

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

**ANNUAL REPORT**



**For year ended 30 June 2017**  
**ABN 44 100 223 649**

## DIRECTORS' REPORT

The Directors present their report for the year ended 30 June 2017 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**  
**Paris Neilson**  
**Dr Sev Ozdowski AM**

### 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	3	3
Dorothy Harding	2	3
Hon John Hood	3	3
Abd-Elmasih Malak AM	1	3
Andrew McCallum AM	1	3
Paris Neilson	2	3
Dr Sev Ozdowski AM	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, Small Learning Ground Team and a team of pro bono Specialist Consultants (29), Partnership Organisations (35) and local volunteers (14).

### Operating Results

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The net surplus for the financial year ended June 30, 2017 was \$1,459 (2016 \$46,622). 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 2016 – 2017 were:

- Development and operation of Mt Druitt Learning Ground
- Development and delivery of Facilitator and Mentor Training Handbooks for use at Learning Ground and beyond
- Development and production of a 55 minute documentary "Saving Young Lives", the 10 year story of Mt Druitt Learning Ground
- Conduct Enablers Programme Western Sydney
- Conduct Family Skills 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
- Development of Youth Activity Program (YAP) for young people 10 – 15 years.
- Delivery of Research and Evaluation of Learning Ground Programs by Western Sydney University.
- 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. Christian Porter MP, Minister for Social Services

##### Shadow Ministers and Local Members:

Hon. Ed Husic MP, Federal Member for Chifley

Hon. Marise Payne MP, Liberal Senator for New South Wales

Hon. Tanya Plibersek MP, Shadow Minister for Education

##### Public Servants:

Departmental Secretary – Department of Social Services

First Assistant Secretary – Department of Social Services

First Assistant Secretary – Multicultural Affairs

Chief of Staff – Prime Minister's Office

##### NSW Government

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Hon. Prue Car MP, Member for Londonderry

Hon. Edmond Atalla MP, Member for Mt Druitt

Hon. Luke Foley MP, Leader of the Opposition NSW

Hon. Tania Mihailuk MP, Shadow Minister Family and Community Services

##### Local Government

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Stephen Bali, Mayor, Blacktown City Council

##### Trusts/Foundation

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Blacktown City Council, CBB Gardening Project, Coca-Cola Foundation, Ian Potter Foundation, James N Kirby Foundation, Lord Mayor's Charitable Trust, Marian and EH Flack Trust, Matana Foundation, Mercy Foundation, Neilson Foundation, Scanlon Foundation, St. George Foundation, Vincent Fairfax Foundation, Westpac Foundation.

## DIRECTORS' REPORT

### Major Charities, Business and NGOs

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ACWA, ACON, ACOSS, Anglicare, Australian Diversity Council, Australian Red Cross, AWCH, Bapcare, Boardroom Partners, Bupa, Cancer Council NSW, Centre for Social Impact UNSW, CitiBank, Connecting Up, CIVICUS, Foundation for Young Australians, Generation One, Girl Guides Australia, Get Up, Global Peace Initiative Parliament of World Religions, Headspace, Housing NSW, Human Rights Commission, Islamic Council of NSW, Jesuit Social Services, Jobs Australia, 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, Our Communities Victoria, Oxfam, Press Council of Australia, Philanthropy Australia, Partnership Matters, PwC Australia, 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 Inclusion Board, United Way Australia, UNAA, Centre for Volunteering NSW, Victorian Equal Opportunity and Human Rights Commission, Wesley Mission, Western Sydney University, 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, Department of Family and Community Services, Department of 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, Primary Schools (7) Reconciliation Committee, The Hub, Uniting Care, Uniting Church Bidwill, Urban Seed, Whalan Action Group, Washhouse, Western Sydney University.

### 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 at any one time:

Mondays: Older Adolescent Group 12 – 17 years 9.30am – 2.30pm  
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  
Fridays: Youth Activity Program – team building recreational program 5.30pm – 8.30pm

To date this year over 60 young people have participated weekly in the programs and 40 have been returned to schools throughout the area without further truancy and or suspension records occurring. Eighty adults have participated in Family Skills and Enablers Programs.

