

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

**ANNUAL REPORT**



**For year ended 30 June 2015**  
**ABN 44 100 223 649**

## DIRECTORS' REPORT

The Directors present their report for the year ended 30 June 2015 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**

**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
Jo-Anne Broun	2	3
Benjamin Chow AO	2	3
Dorothy Harding	3	3
Hon John Hood	3	3
Abd-Elmasih Malak AM	1	3
Andrew McCallum AM	1	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 (32), Partnership Organisations (39) and local volunteers (15).

### Operating Results

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The net surplus for the financial year ending June 30 2015 was \$4,570 (2014 – \$12,249). 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 in 2014 – 2015 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
- 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.

Hon. Scott Morrison MP, Minister for Social Services

Senator George Brandis, Attorney-General

#### Shadow Ministers and Local Members:

Hon. Ed Husic MP, Federal Member for Chifley

Hon. Marise Payne MP, Federal Member for Penrith

Hon. Christian Porter MP, Parliamentary Secretary to Prime Minister

#### Public Servants:

Departmental Secretary – Department of Social Services

First Assistant Secretary – Department of Social Services

First Assistant Secretary – Multicultural Affairs

### NSW Government

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Hon. Gabrielle Upton MP, Minister for Family and Community Services

Hon. Tanya Davis, Parliamentary Secretary to Minister for Family and Community Services

Hon. Prue Car, Member for Londonderry

Hon. Edmond Atalla, Member for Mt Druitt

### Local Government

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Stephen Bali, Mayor, Blacktown City Council

Councillor Jacqueline Donaldson, Deputy Mayor, Blacktown City Council

### Trusts/Foundations

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AMP Foundation, Balnaves Foundation, Blacktown City Council, Cages Foundation, CBB Gardening Project, Coca-Cola Foundation, Commonwealth Bank, Danks Trust, Gandel Philanthropy, Give2Asia, Greater Charitable Foundation, Harold Mitchell Foundation, Ian Potter Foundation, ING Foundation, James N Kirby Foundation, Lord Mayor's Charitable Trust, Marian and EH Flack Trust, Matana Foundation, Mercy Foundation, Myer Stores Community Trust,

## DIRECTORS' REPORT

Neilson Foundation, NIB Foundation, NRMA, Paul Newman Empowerment Project, Scanlon Foundation, Scully Fund, Sidney Myer Foundation, Sisters of Charity Foundation, St. George Foundation, Vincent Fairfax Foundation, Westpac Foundation.

### **Major Charities, Business and NGOs**

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ABC Lateline Program, ABC Q&A Program, ACWA, ACON, ACOSS, Anglicare, Australian Council for International Development, Australian Diversity Council, Australian Emergency Management Institute, Australian Institute of Company Directors, Australian Red Cross, Australia Post, Australian Surf Life Saving, Australian Volunteers International, AWCH, Bapcare, Boardroom Partners, Bendigo Bank, Bond University, Brotherhood of St Laurence, Bupa, Bureau of Meteorology, Cancer Council NSW, Centre for Social Impact UNSW, CitiBank, Connecting Up, CIVICUS, Foundation for Young Australians, G20 Youth Entrepreneurs Alliance, Generation One, Girl Guides Australia, Get Up, Global Peace Initiative Parliament of World Religions, Headspace, Housing NSW, Human Rights Commission, International Association for Volunteer Effort, Islamic Council of NSW, Jesuit Social Services, Jobs Australia, KPMG, Keeping Australia Beautiful, Medibank Private, Mental Health Coordinating Council, Mission Australia, Multicultural Foundation, Museum of Australian Democracy, National Congress of Australia's First Peoples, National Disabilities Council, National Disabilities Insurance Scheme, 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, PwC Australia, Queensland Surf Life Saving, Red Cross NSW, Refugee Council of Australia, Salvation Army, St Vincent de Paul Society, Save the Children Australia, Save the Children NSW, Sydney Alliance, Social Ventures Australia, Social Inclusion Board, Telstra, 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, Woolworths, World Vision, YGAP, YWCA NSW.

