

**BLUE KNOT FOUNDATION
(FORMERLY ADULTS SURVIVING CHILD ABUSE)**

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

**FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED
30 JUNE 2016**

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

CONTENTS

Chairman's Report	1
President's Report	2
Directors' Report	3
Financial Report	
Statement of Profit or Loss and other Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10
Directors' Declaration	16
President's Declaration in respect of Fundraising Appeals	17
Independent Auditor's Report to the Members	18

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
Montpelier Street
NEUTRAL BAY, NSW, 2089

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

CHAIRMAN'S REPORT

Our mission to advocate, build and deliver supports to facilitate recovery with and for people, families and communities, affected by childhood trauma is at the forefront of our organisation. In 2016 we underwent a rebrand from Adults Surviving Child Abuse (ASCA) to Blue Knot Foundation. The rebrand has been received favourably by our members, other stakeholders and the community in general. This has enabled us to forge further partnerships to build greater support and awareness for our survivors.

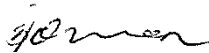
Our advocacy work has been well received and acknowledged throughout the year. Dr Kezelman has continued to develop key relationships with the Royal Commission in Institutional Responses to Child Sexual Abuse, Government, and Government Agencies, private enterprise, institutions and other social impact organisations. Blue Knot Foundation has been a key player in driving calls for a national redress scheme and roundtable discussions into long term health and financial impacts of child abuse to the community, to mention a few.

Our long term commitment to our members and adults who have been impacted by all forms of Child Abuse continues to gain community reach. Our Blue Knot Helpline providing critical accessible support to those in crisis has seen an increase in calls of 5% from 2015. With over 76,000 visits to our website monthly, our video series, fact sheets and newsletters have also proved to be valuable resources within the survivor community.

The organisation has continued to grow in the training arm of the business. Continued collaboration and review ensures that key trauma areas are addressed and that growth and targets are maintained in this area. This growth in professional services trainings enables the reinvestment of further survivor workshops.

I am constantly in awe and extremely proud to work closely with our president Dr Cathy Kezelman and team at Blue Knot Foundation. The dedication and commitment to the cause is a credit to the culture and calibre of people within the organisation. This is reflected in the staff churn which is minimal and the number of volunteers working with the organisation. Operations Manager, Emma Corrigan, has also been instrumental this year in further improving policies and procedures holding the organisation in good stead for further growth.

I would like to thank my fellow directors for their support and guidance and acknowledge the considerable time, effort and skills they bring to Blue Knot Foundation. A strong Board underpins the organisation and ensures that we are able to ensure that our key performance indicators are reached.



Belinda Johnson
Chairperson

Date: 11/11/2016

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

PRESIDENT'S REPORT

2016 was a pivotal one for our organisation which underwent a major rebrand while experiencing significant growth. This has been achieved through the dedication of a small group of passionate staff members, volunteers, students and supporters. My sincere thanks to all who have played a part.

Our new name, Blue Knot Foundation had its genesis in our national fundraising and awareness day, Blue Knot Day, which has a powerful resonance within the Australian community. It was chosen as it better reflects our core mission, which is to support the recovery of adult survivors of all forms of childhood trauma, not only those who have experienced childhood abuse.

Blue Knot Foundation's logo features a tangled knot which symbolises the complexity of childhood trauma. Blue is the colour of the sky and a clear blue sky provides the space for new possibilities. Blue Knot Foundation empowers survivors to untangle the complex issues with which they grapple and provides hope and optimism for recovery.

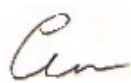
This change has occurred with a backdrop of changing societal attitudes and awareness to childhood trauma, including abuse. Spearheaded in no small part by the Royal Commission into Institutional Responses to Child Sexual Abuse, the conversation is changing and we continue to play a significant role in the media and with government and policy makers, promoting trauma-informed responsiveness and recovery.

In the last 12 months, Blue Knot Foundation provided support in more than 5,000 calls to our specialist Blue Knot Helpline, a 2% increase on FY15. Also up from FY15, our suite of support and information materials proved more useful than ever before, with 6,000 fact sheets downloaded from our website, over 4,000 copies of our Practice Guidelines for Treatment of Complex Trauma and Trauma Informed Care and Service Delivery downloaded, and over 3,000 Blue Knot Foundation videos watched.

Our Education and Training program continued to expand both in reach and depth, as we deliver professional development training to workers and practitioners from diverse sectors. In 2015-16 we delivered more than 250 days of training, with over 5,000 participants. Through the generosity of supporters who donated through our Chuffed.org 'Save our Workshops' campaign, we were able to deliver 5 survivor workshops nationally.

I would like to acknowledge the continuing support of the Federal government, with funding from Department of Health and Department of Social Services, to sustain our Helpline and online services. The demand in this area continues to grow as more people are coming forward seeking support and services from an organisation they can trust, and which has the specialist expertise and experience to meet their needs, without the re-traumatisation so often experienced in services which have not had the benefit of training around complex trauma and trauma-informed practice.

