

**BLUE KNOT FOUNDATION**

**(A COMPANY LIMITED BY GUARANTEE)**

**A.B.N 49 072 260 005**

**FINANCIAL REPORT  
FOR THE FINANCIAL YEAR ENDED**

**30 JUNE 2020**

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

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**BLUE KNOT FOUNDATION**  
**A.B.N 49 072 260 005**  
**CHAIRPERSON'S REPORT**

2019-2020 has been one of the most challenging years that many organisations have faced in decades.

I am very proud to say that Blue Knot Foundation has flourished despite the challenges. As we develop our National Centre of Excellence for Complex Trauma we are increasingly seen as a trusted service for people with a lived experience of complex trauma – empowering recovery and building resilience of those impacted.

The leadership team have shown substantial resilience, managing several major step changes in the last year. The board remain committed, engaged and supportive. The wider Blue Knot team have shown commitment and flexibility to manage through a period of significant change.

Blue Knot achieved a major milestone in our growth plan in the first few months of this financial year. The organisation had outgrown its premises and was struggling to expand its team to provide its additional services due to lack of space.

Expanding our premises was a major immediate objective within our Strategic Plan.

Blue Knot had been looking for new premises when the organisation was funded to establish and run the National Counselling and Referral Service (NCRS) for people affected by the Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability.

The immediate need for additional space grew overnight. September to December 2019 was an extremely busy period for Blue Knot.

We found and moved into new premises in North Sydney in October, and started running the NCRS. The rest of the team moved by the end of December. The new office is light and airy with a green leafy outlook, ideal for the Blue Knot team to better support their own well-being.

Also in October, Blue Knot launched *Updated Practice Guidelines for Clinical Treatment of Complex Trauma* at an event hosted by Belmont Private Hospital in Brisbane. The guidelines were presented by their co-authors, Dr. Cathy Kezelman AM and Pam Stavropoulos PhD at the Christchurch regional conference of the International Society for Study of Trauma and Dissociation in November.

The guidelines were extensively endorsed and acclaimed by global leaders in the complex trauma and dissociation field prior to their release. Cathy and Pam subsequently won the Pierre Janet Award, an international award for the best clinical, theoretical or research paper in the field of dissociative and/or trauma of the year. The guidelines are but one of the many publications released by Blue Knot in the last 12 months and earlier.

January through to March 2020 saw significant infrastructure development necessary to support our ongoing growth. Work also took place on our new website development.

As the COVID-19 situation unfolded, in March 2020 Blue Knot made the decision to move our entire team to working from home. This transition was managed in a seamless manner which allowed the Helpline services to continue uninterrupted. There has however been a significant impact on training programs, with the cessation of face-to-face training and the rapid development of webinars and online options. Although Blue Knot had to postpone face-to-face training, our other services, including new online options and a strong Balance Sheet shielded the organisation from the cashflow issues that some organisations experienced during this difficult time.

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**CHAIRPERSON'S REPORT**

The leadership team, organisational culture and team cohesion have helped support all staff to cope as well as possible with the challenges that working from home can bring.

Despite the many difficulties that COVID has created, there have been many opportunities.

All Blue Knot employees and the team overall have shown amazing creativity in developing e-learning, webinars, publications and alternative ways of working. Online methods of communications have significantly improved and will see Blue Knot in good stead for the future.

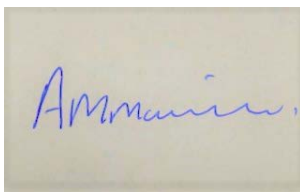
Blue Knot has had an amazing year and our team has displayed great resilience, determination and agility in difficult circumstances.

I would like to thank Dr Cathy Kezelman, and Belinda Johnson for steering the organisation forward through a significant period of growth, despite some major challenges. Through all this they have managed the team with empathy and care.

I would also like to thank the Blue Knot Board for their time and effort in directing the organisation through the stormy waters of this challenging year.

Further, I would like to thank the wider Blue Knot team for their teamwork and collaboration.

Unfortunately, this will be my last year as Chair, although I wish to stay on as a director. I am relocating overseas, and the demands of Chair are better suited to a director who is resident in Australia. It has been a privilege to serve Blue Knot Foundation, in various capacities for the last 4 years



Angela McKenzie-Mountain

Chairperson

Date: 19/11/2020

**BLUE KNOT FOUNDATION**  
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**PRESIDENT'S REPORT**

I am delighted to report that despite the extraordinary times in which we are all living, especially in the second half of this financial year, Blue Knot Foundation has, to date, weathered them remarkably well. It is a powerful testament to the cohesion and commitment of our entire team. In March this year, from one day to the next we moved our whole team to work from home. Despite the occasional technical glitches, promptly managed by our IT team, the transition was remarkably smooth, not just logistically but emotionally. As we settled into this time, we implemented a range of strategies to stay connected, to check in and to support one another, to share our experiences and thoughts about the surreal time in which we are all living.