### **Local Community – Mt DrUITT NSW**

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Allawah Aboriginal Services, Blacktown City Council, Bidwill Residents Action Group, CatholicCare, Community Gardens Bidwill, Community Health, Chifley Colleges, Departments of Family and Community Services, Education, Graceades Community Cottage, Headspace, Holy Family Church, Housing, ICAT, Juvenile Justice, Jesuit Social Services, Junaya, Marist Youth, Mission Australia, Mt DrUITT TAFE, Mt DrUITT Combined Community Ministry, Mt DrUITT Ethnic Community Agency, Police, Probation and Parole, Primary Schools (7) Reconciliation Committee, The Hub, The Hive, Uniting Care, Uniting Church Bidwill, University of Western Sydney, Urban Seed, Whalan Action Group, Washhouse.

### **Major Projects 2014 – 2015**

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Chain Reaction Foundation Major Projects for the reporting period were The 23<sup>rd</sup> International Association for Volunteer Effort World Volunteer Conference held on the Queensland Gold Coast 15 – 20 September 2014 and Mt DrUITT Learning Ground Project.

### **The 23<sup>rd</sup> International Association for Volunteer Effort World Volunteer Conference**

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Chain Reaction Foundation was the lead organisation for the conference having responsibility for the planning, fund-raising and conduct of the bi-ennial World Conference in partnership with The International Association for Volunteer Effort, and Volunteering Australia. Margaret Bell was Chairperson of the Organising Committee, and Dorothy Harding Director Chain Reaction Foundation was appointed as a Senior Consultant to the organising committee. Margaret and Dorothy undertook the major roles of preparation for and delivery of the conference. Benjamin Chow and Jody Broun Directors Chain Reaction Foundation were appointed members of the eminent persons group who were an advisory group to conference development.

## DIRECTORS' REPORT

Over 1000 leaders in volunteering were welcomed to the Conference from 50 countries.

The meeting was acclaimed the best IAVE conference ever with keynote speakers drawn from five continents, and over 200 workshops and forums were conducted over the five days. The conference was held under the patronage of HRH Prince Charles, Prince of Wales. The Governor General Sir Peter Cosgrove and Lady Cosgrove were guests of honour at the formal conference dinner. Conference theme **VOLUNTEERING TODAY'S IMPERATIVE** was very timely as leaders representing communities, corporations, and governments discussed and planned for leadership in volunteering for the coming decade. Indigenous Australians were represented in all workshops and forums and Jody Broun, Director, Chain Reaction Foundation was one of the keynote speakers.

Two years in preparation, the IAVE conference was an enormous task but Chain Reaction was proud to be able to contribute in a major way to fundraising for the event and also to plan and coordinate the delivery of the bulk of the program. It was a unique opportunity to contribute to the development of social cohesion in Australia and world-wide in the development of leadership in volunteering for the future.

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

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Learning Ground has continued to offer its programs throughout the 2770 postcode. All programs are focused on behavioural change management and offered to the most culturally diverse and disadvantaged families in the eleven suburbs of Mt Druitt, a population of over 80,000 people. Particular outreach takes place to families of Aboriginal and Torres Strait Islander background and also of culturally and linguistically diverse backgrounds.

The past year has seen up to 100 families taking advantage of the programs:

Mondays: Older Adolescent Group 12 – 17 years 9.30am – 2.30pm

Mondays: Young Adults 17 – 25 years 3.30pm – 5.30pm

Tuesdays: Family Skills for parents, grandparents, carers of young people

Wednesdays: Younger Adolescents 10 – 12 years 10.00am – 2.00pm

Thursdays: Enablers Program for volunteers wishing to work in any aspect of building social cohesion in local communities in families, schools, NGO's or churches.

To date this year over 30 young people have been returned to schools throughout the area without further truancy and or suspension records occurring, and 80 adults have participated in Family Skills and Enablers programs.

There is on-going demand for additional programs to be offered which at this time cannot be considered.

Funding for the work has been of considerable concern as Commonwealth Government funding will discontinue funding for over 500 organisations including Learning Ground from 30 June this year. We are advocating strongly that this should not happen. Funding from Trusts and Foundations in Melbourne will not continue after offering 'seed' funding for seven years, supporters have said it is now up to funders in NSW. (see outreach to funders in NSW page 5 in this report). Continuous advocacy takes place to State Government to date to match required Commonwealth Government funding with a nil response.