### Research and Evaluation – Western Sydney University – Public Presentation September 2016

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We received a grant from Ian Potter Foundation to conduct a full research and evaluation of all Learning Ground programs. The work was conducted by Dr Roberto Parada, Dr Brenda Dobia, and Kon Kalos from the School of Education, Western Sydney University. Dr Parada is a senior lecturer in adolescent development and wellbeing, Behaviour and Pedagogical Studies, and Dr Dobia also a senior lecturer in the School of Education. Dr Dobia led resources development for "Kids Matter" the national primary schools mental health initiative, she is currently working with NAPCAN (National Association for Prevention of Child Abuse and Neglect) and the NSW Aboriginal Educational Consultative Group. Kon Kalos has 30 years teaching experience across

## DIRECTORS' REPORT

primary, secondary and tertiary sectors, until recently he has been a Principal with the Cape York Academy.

The work undertaken on behalf of Learning Ground was a study over six months and involved a quantitative and qualitative study. Surveys were conducted on-line and over the telephone.

Focus groups were conducted with Adolescent Groups, Past Participants, those engaged in Family Skills and Enablers Programs and Mentors.

A thorough examination of all program material including the programs stories and narratives was conducted.

### **Findings found the programs to be:**

- AN EXCELLENT COMMUNITY EDUCATION MODEL – consistent with its stated philosophy of "each one teach one" a series of programs embedded in the community by the community.
- HIGH QUALITY OF SOCIAL AND EMOTIONAL LITERACY
- EXCELLENT METACOGNITIVE SKILLS – teaching thinking about thinking
- COGNITIVE AND AFFECTIVE REFLEXIVITY
- HIGHLY SUCCESSFUL SKILLS FOR SELF-AWARENESS AND SELF-ESTEEM BUILDING
- EXCELLENT EXAMPLE OF WRAP AROUND SERVICES CURRENTLY BEING EXPLORED IN MODERN EDUCATIONAL METHODS

### **The program's focus groups revealed participants believing they had achieved:**

- Immeasurable lifelong learning skills
- Discovered a sense of purpose
- Accepted new knowledge regarding their personal strengths and challenges
- Acquired a sense of belonging
- Completed the program believing they had something to gain and something to give
- A certain readiness to continue formal education or to enter the workforce

### **Interviews with facilitators and mentors revealed:**

- Great respect for Learning Ground participants
- Patience
- Compassion
- High levels of competence in delivering descriptive praise and emotion coaching
- Efficient knowledge of strengths and challenges faced by each participant

### **Recommendations:**

- More strategic promotion of Learning Ground Programs in Schools and wider community
- Further development of teacher contact with Learning Ground
- Offering Enablers and Family Skills Programs to teachers in schools
- Focus on teacher development in offering descriptive praise and emotion coaching
- Seeking stronger relationship with Department of Education especially through "Positive Behaviour for Learning" a work in progress in Department.
- Working with Western Sydney University to build up Aboriginal specific content in the programs.

### **Mt Druitt Learning Ground Information and Family Event – October 2016**

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An Information and Family Dinner was conducted at West Tradies at Darug. Attended by around 150 supporters and families of Learning Ground attendees. A happy mix of music, and fun as well as information about Learning Ground itself. Young Alumni addressed the gathering and were received very well. An award was made to Plumpton High School for their strong support of students participating at Learning Ground.

### **Chain Reaction Breakfast Café**

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The Breakfast Cafe continued to be supported by Price Waterhouse Coopers (PwC) in Sydney and Melbourne until December 2016. The breakfasts were well attended around 40 people to each one. Guest speakers remained of high quality. Each speaker addressed the topic of social cohesion and how that relates to their particular area of interest.

List of speakers is found on Chain Reaction website. <https://www.chainreaction.org.au/breakfast-cafe.html>

It is with regret we have been unable to find a suitable location to conduct the program in 2017. We endeavour to do so in 2018.