The 2019/20 financial year has been mammoth for the organisation. At the end of 2019 we moved into our amazing new premises in North Sydney, a fit-for-purpose space in which we didn't know ourselves. In March we vacated them because of COVID-19. In October 2019 we took our first call on the National Counselling and Referral Service, a vital well-received service funded by the Commonwealth government to support people with disability affected by the Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability. The scope of the service now also supports people with disability affected by violence, abuse, neglect and exploitation, their carers advocates and service providers.

Our Blue Knot Helpline and Redress Support Service is a very busy service providing specialist trauma counselling support to adults with experiences of repeated interpersonal trauma, from childhood, and providing application support to people who were sexually abused in institutions as a child, applying for the National Redress Scheme. Already responding to more than 10,000 calls/annum, at the end of this period Blue Knot also received additional funding from the Department of Health to support the mental health response to COVID-19 to help us respond to the additional demand during this time.

I would like to take thank everyone who works on our counselling teams and their managers for the heartfelt professional support, counselling, information and referrals they provide every day to people in need. Every week we receive poignant feedback from people who have used our service and have felt, listened to, heard and believed, often for the first time... an important step on the road to recovery and healing.

When Coronavirus gained hold, our Training and Services team, forever agile and creative responded with new offerings – a series of Building Trauma Awareness webinars, an expansion of our supervision program including Reflect and Relate sessions and offerings for individuals and teams, as well as a range of innovative projects supporting organisations through trauma-informed change processes. Unfortunately, our face-to-face survivor workshops, as well as our planned pilots for our relaunched family and friends' workshops, funded by the documentary Ghost hunter have been put on hold. At the same time, we invested in our e-learning program, developing online modules to roll out as soon as practical. A very big thanks and much kudos to Tamara O'Sullivan, our National Training and Services Manager and her team. Together they have conducted themselves with professionalism and grace, continuing to offer high quality programs to support and build the capacity of multiple sectors with whom people with trauma experiences, the community more broadly engage.

This last financial year has been rich with publications cementing Blue Knot's leadership in the fields of complex trauma and dissociation, translating research into accessible practice. In October 2019 we launched our *Updated Practice Guidelines for Clinical Treatment of Complex Trauma* at an event kindly hosted by Belmont Private Hospital in Brisbane. These guidelines and its authors, Dr. Cathy Kezelman AM and Pam Stavropoulos PhD were recognised by The Pierre Janet Award. This is an international award given to an individual/s for the best clinical, theoretical or research paper in the field of dissociative and/or trauma within the past year). It is presented every year by the International Society for Study of Trauma and Dissociation – the peak international body in the field.

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**PRESIDENT'S REPORT**

The guidelines were extensively endorsed and acclaimed by global leaders in the complex trauma and dissociation field prior to their release. The updated Clinical Guidelines were accompanied by a set of Complementary Guidelines which include two sets of guidelines in one publication: Guidelines to Differences between Therapy for Complex Trauma and Standard Counselling Approaches and Guidelines to Therapist Competencies for Working with Complex Trauma and Dissociation. Two additional and substantial publications were launched in the first half of 2020 - Practice Guidelines for Identifying and Treating Complex Trauma-related Dissociation as well as *Guidelines for Clinical Supervisors of Therapists who Work with Complex Trauma and Dissociation*.

We continue to expand our substantial suite of fact sheets. With the arrival of COVID-19 we released fact sheets around COVID-19 for the community as well as health practitioners. More recently with changing advice related to face masks we additionally released information and advice for people experiencing complex trauma around wearing face masks. The additional trauma COVID-19 brings to people already living with the impacts of other trauma experiences has meant that we have released a range of different fact sheets, to help people understand their own reactions and physiological responses, and to provide strategies to help them to feel safer and better supported.

A big part of Blue Knot's role is to raise awareness and reduce stigma and discrimination around complex trauma, childhood trauma, and child sexual abuse, in particular. We have an ongoing active media presence, the go-to organisation sought for commentary around high-profile sexual abuse cases, trauma, mental health, policy and practice. We often speak and are invited to speak at conferences, deliver keynotes, attend forums and roundtables, and we are consulted by government at all levels, and a range of organisations across different sectors. With a number of large projects and consultancies under way we are contributing in the best way we can towards a trauma-informed world and professional community.

We are continually working to reach more people by building our social media presence, organically and through paid advertising across multiple platforms with active engagement from our growing community. In October 2019 we ran our blue-sky social media campaign for Blue Knot Day, asking survivors to share their blue-sky moments of hope and healing. Hats off to our Marketing team for disseminating our messages and consistently building our profile, to help us reach more people across Australia and around the world. Our website is rich with information and updated regularly, and with a new one in the wings, and supported by a range of updated integrated systems, we will soon have the capacity to reach far more people in a more targeted way. Our monthly Breaking Free newsletter goes out to close to 50,000 people, and our quarterly Blue Knot Review keeps the professional sector informed about the latest research and practice developments.

