



Bobby Goldsmith Foundation

(A company limited by guarantee)

ABN 65 141 126 703

Financial Report for the year

1 July 2016 to 30 June 2017

DIRECTORS' REPORT

Your directors present their report, together with the financial statements on the entity for the year ended 30 June 2017.

Directors

The names of each person who has been a director during the year and to the date of this report are:

Abby Landy	Susan Darroch
Jennifer Nairne	Lorraine Hall
Justin Cudmore	Stephen Gray
David Young	Di Vertigan – resigned May 2017
Dr Mark Cross – resigned 19 September 2016	

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company Secretary

Nick Lawson

Operating results

The excess of revenue over expenditure of the entity amounted to \$1,172,637 (2016: the excess of revenue over expenditure amounted to \$6,146,816).

Objectives

The short and long term objectives of Bobby Goldsmith Foundation ('BGF') are to support People Living With HIV ('PLWHIV') by providing practical, emotional and financial support, in addition to employing strategies to empower those affected.

BGF's short term objective is to support people living with HIV by providing practical emotional and financial support in a professional and non-judgmental way through:

- emotional counseling through case manager support;
- financial assistance with essential life services including medication payments, NILS loans and financial counseling; and
- providing short term housing support through housing support services.

BGF's long term objective is to empower people living with HIV to manage their own health through;

- the implementation of the Stanford University Chronic Condition Management Program; and
- the provision of long term housing support services.

Bobby Goldsmith Foundation

(A company limited by guarantee)

DIRECTORS' REPORT (continued)

Strategies

To achieve its stated objectives, the entity has adopted the following strategies;

- we seek funding and use funding from Government and non-government sources in support of our activities; and
- we work collaboratively with other HIV organisations and New South Wales Health to support and contribute to the sector through the provision of new case management programmes and concepts and reduction of in-hospital days by PLWHIV.

Principal activities

The principal activities of the entity during the financial year were to continue to provide accommodation support and comfort to people living with HIV, together with emotional and financial counselling and financial assistance.

How these activities assist in achieving the objectives

Funding generated from grants, donations and general fundraising allows the company in part to ensure people living with HIV have sufficient access to services of a good standard, together with emotional and financial support to assist in the leading of a normal and healthy life.

Performance measurement

The entity measures its own performance through the use of both quantitative and qualitative indicators. These determining data are used by the directors to assess the financial sustainability of the entity and whether the entity's short term and long-term objectives are being achieved.

Review of operations

The company's financial statements incorporate the operation of Supported Housing Project which was transferred to the company in July 2012. BGF generated an operating surplus of \$1,172,637 for the financial year as compared to a surplus of \$6,146,816 for the 2016 financial year. The operating surplus of \$1,172,637 arose primarily as a consequence of normal fundraising activities, the performance of the company's investment portfolio and continued bequests received by the company.

The surplus will help drive the next phase in the company's story beyond what the company is currently funded to achieve. In particular it will fund the expansion of services into regional NSW and to other states where needs exist for the company's services.

Throughout the company's history, bequests from supporters have been important to the continued growth and ongoing sustainability of the services that the company provides people living with HIV and AIDS.

The generous support of bequests in the past has led to a number of step change opportunities for the company including the former establishment of BG house, the financial assistance program, and the development of the Stanford program.

Bobby Goldsmith Foundation

(A company limited by guarantee)

DIRECTORS' REPORT (continued)

Review of operations (continued)

Like other well managed charities the company has placed focus on its bequest strategy as an important part of its overall fundraising approach. Over the past few years the company has implemented a number of strategies to engage with its members and supporters on the importance of bequest donations.

Funding from bequests, large and small, continue to be an important way to secure the ongoing services that the company provides. Every dollar counts in the delivery of services to the company's clients.

Notwithstanding the solid revenue derived during the year, it is noteworthy that expenditure was contained and was less than budgeted projections for the 2017 financial year. BGF is continuing to focus on programmes designed to improve its revenue base whilst managing its costs at a sustainable level.

Significant changes in state of affairs

There were no significant changes in the entity's state of affairs during the year.

Dividends paid or recommended

The entity is a not for profit company limited by guarantee. In accordance with the company's constitution no dividend is payable.

Matters subsequent to the end of the financial year

BGF has finalised with NSW Health its grant funding for the year ending 30 June 2018 and currently based on recent pronouncements anticipates that the NSW Government will continue its funding of BGF beyond 2018.

Subsequent to year end a further distribution of \$200,000 has been received as a consequence of an estate bequest.

Apart from the foregoing, no other matter or circumstance has arisen since 30 June 2017 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Likely developments and expected results of operations

The company in going forward will continue to reassess the process associated with grants awarded by NSW Health, including the new funding arrangements to be adopted with respect to NGOs beyond 30 June 2017.

Environmental issues

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Bobby Goldsmith Foundation

(A company limited by guarantee)

DIRECTORS' REPORT (continued)

Information regarding Directors in office at the date of this Report:

Lorraine Hall

President – elected 27 April 2015 to current

Director - June 2013 – December 2013; January 2014 – Current

Lorraine is a corporate lawyer and company secretary with over 30 years' in-house, government and top tier law firm experience. She began her career with Allens Arthur Robinson (now Allens Linklaters) in 1986 before moving to Freehills (Herbert Smith Freehills), where she was engaged in a wide range of commercial transactions and corporate advisory work. After spending several years as a commercial lawyer with the CSIRO, Lorraine moved to CSC Australia as deputy general counsel and company secretary to the group's Australian subsidiaries, providing strategic advice to the board on corporate governance issues and negotiating a variety of large-scale contracts with government and private sector organisations. Lorraine is currently the company secretary of The Law Society of New South Wales.

Lorraine holds a Bachelor of Arts/Bachelor of Laws (Hons) from the Australian National University and is a graduate of the Australian Institute of Company Directors.

