# COMMUNITY FOUNDATION NETWORK LTD
**(A Company Limited by Guarantee)**
**ACN 077 830 347**

## ANNUAL FINANCIAL REPORT

## FOR THE YEAR ENDED 30 JUNE 2008

# COMMUNITY FOUNDATION NETWORK LTD

# TABLE OF CONTENTS


| | ***Pages*** |
|---|---|
| ***Directors' report*** | 1 |
| ***Income statement*** | 4 |
| ***Balance sheet*** | 5 |
| ***Statement of changes in equity*** | 6 |
| ***Statement of cash flows*** | 7 |
| ***Notes to the financial statements*** | 8 |
| ***Directors' declaration*** | 11 |
| ***Independent auditor's report*** | 12 |
| ***Lead auditor's independence declaration*** | 14 |

## COMMUNITY FOUNDATION NETWORK LTD

## DIRECTORS' REPORT
## FOR THE YEAR ENDED 30 JUNE 2008

The Directors present their report together with the financial report of Community Foundation Network Ltd (the "Company") for the financial year ended 30 June 2008 and the auditor's report thereon.

**1. Directors**

The Directors of Community Foundation Network Ltd at any time during or since the end of the financial year are:

Marion Webster OAM BA Monash, DipSocStud (Chairperson) - appointed 12 March 1997
Chris Arnold BCom, MBA - appointed 9 July 2002
Sam Chandler - appointed 30 March 2006
Annie Duncan PhD - appointed 30 March 2006
Peter Griffin AM BCom - appointed 18 August 2004
Jo Grigg appointed 16 June 2007
Peter Hero BA, MC, MBA - appointed 31 May 2007
Greg Larsen BCA - appointed 30 June 2005
Chris Lovell LLB, BA, LLM - appointed 1 February 2005
Karen Mahlab BEcon - appointed 12 June 2001
Ian McHutchison LLB - appointed 30 March 2006
Lucy O'Brien LLB BA - appointed 1 February 2007 - retired 1 February 2008
His Honourable Judge David Parsons SC LLB - appointed 11 September 1997
Jac Phillips appointed - 22 February 2008
Jill Reichstein OAM BA - appointed 16 October 1998
Casey Tan BCom - appointed 1 July 2007
Mike Zafiropoulos BA - appointed 13 July 1999

**2. Company secretary**

Ian McHutchison was appointed to the position of company secretary on 31 May 2007.

**3. Principal activities**

The principal activities of the Company is the trustee of the Melbourne Community Foundation, Melbourne Community Foundation Extension Fund, Melbourne Community Foundation Scholarship Fund and the National Community Foundation Fund charitable organisations.

**4. Operating and financial review**

The profit for the year was $Nil (2007: $Nil). No income tax is payable by the Company.

**5. Significant changes in the state of affairs**

In the opinion of the Directors significant changes in the state of affairs of the Company were the establishment of the Melbourne Community Foundation Scholarship Fund and the National Community Foundation Fund during the year to 30 June 2008.

**6. Dividends**

No dividends were declared or paid since the end of the previous financial year (2007: Nil).

## DIRECTORS' REPORT (CONTINUED)
## FOR THE YEAR ENDED 30 JUNE 2008

**7. Directors' meetings**

The number of Directors' meetings and number of meetings attended by each of the Directors during the financial year are:

| Director | Board Meetings | |
|---|---|---|
| | A | B |
| Marion Webster OAM | 11 | 8 |
| Chris Arnold | 11 | 9 |
| Sam Chandler | 11 | 4 |
| Annie Duncan | 11 | 9 |
| Peter Griffin | 11 | 7 |
| Jo Grigg | 11 | 11 |
| Peter Hero | 11 | 2 |
| Greg Larsen | 11 | 8 |
| Chris Lovell | 11 | 9 |
| Karen Mahlab | 11 | 7 |
| Ian McHutchison | 11 | 9 |
| Lucy O'Brien | 6 | 3 |
| His Hon Judge David Parsons SC | 11 | 7 |
| Jac Phillips | 4 | 4 |
| Jill Reichstein OAM | 11 | 9 |
| Casey Tan | 11 | 8 |
| Mike Zafiropoulos | 11 | 6 |

**A** Number of meetings held during the time the Director held office during the year
**B** Number of meetings attended

**8. Directors' benefits**

The Directors act in an honorary capacity unless otherwise stated. During the financial year, no Director has received or become entitled to receive a benefit because of a contract that the Director, or firm of which the Director is a member, or an entity in which the Director has a substantial financial interest, made with the Company, or an entity that the Company controlled, or a body corporate that was related to the Company, when the contract was made or when the Director received, or became entitled to receive the benefit.