This is but a snapshot of the year, with a lot more activity in the background. I would like to firstly thank our board, and Angela McKenzie Mountain, our chair who generously give their time, expertise and support to help steer and guide Blue Knot as it continues to grow despite the times! I would also sincerely link to thank Belinda Johnson, our Deputy CEO and the whole leadership team for their gentle guidance of their teams, the staff more broadly and the whole organisation. Hopefully, we will emerge from the pandemic stronger, even more connected, and able to provide more of the steadfast support we continue to provide directly and indirectly to people living with the impacts of complex trauma.



Dr. Cathy Kezelman AM

President

Date: 19/11/2020

**BLUE KNOT FOUNDATION**  
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**DIRECTORS' REPORT**

**1. Directors**

**Philippa Bell**

*LLB (Hons), BA, Grad Dip (Legal Practice), Grad Dip (Applied Finance and Investment)*

Pip is a lawyer with over 15 years of experience across private practice (small and large firms), government and in-house financial institution roles, assisting clients ranging from start-ups through to global brand names with business establishment, capital raising, governance and regulatory matters. She has also provided legal services to cancer patients on a pro bono basis. She currently works in a small, boutique law firm specialising in investment management and financial services regulation. Outside of her work, Pip likes to embark on physical challenges to fundraise for charity and she has raised over \$20,000 for a number of worthy causes through long distance running, walking and ocean swimming.

**Matthew Rockell**

*Bachelor Applied Science*

Matthew has a background in applied sciences, education, and consulting and is currently working in Westpac Group Technology on Workforce Optimisation. I manage the technology division's Science, Technology, Engineering, Mathematics (STEM) advocacy strategy and scholarship programs offered on behalf of the Westpac Scholars Trust. Prior to joining Westpac, Matthew previously held the position of Head of Product at Karrikins Group, a consulting firm with deep expertise in business transformation and community investment. He has led the development of community investment strategies, innovation, impact measurement and evaluation programs for clients across Corporate, NFP/Community and Government sectors including work for Optus, CBA, Microsoft, Royal Bank of Canada and various government departments and public institutions in Australia and New Zealand.

**Dr Catherine Kezelman AM – joined 23/11/2019**

*MBBS (Hons)*

Special Responsibilities: President

Catherine Kezelman is a medical practitioner, mental health consumer advocate and Blue Knot Foundation President.

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 many seminal Blue Knot publications, and other peer-reviewed articles.

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**DIRECTORS' REPORT**

**Belinda Johnson – joined 23/11/2019**

*JP, B.Bus(Acc), CSA(Cert), FIPA*

Special Responsibilities: Company Secretary and Deputy CEO

Belinda Johnson is Deputy CEO of Blue Knot Foundation and an Accountant with over 25 years of finance and business experience in a variety of SMEs. Belinda has a strong background in corporate governance, business and finance management, audit and risk and competitive/lean manufacturing and Public Practice. 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.

**Angela McKenzie - Mountain**

*BA Acc, CPA, CIMA*

Special Responsibilities: Chairperson

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.

**Terry Kirkpatrick**

*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 New South Wales Minister of Health to the Official Visitor Program under the *Mental Health Act 2007* (NSW). 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 Advisory Council and Practice Senate as well as serving as the NSW Representative on the National Division of General Practicing Psychologists. He is also a clinical member of the International Association of Applied Psychology. Terry is a survivor of childhood abuse.

**Belinda Bentley – resigned 09/12/19**

*BSc BA MProDev GAICD*

Belinda is a highly regarded property professional who specialises in transactions and development. Belinda's experience varies from residential and commercial transactions to being responsible for some of the most complex development projects and portfolios in Australia with values ranging from A\$30m to over A\$1b. Belinda is also a Non-Executive Director of Link Housing, a nationally registered Tier 1 Community Housing Provider. Belinda is a Graduate Member of the Australian Institute of Company Directors (GAICD) and is a member of the Urban Land Institute's Sydney District Council.



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**DIRECTORS' REPORT**

**Sarah Gatehouse**

Sarah has over 20 years' experience in Human Resources with a post-graduate diploma from Macquarie Graduate School of Management. Her broad generalist experience covers a number of industries both blue and white collar. Most recently she has been responsible for driving meaningful organisational change and transformation which resulted in a significant improvement in culture. Sarah is on the boards of two not for profit organisations who focus on encouraging personal development and success. She has had personal experience in dealing with mental health concerns and values the important work that the Blue Knot Foundation delivers.

**Mia Kwok – joined 09/08/2019**

*B.IntComm;B.Phil(Media)*

Mia is an experienced media and communications professional. She focuses on media relations, with a specialisation in finance and property. She currently works with the Urban Development Institute of Australia to build its public relations and content strategy, and is the editor of Urban Icon, a magazine for property developers and planners. She was previously an editor at Business Insider, writer for Yahoo and has worked in various broadcast newsrooms.

Mia was the former Vice President – Equity and Diversity for the Council of Australian Postgraduate Associations (CAPA).

**2. Principal activities**

The principal activities of the Foundation during the financial year were the operation of a foundation offering support to adult survivors of complex trauma.