Justin Cudmore

Vice President – elected 27 April 2015 - current

Director - June 2013 – December 2013; January 2014 – Current

Justin is a commercial lawyer with in excess of 20 years experience, advising clients particularly in the retail and FMCG sectors. He also has extensive commercial property experience. Currently a partner at Marque Lawyers, he was formerly a partner at Meyer Vandenberg Lawyers, Canberra's largest independent law firm.

Justin has held a board role since May 2014 with the Australian Fashion Chamber, a not-for-profit organisation which aims to promote and develop Australian fashion design.

Justin was previously a director of Galilee Inc, a not-for-profit providing assistance to young people in need in Canberra, primarily through facilitating foster care and operating a small secondary school.

He has a Bachelor of Laws (with honours) and a Bachelor of Science from the Australian National University.

Jennifer Nairne

Treasurer

September 2012 - Current

Jennifer is a Chartered Accountant and Registered Company Auditor, and currently is a partner in the Fordham Private Clients team, being a specialist part of Perpetual. Jennifer was formerly a Partner in BDO and has extensive expertise and industry experience garnered over a 35 year period, including extensive experience gained in a Big Four accounting firm. She has been involved with the undertaking of audit and internal control and process reviews for many years and is completely familiar with the processes involved and the necessary reporting to regulatory authorities.

In addition to Jennifer's career expertise, Jennifer has been a director of the Sporting Chance Cancer Foundation – a Not-for-Profit Organisation with a focus on Children with Cancer.

Bobby Goldsmith Foundation

(A company limited by guarantee)

DIRECTORS' REPORT (continued)

Information on Directors in Office at the Date of this Report (continued)

Susan Darroch

November 2011 – Current

Susan is an investment management professional with in excess of 20 years' experience in financial markets, in both equities and money markets. Currently the Head of Global Equity Beta Solutions for Asia Pacific ex Japan at State Street Global Advisors, her past experience includes positions at Commonwealth Funds Management, Rothschild Australia and Chuo Trust and Banking in London. Susan collaborates within the industry to mentor and promote women in finance and for diversity in general. She has worked extensively in the philanthropic field with various partners to improve the lives of minority groups and animals.

Susan holds a Bachelor of Economics from Macquarie University and has been admitted as a fellow of the Financial Services Institute of Australasia (FINSIA).

Dr Mark Cross

November 2011 – September 2016

Mark is a Senior Staff Specialist with the Campbelltown Youth Team and Youth unit (Birunji) at Campbelltown Hospital and Consultant Psychiatrist at the Northside MacArthur Clinic. He is also the senior Psychiatrist linked to the ABC TV series Changing Minds, the 1st series was aired on the ABC in October 2014 during Mental Health week to critical acclaim, the 2nd series aired on the ABC during October 2016 Mental Health week.

Mark's book, published by the ABC entitled "Changing Minds, the go to Mental health guide for consumers and families" was published in early 2017. He has recently been honoured by the RANZCP (Royal Australian and New Zealand College of Psychiatrists) with the NSW meritorious award 2016 for his contribution to Psychiatry.

His interests include quality of life in people with chronic illnesses, multi-cultural mental health and HIV. He has previous board experience in HIV charities in South Africa as well as a mental health charity in London.

Stephen Gray

November 2015 – current

Stephen is a senior pharmaceutical marketing executive whose current position is Marketing Manager for Neuroscience and Infectious Diseases at Janssen Australia (a pharmaceutical company of Johnson & Johnson). Stephen has over 22 years of diverse pharmaceutical experience including sales, marketing and global drug development across a variety of illnesses including cancer, schizophrenia, hepatitis C & B and HIV.

Stephen has a solid understanding of HIV and AIDs related issues having worked extensively in the area in both the UK and Australia. Stephen holds a Masters of Business Administration from Macquarie Graduate School of Management and a Bachelor of Science (pharmacology & biochemistry) from Sydney University.

Bobby Goldsmith Foundation

(A company limited by guarantee)

DIRECTORS' REPORT (continued)

Information on Directors in Office at the Date of this Report (continued)

Abby Landy

November 2015 – current

Abby Landy is an advocate for people living with HIV with a particular focus on supporting women and girls. She has attained a significant national and international profile through sharing her story and speaking about her experience of living with HIV. Abby has appeared on many national television and radio programs and her story has been featured in publications including Cosmopolitan, Woman's Weekly and Who Magazine.

Abby is also involved in educating medical professionals about HIV through presenting to the Royal College of General Practitioners. Abby is completing her legal qualifications and currently works as a paralegal at the national commercial law firm, Kemp Strang.

David Young

November 2015 – current

David is an experienced senior commercial company director and executive with over 30 years' experience in the travel, hospitality and finance industries. He began his career as a Chartered Accountant with Ernst & Young in Sydney and London. He subsequently moved to work in senior roles in sales, finance, ground and inflight operations roles in the airline industry with Ansett Australia, Air New Zealand and Qantas. From 2008 until 2014 David was an Executive Director with the Journey Group Plc in London where he was also a director of a number of subsidiaries in Australia, the UK and Hong Kong. He returned to Sydney in 2014 to work with Qantas as the Chief Operating Officer of the Qantas Catering Group and is now Executive Manager Commercial with Qantas Loyalty.

David holds a Bachelor of Commerce Degree and a Graduate Diploma in Hospitality Management from the University of New South Wales, and a Masters of Commercial Law from Deakin University. He is a Graduate Member of the Australian Institute of Company Directors and a Member of the Chartered Accountants Australia and New Zealand (CAANZ).

David is also active in the Qantas Diversity and Indigenous Programs.

Di Vertigan

November 2015 – April 2017

Di Vertigan's background encompasses sales and marketing roles in the pharmaceutical and medical device sectors. Di then moved into small business, establishing and managing Persona Grata Consulting, a national recruitment agency, assisting healthcare companies across Australia and hire talent. After a period of semi-retirement, Di has moved back into the corporate environment, working in talent acquisition with Johnson & Johnson, the world's largest healthcare company.