**9. Environmental regulation**

The Company's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation.

**10. Events subsequent to reporting date**

Due to volatility in global equity markets, the fair value of investments have deteriorated further since 30 June 2008.

## DIRECTORS' REPORT (CONTINUED)
## FOR THE YEAR ENDED 30 JUNE 2008

**11. Likely developments**

We are aware of large fluctuations on global markets which will affect investment values and overtime investment returns. These will impact the Melbourne Community Foundation but the manner of the impact is not yet clear.

**12. Indemnification**

The Company is entitled to be indemnified in respect of liabilities, out of the assets of the Melbourne Community Foundation, Melbourne Community Foundation Extension Fund, Melbourne Community Foundation Scholarship Fund and the National Community Foundation Fund.

**13. Lead auditor's independence declaration**

The Lead auditor's independence declaration is set out on page 14 and forms part of the Directors' report for the financial year ended 30 June 2008.

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

---

**M Webster OAM**
**Director**

---

**I McHutchison**
**Director**

**Melbourne**
**18 November 2008**

## COMMUNITY FOUNDATION NETWORK LTD

## INCOME STATEMENT
## FOR THE YEAR ENDED 30 JUNE 2008

| | Note | 2008<br>$ | 2007<br>$ |
|---|---|---|---|
| **Revenue** | | NIL | NIL |
| **Expenses** | | NIL | NIL |
| **Profit before income tax** | | NIL | NIL |
| **Income tax expense** | | NIL | NIL |
| **Profit for the year** | | NIL | NIL |

The notes on pages 8 to 10 form an integral part of these financial statements.

## COMMUNITY FOUNDATION NETWORK LTD

## BALANCE SHEET
## AS AT 30 JUNE 2008

| | Note | 2008<br>$ | 2007<br>$ |
|---|---|---|---|
| **CURRENT ASSETS** | | NIL | NIL |
| **NET ASSETS** | | NIL | NIL |
| **EQUITY** | | | |
| Retained earnings | | NIL | NIL |

The notes on pages 8 to 10 form an integral part of these financial statements.

# STATEMENT OF CHANGES IN EQUITY
# AS AT 30 JUNE 2008

As the Company has no equity, the Company has not included a Statement of changes in equity for the current or comparative year.

## COMMUNITY FOUNDATION NETWORK LTD

## STATEMENT OF CASH FLOWS
## FOR THE YEAR ENDED 30 JUNE 2008

| | Note | 2008<br>$ | 2007<br>$ |
|---|---|---|---|
| **Cash flows from operating activities** | | NIL | NIL |
| **Cash flows from investing activites** | | NIL | NIL |
| **Net movement in cash held** | | NIL | NIL |
| **Cash at the beginning of the year** | | NIL | NIL |
| **Cash at the end of the year** | | NIL | NIL |

The notes on pages 8 to 10 form an integral part of these financial statements.

# COMMUNITY FOUNDATION NETWORK LTD

## NOTES TO THE FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 30 JUNE 2008

### 1. Significant accounting policies

The Community Foundation Network Ltd (the "Company") is a company domiciled in Australia. The address of the Company's registered office is Suite 6, 19 - 35 Gertrude Street, Fitzroy, Victora 3065.

The financial report was authorised for issue by the Directors on 18 November 2008.

The significant polices which have been adopted in the preparation of this Financial Report are:

**(a) Statement of compliance**

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ("AASBs") (including Australian Interpretations) adopted by the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001. The financial report of the Company also complies with the IFRSs and intrepretations adopted by the International Accounting Standards Board.

