

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

**ANNUAL REPORT**



**For year ended 30 June 2014**

**ABN 44 100 223 649**

## DIRECTORS' REPORT

The Directors present their report for the year ended 30 June 2014 and the auditor's report.

### Directors

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

**Margaret Bell AM** (Chairman)  
**Jo-Anne Broun** (Appointed May 2014)  
**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 <i>AM</i>	3	3
Jo-Anne Broun	1	1
Benjamin Chow <i>AO</i>	2	3
Dorothy Harding	3	3
Hon John Hood	2	3
Abd-Elmasih Malak <i>AM</i>	1	3
Andrew McCallum <i>AM</i>	2	3
Dr Sev Ozdowski <i>OAM</i>	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 2014 was \$12,249 (2013 – surplus \$12,569). 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 2013 – 2014 were:

- Development and operation of Mt Druitt Learning Ground
- Conduct Enablers Programme Western Sydney
- Conduct Family Life Programme, 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
- Partner Organisation with Volunteering Australia
- 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:

Hon. Tony Abbott MP, Prime Minister

Senator Mitch Fifield, Assistant Minister for Social Services, Manager of Government Business in the Senate.

Minister Julie Bishop, Minister for Foreign Affairs

Senator George Brandis, Attorney-General

##### Shadow Ministers and Local Members:

Hon. Tanya Plibersek MP, Deputy Leader Opposition, Shadow Minister for Foreign Affairs

Hon. Ed Husic MP, Federal Member for Chifley

##### Public Servants:

First Assistant Secretary – Department Prime Minister and Cabinet

First Assistant Secretary – Attorney General's Department

First Assistant Secretary – Department of Health and Ageing

First Assistant Secretary – Department Foreign Affairs and Trade

Commissioner, Royal Commission into Institutional Responses to Child Sexual Abuse.

##### NSW Government

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Hon. Barry O'Farrell MP (Then Premier and Minister for Western Sydney)

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

Hon. Pru Goward MP, Minister for Family and Community Services

##### Victorian Government

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Hon. Mary Wooldridge MP, Minister for Community Services

##### South Australian Government

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Hon. Tony Piccolo MP, (Then Minister for Volunteering)

## DIRECTORS' REPORT

### ACT Government

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Mary Porter AM, MLA, Member ACT Legislative Assembly

### Trusts/Foundation

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ANZ Trustees, Philanthropy Australia, Sir Ian Potter Foundation, Sidney Myer Foundation, Sisters of Charity Foundation, St. George Foundation, Marian and EH Flack Trust, ING Foundation, Mercy Foundation, Balnaves Foundation

### Major Charities, Business and NGOs

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ACWA, ACON, ACOSS, Alannah and Madeline Foundation, Anglicare, Australian Charities and Not for Profit Commission, Australian Council for International Development, Australian Diversity Council, Australian Emergency Management Institute, Australian Institute of Company Directors, Australian Red Cross, Australian Surf Life Saving, Australian Volunteers International, AWCH, Bapcare, Boardroom Partners, Bond University, Brotherhood of St Laurence, Bureau of Meteorology, Cancer Council NSW, Caritas Australia, Catholic Healthcare, Centre for Volunteering NSW, Centre for Social Impact UNSW, Connecting Up, Deacons, Edith Cowan University, Foundation for Young Australians, G20 Youth Entrepreneurs Alliance, Generation One, Girl Guides Australia, Get Up, Global Peace Initiative Parliament of World Religions, Headspace, Hillsong, Housing NSW, International Association for Volunteer Effort, Islamic Council of NSW, Invoke, Jobs Australia, KPMG, Keeping Australia Beautiful, Lighthouse Foundation, Maritime Museum, Marrickville Council, Matthew Talbot Homeless Service, Mental Health Coordinating Council, Mission Australia, Monitor Film Production, Multicultural Foundation, Murdoch University Western Australia, Museum of Australian Democracy, National Congress of Australia's First Peoples, National Council of Churches, National Disabilities Council, National Disabilities Insurance Scheme, NSW Aboriginal Land Council, NSW Human Rights Council of Young Lawyers, NSW Jewish Board of Deputies, NSW Museum of Contemporary Art, Our Communities Victoria, Oxfam, Press Council of Australia, Philanthropy Australia, Partnership Matters, The Parent Practice, Queensland Surf Life Saving, 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, United Nations Volunteers, United Way Australia, University of Canberra, University of Notre Dame, UNAA, University of Western Australia, University of Western Sydney, Volunteering QLD, Volunteering Gold Coast, 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, Wesley Mission, World Vision, YGAP, YWCA NSW.