### **ABC Lateline and Q&A Programs**

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Part of Chain Reaction's outreach has been an appeal to each of these ABC Programs resulting in Lateline Ginny Stein covering the Learning Ground story in a 10 minute segment, and Q&A inviting Margaret Bell to attend the program and to speak about Mt Druitt following SBS Program "Struggle Street". As a result we have had a first time response from:

Neilson Foundation – contributing \$50,000 for new financial year

Cages Foundation – giving \$20,000 for new financial year

Scully Fund – giving \$25,000 for new financial year

St George Foundation – will give \$50,000 to provide a bus to transport young people to and from Learning Ground.

## DIRECTORS' REPORT

These contributions are very much appreciated and will keep the doors open as we continue to pursue sustainable funding.

### **Chain Reaction Breakfast Café**

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The Chain Reaction Breakfast Cafe, hosted by Paul Reid from KPMG concluded in mid 2014. Paul retired later that year. We have been extremely grateful to Paul who has hosted the Breakfast in Sydney and Melbourne for the past five years. Over that period 2,500 government business and community leaders have attended the Breakfast and the program has fostered a significant developing understanding of social cohesion and inclusion for these leaders during that period.

Benjamin Chow Chain Reaction Director has negotiated on our behalf with Price Waterhouse Coopers PwC to host the Chain Reaction Breakfast Cafe in Sydney and Melbourne commencing early in the new financial year.

We will continue the practise of having around 40 attendees to each breakfast and will have a guest speaker address the concept of social cohesion from a perspective that is in line with their expertise. Attendees will be invited to come to the breakfast on the understanding that they in turn will host a breakfast inviting others to do the same, thus creating a 'chain reaction' of meetings conducting discussions around the selected topics.

Details of upcoming meetings are to be found on Chain Reaction web-site  
[www.chainreaction.org.au](http://www.chainreaction.org.au)

### **Fund Development**

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Chain Reaction has appreciated the financial support of the following organisations and individuals during 2014 – 2015 reporting period:

- Department of Social Services (DSS)
- Neilson Family Foundation
- St George Foundation
- Cages Foundation
- James N Kirby Foundation
- Paul Reid
- Bruce Bonyhady
- Stan Dumbrell

### **Applications were placed for Project Funding with:**

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#### **State Government:**

Family Community Services  
Youth and Homelessness  
Attorney General  
Education.

#### **Commonwealth Government:**

Department of Social Services  
PM&C Indigenous Funding IAS

### **Foundations/Trusts:**

AMEX, AMP Foundation, Balnaves Family Foundation, Blacktown City Council, Cages Foundation, CBB Gardening Project, Clubs Association of NSW Coca-Cola Foundation, Commonwealth Bank, Danks Trust, Foundation for Children, Gandel Philanthropy, Give2Asia, Greater Charitable Fund, Harold Mitchell Fund, Ian Potter Foundation, IMB, James N Kirby Foundation, Marian & E.H. Flack Trust, Matana Foundation, Mercy Foundation, Myer Stores Community Fund, NIB Community Fund, NRMA, Paul Newman Foundation, Perpetual, Scanlon Foundation, Sidney Myer Fund, St George Foundation, Scully Fund, Vincent Fairfax Foundation, Westpac Foundation.

In all 37 submissions for funding were place during this reporting period and only six were successful. Chain Reaction is experiencing the same difficulties as many not for profit organisations in competing for the same dollar.

### **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 Jody Broun, Peggy Cameron, Benjamin Chow, Ron Enright, Dorothy Harding, Debbie Higgison, John Hood, Melissa Hood, Ashley Hyland, Donna Jackson, Mischelle Jenkinson, Christy Lee Lambkin, Sev Ozdowski, Wayne Pennell, Sandra Pereira, Paul Reid, Sandra Spiteri and Dale Watson, all of whom have worked with us at Mt Druitt Learning Ground.

### **Special Acknowledgement:**

To DOROTHY HARDING for the remarkable work she has done both as a Chain Reaction Board Director and as a Senior Consultant in marketing, communication, and assistance in the delivery of the 23<sup>rd</sup> International Association for Volunteer Effort World Conference September 2014.

