

**CHAIN REACTION FOUNDATION LTD**  
**(A company limited by guarantee)**

**ANNUAL REPORT**



**For year ended 30 June 2013**

**ABN 44 100 223 649**

Directors present their report on the company for the year ended 30 June 2013.

## **Directors**

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The names of the Directors in office during the financial period and at the date of the report were:

**Margaret Bell AM** (Chairman)  
**Benjamin Chow AO**  
**Dorothy Harding**  
**Hon John Hood**  
**Abd-Elmasih Malak AM**  
**Andrew McCallum, AM**  
**Dr Sev Ozdowski OAM**

## **Directors Meetings**

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The number of meetings of Directors held during the period and the number of meetings attended by each Director were as follows:

Number of meetings held: 3

	Number of meetings attended	Meetings held while in office
Margaret Bell AM	3	3
Benjamin Chow AO	2	3
Dorothy Harding	3	3
Hon John Hood	2	3
Abd-Elmasih Malak AM	1	3
Andrew McCallum AM	2	3
Dr Sev Ozdowski OAM	2	3

## **Company Secretary**

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The company secretary is Veronica Lucas, Chain Reaction Specialist Consultant.

## **Principal Activity**

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Chain Reaction Foundation Ltd is incorporated and domiciled in New South Wales, Australia. The registered office is at 7/112 Ben Boyd Road, Neutral Bay, NSW, 2089.

The principal activities of the company during the financial period were to work for the alleviation of poverty in local communities, to identify and support social cohesion and local citizen engagement in building social capital, and to create strong links between community, government and business leaders in supporting those people who are in human and financial need and or marginalised by practises of exclusion.

The entity operates through the services of its Chief Executive Officer, Administrator, Project Manager and a team of pro bono Specialist Consultants (34), Partnership Organisations (37) and local volunteers (12).

## **Operating Results**

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The net surplus for the financial year ending June 30 2013 was \$12,569 (2012 – surplus \$7,372). There is no liability for income tax because the company is exempt from income tax.

## DIRECTORS' REPORT

### Review of Operations

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Our mission is to partner with business, government and community organisations to build a stronger, more participatory Australia. The main activities through which Chain Reaction achieved its mission 2012 – 2013 were:

- Development and operation of Mt Druitt Learning Ground
- Conduct Enablers Programme Western Sydney
- Conduct Parenting Programme (or Family Life), in 2770 postcode (11 suburbs)
- Development and conduct Enablers *Train-the-Trainer* Project for replication in other areas beyond Mt Druitt
- Development of mentor training programme for volunteers working in capacity building environments
- Chain Reaction Breakfast Café Sydney and Melbourne
- Appointment as Partner Organisation with Volunteering Australia
- Acceptance of development and conduct of 23<sup>rd</sup> International Association for Volunteer Effort World Volunteer Conference for Volunteering Australia.
- Consultations with Federal and State governments, departmental senior staff, Trusts and Foundations, and corporate and community leaders as follows:

#### Consultations with:

##### Federal Government:

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##### Ministers:

Minister Tanya Plibersek, Minister for Social Inclusion

Minister Jenny Macklin, Minister for Families, Housing, Community Services and Indigenous Affairs

Minister Peter Garrett, Minister for School Education

Senator Matt Thistlethwaite

Hon Ed Husic MP, Federal Member for Chifley

##### Shadow Ministers:

Hon. Tony Abbott, Leader of the Opposition

Hon. Malcolm Turnbull, Shadow Minister Communications and Broadband

Hon. Mitch Fifield, Senator for Victoria

##### Public Servants:

Managers and Senior staff FAHCSIA and DEEWR

Productivity Commissioner

First Assistant Secretary Department Prime Minister and Cabinet

Departmental Secretary – Health

Head of Volunteering Programmes – AusAid

First Assistant Secretary – Attorney General's Department

##### NSW Government

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Hon. Victor Dominello, Minister for Citizenship, Communities and Aboriginal Affairs