### Local Community – Mt Druiitt NSW

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

### Major Projects 2013- 2014

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Chain Reaction Foundation Major Projects 2013 – 2014 have been The 23<sup>rd</sup> International Association for Volunteer Effort World Volunteer Conference Gold Coast 15 – 20 September 2014 and Mt Druiitt Learning Ground Project.

### **Mt Druitt Learning Ground Project**

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We have been delighted to see further development of Mt Druitt Learning Ground in spite of a difficult task in raising sufficient funding to keep the program operational. 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 operate throughout 2013 – 14. Due to the strong efforts of the Federal Member for Chifley Hon. Ed Husic, Learning Ground was able to secure support funding from FaHCSIA (now Commonwealth Department of Social Services) which together with additional support from Trusts, Foundations, and a private donor we were able to continue the work of the Centre throughout 2013- 2014 reporting period.

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. Thirty one school terms have been completed resulting in 188 children and young people 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.

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

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We were able to continue the Parent or "Family Life Skills Program" for a fourth 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 through FaHCSIA (now Department of Social Services) and Mercy Foundation to conduct the programme at Learning Ground this year.

### **Enablers Programme**

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We have continued to offer the Enablers Leadership Programme to community leaders from Western Sydney. Completing our ninth year of offering the programme to 324 participants.

We have conducted the Enablers Programme with additional mentor training throughout the year for 12 people drawn from the local community who now act as support volunteer staff at Learning Ground. This group provides the opportunity for young people to work on a 2 to 1 ratio with an adult in each phase of our work throughout the year.

### **International Association for Volunteer Effort 23<sup>rd</sup> World Volunteer Conference – Gold Coast Australia**

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**Youth Conference – 15<sup>th</sup> to 17<sup>th</sup> September 2014**

**World Conference – 17<sup>th</sup> to 20<sup>th</sup> September 2014**

The Conference was designed to address the theme VOLUNTEERING TODAY'S IMPERATIVE, with a view to engaging leaders from around the world working in volunteering involving organisations, in business in the area of corporate and social responsibility, and in government in dealing with volunteering at both national and local levels.

Chain Reaction became the lead organisation for the Conference and CEO Margaret Bell the Chairperson of the Organising Committee with major areas of responsibility in fund development and Conference Programme development for both the World Conference and the Youth Conference. Partners in addition to the host organisation Volunteering Australia of which Margaret is Patron are National Congress of Australia's First Peoples, Philanthropy Australia, Foundation for Young Australians, and Chain Reaction Foundation.

Dorothy Harding Director of Chain Reaction Foundation participated fully in Conference planning especially in the fund development programme. She designed and took carriage of all sales and marketing material website and social media design and implementation from the outset December 2012 until the end of the calendar year 2013. She also made many presentations regarding the Conference when presenting workshops on Marketing and use of Social Media during international meetings attended throughout the year.

In 2014 Sales and Marketing devolved to Volunteering Australia and Eventcorp a Professional Conference Organising company based in Brisbane. Dorothy continued to work with Margaret in fund development until end of this reporting period. Volunteering Queensland and Volunteering Gold Coast worked with Volunteering Australia and Chain Reaction in the recruiting, training and allocation of volunteer placements for the Conference.