### **Fund Development**

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Chain Reaction Foundation is particularly appreciative of the on-going support of the Neilson Family Foundation which has enabled us to contract seven Part-Time support people at Learning Ground. Chain Reaction Foundation has also been able to engage two regular consultants and occasional consultants for specific project work greatly facilitating the work of the Foundation.

During the financial reporting period we received grants from the following:

- Neilson Family Foundation
- St George Foundation
- Cages Foundation
- Matana Foundation for Young People
- Bruce Bonyhady
- Jill Farrelly

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

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#### **State Government:**

Family and Community Services  
Attorney General's Department  
Education Department.

#### **Commonwealth Government:**

Department of Social Services  
PM&C Indigenous Funding IAS

#### **Local Government:**

Blacktown City Council

### **Volunteers Contributions**

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Chain Reaction team and volunteers have worked tirelessly throughout the year and we are particularly appreciative of the work of Peggy Cameron, Benjamin Chow, Emily Darby, Ron Enright, Debbie Higgison, John Hood, Melissa Hood, Cassandra Jackson, Mischelle Jenkinson, Steve Jenkinson, Charmaine Milsom, Paris Neilson, Sev Ozdowski, Paul Reid, Michael Smith, Sandra Spiteri and Dale Watson, all of whom have worked with us at Mt Druiit Learning Ground.

### **Special Acknowledgement:**

To MELISSA HOOD who has delivered 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.

### **ACTIVITY HIGHLIGHTS DURING THIS REPORTING PERIOD**

#### **BOOK LAUNCH**

A launch of Melissa Hoods book "Real Parenting for Real Kids" took place in the Jubilee Room at Parliament House on 26 August 2016. The event was attended by community leaders, government department representatives, Chain Reaction funders and specialist consultants.

The book was launched by Anne Hollonds Director Australian Institute of Family Studies. It has proven to be a most useful tool for those attending Melissa's Family Skills Program, and has also been promoted and sold through Chain Reaction Face Book and the Chain Reaction website.

#### **SOCIAL MEDIA CAMPAIGN**

The campaign has been conducted throughout the reporting period. Commencing with reshaping of Chain Reaction website, followed by the development of a daily Facebook posting on 7 day per week roll-out. The CEO now contributes a weekly article on social cohesion and inclusion for LinkedIn social media program.

#### **LEARNING GROUND TO ULURU**

Due to the generous support of the Neilson Foundation we were able to spend a period of six months at Learning Ground each week incorporating a particular study of the value of Aboriginal cultural understanding for all participants. The study was culminated with the opportunity to celebrate 10 years at Learning Ground by the conduct a 5 day workshop in November 2016 for 12 Learning Ground Youth Leaders to visit Uluru in a specially arranged tour to the Red Centre. There we met with the Anangu people's whilst visiting their homelands. An unforgettable experience for all participants and an opportunity to deepen our teaching and learning about behavioural change and the art of connection through the eyes of our First Nations' Peoples. The experience has greatly enhanced our Learning Ground program development for the near future and beyond.

#### **MAKING OF A DOCUMENTARY**

We have been so delighted to have the services of the renowned film maker David Goldie and his great camera and sound men in the making of SAVING YOUNG LIVES. The documentary is the story of Mt Druitt Learning Ground participants and their experiences over several years.

Within the film we meet program participants both past and present and it affords us the opportunity to have a remarkable experience of enjoying what it takes to get to the real journey of the heart.

The documentary will be an excellent marketing tool, it is planned to make full use of it over the next calendar year. There are now two versions, 55 minutes and 29 minutes for different audiences. The Neilson Foundation is making it possible for the program to now be exposed to a much wider Australian audience. Without them we could never have had such a high quality documentary made. Working with the Trustees continues to be a delight.

## DIRECTORS' REPORT

### Summary

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The Foundation now has guaranteed funding for three years through the generosity of the Neilson Foundation and during this period has the expectation of Chain Reaction being able to raise its profile and consequently to be able to attract more permanent funding from government and other sources too.

A Chain Reaction promotion plan is currently being undertaken making comprehensive use of social media for this purpose.