To PEGGY CAMERON on completing thirteen years working as our Executive Officer for Chain Reaction, and also for the additional undertaking of an extra case load of Administration work for the International Conference on Volunteer Effort.

#### **AT MT DRUITT LEARNING GROUND**

To DEBBIE HIGGISON who in addition to countless volunteer hours has contributed another year of remarkable service to Learning Ground in her role as part-time Project Manager.

To MISHELLE JENKINSON who in addition to her role as an outstanding volunteer mentor at Learning Ground has also taken an additional role as Administrative Assistant to the Project Manager.

To MELISSA HOOD who has delivered throughout the year the highly successful Family Skills Program to parents, grandparents and carers, and also for her role as a much valued facilitator for the Adolescents Programs conducted at Learning Ground.

We are also pleased to acknowledge the volunteer contribution of all of our Directors, Specialist Consultants, and Partnership Organisations, as well as the Eminent Persons Group who supported our work for the world conference, and the Advisory Committee who continued to work with us at Mt Druitt Learning Ground.

## DIRECTORS' REPORT

### Summary

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The Foundation's thirteenth year of operation has been challenging with high demands for service and increasing difficulty in identifying funding for service delivery.

Major challenges were:

The conduct of the 23<sup>rd</sup> International Association for Volunteer Effort World Conference on Volunteering in its preparation, funding, and in its conduct in September 2014. Change of Federal Government made funding the project particularly challenging. Chain Reaction and Volunteering Australia continued to work together to prepare for and deliver a conference of significance and benefit to volunteer leaders and voluntary organisations from around the world.

The second major challenge has been the increasing demand for Service and introduction of new services at Mt Druitt Learning Ground which is compelling. Efforts to raise sufficient funds to remain operational has been difficult.

A welcome break through occurred in April when ABC Lateline and ABC Q&A provided opportunities to showcase the work at Learning Ground which has resulted in meeting with prospective funders for the coming financial year.



## 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.

Signed in accordance with a resolution of the Board of Directors

Director  
Sydney

10 November 2015

**Lead auditor's independence declaration under the  
Australian Charities and Not-for-profits Commission Act 2012**

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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 2015, there have been:

- 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
- No contraventions of any applicable code of professional conduct in relation to the audit.

P M Reid

18 Henley Street  
Drummoyne NSW 2047

10 November 2015

**CHAIN REACTION FOUNDATION LTD**  
**(a company limited by guarantee)**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR TO 30 JUNE 2015**

	2015	2014
	\$	\$
<b>REVENUE</b>		
<b>General</b>		
Bank Interest	1,356	1,985
Donations for Mt Druitt Learning Ground	68,395	53,950
Grants for Mt Druitt Learning Ground	48,006	48,006
General Donations	4,002	38,818
Volunteer Australia fees and reimbursements	35,170	85,799
Sundry income	-	-
<b>Total revenue</b>	<b><u>156,929</u></b>	<b><u>228,558</u></b>
 <b>EXPENDITURE</b>		
Chain Reaction Foundation running expenses	23,781	24,473
Volunteer Australia consultants and expenses	24,693	110,385
Mt Druitt Learning Ground expenses	<u>103,885</u>	<u>81,451</u>
<b>Total expenditure</b>	<b><u>152,359</u></b>	<b><u>216,309</u></b>
<b>Surplus for the year</b>	<b>4,570</b>	<b>12,249</b>
Income tax expense	-	-
<b>Surplus for the year after income tax</b>	<b>4,570</b>	<b>12,249</b>
Other comprehensive income	-	-
<b>SURPLUS FOR THE YEAR</b>	<b>4,570</b>	<b>12,249</b>
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The accompanying notes form part of these accounts

**CHAIN REACTION FOUNDATION LTD**  
**(a company limited by guarantee)**  
**STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2015**