In the last half of the calendar year 2013 Margaret and Dorothy visited all State Governments Premiers Departments and the offices of Ministers with areas of responsibility for volunteering with the purpose of seeking support for recruitment of volunteering leaders, participation in the Conference of senior Public Servants, as well as financial support for the Conference aiming to have over 1,500 participants from over 70 countries present. Meetings with Ministers were arranged in six States and Territories. Margaret also spoke at the National Volunteering Conference on Volunteering in South Australia in September 2013.

Margaret and Dorothy made presentations at all major IAVE events in 2013 which included:

South Africa, Namibia, Washington DC, Hong Kong, Macau, and Korea. Dorothy also made presentations in Ecuador and Sarajevo. On each of these occasions discussions were arranged with business government and volunteering involving organisations where the principles of the work of Chain Reaction Foundation working for stronger citizen engagement in communities were

## DIRECTORS' REPORT

always foremost in discussions around Conference theme and topics to be addressed. During each visit potential Conference presenters were interviewed which resulted in an outstanding range of well over 200 abstracts being presented for selection in addition to those specifically invited to make a range of presentations in addition to abstracts received.

In Washington DC the Australian Ambassador to the US Hon. Kim Beasley and Mrs Beasley hosted a reception at their private residence to welcome business leaders from US, UK, Europe and Asia who are members of the IAVE Global Corporate Volunteering Council where Margaret was invited to address those present on what they might expect from the forthcoming Conference in Australia. Margaret and Dorothy were also received at the White House where the Head of the President's Security team was provided with a briefing on the Conference and the ways in which it was hoped the President's office may engage with the event.

In Australia an Eminent Persons Committee was formed to advise the Conference Organising Committee. Chain Reaction Directors Benjamin Chow and Jody Broun were amongst those who were appointed to the group. Other appointees were as follows:

Charles Curran, Sir James Gobbo, Bruce Bonyhady, Simon McKeon, Hon. Michael Kirby, Jan Owen, Robert Fitzgerald, David Gonski, Hon. Tanya Plibersek, Hon. Malcolm Turnbull.

In January 2014 until the time of reporting the Organising Committee has had particular focus on spreading Conference information throughout Australia, continuing funding and programme development, and seeing to events surrounding the Conference in order to make it a remarkable international event in the Australian environment. The Conference is being held in Australia for only the second time in more than 40 years, the last occasion being in 1986. Chain Reaction is very proud to be playing a significant role in bringing the Conference to fruition at a time when community harmony and peace in the world appears to be scarce, and the call for volunteer engagement growing stronger every day in the call for more engaged communities.

We were very pleased to be able to appoint SKY News as the Conference media partner together with Pro-Bono News. SKY News will televise Conference news in 23 countries.

Representation was made to C20 on behalf of the Conference through Chain Reaction Board member Jody Broun to have consideration given to having volunteering recognised in National Accounts. The proposal is to have the recommendation presented to the G20 meeting in Australia in November.

### **Chain Reaction Breakfast Café**

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KPMG partner, Paul Reid, has hosted the bi-monthly Breakfast Café program in Melbourne and Sydney during calendar year 2013 and the early part of 2014. In March 2014 the breakfasts discontinued due to the pressure of responsibilities in relation to the IAVE Conference.

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)

## DIRECTORS' REPORT

The Breakfast Cafe has now operated since 2004, and has been hosted by Paul Reid at KPMG for the last five years. We have been extremely appreciative of this generous contribution to the work of the Foundation.