As the thought, practice and policy leader around the public health issue of trauma, our role remains critical. We will continue to empower survivors on their road to recovery, through voice, choice and informed support. I would like to take this opportunity to thank all of those who are walking alongside Blue Knot Foundation. To the board which gives so generously of their time, insight and expertise, with a particular thank you to Belinda Johnson, our Chairperson, and to all of our dedicated staff members. Their contribution makes recovery possible for so many, who otherwise, would not find a pathway to follow.



Dr Catherine Kezelman AM
President

Date: 11/11/2016

BLUE KNOT FOUNDATION
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DIRECTORS' REPORT

1. Directors

<p>Jon Kaplan</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>Rosanna Martinelli</p> <p><i>JP; MBA; DipPM; BBus(Acc) (Mgt); AdvDip(Acc); DipMgt(Bus)</i></p>	<p>Rosanna is a safety professional with over 18 years of aviation experience and a background in finance and business management. She has extensive expertise in developing and implementing management systems focusing on safety, compliance and operational risk, governance and oversight, and delivering operational efficiencies. Specialty areas include: standards and policy, safety management systems, compliance and corporate governance, management systems auditing and assurance programs, change/project management, risk management, training, education and promotions. She participates in aviation industry/regulatory committees and working groups, and is a board member of a not-for profit organisation in drug and alcohol rehabilitation services.</p> <p>Special Responsibilities: Company Secretary and Deputy Chair</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 <i>JP, B.Bus(Acc), CSA(Cert), MIPA</i>	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 <i>BBA, MPH, MAICD</i>	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 <i>BA, MA, Dip Ed, LLB</i>	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 <i>Grad Cert Adult Ed Training, HND Business & Finance</i>	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 child abuse.

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 \$1,773,385 (2015: \$1,885,909).

Operating result

The operating surplus/(deficit) for the financial year was \$132,031 (2015: \$237,031).

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 Rosanna Martinelli.

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 2015/2016, seven face-to-face meetings of Directors were held. These meetings occurred on 8 August 2015, 10 October 2015, 21 November 2015, 30 January 2016, 12 March 2016, 23 April 2016 and 18 June 2016.

The number of meetings of the Company's board of directors held during the year ended 30 June 2016 and the number of meetings attended by each Director were:

Director	Board of Directors	
	Meetings eligible to attend	Meetings attended
Jon Kaplan	7	4
Angela McKenzie Mountain	4	4
Catherine Kezelman	7	7
Adrian Heath	7	6
Terry Kirkpatrick	6	5
Anita Prabhu	7	2
Sharon Rockwell	7	5
Simon Cole	7	5
Elana Cohen	7	6
Rosanna Martinelli	7	4
Belinda Johnson	7	6

11. Loans to directors and executives

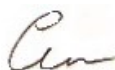
There were no loans to directors and executives during the year ended 30 June 2016.

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: 11/11/2016

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 2016

	Note	2016 \$	2015 \$
Revenue			
Government grants		908,594	1,337,072
Donations		69,605	27,393
Membership fees		8,598	10,966
Fundraising income	13	43,607	6,813
Workshop income		660,969	419,747
Other		67,147	56,064
Interest received		14,865	27,854
Total Revenue		<u>1,773,385</u>	<u>1,885,909</u>
Expenses			
Expenditure supporting fundraising activities	13	1,556	2,491
Expenditure supporting grant activities		903,697	1,400,603
Expenditure supporting ASCA services		3,338	24,327
Expenditure to support workshops		513,456	207,410
Administrative expenses		219,307	14,047
Total Expenses		<u>1,641,354</u>	<u>1,648,878</u>
Surplus/(Deficit) before income tax		132,031	237,031
Income tax expense	1 (f)	-	-
Surplus/(Deficit) for the year		<u>132,031</u>	<u>237,031</u>
Other Comprehensive Income		-	-
Other Comprehensive income/(loss) attributable to members of the entity		-	-
Total comprehensive income/(loss) for the year		<u>132,031</u>	<u>237,031</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 2016

	Note	2016 \$	2015 \$
Current assets			
Cash and cash equivalents	3	1,082,395	862,720
Trade and other receivables	4	99,104	79,946
Other assets		27,584	21,125
Total current assets		<u>1,209,083</u>	<u>963,791</u>
Non-current assets			
Property, plant and equipment	5	13,136	16,320
Total non-current assets		<u>13,136</u>	<u>16,320</u>
Total assets		<u>1,222,219</u>	<u>980,111</u>
Current liabilities			
Trade and other payables	6	83,052	181,091
Provisions	8	41,272	28,614
Other liabilities	7	353,896	162,650
Total current liabilities		<u>478,220</u>	<u>372,355</u>
Non-current liabilities			
Provisions	8	10,433	6,221
Total non-current liabilities		<u>10,433</u>	<u>6,221</u>
Total liabilities		<u>488,653</u>	<u>378,576</u>
Net assets		<u>733,566</u>	<u>601,535</u>
Equity			
Retained earnings	9	733,566	601,535
Total equity		<u>733,566</u>	<u>601,535</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 2016

