of Blue Knot Foundation during the year.

Directors are not paid for acting in the capacity of a Board Member. Amounts have been paid to the Directors acting in their capacity as employees of the company.

The totals of remuneration paid to the key management personnel of Blue Knot Foundation during the year are as follows:

	2017	2016
	\$	\$
Key management personnel compensation	<u>138,700</u>	<u>125,925</u>

**BLUE KNOT FOUNDATION
A.B.N. 49 072 260 005**

**DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2017**

In the opinion of the directors:

- (a) the Company is not a reporting entity as defined in the Australian Accounting Standards;
- (b) the financial statements and notes of the Company are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:
 - (i) giving a true a fair view of the Company's financial position as at 30 June 2017 and its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) to the extent described in Note 1 to the financial statements and complying with the *Australian Charities and Not-for-profits Commission Regulations 2013*;
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Dr. Catherine Kezelman AM
Director


Date: 2/11/2017

BLUE KNOT FOUNDATION
A.B.N. 49 072 260 005

DECLARATION BY THE PRESIDENT IN RESPECT OF FUNDRAISING APPEALS
FOR THE YEAR ENDED 30 JUNE 2017

I, Dr. Catherine Kezelman AM, President of Blue Knot Foundation declare that in my opinion:

- (a) the financial report gives a true and fair view of all income and expenditure of Blue Knot Foundation with respect to fundraising appeal activities for the financial year ended 30 June 2017.
- (b) the statement of comprehensive income gives a true and fair view of the state of affairs with respect to fundraising appeal activities as at 30 June 2017.
- (c) the provisions of the *Charitable Fundraising Act 1991* (NSW) and Regulations and the conditions attached to the authority have been complied with during the period from 1 July 2016 and 30 June 2017.
- (d) the internal controls exercised by Blue Knot Foundation are appropriate and effective in accounting for all income received and applied from any fundraising appeals.



Dr. Catherine Kezelman AM
President

Date: 2/11/2017

INDEPENDENT AUDIT REPORT

TO THE MEMBERS OF BLUE KNOT FOUNDATION

Report on the Audit of the Financial Report

Qualified Opinion

We have audited the accompanying financial report, being a special purpose financial report of Blue Knot Foundation ("the entity"), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the director's declaration.

Qualified Auditor's Opinion pursuant to the Australian Charities and Not-for-profits Commission Act 2012

In our opinion, except for the effects of the matter described in the *Basis of Qualified Opinion* section of our report, the accompanying financial report of Blue Knot Foundation is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a) giving a true and fair view of the entity's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Qualified Auditor's Opinion pursuant to the Charitable Fundraising Act 1991

In our opinion, except for the effects, if any, of the qualification set out below:

- (a) the financial report of Blue Knot Foundation gives a true and fair view of the financial result of fundraising appeal activities for the financial year ended 30 June 2017
- (b) the financial statements have been properly drawn up, and the associated records have been properly kept for the period from 1 July 2016 to 30 June 2017, in accordance with the *Charitable Fundraising Act 1991* and its regulations; and
- (c) money received as a result of fundraising appeal activities conducted during the period from 1 July 2016 to 30 June 2017 has been properly accounted for and applied in accordance with the *Charitable Fundraising Act 1991* and its Regulations.

Basis for Qualified Opinion

It is not always practicable for the entity to establish accounting control over all forms of donations prior to receipt of these funds and accordingly it is not possible for our examination to include procedures which extend beyond the amounts of such income recorded in the accounting records of the entity.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Australian Charities and Not-for-Profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Directors for the Financial Report

The directors of the entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation as described in Note 1 to the financial report is appropriate to meet the requirements of the *Australian Charities and Not-for-Profits Commission Act 2012* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the director determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

Name of Firm: MGI Sydney Assurance Services Pty Limited
MGI Sydney Assurance Services Pty Limited
Chartered Accountants

Name of Auditor:

Ivan Lee

Ivan Lee
Director

Address: Level 5, 6 O'Connell Street, Sydney NSW 2000

Dated this

2nd day of *November* *2017*

AUDITOR'S CERTIFICATE STATEMENT TO THE CHARITABLE COLLECTIONS ADVISORY COMMITTEE

Scope

We have audited the financial report of Blue Knot Foundation ("the licence holder") for the financial year ended 30 June 2017. The licence holder is responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the Charitable Collections Advisory Committee.

Our audit has been conducted in accordance with the Charitable Collections Act (1946) ("the Act") and the Charitable Collections Regulations (1947) ("the Regulations"), and with Australian Auditing Standards, to provide reasonable assurance that 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 aspects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements, and with the Act and the Regulations, so as to present a view which is consistent with our understanding of the licence holder's financial position, the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

This Statement should be read in conjunction with our independent audit report dated 2 November 2017 issued in respect of the financial accounts for the financial year above.

Basis for Qualified Opinion

Qualification in relation to Completeness of Voluntary Revenue

The licence holder has determined that it is not practicable to establish controls over monies received from the source(s) of voluntary revenue listed at 'Appendix A' 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 monies received from the source(s) of voluntary revenue listed at 'Appendix A' had to be restricted to the amounts recorded in the financial records. We are therefore unable to express an opinion whether the source(s) of voluntary revenue the licence holder obtained are complete.

Qualified Audit Opinion

In our opinion, except for the possible effects on the matter described in the Basis for Qualified Opinion section, the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory reporting requirements, and with the Act and the Regulations, the financial position of the licence holder as at the end of the financial year and the results of its operations and its cash flows for the financial year.

Based on our audit, we have not become aware of any matter that makes us believe that the licence holder has not complied with the obligations imposed by the Act and the Regulations including the significant control requirements referred to in 'Appendix B'.

Name of Firm: MGI Sydney Assurance Services Pty Limited
MGI Sydney Assurance Services Pty Limited
Chartered Accountants

Name of Auditor:

Ivan Lee

Ivan Lee
Director

Address: Level 5, 6 O'Connell Street, Sydney NSW 2000.

Dated this

2nd day of *November* *2017*

'APPENDIX A'

Source(s) of Voluntary Revenue

- Donations from Fundraising

'APPENDIX B'

Significant Control Requirements

The financial management and fundraising activities of the licence holder should be conducted in accordance with, but not limited to, the following provisions of the Regulations:

Financial Management

- Monies received should be banked within seven (7) days of receipt in accordance with regulation 11(a);
- An asset register should be maintained in accordance with regulation 11(c);
- Every bank account should be operated by two (2) officers of the organisation in accordance with regulation 11(d);
- Investments should be in accordance with regulation 16 of the Charitable Collections Amendment Regulations (1998).

Fundraising

- Monies received from collectors and fundraisers should be paid to the licence holder within fourteen (14) days of receipt in accordance with regulation 11(b) of the Regulations;
- Receipts should be completed for all monies received;
- The Income and Expenditure Statement should be sufficiently detailed to enable identification of all charitable collections received and the manner in which the collections have been dealt with;
- Fundraising expenses (i.e. salaries, wages, commissions and any professional fundraising fees) should be disclosed separately in the accounts;
- The licence holder should be collecting monies and goods, and should be disbursing those monies and goods, in accordance with the organisation's objectives.