Attendees have sometimes told us that the Breakfast's have been a real catalyst for change in values and attitudes across middle and senior management in government, business and leaders in the community sectors. Nearly 4,000 people have attended the Breakfast's over 10 years. Many contact Chain Reaction frequently asking if the series will commence again. Each breakfast has concentrated on the theme of the development of social cohesion by inclusion rather than exclusion in many areas of life. We have examined the concept from the view of leading Australians in their field from academics, to business leaders, to civil society leaders. We have heard from governments and opposition, journalists, lawyers and celebrities. From minority groups, religious leaders, writers, educators and scientists. It has always been thought provoking and often inspiring and has helped us to do as we were bid by one of our Directors Donald Horne, who before he died asked us to "above all keep the conversation going."

We have really tried to do that and now we are looking for a new sponsoring company who might help us to "keep the conversation going" for the next five years by taking up the baton now and hosting the Breakfast Cafe in Sydney and Melbourne 2015 - 2020.

### Fund Development

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Chain Reaction has appreciated the financial support of the following organisations during 2013 – 2014 reporting period:

- FaHCSIA – (Now Department of Social Services – DSS)
- St George Foundation
- Mercy Foundation
- United Parcel Services Foundation (UPS)
- CatholicCare Social Services
- ANZ Trustees
- 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, AMP Foundation, ANZ Trustees, Balnaves Family Foundation, Bennelong Foundation, Blacktown City Council, Clubs Association NSW, Catholic Care Social Services, Commonwealth Bank, Foundation for Children, FRRR ANZ, ING Foundation, IOOF Foundation, Marian & E.H. Flack Trust, Mercy Foundation, Microsoft, NIB Community Fund, Optus, Scanlon Foundation, Sidney Myer Fund, Sisters of Charity Foundation, Sir Ian Potter Foundation, St George Foundation, Telstra Foundation, United Parcel Services UPS, Volunteering Australia.

#### **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 1 government department, 4 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, Ashley Hyland, Danielle Jackson, Donna Jackson, Brendan Jacquet, Mischelle Jenkinson, Steve Jenkinson, Rebecca Kay, Kathy Mudiman, Michael Ohlsen, Wayne Pennell, Sandra Pereria, Dale Watson, all of whom have worked with us at Mt Druitt Learning Ground.

#### **Special Acknowledgement:**

To DEBBIE HIGGISON who in addition to many voluntary hours has contributed a remarkable 5 years of service to Mt Druitt Learning Ground as a Consultant in the Role of Part Time Project Manager and in this role representing Learning Ground extensively in the wider local community.

To MELISSA HOOD who has contributed 4 years of many volunteer hours of service as a Program Facilitator delivering the Family Life Skills Program and facilitating much of the Adolescent Program at Mt Druitt Learning Ground.

To PEGGY CAMERON who has given in excess of 10 years voluntary service to Chain Reaction Foundation.

To WAYNE PENNELL who has given 10 years of voluntary service right from concept stage to 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 twelfth 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's President Margaret Bell is Chair of the Conference Organising Committee ably assisted by Chain Reaction Director Dorothy Harding who acted as Conference Project Manager throughout 2013 and continued to assist in funding development and media advice for the remainder of this reporting period. 1,500 delegates from over 70 countries attended 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

31 October 2014



**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 2014, 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.

KPMG

P M Reid

*Partner*

Sydney

31 October 2014

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

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR TO 30 JUNE 2014**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>REVENUE</b>		
<b>General</b>		
Bank Interest	1,985	726
Donations for Mt Druitt Learning Ground	53,950	-
Grants for Mt Druitt Learning Ground	48,006	71,798
General Donations	38,818	27,030
Volunteer Australia fees and reimbursements	85,799	146,198
Sundry income	-	1,125
<b>Total revenue</b>	<b><u>228,558</u></b>	<b><u>246,877</u></b>
 <b>EXPENDITURE</b>		
Chain Reaction Foundation running expenses	24,473	32,672
Volunteer Australia consultants and expenses	110,385	128,609
Mt Druitt Learning Ground expenses	<u>81,451</u>	<u>73,027</u>
<b>Total expenditure</b>	<b><u>216,309</u></b>	<b><u>234,308</u></b>
<b>Surplus for the year</b>	<b>12,249</b>	<b>12,569</b>
Income tax expense	<u>-</u>	<u>-</u>
<b>Surplus for the year after income tax</b>	<b>12,249</b>	<b>12,569</b>
Other comprehensive income	<u>-</u>	<u>-</u>
<b>SURPLUS FOR THE YEAR</b>	<b><u>12,249</u></b>	<b><u>12,569</u></b>
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The accompanying notes form part of these accounts