**3. Dividends**

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

**4. Review of operations**

Operating revenue

The Foundation's revenue for the financial year was \$7,003,071 (2019: \$3,287,827).

Operating result

The operating surplus for the financial year was \$2,120,774 (2019: \$544,998).

Significant changes in state of affairs

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

**5. Events after the reporting date**

It is not practicable to estimate the potential impact of COVID-19 after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

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**DIRECTORS' REPORT**

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significant affect the Foundation's operations, the results of those operations, or the Foundation's state of affairs in future financial years.

**6. Likely developments and expected results of operations**

The Foundation will continue to actively support adult survivors of complex trauma. Likely developments in the operations of the Foundation and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to results in unreasonable prejudice to the Foundation.

**7. Environment regulation**

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

**8. Foundation secretary**

At the date of this report, the position of Foundation Secretary was held by Belinda Johnson and Elena Cohen as co-secretary.

**9. President**

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

**10. Meetings of directors**

During the financial year 2019/2020, 5 face-to-face meetings of Directors were held. These meetings occurred on 26 October 2019, 23 November 2019, 15 February 2020, 4 April 2020 and 30 May 2020.

The number of meetings of the Foundation's board of directors held during the year ended 30 June 2020 and the number of meetings attended by each Director were:

Director	Board of Directors	
	Meetings eligible to attend	Meetings attended
Cathy Kezelman	3	3
Belinda Johnson	3	3
Angela Mckenzie-Mountain	5	5
Matthew Rockell	5	2
Sarah Gatehouse	5	5
Philippa Bell	5	5
Terry Kirkpatrtick	5	3
Belinda Bentley	2	1
Mia Kwok	5	4

**11. Loans to directors and executives**

There were no loans to directors and executives during the year ended 30 June 2020.

**BLUE KNOT FOUNDATION**  
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**DIRECTORS' REPORT**

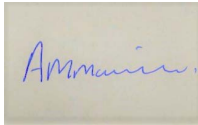
**12. Indemnification and Insurance of officers and auditors**

The Foundation has paid a premium to insure the directors and secretary of the Foundation 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 Foundation, other than conduct involving a wilful breach of duty in relation to the Foundation. The contract of insurance prohibits disclosure of the nature of the liability insured of the premiums paid.

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an auditor of the Foundation.

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

For and on behalf of the Board



Angela McKenzie-Mountain

Chairperson

Date: 19/11/2020

**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 2020**

	Note	2020 \$	2019 \$
<b>Revenue</b>			
Government grants		5,360,294	1,178,445
Donations	16	76,982	45,918
Fundraising income	16	10,008	36,458
Workshop income		1,222,800	1,762,708
Other	5	333,071	264,298
<b>Total Revenue</b>		<b>7,003,155</b>	<b>3,287,827</b>
<b>Expenses</b>			
Expenditure supporting fundraising activities	16	38,407	58,884
Expenditure supporting grant activities		3,835,598	1,162,564
Expenditure supporting Blue Knot Foundation services		69,471	55,636
Expenditure to support workshops		372,296	473,363
Administrative expenses		566,609	992,382
<b>Total Expenses</b>		<b>4,882,381</b>	<b>2,742,829</b>
<b>Surplus before income tax</b>		<b>2,120,774</b>	<b>544,998</b>
Income tax expense		-	-
<b>Surplus for the year</b>		<b>2,120,774</b>	<b>544,998</b>
<b>Surplus attributable to members of the Foundation</b>		<b>2,120,774</b>	<b>544,998</b>
Other comprehensive income		-	-
<b>Total other comprehensive income attributable to members of the Foundation</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>2,120,774</b>	<b>544,998</b>

The accompanying notes form part of these financial statements.

**BLUE KNOT FOUNDATION**  
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**STATEMENT OF FINANCIAL POSITION**

**AS AT 30 JUNE 2020**

	Note	2020 \$	2019 \$
<b>Current assets</b>			
Cash and cash equivalents	6	5,092,392	2,835,303
Trade and other receivables	7	60,672	137,448
Other assets		51,710	22,678
<b>Total current assets</b>		<u>5,204,774</u>	<u>2,995,429</u>
<b>Non-current assets</b>			
Property, plant and equipment	8	295,473	3,311
Right-of-use assets	9	901,412	-
<b>Total non-current assets</b>		<u>1,196,885</u>	<u>3,311</u>
<b>Total assets</b>		<u>6,401,659</u>	<u>2,998,740</u>
<b>Current liabilities</b>			
Trade and other payables	10	324,127	168,315
Provisions	12	115,205	71,034
Lease liabilities	13	188,521	-
Other liabilities	11	-	408,025
Contract liabilities	11	554,713	-
<b>Total current liabilities</b>		<u>1,182,566</u>	<u>647,374</u>
<b>Non-current liabilities</b>			
Provisions	12	42,769	30,332
Lease liabilities	13	734,516	-
<b>Total non-current liabilities</b>		<u>777,285</u>	<u>30,332</u>
<b>Total liabilities</b>		<u>1,959,851</u>	<u>677,706</u>
<b>Net assets</b>		<u>4,441,808</u>	<u>2,321,034</u>
<b>Equity</b>			
Retained surplus		<u>4,441,808</u>	<u>2,321,034</u>
<b>Total equity</b>		<u>4,441,808</u>	<u>2,321,034</u>

The accompanying notes form part of these financial statements.