Hon. Richard Amery MP, Member for Mt Druitt

##### Tasmanian Government

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Chief of Staff, Premier's Office

##### South Australian Government

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Tony Piccolo MP, Minister for Volunteering

## DIRECTORS' REPORT

### ACT Government

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Hon. Mary Porter, Government Whip  
Office of the Chief Minister

### Trusts/Foundation

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ANZ Trustees, Philanthropy Australia, Sir Ian Potter Foundation, Sidney Myer Foundation, Sisters of Charity Foundation, St George Foundation, Matana Foundation, Richmond Foundation, Fairfax Foundation, Marian and EH Flack Trust, ING Foundation

### Major Charities, Business and NGOs

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ACWA, ACON, ACOSS, Australian Council for International Development, Alannah and Madeline Foundation, Australian Red Cross, Anglicare, Australian Diversity Council, Australian Institute of Company Directors, AWCH, Bapcare, Boardroom Partners, Brotherhood of St Laurence, Bureau of Meteorology, Cancer Council NSW, Catholic Healthcare, Centre for Volunteering NSW, Centre for Social Impact UNSW, Deacons, Foundation for Young Australians, Girl Guides Australia, Global Peace Initiative Parliament of World Religions, Headspace, Hillsong, Housing NSW, Islamic Council of NSW, Invocare, Jobs Australia, KPMG, Keeping Australia Beautiful, Lighthouse Foundation, Maritime Museum, Marrickville Council, Matthew Talbot Homeless Service, Mental Health Coordinating Council, Monitor Film Production, Multicultural Foundation, National Congress of Australia's First Peoples, National Council of Churches, National Disabilities Council, NSW Aboriginal Land Council, NSW Human Rights Council of Young Lawyers, NSW Jewish Board of Deputies, Our Communities Victoria, Oxfam, Press Council of Australia, Philanthropy Australia, Partnership Matters, The Parent Practice, Refugee Council of Australia, Salvation Army, St Vincent de Paul Society, Save the Children, Sydney Day Nursery, Sydney City Council, Sydney Alliance, Social Ventures Australia, Social Inclusion Board, Transparency International, University of Notre Dame, UNAA, University of Western Sydney, Volunteering QLD, Volunteering Tasmania, Volunteering ACT, Volunteering SA/NT, Centre for Volunteering NSW, Volunteering Victoria, Volunteering Australia, Voice for the Voiceless, Victorian Equal Opportunity and Human Rights Commission, World Vision.

### Local Community – Mt Druitt NSW

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ACWA, Allawah Aboriginal Services, Blacktown City Council, Bidwill Residents Action Group, CatholicCare, Community Health, Departments of Community Services, Education, Graceades Community Cottage, Holy Family Church, Housing, ICAT, Juvenile Justice, Jesuit Social Services, Junaya, Mt Druitt TAFE, Mt Druitt Combined Community Ministry, Mt Druitt Ethnic Community Agency, Police, Probation and Parole, Reconciliation Committee, University of Western Sydney, Washhouse, Wundunarrkoo Aboriginal Centre, All local schools (21) Mt Druitt area.

### Mt Druitt Learning Ground Project

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Chain Reaction's major work for 2012 – 13 has been the further development of Mt Druitt Learning Ground. The project is designed as a behavioural change management centre offered to the most culturally diverse and disadvantaged families in the eleven suburbs of Mt Druitt, a population of 60,000. It is designed as a "safe haven" in which families can acquire self-confidence and personal living and literacy and numeracy skills such that they will be enabled to participate in mainstream living thus entering or re-entering school or other institutions of learning and or working in the community in voluntary or paid work. Chain Reaction staff together with volunteers prepared curriculum and course material and took care of recruitment details. Learning Ground continued to

## DIRECTORS' REPORT

operate throughout 2012 – 13. A Part-time Project Coordinator was re-appointed in March for 12 months when FaHCSIA funding was acquired with the assistance of Hon. Ed Husic Member for Chifley.