Di holds qualifications in Marketing and an MBA from Macquarie University. She is also a Graduate of the Australian Institute of Company Directors.

Bobby Goldsmith Foundation

(A company limited by guarantee)

DIRECTORS' REPORT (continued)

ATTENDANCE AT DIRECTORS MEETINGS

Name		2016-17
Jennifer	Nairne	6/6
Justin	Cudmore	5/6
Lorraine	Hall	5/6
Abby	Landy	5/6
David	Young	5/6
Di	Vertigan	4/5
Mark	Cross	1/1
Stephen	Gray	6/6
Susan	Darroch	4/6

Indemnifying officers or auditor

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 officer or auditor of the entity.

Proceedings on behalf of the entity

No person has applied for leave of court to bring proceedings on behalf of the entity or intervene in any proceedings to which the entity is a party for the purpose of taking responsibility on behalf of the entity for all or any part of those proceedings.

The entity was not a party to any such proceedings during the year.

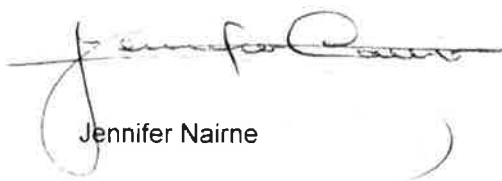
Auditor's independence declaration

The auditor's independence declaration for the year ended 30 June 2017 has been received and can be found on page 9 of the directors' report.

Signed in accordance with a resolution of the Board of Directors:



Lorraine Hall



Jennifer Nairne

Dated this 1st day of November 2017



Auditor's Independence Declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

To: the Directors of Bobby Goldsmith Foundation

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2017 there have been:

- i. no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Sarah Cain

Partner

Sydney

1 November 2017

Bobby Goldsmith Foundation

(A company limited by guarantee)

**Statement of profit or loss and other
comprehensive income for the year ended
30 June 2017**

		30-Jun-17	30-Jun-16
	Notes	(\$)	(\$)
Revenue			
Fundraising:			
Charitable	3	503,728	487,576
Commercial	3	97,308	105,554
Grant income	3	1,713,500	1,671,812
Bequests		554,226	5,399,759
Investment income	3	609,966	261,302
Net gain on disposal of investments		447,578	2,571
Increase/(Decrease) in fair value of financial assets	7	317,111	(138,681)
Profit on sale of Bobby Goldsmith House		-	1,248,182
Other income		23,267	4,928
Total Revenue	2(c)	4,266,684	9,043,003
Expenses			
Fundraising costs:			
Charitable			
Employee benefits expense		160,851	143,288
Other expenses		84,443	77,247
Commercial			
Employee benefits expense		31,072	31,020
Other expenses		58,955	48,939
Client services costs:			
Client payments		166,855	171,883
Employee benefits expense		1,276,664	1,110,460
Other expenses		182,625	150,956
Corporate services costs			
Employee benefits expense		433,889	528,637
Other expenses		655,967	621,126
Other investment costs		42,726	12,631
Total Expenses	4	3,094,047	2,896,187

Bobby Goldsmith Foundation
(A company limited by guarantee)

**Statement of profit or loss and other
comprehensive income for the year ended
30 June 2017 (Continued)**

	Notes	30-Jun-17 (\$)	30-Jun-16 (\$)
Surplus before income tax		1,172,637	6,146,816
Income tax expense	2(d)	-	-
Surplus for the year		1,172,637	6,146,816
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		-	-
Total comprehensive surplus attributable to members		1,172,637	6,146,816

Bobby Goldsmith Foundation

(A company limited by guarantee)

Statement of Financial Position**As At 30 June 2017**

	Notes	30-Jun-17 (\$)	30-Jun-16 (\$)
Assets			
Current Assets:			
Cash and cash equivalents	2(e), 5	231,846	98,078
Trade and other receivables	2(f), 6	115,631	130,539
Financial assets	2(g), 7	8,946,283	7,918,564
Other assets		10,250	10,250
Total Current Assets		9,304,010	8,157,431
Non-Current Assets:			
Property, plant and equipment	2(i), 8	79,518	66,084
Total Non-Current Assets		79,518	66,084
Total Assets		9,383,528	8,223,515
Liabilities			
Current Liabilities:			
Trade and other payables	2(j), 9	163,354	182,348
Bank overdraft	10	30,789	39,174
Provisions	11	110,402	145,772
Grants in advance		88,325	22,077
Total Current Liabilities		392,870	389,371
Non-Current Liabilities			
Provisions	11	76,922	93,045
Total Non-Current Liabilities		76,922	93,045
Total Liabilities		469,792	482,416
Net Assets		8,913,736	7,741,099
Accumulated Funds			
Accumulated Surplus		4,990,902	3,818,265
Reserves	13	3,922,834	3,922,834
Total Accumulated Funds		8,913,736	7,741,099

Bobby Goldsmith Foundation

(A company limited by guarantee)

Financial Report for the year 1 July 2016 to 30 June 2017

Statement of Cash Flows

For the year ended 30 June 2017

	Notes	30-Jun-17 (\$)	30-Jun-16 (\$)
Cash flows from operating activities			
Receipt of grants		1,995,500	1,906,812
Other fundraising receipts		550,411	385,828
Bequests		554,226	5,399,759
Payments to suppliers and employees		(3,076,222)	(2,854,933)
Interest received		114,256	53,965
Dividends received		302,509	129,696
Net cash generated from operating activities		440,680	5,021,127
Cash flows from investing activities			
Proceeds/(Acquisitions) of property, plant and equipment		(35,498)	1,526,630
Net disposals/(additions) of investments		(263,030)	(6,497,917)
Net cash used in investing activities		(298,528)	(4,971,287)
Cash flows from financing activities			
Net cash from financing activities		-	-
Net increase in cash and cash equivalents		142,152	49,840
Opening cash and cash equivalents		58,905	9,065
Closing cash and cash equivalents	16(a)	201,057	58,905

The above statement of cash flows should be read in conjunction with the accompanying notes.