**CHAIN REACTION FOUNDATION LTD  
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**STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2014**

	2014	2013
	\$	\$
<b>CURRENT ASSETS</b>		
Cash	<u>89,848</u>	<u>84,116</u>
<b>TOTAL CURRENT ASSETS</b>	<b><u>89,848</u></b>	<b><u>84,116</u></b>
<b>NON-CURRENT ASSETS</b>	-	-
<b>TOTAL NON-CURRENT ASSETS</b>	-	-
<b>TOTAL ASSETS</b>	<b><u>89,848</u></b>	<b><u>84,116</u></b>
<b>CURRENT LIABILITIES</b>		
Credit card payables	2,223	-
Other Creditors (incl GST payable)	1,114	9,854
Learning Ground & other grants in advance	<u>50,000</u>	<u>50,000</u>
<b>TOTAL CURRENT LIABILITIES</b>	<b><u>53,337</u></b>	<b><u>59,854</u></b>
<b>NON-CURRENT LIABILITIES</b>	-	-
<b>TOTAL NON-CURRENT LIABILITIES</b>	-	-
<b>TOTAL LIABILITIES</b>	<b><u>53,336</u></b>	<b><u>59,854</u></b>
<b>NET ASSETS</b>	<b><u>36,511</u></b>	<b><u>24,262</u></b>
	=====	=====
<b>EQUITY</b>		
Accumulated funds	36,511	24,262
Reserves		
<b>TOTAL EQUITY</b>	<b><u>36,511</u></b>	<b><u>24,262</u></b>
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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 2014**

	2014 \$	2013 \$
<b>Total changes in equity</b>		
Surplus for the year	12,249	12,569
Funds available for future use at the beginning of the financial year	<u>24,262</u>	<u>11,693</u>
Funds available for future use at the end of the financial year	<u>36,511</u>	<u>24,262</u>
Comprised of		
<b>Accumulated funds</b>		
Balance at the beginning of the financial year	24,262	11,693
Surplus for the year	<u>12,249</u>	<u>12,569</u>
Balance at the end of the financial year	<u>36,511</u>	<u>24,262</u>
<b>Total</b>	<u>36,511</u>	<u>24,262</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 2014**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Cash Receipts in the course of operations	238,275	281,778
Cash Payments in the course of operations	(234,528)	(288,895)
Interest Received	1,985	726
	<hr/>	<hr/>
Net Cash provided by/(used in) Operating Activities	<u>5,732</u>	<u>(6,391)</u>
Net increase/(decrease) in cash held	5,732	(6,391)
Cash at the beginning of the financial year	84,116	90,507
	<hr/>	<hr/>
Cash at the end of the financial year	<u>89,848</u>	<u>84,116</u>
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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 2014**

**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  
(a company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2014**

**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), Jo-Anne Broun, 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 \$62,000 has been expensed in the year in respect of services provided to the company by Margaret Bell & Associates (2013 - \$77,000).

Other Key Management personnel include Ms Debbie Higgison, Ms Dorothy Harding and Ms Veronica Lucas who received \$31,800 (2013 – \$37,914), \$46,000 (2013 - \$49,500) and \$1,500 (2013 - \$5,000) respectively for services rendered during the year.

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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 13 to 18 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 2014 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 31 October 2014 at Sydney



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## **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 2014, 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.

KPMG

P M Reid  
*Partner*

Sydney  
31 October 2014