At the time of reporting Learning Ground is serving more than 60 families at a time consisting of at least one child and one adult from each family and has a waiting list. Twenty seven school terms have been completed resulting in most of the children and young people participants returning to school on a four day a week basis, attending Learning Ground in an on-going manner one day per week. Adult family members have continued on a weekly basis and many families have achieved full time or part time paid work, others have gained volunteer positions all of which entail on-going community development training, over 200 school refuses or young people experiencing school suspensions have returned to school without further offences.

Learning Ground is unique in that it offers a community education program in behavioural change for adults, youth and children alike, pays particular attention to traditional and contemporary Aboriginal thinking and embraces cultural faith and ethnic diversity and learning through the celebration of difference.

Progression from pilot to sustainable program is now the challenge and every effort is being made to establish on-going funding and to write the program in detail which will prepare it for replication in other communities across the country as desirable.

We are particularly appreciative of funding received from DEEWR, FaHCSIA and private donor John Reid which has made the programme possible this year.

### **Parenting Programme – Family Life**

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We were able to continue the Parent or “Family Life Program for a third year. Working together with our Partner Organisation, The Parent Practice Australia, we have tailored the work to be particularly helpful to Aboriginal families. The programme was offered three times in this reporting period. Two groups of twelve parents in each attended training mornings each week for six weeks. Training was conducted in how to:

- Catch children doing what is right and to build on the positive
- Listening with the capacity to really hear what is being said
- Assisting in the dynamic process of setting families up for success in living together
- Establishing rules that matter
- Taking corrective steps that really work.

We are most appreciative of the funding made available by DEEWR and FaHCSIA to conduct the programme at Learning Ground this year.

### **Enablers Programme and Development of *Train-the-Trainer* Manual**

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We have continued to offer the Enablers Leadership Programme to community leaders from Western Sydney. Completing our eighth year of offering the programme to around 300 participants.

We have also conducted a Train-the-Trainer programme for 12 volunteer local mentors from Mt Druitt.

### **Chain Reaction Breakfast Café**

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KPMG NSW and VIC, Senior Partner, Paul Reid, has hosted the bi-monthly Breakfast Café program in Melbourne and Sydney.

Around 80 people – business, government and community leaders are regular breakfast attendees. The concept and practise of social cohesion from different perspectives is examined at each breakfast with a range of excellent speakers drawn from Chain Reaction Specialist Consultants and other eminent citizens.

Attendees are invited to come to breakfast on the understanding that they in turn will host a breakfast inviting others to do the same, thus creating a 'chain reaction' of breakfasts convened around the selected topics.

Summary of discussions are found on Chain Reaction website home page – Breakfast Café [www.chainreaction.org.au](http://www.chainreaction.org.au)

### **Partnerships on Creating Social Cohesion in Local Communities**

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We have been pleased to present a series of seminars to several of our partner organisations throughout the year. Attended by community and government staff the work has gone some distance to enable Chain Reaction to present a viable framework through which to measure social cohesion and citizen engagement in a community.

### **Fund Development**

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Chain Reaction has appreciated the financial support of the following organisations during 2012 – 2013 reporting period:

- DEEWR – Australian Government Department of Education, Employment and Workplace Relations through the PaCE Program
- FaHCSIA – Department of Families, Housing, Community Services and Indigenous Affairs
- NSW Government Office of Communities, Community Building Partnership Program
- St George Foundation
- Scanlon Foundation
- CatholicCare Social Services
- Cancer Council NSW
- Volunteering Australia
- John Reid
- Paul Reid
- Bruce Bonyhady
- Jill Farrelly

## DIRECTORS' REPORT

### Applications were placed for Project Funding with:

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#### State Government:

Office of Communities and Youth Opportunities, Department of Family Community Services, Housing NSW, Department of Attorney General and Justice, NSW Department of Education.