Bobby Goldsmith Foundation

(A company limited by guarantee)

Statement of Changes in Equity**For the year ended 30 June 2017**

	Reserves	Asset Revaluation Reserve	Retained Earnings/ (Accumulated Deficit)	Total
	(\$)	(\$)	(\$)	(\$)
Balance at 1 July 2015	3,922,834	255,739	(1,808,236)	2,370,337
Surplus Attributable to Members	-	-	6,146,816	6,146,816
2013 Revaluation of BG House realised on sale of BG House	-	(255,739)	-	(255,739)
Realisation on sale of BG House of 2006 revaluation of BG House previously recorded through retained earnings	-	-	(520,315)	(520,315)
Closing balance at 30 June 2016	3,922,834	-	3,818,265	7,741,099
Balance at 1 July 2016	3,922,834	-	3,818,265	7,741,099
Surplus Attributable to Members	-	-	1,172,637	1,172,637
Closing balance at 30 June 2017	3,922,834	-	4,990,902	8,913,736

Bobby Goldsmith Foundation (a company limited by guarantee)
Notes to the Financial Statements for the year ended 30 June 2017

1. Introduction

This financial report covers Bobby Goldsmith Foundation (BGF) as an individual entity for the year 1 July 2016 to 30 June 2017. The financial report is presented in Australian currency and all values are rounded to the nearest dollar.

BGF is an unlisted public company limited by guarantee, domiciled in Australia. Its registered office and principal place of business is:

Bobby Goldsmith Foundation
Level 3, 111-117 Devonshire Street
Surry Hills NSW 2010

A description of the nature of BGF's operations and its principal activities is included on pages 2, 3 and 4 of the directors' report.

The financial report was authorised for issue by the directors on the 31st of October 2017.

2. Summary of Accounting Policies

The principal accounting policies adopted in the preparation of this financial report are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

(a) Basis of Preparation

The financial statements are Tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements adopted by the Australian Accounting Standards Board (AASB) and the Australian Charities and Not-for-profits Commission Act 2012. The company is a not-for-profit entity.

Australian Accounting standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical cost except for the following:

- Held-for-trading financial assets are measured at fair value.

The methods used to measure the fair values of these assets are discussed in Notes 2(g). Cost is based on the fair values of the consideration given in exchange for assets.

Bobby Goldsmith Foundation (a company limited by guarantee)
Notes to the Financial Statements for the year ended 30 June 2017

2. Summary of Accounting Policies (Continued)

(a) Basis of Preparation (Continued)

Compliance with the Charitable Fundraising Act (NSW) 1991

The financial report also complies with the Charitable Fundraising Act (NSW) 1991 and the conditions in the company's Authority to Fundraise.

(b) Significant Accounting Judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

It was concluded that judgements made by management on the application of Australian Accounting Standards did not have a significant effect on the financial report.

(c) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. BGF recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and the specific criteria have been met for each activity as described below.

Revenue is recognised for the major business activities as follows:

Fundraising

Fundraising revenue is recognised when BGF has control of the contribution.

Bobby Goldsmith Foundation (a company limited by guarantee)
Notes to the Financial Statements for the year ended 30 June 2017

2. Summary of Accounting Policies (Continued)

(c) Revenue Recognition (Continued)

Grant Income

Grants from the government and other organisations are recognised at their fair value where there is a reasonable assurance that the grant will be received and that BGF will comply with all attached conditions.

(i) Non-Reciprocal Transfers

Non-reciprocal grants are recognised at their fair value when it is probable that the grant will be received or receivable, as the company obtains control of the contribution or the right to receive the contribution is established. Such grants are treated as non-reciprocal transfers in accordance with AASB 1004 Contributions.

(ii) Reciprocal Transfer

Grants which have performance or return obligations and conditions are recognised when the funds have been appropriately spent for the purposes specified in the grant award. The company regards the receipt of such funds as reciprocal in nature under AASB 118 Revenue which requires revenue to be recognised in the reporting periods in which the services are rendered. A liability is recognised in the statement of financial position in respect of grant revenue which is unearned at the balance date.

Bequests

Bequests are recognised when BGF obtains control of the contribution or the right to receive the contribution, which is the earlier of receipt of funds or notification by the Executor of uncontested entitlement.

Revenues from bequests comprising shares or other property are recognised at fair value, being the market value of the shares or property at the date the company becomes legally entitled to the shares or property. Subsequently these assets are measured in accordance with the accounting policies adopted by BGF for that type of asset.

Interest and investment Income

Interest and Investment income is recognised on an accrual basis.

Dividends are brought to account as and when received.

Bobby Goldsmith Foundation (a company limited by guarantee)
Notes to the Financial Statements for the year ended 30 June 2017

2. Summary of Accounting Policies (Continued)

(d) Income Tax

The income of BGF is exempt from Income tax pursuant to the provisions of subdivision 50-B of the Income Tax Assessment Act 1997 and receive GST concessions under division 176 of A New Tax System Act 1999 and FBT exemptions under section 123D of the Fringe Benefits Tax Assessment Act 1986. BGF is also exempt from other government levies such as payroll tax.

(e) Cash and Cash Equivalents

Cash and short term deposits in the statement of financial position comprise cash at bank and on hand and short term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

(f) Trade Receivables

Trade receivables represent Nil Interest Loans (NILS) to clients provided by BGF, which are settled by guarantee applied to their clients' disability pensions. Whilst the amounts are paid over a specific year, the collectability of the debts is assessed at the year-end. All other receivables are classified as non-current assets.

(g) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- i. the amount at which the financial asset or financial liability is measured at initial recognition;
- ii. less principal repayments;
- iii. plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- iv. less any reduction for impairment.

Bobby Goldsmith Foundation (a company limited by guarantee)
Notes to the Financial Statements for the year ended 30 June 2017

2. Summary of Accounting Policies (Continued)

(g) Financial Instruments (Continued)

The *effective interest method* is used to allocate interest income or interest expense over the relevant year and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking, or where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised. Loans and receivables are included in current assets, except for those, which are not expected to mature within 12 months after the end of the reporting year, which will be classified as non-current assets.