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**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2020**

<b>2019</b>	<b>Retained surplus</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2018</b>	1,776,036	1,776,036
<b>Comprehensive income</b>		
Surplus for the year	544,998	544,998
Other comprehensive income for the year	-	-
<b>Total comprehensive income for the year attributable to the members of the Foundation</b>	544,998	544,998
<b>Balance at 30 June 2019</b>	2,321,034	2,321,034
<b>2020</b>		
<b>Balance at 1 July 2019</b>	2,321,034	2,321,034
<b>Comprehensive income</b>		
Surplus for the year	2,120,774	2,120,774
Other comprehensive income for the year	-	-
<b>Total comprehensive income for the year attributable to the members of the Foundation</b>	2,120,774	2,120,774
<b>Balance at 30 June 2020</b>	4,441,808	4,441,808

The accompanying notes form part of these financial statements.

**BLUE KNOT FOUNDATION**  
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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2020 \$	2019 \$
<b>Cash flows from operating activities</b>			
Receipts from customers and other contributions		7,856,707	4,003,366
Payments to suppliers and employees		(5,134,725)	(3,005,714)
Interest received		50,299	45,000
Interest paid		(32,648)	-
<b>Net cash generated from operating activities</b>	<b>15</b>	<b>2,739,633</b>	<b>1,042,652</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant & equipment		(340,930)	-
<b>Net cash used in investing activities</b>		<b>(340,930)</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
Repayment of lease liabilities		(141,614)	-
<b>Net cash used in financing activities</b>		<b>(141,614)</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>		<b>2,257,089</b>	<b>1,042,652</b>
Cash and cash equivalents at the beginning of the financial year		2,835,303	1,792,651
<b>Cash and cash equivalents at the end of the financial year</b>	<b>6</b>	<b>5,092,392</b>	<b>2,835,303</b>

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 2020**

The financial report covers Blue Knot Foundation (“the Foundation”) as an individual entity. Blue Knot Foundation is incorporated and domiciled in Australia. Blue Knot Foundation is a company limited by guarantee.

The functional and presentation currency of Blue Knot Foundation is Australian dollars.

The financial statements were authorised for issue on 19 November 2020 by the directors of the Foundation. The Directors have the power to amend and reissue the financial report.

**1. Basis of Preparation**

The directors have prepared the financial statements on the basis that the Foundation is a non-reporting entity because there are no users dependent on general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (Cth) (ACNC Act). The Foundation is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the ACNC Act, the basis of accounting specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards AASB 101: *Presentation of Financial Statements*, AASB 107: *Statement of Cash Flows*, AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors*, AASB 1048: *Interpretation of Standards*, and AASB 1054: *Australian Additional Disclosures*, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous periods unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar.

**2. Application of New and Revised Accounting Standards**

This is the first set of the Foundation’s annual financial statements in which AASB 16 *Leases* (AASB 16), AASB 15 *Revenue from Contracts with Customers* (AASB 15) and AASB 1058 *Income of Not-for-Profit Entities* have been applied. The impacts of these standards are described below:

**(i) AASB 16 Leases**

AASB 16 is applicable to annual reporting periods beginning on or after 1 January 2019. The Foundation adopted AASB 16 and has applied the standard from 1 July 2019.



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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**2. Application of New and Revised Accounting Standards (continued)**

**(i) AASB 16 Leases (continued)**

A core change in applying AASB 16 is that most leases will be recognised on the balance sheet by lessees, as the Standard no longer differentiates between operating and finance leases. An asset and a financial liability are recognised in accordance with this new Standard. There are, however, two exceptions allowed: short-term and low-value leases.

The Foundation has performed a review of all its leasing arrangements in light of the new lease accounting rules in AASB 16 and the standard has affected primarily the accounting of the Foundation's operating leases. The Foundation does not have finance leases.

The Foundation has recognised right-of-use assets of \$1,064,653 and lease liabilities of \$1,064,653 during the year for leases previously classified as operating leases. As at 1 July 2019, the Foundation did not have any leases to be recognised as they were considered short term and low value assets.

When measuring lease liabilities, the Foundation discounted lease payments using its incremental borrowing rate during the year. The weighted average rate applied is 4%.

	<b>Amount</b>
	<b>\$</b>
Lease discounted using the lessee's incremental borrowing rate of at the date of initial application during the year	1,064,653
Lease liability recognised as at 30 June 2020	923,037
Of which are:	
Current lease liabilities	188,521
Non-current lease liabilities	734,516

The Foundation has adopted AASB 16 prospectively from 1 July 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 July 2019. For the Foundation there was no impact on the opening balance sheet on 1 July 2019.