#### Commonwealth Government:

FaHCSIA – Department of Families, Housing, Community Services and Indigenous Affairs  
DEEWR – Department of Employment Education & Workplace Relations  
DEEWR – Youth Development and Support Program

#### Foundations/Trusts:

AMEX, ANZ Trustees, Bennelong Foundation, Blacktown City Council, Chinese Community Foundation, Clubs Association NSW, Danks Trust, Fairfax Family Foundation, Foundation for Children, FRRR ANZ, ING Foundation, IOOF Foundation, Malcolm and Lucy Turnbull Foundation, Marian & E.H. Flack Trust, Mercy Foundation, NIB Community Fund, Perpetual, Scanlon Foundation, Sidney Myer Fund, Sisters of Charity Foundation, Sir Ian Potter Foundation, St George Foundation, Telstra Foundation.

#### Other Applications:

Standard Newspaper Mt Druitt, West Tradies Club, Westfield Mt Druitt. In all 31 funding applications were placed with those listed, funding was identified from 2 government departments, 2 Foundations/Trusts, 2 NGOs and 4 private donors.

### Volunteers Contributions

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Chain Reaction staff and volunteers have worked tirelessly throughout the year and we are particularly appreciative of the work of Sandy Amour, Jo Bell, Hilary Bidgood, Peggy Cameron, Ron Enright, Debbie Higgison, John Hood, Melissa Hood, Danielle Jackson, Donna Jackson, Mischelle Jenkinson, Steve Jenkinson, Veronica Lucas, Kathy Mudiman, Michael Ohlsen, Wayne Pennell, Sandra Pereria, Muriel Pittman, Dale Watson, all of whom have worked with us at Mt Druitt Learning Ground.

We are also pleased to acknowledge the volunteer contribution of our Directors, Specialist Consultants and Partnership Organisations, as well as the Steering Committee formed to advise on the development of Mt Druitt Learning Ground.

## **DIRECTORS' REPORT**

### **Dividends**

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The company is prohibited from paying dividends by its Constitution.

### **Significant Changes in the State of Affairs**

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No significant changes in the state of affairs of the company occurred during or after the financial period that would render any amount stated in the accounts misleading.

### **After balance date events**

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No matter or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the company, the results of these operations, or the state of affairs of the company in the years ahead.

### **Future Developments**

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There are no extraordinary developments foreseen for the coming financial year.

### **Environmental Issues**

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

### **Indemnification and insurance of officers**

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#### **Indemnification**

The company has agreed to indemnify the current and former directors of the company against all liabilities to another person (other than the company or a related body corporate) that may arise from their position as directors of the company, except where the liability arises out of conduct involving lack of good faith.

#### **Insurance premiums**

The company has not taken out any cover nor paid any insurance premiums in respect of directors' and officers' liability insurance.

### **Lead auditor's independence declaration**

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The Lead Auditor's Independence Declaration forms a part of this Directors' report and is included as an appendix.



## DIRECTORS' REPORT

### Summary

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The Foundation's eleventh year of operation has been challenging with high demands for service and with exceedingly limited resources to be able to meet the demand. Outreach to private Trusts and Foundations are now very limited in yielding a positive result.

Consultations, Workshops and Forums have clearly filled a community need, and through this means a satisfactory outreach to decision makers in business, government and community has taken place.

The Breakfast Café in Melbourne and Sydney has taken an even stronger place in Australia this year as a valuable forum for examination of social issues.

The decision to "stay with" the local community of Mt Druitt, 2770 postcode has been rewarding. Indigenous and non-indigenous leaders from the area have contributed substantially to both the Enablers Project as well as to the development of Learning Ground. Chain Reaction's goal of making a valuable contribution to the capacity building of community leaders and their organisations is being realised.