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised. Held-to-maturity investments are included in non-current assets, except for those, which are expected to mature within 12 months after the end of the reporting year.

If during the year the company sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investment would be tainted and reclassified as available-for-sale.

Bobby Goldsmith Foundation (a company limited by guarantee)
Notes to the Financial Statements for the year ended 30 June 2017

2. Summary of Accounting Policies (Continued)

(g) Financial Instruments (Continued)

(iv) *Held-for-trading financial assets*

A held-for-trading financial asset is a non-derivative financial asset which is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, including any interest or dividend income, are recognised in profit or loss.

(v) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At the end of each reporting year, the entity assesses whether there is objective evidence that a financial instrument has been impaired. A financial asset or a group of financial assets will be deemed to be impaired if, and only if, there is objective evidence of impairment as a result of the occurrence of one or more events (a "loss event"), which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial instruments, a prolonged decline in the market value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income immediately and any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Bobby Goldsmith Foundation (a company limited by guarantee)
Notes to the Financial Statements for the year ended 30 June 2017

2. Summary of Accounting Policies (Continued)

(g) Financial Instruments (Continued)

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or have expired. The difference between the carrying value of the financial liability, which is extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(h) Non-current assets held for sale

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell, where the carrying amount will be recovered principally through sale as opposed to continued use. No depreciation or amortisation is charged against assets classified as held for sale, subsequent to the determination of the classification.

Classification as "held for sale" occurs when: management has committed to a plan for immediate sale; the sale is expected to occur within one year from the date of classification; and active marketing of the asset has commenced. Such assets are classified as current assets.

Impairment losses are recognised for any initial or subsequent write-down of an asset classified as held for sale to fair value less costs to sell. Any reversals of impairment recognised on classification as held for sale or prior to such classification are recognised as a gain in profit or loss in the period in which it occurs.

(i) Property Plant and Equipment

Basis of measurement of carrying amount

Land and buildings were measured at fair value less accumulated depreciation on buildings and less any impairment losses recognised after the date of the revaluation. Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Any property, plant and equipment donated to the company or acquired for nominal cost is recognised at fair value at the date the company obtains control of the assets.

Depreciation

Items of property, plant and equipment are depreciated over their useful lives to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired year of the lease or the estimated useful life of the improvements. Depreciation is calculated on a straight line basis over the expected useful economic lives of the assets as follows:

	2017 % pa	2016 % pa
Office Furniture and Equipment	20	20
Computer Equipment	33	33

Bobby Goldsmith Foundation (a company limited by guarantee)
Notes to the Financial Statements for the year ended 30 June 2017

2. Summary of Accounting Policies (Continued)

(i) Property Plant and Equipment (Continued)

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise.

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A leased asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Lease assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the entity will obtain ownership at the end of the lease term.

Operating lease payments, net any incentives received from the lessor, are charged to profit and loss on a straight-line basis over the term of the lease.

Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with the 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 fair value less costs to sell and value in use. Depreciated replacement cost is used to determine value in use. Depreciated replacement cost is the current replacement cost of an item of plant and equipment less, where applicable, accumulated depreciation to date, calculated on the basis of such cost.

Impairment exists when the carrying value of an asset exceeds its estimated recoverable amount. The asset is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the Statement of Comprehensive Income. However, because land and buildings are measured at revalued amounts, impairment losses on land and buildings were treated as a revaluation decrement as appropriate.

Bobby Goldsmith Foundation (a company limited by guarantee)
Notes to the Financial Statements for the year ended 30 June 2017

2. Summary of Accounting Policies (Continued)

(i) Property Plant and Equipment (Continued)

Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal, when the item is no longer used in the operations of the company or when it has no sale value. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Any part of the asset revaluation reserve attributable to the asset disposed of or derecognised is transferred to general funds at the date of disposal.

(j) Trade and other payables

Trade payables and other payables represent liabilities for goods and services provided to the company prior to the end of the financial year that are unpaid. These amounts are usually settled in 30 days. The notional amount of the creditors and payables is deemed to reflect fair value.

BGF receives grant monies to fund projects either for contractual years of time or for specific projects irrespective of the year of time required to complete those projects. It is the policy of the entity to treat grant monies as "Grants in advance" in the Statement of Financial Position where the entity is contractually obliged to provide the services in a subsequent financial year to when the grant is received or in the case of specific project grants where the project has not been completed.

(k) Employee benefits

Employee benefits comprise annual, sick and long service leave and related contributions to superannuation plans.

Short-term employee provisions

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Other long-term employee provisions

The company's net obligation in respect of long-term employee benefits other than defined benefit plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on AA credit-rated or government bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid. Any actuarial gains or losses are recognised in profit or loss in the period in which they arise.

Bobby Goldsmith Foundation (a company limited by guarantee)
Notes to the Financial Statements for the year ended 30 June 2017

2. Summary of Accounting Policies (Continued)

(l) Goods and Services Tax (GST)

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

(m) Economic dependence

BGF is dependent on grant revenue from the Department of Health, New South Wales to operate its business. Refer to Note 17 for further clarification on capital management.

(n) Public Company Limited by Guarantee

In the event of BGF being wound up, the liability of each member is limited to an amount not exceeding \$10. BGF had 16 members as at 30 June 2017 (2016: 16).

(o) New Accounting Standards for Application in Future Periods

Accounting Standards issued by the AASB that are not yet mandatorily applicable to the company, together with an assessment of the potential impact of such pronouncements on the company when adopted in future periods, are discussed below:

- AASB 9: Financial Instruments and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

Bobby Goldsmith Foundation (a company limited by guarantee)
Notes to the Financial Statements for the year ended 30 June 2017

2. Summary of Accounting Policies (Continued)

(o) New Accounting Standards for Application in Future Periods (Continued)

The key changes that may affect the company on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

Although the directors anticipate that the adoption of AASB 9 may have an impact on the company's financial instruments, including hedging activity, it is impracticable at this stage to provide a reasonable estimate of such impact.

AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods commencing on or after 1 January 2018 as referred by AASB 2016-8: Amendments to Australian Accounting Standards – effective date of AASB15).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented per AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. There are also enhanced disclosure requirements regarding revenue.

Although the directors anticipate that the adoption of AASB 15 may have an impact on the company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

Bobby Goldsmith Foundation (a company limited by guarantee)
Notes to the Financial Statements for the year ended 30 June 2017

2. Summary of Accounting Policies (Continued)

(o) New Accounting Standards for Application in Future Periods (Continued)

-AASB 16: *Leases* (applicable to annual reporting periods beginning on or after 1 January 2019). When effective this Standard will replace the current accounting requirements applicable to leases in AASB 117: *Leases* and related Interpretations. AASB 16 introduces a single Lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- Recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- Depreciation of right-to-use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;
- Variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- By applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- Additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the directors anticipate that the adoption of AASB 16 will impact the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

Bobby Goldsmith Foundation (a company limited by guarantee)
Notes to the Financial Statements for the year ended 30 June 2017

3. Revenue

	30-Jun-17	30-Jun-16
	\$	\$
Fundraising		
Charitable:		
Friends	124,540	123,409
Donations (inclusive of community fundraising)	44,202	49,564
Sponsorship (MAC Aids Fund)	282,000	235,000
Other sponsorships	5,300	16,227
Appeals	47,686	63,376
Total Charitable Fundraising	503,728	487,576
Commercial:		
Events	97,308	105,554
Total Commercial Fundraising	97,308	105,554
Total Fundraising	601,036	593,130
Grant Income		
Client Services	973,742	1,163,779
AOD interim program	177,140	172,820
Financial counselling	81,900	92,655
Corporate services	480,718	242,558
Total Grant Income	1,713,500	1,671,812
Investment Income		
Interest received	114,256	53,965
Dividends received	302,509	129,696
Brokerage	193,201	77,641
Total Investment Income	609,966	261,302

Bobby Goldsmith Foundation (a company limited by guarantee)
Notes to the Financial Statements for the year ended 30 June 2017

4. Expenses

	30-Jun-17	30-Jun-16
	(\$)	(\$)
Employee benefits expense	1,902,476	1,813,405
<u>Event costs</u>		
Direct event production costs	33,183	27,545
Indirect event costs	25,772	21,394
	58,955	48,939
<u>Other items</u>		
Client payments	166,855	171,883
Consultancy fees	74,374	88,618
Rent and outgoings	142,114	132,459
Computer expenses	48,775	40,332
Telephone and mobile expenses	42,193	57,482
Insurance	23,355	28,982
	497,666	519,756
<u>Depreciation</u>		
Motor Vehicles	9,786	4,549
Office Furniture and Equipment	6,034	8,129
	15,820	12,678
<u>Amortisation</u>		
Leasehold Improvements	6,244	6,551
<u>Remuneration of Auditors</u>		
Audit services – Walker Wayland NSW	6,600	22,400
Audit services – KPMG	19,000	-
	25,600	22,400
<u>Other expenses</u>		
Other expenses	587,286	472,458
Total Expenses	3,094,047	2,896,187

Bobby Goldsmith Foundation (a company limited by guarantee)
Notes to the Financial Statements for the year ended 30 June 2017

5. Cash and Cash Equivalents

	30-Jun-17	30-Jun-16
	(\$)	(\$)
Cash on hand	700	700
Cash at bank	231,146	97,378
Total Cash and Cash Equivalents	231,846	98,078

6. Trade and Other Receivables

Trade receivables	29,861	62,006
Less: Provision for doubtful debts	-	(882)
Other receivables	85,770	69,415
Total Trade and Other Receivables	115,631	130,539

(i) Provision for Impairment of Receivables

Trade receivables are impaired or written off where a client has been out of contact after 18 months or is deceased.

Bobby Goldsmith Foundation (a company limited by guarantee)
Notes to the Financial Statements for the year ended 30 June 2017

7. Financial assets	(\$)
Opening Balance as at 30 June 2015	1,559,328
(Decrease) in fair value of managed funds	(138,681)
Net additions of investments	6,497,917
Closing Balance as at 30 June 2016	7,918,564
Increase in fair value of managed funds	317,111
Net additions of investments	710,608
Closing Balance as at 30 June 2017	8,946,283

The carrying value of financial assets approximate their fair value. Fair value is determined with reference to quoted market prices.

Financial assets at fair value through profit or loss	Note	30-Jun-17	30-Jun-16
		(\$)	(\$)
a. Held-for-trading Australian listed investments		5,729,696	6,897,175
Securities in listed corporations and trusts held for trading purposes to generate income through the receipt of dividends, distributions and capital gains.			
b. Held-for-trading International equities		1,912,234	235,768
c. Held-to-maturity investments comprise:			
Government and fixed interest securities		83,119	79,904
d. Other:			
UBS Cash portfolio		1,071,234	555,717
Term Deposits		150,000	150,000

Bobby Goldsmith Foundation (a company limited by guarantee)
Notes to the Financial Statements for the year ended 30 June 2017

8. Property, Plant and Equipment

Office Furniture and Equipment

At cost	165,221	129,723
Accumulated depreciation	(126,903)	(120,869)
Total Office Furniture and Equipment	38,318	8,854

Motor Vehicles

At cost	29,361	29,361
Accumulated depreciation	(14,335)	(4,549)
Total Motor Vehicles	15,026	24,812

Leasehold Improvements

At cost	149,316	149,316
Accumulated depreciation	(123,142)	(116,898)
Total Leasehold Improvements	26,174	32,418