**(ii) AASB 15 Revenue from Contracts with Customers**

The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to a customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

**BLUE KNOT FOUNDATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**2. Application of New and Revised Accounting Standards (continued)**

**(ii) AASB 15 Revenue from Contracts with Customers (continued)**

In relation to a not-for-profit entity, such as the Foundation, an agreement, or a component of an agreement, would be classified as a 'contract with a customer', and therefore within the scope of AASB 15, if the agreement:

1. is 'enforceable' (i.e., it creates enforceable rights and obligations between the parties); and
2. includes a promise or promises by the not-for-profit entity to transfer a good or service that is 'sufficiently specific' for the entity to determine when the performance obligations are satisfied.

If an agreement, or a component of an agreement, is within the scope of AASB 15, revenue would be recognised as or when the Foundation satisfies its obligations under the agreement.

The Foundation has performed a review of all its revenue streams in light of the new revenue standards and the standard has had minimal effect on the accounting and reporting practices of the Foundation and a corresponding insignificant impact on the Foundation's operating results for the year ended 30 June 2020. There is no material difference in the results of the Foundation between applying AASB15 from its previous accounting policy.

The Foundation has applied AASB 15 using the modified retrospective method of initially applying AASB 15 as an adjustment to the opening balance of equity at 1 July 2019. Therefore, the comparative information has not been restated and continues to be presented in accordance with the previous accounting policy. There was no impact on opening retained profits as at 1 July 2019.

A classification change occurred which resulted in "Other Liabilities" now being classified as "Contract Liability" in line with wording used in AASB15. The table below provides details of the this change in the current reporting period:

<b>Statement of Financial Position</b>	<b>As presented on 30 June 2019</b>	<b>Application impact of AASB15</b>	<b>As at 1 July 2019</b>
Contract Liabilities	-	\$408,025	\$408,025
Other payables	\$408,025	\$(408,025)	-

**(iii) AASB 1058 Income of Not-for-Profit Entities**

Management has assessed the impact of the new standard and determined that the adoption of the standard has not had a material impact on the Foundation's financial statements.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**3. Significant accounting policies**

**a. Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Foundation's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Foundation's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

**b. Comparative figures**

When required by the Accounting Standards adopted for this financial report, comparative figures have been adjusted to conform to changes in presentation for the current year.

**c. Revenue**

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Foundation is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Foundation: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Government grants

Grant revenue is recognised in profit or loss when the Foundation satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before the Foundation is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a contract liability until those conditions are satisfied.

Donations and fundraising income

Donations are recognised when the Foundation obtains controls of the contribution or the right to receive the contribution. Significant confirmed donations are accrued at the balance sheet date when it is probable the donation will be received and the amount can be measured reliably.

**BLUE KNOT FOUNDATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**3. Significant accounting policies (continued)**

**c. Revenue (continued)**

Workshop income and consulting and supervision services

Where a performance obligation exists or is created, a contract liability is recognised as a related amount of the entitlement in exchange for transferring goods or services to a customer. The Foundation recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Interest income

Interest revenue is recognised as it accrues using the effective interest method.

Other income

Other income is recognised on an accrual basis when the Foundation is entitled to it.

All revenue is stated net of the amount of goods and services tax.

**d. Contract liability**

Contract liabilities represent the Foundation's obligation to transfer services to a client that are recognised when a client or related funder pays consideration, or when the Foundation recognises a receivable to reflect the unconditional right to consideration (whichever is earlier), before the Foundation has transferred the services to the client.

Grant related contract liabilities represent funding received in advance of delivery of performance obligations which may be recalled by the Commonwealth at their discretion or used to satisfy future performance obligations under the terms of the grant agreement.

Contract liabilities arising from services represent delivery of performance obligations during the financial year 2021.

Under AASB 15, grant revenue is recognised as the performance obligations in the related grant agreements are satisfied, generally over time. The consideration received in advance of providing these services is recognised as a contract liability.

Previously recognised as other liabilities, from 1 July 2019 this revenue in advance is now recognised as a contract liability as a result of the adoption of AASB 15.

**e. Income tax**

No provision for income tax has been raised as the Foundation is exempt from income tax under Division 50 of *the Income Tax Assessment Act 1997* (Cth).

**f. Provisions**

Provisions are recognised when the Foundation has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**3. Significant accounting policies (continued)**

**g. Employee benefits**

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave and long service leave. The expected payment amounts are not discounted as the impact on the financial statements is deemed immaterial.

*Short-term obligations*

Liabilities for wages and salaries, including non-monetary benefits and annual and long service leave; expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability of annual and long service leave is recognised in the provision for employee benefits. All other short-term benefit obligations are presented as payables.

*Long-term obligations*

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period.

**h. Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

**i. Trade receivables**

Trade and other receivables include amounts due from donors and any outstanding grant receipts. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets.