Learning Ground is offering strong community leadership in behavioural change management and the Family Life Programme has been an excellent development for families of the area.

Chain Reaction continues to strive to encourage Australia's citizens to volunteer to become engaged in the communities of which they are a part. Exclusion is increasingly difficult to break as we witness a number of divides operating strenuously in community be they socio-economic, religious, ethnic, age, gender or city/rural and the like. Family violence and substance abuses are ever present in local communities.

We are pleased to be making a significant contribution to the development of the government's strategic plan for volunteering over the next decade as a way forward in breaking the exclusion cycle and are most proactive to enhancing our partnership with Volunteering Australia in the area of volunteering and citizen engagement in preparation for the 23<sup>rd</sup> International Association for Volunteer Effort World Volunteer Conference.

Chain Reaction President Margaret Bell is Chair of the Conference Organising Committee and Chain Reaction Director Dorothy Harding is the Conference Project Manager. 2,000 delegates from over 70 countries are expected to attend the Conference on the Gold Coast in Queensland in September 2014.

We find ourselves on a challenging road to travel to identify funding for our valuable work it has certainly been a road less travelled but one of immense rewards to those who have made the journey. To all those who have believed in us we are particularly grateful.

Chain Reaction strives to encourage living in harmony which requires interaction rather than living in isolation brought about by the excessive pursuit of individualism leading to fear and withdrawal from community. Social cohesion is paramount to building healthy communities it is both our task and our dream. We have come to see that volunteering for change is more necessary than it has ever been and we continue to strive toward that end as we view volunteer effort as TODAY'S IMPERATIVE.

Signed in accordance with a resolution of the Board of Directors

Director

Sydney

18 December 2013



**Lead auditor's independence declaration under Section 307C of the Corporations Act 2001**

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To the Directors of Chain Reaction Foundation Limited:

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2013, there have been:

- No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- No contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature of the KPMG firm, written in black ink. The letters 'KPMG' are written in a stylized, cursive font.

KPMG

A handwritten signature in black ink, appearing to read 'P. M. Reid'. The signature is written in a cursive, flowing style.

P M Reid

*Partner*

Sydney

18 December 2013

**CHAIN REACTION FOUNDATION LTD  
(a company limited by guarantee)**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR TO 30 JUNE 2013**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>REVENUE</b>		
<b>General</b>		
Donations and private sector grants	27,030	75,800
Bank Interest	726	605
Grants for Mt Druitt Learning Ground	71,798	79,452
DOHCS grant for Learning Ground refurbishment	-	39,364
Volunteer Australia fees and reimbursements	146,198	-
Sundry income	<u>1,125</u>	<u>1,100</u>
<b>Total revenue</b>	<b><u>246,877</u></b>	<b><u>196,321</u></b>
 <b>EXPENDITURE</b>		
Chain Reaction Foundation running expenses	32,672	51,873
Volunteer Australia consultants and expenses	128,609	-
Mt Druitt Learning Ground expenses	<u>73,027</u>	<u>137,076</u>
<b>Total expenditure</b>	<b><u>234,308</u></b>	<b><u>188,949</u></b>
<b>Surplus for the year</b>	<b>12,569</b>	<b>7,372</b>
Income tax expense	<u>-</u>	<u>-</u>
<b>Surplus for the year after income tax</b>	<b>12,569</b>	<b>7,372</b>
Other comprehensive income	<u>-</u>	<u>-</u>
<b>SURPLUS FOR THE YEAR</b>	<b><u>12,569</u></b>	<b><u>7,372</u></b>
	=====	=====