Total Property, Plant and Equipment

79,518	66,084
---------------	---------------

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Motor Vehicles	Furniture and Equipment	Leasehold Improvements	Total
	\$	\$	\$	\$
Balance at 1 July 2016	24,812	8,854	32,418	66,084
Additions at cost	-	35,498	-	35,498
Depreciation expense	(9,786)	(6,034)	(6,244)	(22,064)
Carrying amount at 30 June 2017	15,026	38,318	26,174	79,518

Bobby Goldsmith Foundation (a company limited by guarantee)
Notes to the Financial Statements for the year ended 30 June 2017

9. Trade and Other Payables

		30-Jun-17	30-Jun-16
	Note	(\$)	(\$)
Trade payables and accruals		93,847	93,686
Other payables		69,507	88,662
Total Trade and Other Payables		163,354	182,348

10. Bank Overdraft

NAB NILS Overdraft	2(f)	30,789	39,174
Total Bank Overdraft		30,789	39,174

The 'No Interest Loans' ('NILS') overdraft has been provided by National Australia Bank and has been disbursed in partnership with the Good Shepard Youth and Family Services Inc. to BGF as part of its support for the expansion of NILS in Australia. The overdraft facility is \$80,000 and interest free. The purpose of the overdraft is to be exclusively utilised for NILS accredited loan purposes.

11. Provisions

Annual leave (current)

Opening balance	145,772	133,115
Provisions (reduced)/raised during year	(35,370)	12,657
Closing Balance	110,402	145,772

Long service leave (Non-current)

Opening balance	93,045	76,482
Additional provisions (reduced)/raised during year	(16,123)	16,563
Closing Balance	76,922	93,045

Bobby Goldsmith Foundation (a company limited by guarantee)
Notes to the Financial Statements for the year ended 30 June 2017

11. Provisions (continued)

Provision for Long-term employee entitlements

A provision has been recognised for employee entitlements relating to long service leave and annual leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee entitlements have been included in Note 2(k) to this report.

12. Contingent Assets or Liabilities

BGF was previously a client of an investment bank during 2008 and is currently investigating losses it sustained as a consequence of the advice of such institution, in conjunction with its legal representatives. The amount of any claim cannot be quantified at this stage.

Apart from the foregoing, the directors are not aware of any other contingent assets or liabilities as at year end.

13. Reserves

Reserve funds amounting to \$3,922,834 were transferred from Bobby Goldsmith Foundation Inc. as at 15 December 2009 to Bobby Goldsmith Foundation (a company limited by guarantee). It is a requirement for the funds to be used for the advancement of the company's objectives.

In the prior year ended 30 June 2016, the company's land and buildings (formerly known as BG House) were sold. The previous revaluations attaching to the land and buildings amounting to \$776,054 were reversed and/or realised from the company's Asset Revaluation Reserve and Retained Earnings in which same had been recorded.

The profit on disposal of the company's land and buildings and designated BG House amounting to \$1,248,182 (such profit including the previous revaluations of \$776,054) had been recorded in the company's 2016 Statement of Profit and Loss and Other Comprehensive Income.

14. Events after the Reporting Year

Subsequent to year end a further distribution of \$200,000 has been received as a consequence of an estate bequest.

Other than the above, no matter or circumstance has arisen since 30 June 2017 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Bobby Goldsmith Foundation (a company limited by guarantee)
Notes to the Financial Statements for the year ended 30 June 2017

15. Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

Jennifer Nairne, a director and treasurer of BGF, provided Accounting and CFO Services to the company. These services were provided by Miss Nairne, a former Partner of BDO for year ended 30 June 2016 and Fordham Group for the year ended 30 June 2017, an accounting firm for which Miss Nairne is now a Partner.

The fees charged by Fordham (2016: BDO) were discounted to below normal commercial terms. A breakdown of the fees charged for the 2017 financial year are as follows:

	30-Jun-17	30-Jun-16
	(\$)	(\$)
a. Accounting & CFO Services		
Fordham/BDO	25,300	23,265
	<u>25,300</u>	<u>23,265</u>

Justin Cudmore, a director of BGF, is a partner of the firm, Marque Lawyers, which charged \$3,325.29 (exclusive of GST) regarding legal services for the 2017 financial year. \$5,000 (exclusive of GST) was charged by Marque Lawyers for the 2016 financial year. The 2016 and 2017 fees charged by Marque Lawyers were discounted to below normal commercial terms.

Bobby Goldsmith Foundation (a company limited by guarantee)
Notes to the Financial Statements for the year ended 30 June 2017

16. Cash Flow Information

	Note	30-Jun-17 (\$)	30-Jun-16 (\$)
a. Reconciliation of Cash			
Cash at bank	5	231,846	98,078
Bank overdraft	10	(30,789)	(39,174)
		<u>201,057</u>	<u>58,905</u>

17. Capital Management

The Finance Committee controls the capital of the entity to ensure that adequate cash flows are generated to fund its programs and that returns from investments are maximised. The Board ensures that the overall risk management strategy is in line with this objective.

Risk management policies are approved and reviewed by the Board on a regular basis. These include credit risk policies and future cash flow requirements.

The Finance Committee effectively manages the entity's capital by assessing the entity's financial risks and responding to changes in these risks and in the market.

The entity receives grant revenue from the Department of Health New South Wales which has been agreed for the 2017 financial year. These grants are used to fund employee and operational expenses but do not fully cover the expenses of the organisation. The deficiency is financed by drawing down on capital resources.

Bobby Goldsmith Foundation (a company limited by guarantee)
Notes to the Financial Statements for the year ended 30 June 2017

18. Fundraising Activities

Below is additional information furnished under the Charitable Fundraising Act 1991 and the Office of Charities Fundraising Authorities Conditions.