Mt Druitt Learning Ground is fully operational. Program participants are presenting increasing challenges and requiring strongly personalised case management. A team of four senior consultants including a Teacher specialising in literacy and numeracy have been essential additions to the progress of the work.

Friday evening recreational program is proving an important addition to the safety of family life for young people in the 2770 postcode. A part-time male Youth Worker has been an important addition to the team.

The findings of the evaluation conducted by Western Sydney University is invaluable to the recognition of the academic value of the Learning Ground Program and it is anticipated will be a great asset to the future pursuit of funding to carry the work forward.

Special thanks to the Chain Reaction Board of Directors for the on-going support for all of our work.



## **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.

### **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

7 December 2017

**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 2017, 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

7 December 2017

**CHAIN REACTION FOUNDATION LTD**  
**(a company limited by guarantee)**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR TO 30 JUNE 2017**

	2017	2016
	\$	\$
<b>REVENUE</b>		
<b>General</b>		
Bank Interest	4,368	3,936
Donations for Mt Druitt Learning Ground	664,320	316,540
Grants for Mt Druitt Learning Ground	48,726	70,006
General Donations	77,718	2,200
Sundry income	492	2,832
<b>Total revenue</b>	<b><u>795,624</u></b>	<b><u>395,514</u></b>
<b>EXPENDITURE</b>		
Chain Reaction Foundation overheads	82,059	61,513
Mt Druitt Learning Ground expenses	<u>712,106</u>	<u>287,379</u>
<b>Total expenditure</b>	<b><u>794,165</u></b>	<b><u>348,892</u></b>
<b>Surplus for the year</b>	<b>1,459</b>	<b>46,622</b>
Income tax expense	<u>-</u>	<u>-</u>
<b>Surplus for the year after income tax</b>	<b>1,459</b>	<b>46,622</b>
Other comprehensive income	<u>-</u>	<u>-</u>
<b>SURPLUS FOR THE YEAR</b>	<b><u>1,459</u></b>	<b><u>46,622</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 2017**

	2017	2016
<b>CURRENT ASSETS</b>	<b>\$</b>	<b>\$</b>
Sundry assets (incl GST refundable)	11,547	7,684
Cash	<u>429,112</u>	<u>807,957</u>
<b>TOTAL CURRENT ASSETS</b>	<b><u>440,659</u></b>	<b><u>815,641</u></b>
 <b>NON-CURRENT ASSETS</b>	 -	 -
<b>TOTAL NON-CURRENT ASSETS</b>	-	-
 <b>TOTAL ASSETS</b>	 <b><u>440,659</u></b>	 <b><u>815,641</u></b>
 <b>CURRENT LIABILITIES</b>		
Other Creditors	58,997	26,497
Learning Ground & other grants in advance	<u>292,500</u>	<u>701,441</u>
<b>TOTAL CURRENT LIABILITIES</b>	<b><u>351,497</u></b>	<b><u>727,938</u></b>
 <b>NON-CURRENT LIABILITIES</b>	 -	 -
<b>TOTAL NON-CURRENT LIABILITIES</b>	-	-
 <b>TOTAL LIABILITIES</b>	 <b><u>351,497</u></b>	 <b><u>727,938</u></b>
 <b>NET ASSETS</b>	 <b><u>89,162</u></b>	 <b><u>87,703</u></b>
 <b>EQUITY</b>	 =====	 =====
Accumulated funds	89,162	87,703
 <b>TOTAL EQUITY</b>	 <b><u>89,162</u></b>	 <b><u>87,703</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 2017**