The accompanying notes form part of these accounts

**CHAIN REACTION FOUNDATION LTD  
(a company limited by guarantee)**

**STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2013**

	2013	2012
<b>CURRENT ASSETS</b>	<b>\$</b>	<b>\$</b>
Cash	84,116	90,507
Other (including grant funding due)	<u>-</u>	<u>-</u>
<b>TOTAL CURRENT ASSETS</b>	<b><u>84,116</u></b>	<b><u>90,507</u></b>
 <b>NON-CURRENT ASSETS</b>	 -	 -
<b>TOTAL NON-CURRENT ASSETS</b>	-	-
 <b>TOTAL ASSETS</b>	 <b><u>84,116</u></b>	 <b><u>90,507</u></b>
 <b>CURRENT LIABILITIES</b>		
Due on Learning Ground refurbishment	-	16,364
Other Creditors (incl GST payable)	9,854	37,902
Learning Ground & other grants in advance	<u>50,000</u>	<u>24,548</u>
<b>TOTAL CURRENT LIABILITIES</b>	<b><u>59,854</u></b>	<b><u>78,814</u></b>
 <b>NON-CURRENT LIABILITIES</b>	 -	 -
<b>TOTAL NON-CURRENT LIABILITIES</b>	-	-
 <b>TOTAL LIABILITIES</b>	 <b><u>59,854</u></b>	 <b><u>78,814</u></b>
 <b>NET ASSETS</b>	 <b><u>24,262</u></b>	 <b><u>11,693</u></b>
	=====	=====
<b>EQUITY</b>		
Accumulated funds	24,262	11,693
Reserves		
<b>TOTAL EQUITY</b>	<b><u>24,262</u></b>	<b><u>11,693</u></b>
	=====	=====

The accompanying notes form part of these accounts

**CHAIN REACTION FOUNDATION LTD  
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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR TO 30 JUNE 2013**

	2013 \$	2012 \$
<b>Total changes in equity</b>		
Surplus for the year	12,569	7,372
Funds available for future use at the beginning of the financial year	<u>11,693</u>	<u>4,321</u>
Funds available for future use at the end of the financial year	<u>24,262</u>	<u>11,693</u>
Comprised of		
<b>Accumulated funds</b>		
Balance at the beginning of the financial year	11,693	4,321
Surplus for the year	<u>12,569</u>	<u>7,372</u>
Balance at the end of the financial year	<u>24,262</u>	<u>11,693</u>
<b>Total</b>	<u>24,262</u>	<u>11,693</u>

The accompanying notes form part of these accounts

**CHAIN REACTION FOUNDATION LTD  
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**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2013**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Cash Receipts in the course of operations	281,778	238,873
Cash Payments in the course of operations	(288,895)	(180,763)
Interest Received	726	605
	—	—
Net Cash provided by/(used in) Operating Activities	<u>(6,391)</u>	<u>58,715</u>
Net increase/(decrease) in cash held	(6,391)	58,715
Cash at the beginning of the financial year	90,507	31,792
Cash at the end of the financial year	<u>84,116</u> =====	<u>90,507</u> =====

The accompanying notes form part of these accounts

**CHAIN REACTION FOUNDATION LTD  
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**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2013**

**1. Statement of significant accounting policies**

*Basis of Preparation and statement of compliance*

In the opinion of the Directors, the company is not a reporting entity as defined in Statement of Accounting Concepts 1: "Definition of the Reporting Entity". The financial statements of company have been drawn up as a special purpose financial report for use by the Directors and members and to fulfil the Directors' duties under the Corporations Act 2001 to prepare financial statements.

The financial statements have been prepared on the accruals basis of accounting using the historical cost convention and a going concern assumption. Except where stated, they do not take into account changing money values. Except where noted, the accounting policies have been consistently applied.

The financial statements have been prepared in accordance with all Australian Accounting Standards (including the Australian Accounting Interpretations) and other mandatory financial reporting requirements in Australia with the following exceptions where some or all of the disclosure provisions have not been followed:

- AASB 7 Financial Instruments: Disclosure
- AASB 101 Presentation of Financial Statements
- AASB 107 Cash Flow Statements
- AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors
- AASB 124 Related Party Disclosures
- AASB 1004 Contributions

The significant accounting policies adopted by the Foundation are:

***Revenue recognition***

The company recognises donations when received and grant income as revenue when funds have been committed by the project sponsor in respect of expenditure incurred.