	2015	2014
	\$	\$
<b>CURRENT ASSETS</b>		
Cash	<u>170,212</u>	<u>89,848</u>
<b>TOTAL CURRENT ASSETS</b>	<b><u>170,212</u></b>	<b><u>89,848</u></b>
<b>NON-CURRENT ASSETS</b>	-	-
<b>TOTAL NON-CURRENT ASSETS</b>	-	-
<b>TOTAL ASSETS</b>	<b><u>170,212</u></b>	<b><u>89,848</u></b>
<b>CURRENT LIABILITIES</b>		
Credit card payables	-	2,223
Other Creditors (incl GST payable/(receivable))	(869)	1,114
Learning Ground & other grants in advance	<u>130,000</u>	<u>50,000</u>
<b>TOTAL CURRENT LIABILITIES</b>	<b><u>129,131</u></b>	<b><u>53,337</u></b>
<b>NON-CURRENT LIABILITIES</b>	-	-
<b>TOTAL NON-CURRENT LIABILITIES</b>	-	-
<b>TOTAL LIABILITIES</b>	<b><u>129,131</u></b>	<b><u>53,336</u></b>
<b>NET ASSETS</b>	<b><u>41,081</u></b>	<b><u>36,511</u></b>
<b>EQUITY</b>		
Accumulated funds	41,081	36,511
<b>TOTAL EQUITY</b>	<b><u>41,081</u></b>	<b><u>36,511</u></b>

The accompanying notes form part of these accounts

**CHAIN REACTION FOUNDATION LTD  
(a company limited by guarantee)  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR TO 30 JUNE 2015**

	2015 \$	2014 \$
<b>Total changes in equity</b>		
Surplus for the year	4,570	12,249
Funds available for future use at the beginning of the financial year	<u>36,511</u>	<u>24,262</u>
Funds available for future use at the end of the financial year	<u>41,081</u>	<u>36,511</u>
Comprised of		
<b>Accumulated funds</b>		
Balance at the beginning of the financial year	36,511	24,262
Surplus for the year	<u>4,570</u>	<u>12,249</u>
Balance at the end of the financial year	<u>41,081</u>	<u>36,511</u>
<b>Total</b>	<u>41,081</u>	<u>36,511</u>

The accompanying notes form part of these accounts

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

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2015**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Cash Receipts in the course of operations	239,651	238,275
Cash Payments in the course of operations	(160,643)	(234,528)
Interest Received	1,356	1,985
	<u>          </u>	<u>          </u>
Net Cash provided by/(used in) Operating Activities	<u>80,364</u>	<u>5,732</u>
Net increase/(decrease) in cash held	80,364	5,732
Cash at the beginning of the financial year	89,848	84,116
	<u>          </u>	<u>          </u>
Cash at the end of the financial year	<u>170,212</u>	<u>89,848</u>
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The accompanying notes form part of these accounts

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

**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2015**

**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 Australian Charities and Not-for-profits Commission Act 2012 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 2015**

**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 \$50,000 has been expensed in the year in respect of services provided to the company by Margaret Bell & Associates (2014 – \$62,000).

Other Key Management personnel include Ms Debbie Higgison, Ms Dorothy Harding and Ms Veronica Lucas who received \$35,200 (2014 – \$31,800), \$Nil (2014 – \$46,000) and \$Nil (2014 – \$1,500) respectively for services rendered during the year.



**CHAIN REACTION FOUNDATION LTD  
(a company limited by guarantee)  
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 Australian Charities and Not-for-profits Commission Act 2012 including:
  - (a) giving a true and fair view of the financial position as at 30 June 2015 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 the Australian Charities and Not-for-profits Commission Act 2012 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 10 November 2015 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***

I 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 2015, 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 Australian Charities and Not-for-profits Commission Act 2012 and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the 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*

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I 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 my understanding of the company's financial position, and of its performance and cash flows.

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

*Independence*

In conducting my audit, I have complied with the independence requirements of the Australian Charities and Not-for-profits Commission Act 2012.

***Auditor's opinion***

In my opinion, the financial report of Chain Reaction Foundation Ltd is in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2015 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 Australian Charities and Not-for-profits Commission Act 2012.

***Basis of Accounting***

Without modifying my opinion, I 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 Australian Charities and Not-for-profits Commission Act 2012. As a result the financial report may not be suitable for another purpose.

P M Reid

18 Henley Street  
Drummoyne NSW

10 November 2015