**j. Right-of-use assets and lease liabilities**

*Right-of-use assets*

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Foundation expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**3. Significant accounting policies (continued)**

**j. Right-of-use assets and lease liabilities (continued)**

*Lease liabilities*

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Foundation's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

**k. Trade payables**

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Foundation during the reporting period which remain unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

**l. Financial instruments**

*Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Foundation commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Foundation has transferred substantially all the risks and rewards of ownership.

*Measurement*

At initial recognition, the Foundation measures a financial asset at its fair value, plus transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent measurement of financial assets are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses). Impairment losses are presented as separate line item in the statement of profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**3. Significant accounting policies (continued)**

**l. Financial Instruments (continued)**

*Impairment of assets*

The Foundation assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Foundation applies the simplified approach permitted by AASB 9 *Financial Instruments*, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**m. Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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 ATO is included with other receivables or payables in the statement of financial position.

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 ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

**n. Economic Dependence**

The Foundation is dependent on Federal and State Government Departments ("Departments") for the majority of its revenue used to operate the business. At the date of this report, the Board of Directors has no reason to believe the Department will not continue to support the Foundation.

**o. New Accounting Standards and Interpretations Not Yet Mandatory or Early Adopted**

The Foundation's assessment of the impact of Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Foundation for the annual reporting period ended 30 June 2020, most relevant to the Foundation, is set out below.

*Conceptual Framework for Financial Reporting (Conceptual Framework)*

The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 July 2021 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the Foundation has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the Foundation may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the Foundation's financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**4. Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

**Variable lease payments**

Variable lease payments made by the Foundation depend on the rates. These are usually in the form of CPI increases in the rent year-on-year per the lease agreement. These have been taken into account in determining the right of use asset and the lease liability over the period of the lease term. The Foundation evaluates any changes to the variable lease payments on account of external factors and takes them into consideration for the determination of the lease liability.

**Lease term**

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.



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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	2020	2019
	\$	\$
<b>5. Other revenue</b>		
Consulting and supervision services	111,893	194,851
Job keeper	72,000	-
Sundry income	149,178	69,447
	<b>333,071</b>	<b>264,298</b>
<b>6. Cash and cash equivalents</b>		
Cash and cash equivalents	5,092,392	2,835,303
	<b>5,092,392</b>	<b>2,835,303</b>
<b>7. Trade receivables</b>		
Trade receivables	60,672	137,448
	<b>60,672</b>	<b>137,448</b>
<b>8. Property, plant and equipment</b>		
<u>Cost</u>		
Opening balance	34,139	34,139
Additions for the year	340,930	-
Closing balance	375,069	34,139
<u>Accumulated depreciation</u>		
Opening balance	(30,828)	(30,548)
Depreciation charge for the year	(48,768)	(280)
Closing balance	(79,596)	(30,828)
Net book value	295,473	3,311

**BLUE KNOT FOUNDATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	2020	2019
	\$	\$
<b>9. Right-of-use assets</b>		
Property & Photocopier	1,064,651	-
Amortisation charge for the year	(163,239)	-
	<b>901,412</b>	-
<b>10. Trade and other payables</b>		
Trade payables	60,787	14,446
Other payables	263,340	153,869
	<b>324,127</b>	168,315
<b>11. Other liabilities/Contract liabilities</b>		
Other liabilities	-	408,025
Contract liabilities	554,713	-
	<b>554,713</b>	408,025
<b>12. Provisions</b>		
CURRENT		
Provision for annual leave	115,205	71,034
	<b>115,205</b>	71,034
NON-CURRENT		
Provision for long service leave	42,769	30,332
	<b>42,769</b>	30,332
<b>13. Lease liabilities</b>		
Current	188,521	-
Non-current	734,516	-
	<b>923,037</b>	-

**BLUE KNOT FOUNDATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	2020	2019
	\$	\$
<b>14. Auditor's Remuneration</b>		
Remuneration of the auditor of the Foundation, MGI Sydney for:		
- Auditing or reviewing the financial statements	<b>6,300</b>	6,180
- Other services	<b>12,398</b>	10,240
	<b>18,698</b>	16,420
<b>15. Cash flow reconciliation</b>		
<b>Net current year surplus</b>	<b>2,120,774</b>	544,998
<i>Adjusted for:</i>		
<b>Non-cash items:</b>		
Depreciation and amortisation	<b>212,007</b>	280
<b>Change in assets and liabilities:</b>		
Decrease in trade and other receivables	<b>76,776</b>	280,130
(Increase) in prepayments	<b>(29,032)</b>	(4,289)
Increase in trade payables and provisions	<b>212,420</b>	60,815
Increase in other creditors	<b>146,688</b>	160,718
<b>Cash flow from operations</b>	<b>2,739,633</b>	1,042,652

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**16. Fundraising activities conducted during the year**

Information to be furnished under the *Charitable Fundraising Act 1991* (NSW).