***Expenses***

Expenses are brought to account on an accruals basis.

***Income Tax***

The company has been endorsed as an exempt charitable body for income tax purposes under the provisions of the Income Tax Assessment Act 1997.

**CHAIN REACTION FOUNDATION LTD  
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**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2013**

**2. Liability of members**

The company is limited by guarantee and every member undertakes to contribute an amount not exceeding \$100 if required in the event of a wind up of the company.

**3. Related party disclosures**

Key management personnel

The key management personnel of the company include its, Board of Directors whose names are:

Margaret Bell **AM** (Executive Chairman), Benjamin Chow, **AO**, Dorothy Harding, Hon John Hood, Abd-Elmasih Malak **AM**, Andrew McCallum **AM** and Dr Sev Ozdowski **OAM**.

Apart from Margaret Bell and Dorothy Harding, none of the Board received any compensation in respect of the performance of his/her duties.

An amount of \$77,000 has been expensed in the year in respect of services provided to the company by Margaret Bell & Associates (2012 - \$47,265).

Other Key Management personnel include Ms Debbie Higgison, Ms Dorothy Harding and Ms Veronica Lucas who received \$37,914 (2012 – \$41,368), \$49,500 (2012 - \$Nil) and \$5,000 (2012 - \$6,500) respectively for services rendered during the year.



**CHAIN REACTION FOUNDATION LTD  
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**DIRECTOR'S DECLARATION**

In the opinion of the Directors of Chain Reaction Foundation Ltd:

1. The company is not a reporting entity.
2. The financial statements and notes of the Company as set out on pages 10 to 16 are in accordance with the basis of accounting described in Note 1 to the financial statements and the Corporation Act 2001 including:
  - (a) giving a true and fair view of the financial position as at 30 June 2013 and of its performance, as represented by the results of its operations and cash flows for the financial year ended on that date; and
  - (b) complying with Australian Accounting Standards (including the Accounting Interpretations) and Corporations Regulations 2001 to the extent described in Note 1 to the financial statements; and
3. 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

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Margaret Bell **AM**

Director

Dated on 18 December 2013 at Sydney



ABN: 44 100 223 649

7/112 Ben Boyd Road (PO Box 1593) Neutral Bay NSW 2089

Telephone: (02) 9953 3287

Email: [info@chainreaction.org.au](mailto:info@chainreaction.org.au) Website: [www.chainreaction.org.au](http://www.chainreaction.org.au)



## **Independent audit report to the members of Chain Reaction Foundation Limited**

### ***Report on the financial report***

We have audited the accompanying financial report, being a special purpose financial report, of Chain Reaction Foundation Ltd (the company), which comprises the statement of financial position as at 30 June 2013, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes 1 to 3 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

#### *Directors' Responsibility for the Financial Report*

The directors of the company are responsible for the preparation and fair presentation of the financial report and have determined that the basis of preparation described in Note 1 to the financial statements, is appropriate to meet the requirements of the Corporations Act 2001 and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the reasonableness of accounting policies and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report

These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the basis of accounting described in Note 1 to the financial statements so as to present a view which is consistent with our understanding of the company's financial position, and of its performance and cash flows.



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

*Independence*

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

**Auditor's opinion**

In our opinion, the financial report of Chain Reaction Foundation Ltd is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2013 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and the Corporations Regulations 2001.

**Basis of Accounting**

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Chain Reaction Foundation Ltd to meet the requirements of the Corporations Act 2001. As a result the financial report may not be suitable for another purpose.

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KPMG

A handwritten signature in black ink, appearing to read 'P.M. Reid'. The signature is written in a cursive, slightly stylized font.

P M Reid  
*Partner*

Sydney  
18 December 2013