### 2. Company limited by guarantee

Every member of the Company undertakes to contribute to the property of the Company in the event of the same being wound up while he or she is a member, or within one year after he or she ceases to be a member, for the payment of the debts and liabilities of the Company (contracted before cessation of membership) and the costs, charges and expenses of winding up and for the adjustment of the rights of the contributions among themselves, such as may be required, not exceeding one hundred dollars ($100). At 30 June 2008, the aggregate liability of the members was limited to $1,400 (2007: $1,400).

### 3. Activity as trustee and right to indemnity

The Company acts as trustee of the Melbourne Community Foundation and the Melbourne Community Foundation Extension Fund (the "Foundations") and no liabilities have been incurred on behalf of the Foundations in the Company's capacity as trustee.

Liabilities incurred on behalf of the Foundations are recognised in the financial report when it is probable that the Company will have to meet any of the Foundations liabilities from its own resources. The Company is entitled to be indemnified in respect of liabilities, out of the assets of the Foundations. The Company has not received any remuneration or other compensation for acting as trustee. Consequently, the Company has not earned any revenue during the period 30 June 2008. The Company has not incurred any expenses in its own right.

## 4 Related parties

### (a) Directors' and key management personnel

Directors of Community Foundation Network Limited since the beginning of the financial year to the date of this report:

Marion Webster OAM BA Monash, DipSocStud (Chairperson) - appointed 12 March 1997
Chris Arnold BCom, MBA - appointed 9 July 2002
Sam Chandler - appointed 30 March 2006
Annie Duncan PhD - appointed 30 March 2006
Peter Griffin AM BCom - appointed 18 August 2004
Jo Grigg appointed 16 June 2007
Peter Hero BA, MC, MBA - appointed 31 May 2007
Greg Larsen BCA - appointed 30 June 2005
Chris Lovell LLB, BA, LLM - appointed 1 February 2005
Karen Mahlab BEcon - appointed 12 June 2001
Ian McHutchison LLB - appointed 30 March 2006
Lucy O'Brien LLB BA - appointed 1 February 2007 - retired 1 February 2008
His Honourable Judge David Parsons SC LLB - appointed 11 September 1997
Jac Phillips appointed - 22 February 2008
Jill Reichstein OAM BA - appointed 16 October 1998
Casey Tan BCom - appointed 1 July 2007
Mike Zafiropoulos BA - appointed 13 July 1999

**Finance Committee**
Ian McHutchison LLB (Chair)
Michael Gilmore B Econ, GradDip Fin. Planning
Peter Griffin AM Bcom
Casey Tan BCom
Peter Walsh

**Audit Committee**
Hugh Parkes BA MBA, FCA, CISA (Chair)
Chris Arnold BCom, MBA
Hayden Raysmith DipSocStud

### (b) Directors' compensation

The Directors act in an honorary capacity unless otherwise stated. During the financial year, no Director has received or become entitled to receive a benefit because of a contract that the Director, or firm of which the Director is a member, or an entity in which the Director has a substantial financial interest, made with the Company, or an entity that the Company controlled, or a body corporate that was related to the Company, when the contract was made or when the Director received, or became entitled to receive the benefit.

## 5 Segment reporting

The Company is organised into one main segment which operates solely as a trustee company in Australia.

## 6 Contingent assets and liabilities and commitments

There are no outstanding contingent assets and liabilities or commitments as at 30 June 2008.

## COMMUNITY FOUNDATION NETWORK LTD

## DIRECTORS' DECLARATION

In the opinion of the Directors of Community Foundation Network Ltd (the "Company"):

(a) the financial statements and notes, set out on pages 4 to 10, are in accordance with the Corporations Act 2001, including:

  (i) giving a true and fair view of the Company's financial position as at 30 June 2008 and of its performance, for the financial year ended on that date; and

  (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1(a); and

(c) there are reasonable grounds to believe that the Company will be able to pays its debts as and when they become due and payable.

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

---
**M Webster OAM**
**Director**

---
**I McHutchison**
**Director**

**Melbourne**
**18 November 2008**