	2017 \$	2016 \$
<b>Total changes in equity</b>		
Surplus for the year	1,459	46,622
Funds available for future use at the beginning of the financial year	<u>87,703</u>	<u>41,081</u>
Funds available for future use at the end of the financial year	<u>89,162</u>	<u>87,703</u>
Comprised of		
<b>Accumulated funds</b>		
Balance at the beginning of the financial year	87,703	41,081
Surplus for the year	<u>1,459</u>	<u>46,622</u>
Balance at the end of the financial year	<u>89,162</u>	<u>87,703</u>
<b>Total</b>	<u>89,162</u>	<u>87,703</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 2017**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Cash Receipts in the course of operations	416,295	1,028,178
Cash Payments in the course of operations	(799,508)	(394,369)
Interest Received	4,368	3,936
	<hr/>	<hr/>
Net Cash provided by/(used in) Operating Activities	<u>(378,845)</u>	<u>637,745</u>
Net increase/(decrease) in cash held	(378,845)	637,745
Cash at the beginning of the financial year	807,957	170,212
Cash at the end of the financial year	<hr/> <u>429,112</u> =====	<hr/> <u>807,957</u> =====
 <b>CASH FLOWS RECONCILED TO PROFIT</b>	 <b>2017</b>	 <b>2016</b>
Cash (used in) Operating Activities	(378,845)	637,745
Add decrease in other liabilities	376,441	(597,938)
Add increase in other assets	<u>3,863</u>	<u>6,815</u>
Operating profit for the year	<u>1,459</u> =====	<u>46,622</u> =====

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 2017**

**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 2017**

**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** Paris Neilson and Dr Sev Ozdowski **AM**.

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 \$90,000 has been expensed in the year in respect of services provided to the company by Margaret Bell & Associates (2016 – \$80,000) and an amount of \$8,775 was expensed in respect of services provided by Dorothy Harding Communications Pty Limited (2016 - \$Nil).



**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 11 to 16 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 2017 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 7 December 2017 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 AUDITOR'S REPORT**  
**TO THE BOARD OF CHAIN REACTION FOUNDATION LIMITED**  
**Report on the audit of the Financial Report**

**Opinion**

I have audited the **Financial Report** of Chain Reaction Foundation Limited (the Company) which comprises the Statement of financial position as at 30 June 2017, the Statement of comprehensive income, Statement of changes in equity and Statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Directors' Declaration.

In my opinion the Financial Report of the Company is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* including:

- i. Giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance for the year ended on that date; and
- ii. Complying with *Australian Accounting Standards* to the extent described in Note 1 and the *Australian Charities and Not-for-profits Commissions Regulation 2013*.

**Basis for opinion**

I conducted my audit in accordance with *Australian Auditing Standards*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

I am independent of the Company in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the *Accounting Professional and Ethical Standards Board APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the Financial Report in Australia. I have fulfilled my other ethical responsibilities in accordance with the Code.

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

**Emphasis of matter - basis of preparation and restriction on use**

I draw attention to Note 1 to the financial report, which describes the basis of preparation.

The Financial Report has been prepared for the purpose of fulfilling the Board's financial reporting responsibilities under the *Australian Accounting Standards, the ACNC and the Act and Regulations*. As a result, the Financial Report and this Auditor's Report may not be suitable for another purpose. My opinion is not modified in respect of this matter.

My report is intended solely for the Board of Chain Reaction Foundation Limited and should not be used by parties other than the Board. I disclaim any assumption of responsibility for any reliance on this report, or on the Financial Report to which it relates, to any person other than the Board of Chain Reaction Foundation Limited. or for any other purpose than that for which it was prepared.

## **Responsibilities of the Board for the Financial Report**

The Board of the Company is responsible for:

- preparing the Financial Report that gives a true and fair view and has determined that the basis of preparation described in Note 1 to the Financial Report is appropriate to meet the requirements of the *Australian Accounting Standards, the ACNC and the Act and Regulations* and is appropriate to the needs of the Board
- implementing the necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Company's ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the Financial Report**

My objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error, and
- to issue an Audit Report that includes my opinion.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Report.

A further description of my responsibilities for the Audit of the Financial Report is located at the Auditing and Assurance Standards Board website at [http://www.auasb.gov.au/auditors\\_files/ar3.pdf](http://www.auasb.gov.au/auditors_files/ar3.pdf). This description forms part of my Auditor's Report.

P M Reid CA

18 Henley Street

Drummoyne,

7 December 2017