The net surplus from fundraising activities conducted during the financial year was:

	2020	2019
	\$	\$
Other	<b>48,583</b>	23,492
	<b>48,583</b>	23,492
Donations revenue	<b>76,982</b>	45,918
Fundraising revenue	<b>10,008</b>	36,458
Less: fundraising expenses	<b>(38,407)</b>	(58,884)
	<b>48,583</b>	23,492
Ratio of expense to revenue	<b>44%</b>	71%
Ratio of net surplus to revenue	<b>56%</b>	29%

**17. Members' guarantees**

The Foundation is incorporated under the *Corporations Act 2001* (Cth) and is a company limited by guarantee. If the Foundation is wound up, the constitution states that each member is required to contribute a maximum of \$2 towards meeting any outstanding obligations of the Foundation. At 30 June 2020, the number of members was 1,707 (2019: 1,778).

**18. Related Parties**

**(a) Key management personnel disclosures**

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

The Directors of Blue Knot Foundation during the year were Dr. Cathy Kezelman, Belinda Johnson, Angela McKenzie-Mountain, Matthew Rockwell, Sarah Gatehouse, Philippa Bell, Terry Kirkpatrick, Belinda Bentley and Mia Kwok. Dr. Cathy 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 Foundation.

**BLUE KNOT FOUNDATION**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

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

	2020	2019
	\$	\$
Key management personnel compensation	<b>347,705</b>	160,600
	<b>347,705</b>	160,600

**19. Events occurring after the reporting date**

It is not practicable to estimate the potential impact of COVID-19 after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significant affect the Foundation's operations, the results of those operations, or the Foundation's state of affairs in future financial years.

**20. Contingences**

In the opinion of the Directors', the Foundation did not have any contingencies at 30 June 2020 (30 June 2019: Nil).

**21. Foundation details**

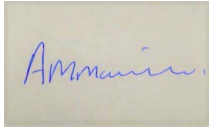
The registered office and principal place of business is:  
Level 1, 1 James Place  
North Sydney, NSW, 2060

**BLUE KNOT FOUNDATION**  
**A.B.N 49 072 260 005**  
**DIRECTORS' DECLARATION**  
**FOR THE YEAR ENDED 30 JUNE 2020**

The directors of Blue Knot Foundation declare that, in the directors' opinion:

- (a) the financial statements and notes, as set out on pages 11 to 28, comply with Australian Accounting Standards and give a true and fair view of the financial position of the registered entity as at 30 June 2020 and of its performance for the year ended on that date.
- (b) this declaration is signed in accordance with subs 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013* (Cth).
- (c) there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as when they become due and payable.

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



Angela McKenzie-Mountain

Chairperson

Date: 19/11/2020

**BLUE KNOT FOUNDATION  
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**DECLARATION BY THE PRESIDENT IN RESPECT OF FUNDRAISING APPEALS  
FOR THE YEAR ENDED 30 JUNE 2020**

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 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 Act 1991* (NSW) and Regulations and the conditions attached to the authority have been complied with during the period from 1 July 2019 and 30 June 2020.
- (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: 19/11/2020

## **INDEPENDENT AUDIT REPORT TO THE MEMBERS OF BLUE KNOT FOUNDATION**

### **Opinion**

We have audited the financial report of Blue Knot Foundation ("the Foundation"), which comprises the statement of financial position as at 30 June 2020, 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, notes comprising a summary of significant accounting policies, and the director's declaration.

In our opinion, 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* ("ACNC Act 2012"), including:

- a) giving a true and fair view of the Foundation's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards to the extent described in Notes 1 to 3, and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

### **Basis for Opinion**

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 Foundation in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have 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.





## **Other Information**

The directors of the Foundation are responsible for the other information. The other information obtained at the date of this auditor's report comprises the information included in the Chairman's Report, President's Report and the Director's Report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of the Directors for the Financial Report**

The directors of the Foundation 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 determine 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

## **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/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.



## **Report on the requirements of the NSW Charitable Fundraising Act 1991 and NSW Charitable Fundraising Regulations 2015**

We have audited the financial report as required by Section 24(2) of the *NSW Charitable Fundraising Act 1991*. The directors of the Foundation are responsible for the preparation and presentation of the financial report in accordance with the *Charitable Fundraising Act 1991 (NSW)* and the *NSW Charitable Fundraising Regulations 2015*. Our responsibility is to express an opinion on the financial report based on our audit.

### **Opinion**

In our opinion, in all material respects:

- a. The financial report of the Foundation is prepared and associated records have been properly kept, during the financial year ended 30 June 2020, in accordance with:
  - i. sections 20(1), 22(1-2) and 24(1-3) of the *NSW Charitable Fundraising Act 1991*; and
  - ii. sections 10(6) and 11 of the *NSW Charitable Fundraising Regulations 2015*; and
- b. money received as a result of fundraising appeals activities conducted by the Foundation during the year ended 30 June 2020 has been properly accounted for and applied in accordance with the above mentioned Act and Regulations.

*MGI Sydney Assurance Services*

MGI Sydney Assurance Services Pty Limited  
Chartered Accountants

A handwritten signature in black ink, appearing to read 'Kimmy Jongue', written over a light blue horizontal line.

Kimmy Jongue  
Director

Sydney, 19 November 2020