Details of Aggregate Gross Income and Total Expenses of Fundraising Appeals

	30-Jun-17	30-Jun-16
	(\$)	(\$)
Gross Proceeds from fundraising appeals	601,036	593,130
Total costs of fundraising	-335,321	(300,494)
Net surplus from fundraising appeals	265,715	292,636
Net margin from fundraising appeals	44.21%	49.34%

Application of Funds for Charitable Purposes

During the reporting year, Bobby Goldsmith Foundation (BGF) achieved a net surplus of \$265,715 from fundraising activities defined under the Charitable Fundraising Act. BGF received income from four sources of activity, namely Corporate Responsibility (MAC Aids Fund), Friends programme, direct donations, and direct mail appeals. The gross proceeds from these activities are disclosed in Note 3 and realised \$503,728. The costs associated with these activities, which included the pro-rata cost of direct fundraising staff was \$245,293.

BGF also runs a number of commercial events in association with its fundraising activities. These events are operated on a commercial basis and include Bake Off and a yearly charity auction. During the reporting year, the gross proceeds from these commercial activities amounted to \$97,308. The cost of these events including the cost of staffing was \$90,027, resulting in a net surplus from commercial events of \$7,281.

Fundraising appeals as classified by the Charitable Fundraising Act conducted during the reporting year:

Corporate Responsibility (MAC Aids Fund)

Friends Programme

Direct Donations

Direct Mail Appeals

Bobby Goldsmith Foundation (a company limited by guarantee)
Notes to the Financial Statements for the year ended 30 June 2017

Detailed information of Fundraising Income and Expenses

	Cost	Proceeds	Surplus / (Deficit)	2017	2016
	(\$)	(\$)	(\$)	%	%
Specific Appeal Comparisons (Total Cost/ Gross proceeds)					
- Friends Programme	60,645	124,540	63,894	51.3%	54.8
- Direct Donations	21,524	44,202	22,677	51.3%	54.8
- Direct Mail Appeals	23,221	47,686	24,465	51.3%	54.8
- Corporate Responsibility (MAC Aids Fund)	137,322	282,000	144,678	51.3%	54.8
- Other Sponsorships	2,581	5,300	2,719	51.3%	54.8
Total Specific Appeal Comparisons	245,293	503,728	258,434	51.3%	54.8
Gross comparisons including fundraising not covered by the Charitable Fundraising Act (CFA)					
- Events	90,027	97,308	7,281	7.5%	6.5%
Total Non CFA Comparisons	90,027	97,308	7,281	7.5%	6.5%
Total Fundraising Comparisons	335,321	601,036	265,715	44.2%	46.2%

19. Commitments

	30-Jun-17	30-Jun-16
	(\$)	(\$)
Lease commitments – operating		
Committed at the reporting date but not recognised as liabilities payable:		
Within one year	150,932	40,246
One to five years	199,784	-
Total	350,716	40,246

Bobby Goldsmith Foundation (a company limited by guarantee)
Notes to the Financial Statements for the year ended 30 June 2017

20. Key Management Personnel Disclosures

The key management personnel include all directors as stated in the Directors' Report who all act in an honorary capacity and accordingly receive no remuneration with the exception of Miss Jennifer Nairne, a Partner of Fordham (a specialist part of Perpetual) and Mr Justin Cudmore a Partner of the firm, Marque Lawyers as detailed in Note 15.

Directors' declaration

In the opinion of the directors of Bobby Goldsmith Foundation ('the Company'):

- (a) the Company is not publicly accountable;
- (b) the financial statements and notes that are set out on pages 10 to 39 are in accordance with the Australian Charities and Not-for-profits Commission Act, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2017 and of its performance, for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards – Reduced Disclosure Regime and the Australian Charities and Not-for-profits Commission Regulation 2013 ; and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:

Dated at..... Sydney 1st day of November 2017.



Lorraine Hall
Director

Jennifer Nairne
Director



Independent Auditor's Report

To the members of Bobby Goldsmith Foundation

Report on the audit of the Financial Report

Opinion

We have audited the **Financial Report**, of the Bobby Goldsmith Foundation (the Company).

In our opinion, the accompanying **Financial Report** of the Company is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

- i. giving a true and fair view of the Company's financial position as at 30 June 2017, and of its financial performance and its cash flows for the year ended on that date; and
- ii. complying with *Australian Accounting Standards – Reduced Disclosure Requirements* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

The **Financial Report** comprises:

- i. Statement of financial position as at 30 June 2017.
- ii. Statement of profit or loss and other comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended.
- iii. Notes including a summary of significant accounting policies.
- iv. Directors' declaration of the Company.
- v. Declaration by the Chief Executive Officer in respect of fundraising appeals of the Company.

Other information

Other Information is financial and non-financial information in Bobby Goldsmith Foundation's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Directors' Report.

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. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- i. Preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosures Requirements and the ACNC.
- ii. Preparing the Financial Report in accordance with Section 24(2) of the Charitable Fundraising (NSW) Act 1991 and Regulations the Act and Regulations.
- iii. Implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
- iv. Assessing the Company's ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- i. to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- ii. 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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.

As part of an audit in accordance with *Australian Auditing Standards*, we exercise professional judgement and maintain professional scepticism throughout the audit.

Our responsibilities include:

- i. Identifying and assessing the risks of material misstatement of the Financial Report, whether due to fraud or error.
- ii. Designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error. This is because fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- iii. Obtaining an understanding of internal control relevant to the Audit in order to design audit procedures that are appropriate in the circumstances. This is not for the purpose of expressing an opinion on its effectiveness.
- iv. Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- v. Concluding on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists



related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- vi. Evaluating the overall presentation, structure and content of the Financial Report, including the disclosures, and whether the Financial Report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors' of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Opinion pursuant to the Charitable Fundraising Act (NSW) 1991

In our opinion,:

- i. the Financial Report gives a true and fair view of the Company's financial result of fundraising appeal activities for the financial year ended 30 June 2017;
- ii. the Financial Report has been properly drawn up, and the associated records have been properly kept for the period from 1 July 2016 to 30 June 2017, in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations;
- iii. money received as a result of fundraising appeal activities conducted during the period from 1 July 2016 to 30 June 2017 has been properly accounted for and applied in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations; and
- iv. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

KPMG

KPMG

Sarah Cain

Partner

Sydney

1 November 2017