	2016	2015
	\$	\$
Total accumulated funds at the beginning of the financial year	601,535	364,504
Surplus/(Deficit) for the year	132,031	237,031
Total accumulated funds at the end of the financial year	<u>733,566</u>	<u>601,535</u>

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 2016

	Note	2016 \$	2015 \$
Cash flows from operating activities			
Receipts from customers and other contributions		2,099,499	1,869,155
Payments to suppliers and employees		(1,893,707)	(1,744,234)
Interest received		<u>13,883</u>	<u>27,034</u>
Net cash inflow from operating activities	12	<u>219,675</u>	<u>151,955</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		219,675	151,955
Cash and cash equivalents at the beginning of the financial year		<u>862,720</u>	<u>710,765</u>
Cash and cash equivalents at the end of the financial year	3	<u><u>1,082,395</u></u>	<u><u>862,720</u></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 2016

1 Significant Accounting Policies

(a) Basis of Accounting

This special purpose financial report has been prepared for distribution to members and directions 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 fairvalue.

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 2016 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 2016 was authorised for issue in accordance with a resolution of the directors on 11 November 2016

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 2016

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 with 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 2016

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 2016

3	Cash and cash equivalents	2016	2015
		\$	\$
	Cash and cash equivalents	<u>1,082,395</u>	<u>862,720</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>1,082,395</u>	<u>862,720</u>
	Balances per statement of cash flows	<u>1,082,395</u>	<u>862,720</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>99,104</u>	<u>79,946</u>
		<u>99,104</u>	<u>79,946</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	(17,819)	(11,923)
	Depreciation charge for the year	(3,184)	(5,896)
	Disposals	-	-
	Closing balance	<u>(21,003)</u>	<u>(17,819)</u>
	Net book value	<u>13,136</u>	<u>16,320</u>
6	Trade and other payables		
	Trade payables	78,132	176,508
	Other payables	<u>4,920</u>	<u>4,583</u>
		<u>83,052</u>	<u>181,091</u>
7	Other liabilities		
	Grants received in advance	180,000	141,714
	Income received in advance	<u>173,896</u>	<u>20,936</u>
		<u>353,896</u>	<u>162,650</u>
8	Provisions		
	CURRENT		
	Employee benefits and related on-costs liabilities	<u>41,272</u>	<u>28,614</u>
		<u>41,272</u>	<u>28,614</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

8	Provisions continued	2016	2015
		\$	\$
	NON-CURRENT		
	Employee benefits and related on-costs liabilities	10,433	6,221
		<u>10,433</u>	<u>6,221</u>
9	Reserves and retained earnings		
	Movement in retained earnings were as follows:		
	Balance at 1 July 2015	601,535	364,504
	Net surplus/(deficit) for the year	<u>132,031</u>	<u>237,031</u>
	Balance at 30 June 2016	<u>733,566</u>	<u>601,535</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 <i>Corporations Act 2001</i>	-	-
	Other Audit Services	<u>9,000</u>	<u>4,000</u>
	Total remuneration for audit services	<u>9,000</u>	<u>4,000</u>
11	Commitments		
(a)	Capital commitments		
	The company had no capital commitments at 30 June 2016.		
(b)	Lease commitments: Company as lessee		
	The company had no lease commitments at 30 June 2016.		
12	Reconciliation of surplus for the year to net cash inflow from operating activities		
	Surplus/(deficit) for the year	132,031	237,031
	Add non cash items- depreciation & loss on sale of assets	3,184	5,896
	Decrease/(Increase) in trade receivables	(19,158)	(53,619)
	Decrease/(Increase) in other assets	(6,459)	(12,249)
	Increase/(Decrease) in trade payables and provisions	93,207	95,982
	Increase/(Decrease) in other creditors	16,870	(121,086)
	Net cash inflow from operating activities	<u>219,675</u>	<u>151,955</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	607
	Other	<u>41,908</u>	<u>3,715</u>
		<u>42,051</u>	<u>4,322</u>
	Fundraising revenue	43,607	6,813
	Less fundraising expenses	<u>(1,556)</u>	<u>(2,491)</u>
		<u>42,051</u>	<u>4,322</u>
	Ratio of expenses to revenue	4%	37%
	Ratio of net surplus to revenue	96%	63%

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

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 2016, the number of members was 1490 (2015: 1329).

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. Fees rendered for the year were \$6,800 (excl. GST) (2015: \$Nil).

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, R. Martinelli, 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:

	2016	2015
	\$	\$
Key management personnel compensation	<u>125,925</u>	<u>125,925</u>

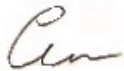
BLUE KNOT FOUNDATION
A.B.N. 49 072 260 005

DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2016

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 and fair view of the Company's financial position as at 30 June 2016 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: 11/11/2016

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 2016

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 2016.
- (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 2016.
- (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 2015 and 30 June 2016.
- (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: 11/11/2016

BLUE KNOT FOUNDATION

A.B.N. 49 072 260 005

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
BLUE KNOT FOUNDATION
FOR THE YEAR ENDED 30 JUNE 2016**
