

Understanding

Design:

Centre for design awareness
Centre for scholarship and research
Museum house

Robin Boyd

Foundation

Annual Report 2009

Review of Operations

BACKGROUND

In the 2007/2008 financial year the Victorian Government through the Department of Planning and Community Development 'DPCD' allocated grant funding of \$700,000 for the Robin Boyd Foundation. These funds were allocated in tandem with a second grant allocation from the Architects Registration Board of Victoria 'ARBV' of \$210,000 and were to reduce the loans payable by the Foundation to its primary lenders, the National Australia Bank 'NAB' and the National Trust of Australia (Victoria) 'NTV'. Additionally, the Government allocated a further \$300,000 for, the preparation of a Conservation Management Plan and for building works at the Foundation's property 290 Walsh Street with the ARBV allocating a further \$50,000pa for 5 years to provide operational resources.

Grant funding was conditional on the Foundation preparing and submitting a business plan that met government approval. Government approval of the Foundation's Business Plan was received in December 2008.

2008/09 OPERATIONS

The main operations for the 2008/09 financial year consisted of two distinct and sequential phases of work:

1. Preparation of the Business Plan.

The Foundation's Business Plan was underpinned by several key actions expected to occur concurrent with preparation of the Plan. These actions included renegotiating the existing loan agreements with the National Australia Bank and the National Trust of Australia (Victoria) and securing additional sources of funding from Melbourne University and the Myer Foundation/Sidney Myer Fund.

Additionally, a series of inter-related Grant Agreements were prepared and negotiated to the satisfaction of Government, ARBV, NAB and the NTV.

The above actions, preparation of the Business Plan, renegotiation of loans, sourcing of additional funds, and negotiation of grant and other agreements were executed in the first six months of 2008/09. By the end December 2008, all agreements were finalised and signed, funds distributed, and the Business Plan was accepted and clearing the way for implementation of the Business Plan to begin in January 2009.

2. Implementation of Business Plan.

Stage 1 (years 1 – 3) of the two stage plan contained in the Business Plan identifies a period of 'stabilisation' where the Foundation will only service the interest on its loans, thus providing maximum resources and funds for the development of the public programs and awareness necessary to build longer-term income generating programs and philanthropic and corporate support necessary to repay debt.

Key Features of the Business Plan are:

- A. Income projections for Stage 1
- B. Appointment of an Executive Director to conduct 'start up' operations, public programs and membership programs
- C. 'Start up' events program in tandem with a public awareness and PR program to gain momentum.
- D. Membership restructuring to better reflect those organisations committing financially to the Foundation.
- E. Restructuring of the Foundation Board to reflect changed character of operations
- F. Preparation of a Conservation Management Plan to guide conservation and maintenance works to be undertaken at 290 Walsh Street to protect the building fabric and determine appropriate uses and operational methods.

In December 2008, following acceptance of the Business Plan, the Executive Director, Mr Tony Lee was appointed working 3 days a week – the period that followed (January to June), was marked by significant achievement including;

- Conservation architects Lovell Chen was appointed to prepare a Conservation Management Plan, Operational Guidelines and a schedule of required works with completion to final draft stage expected to be complete by December 2009. In the meantime urgent maintenance and OH&S/compliance works that have been identified are being addressed.
- A public events program consisting of 'public open days' and 'conversation seminars' was arranged and begun in May with further events committed throughout the year.
- A membership program was developed and received encouraging support for public and corporate memberships.

- 'Heads of Agreement' was agreed with Peter Rowland Catering to provide catering services at Walsh Street. This will enable the house to be available for public use for dinners, meetings and seminars. Already, several events have been held by foundation supporters, members and the general public with enquiries and advance bookings exceeding expectations for the remainder of the calendar year.
- Public awareness of the Foundation has grown immensely through newspaper articles, word of mouth and initial events.

COMMENTARY ON OPERATIONS

The complexity that resulted from the number of parties involved and the Foundation's short 'trading history, made the successful renegotiation of previous loan agreements and the negotiation new grant agreements and partnerships a significant achievement.

The time taken to negotiate all the necessary loan, grant and supporter agreements was greater than expected and required significantly more input from Foundation Directors than was anticipated which in turn caused a delay (beyond that proposed in the Business Plan) in the appointment of the Executive Director and development and commencement of income producing activities. The additional work fell to one Director who received one-off payments to cover the time he devoted to bridging this gap and the skill and experience he brought to the often complex negotiations. Combined, delayed commencement and additional director's fees have resulted in an operating loss for the 2008/09 financial year. Neither of these factors is expected to affect future year's operations or the future trading potential of the Foundation.

The Foundation has met its commitments to service all required interest commitments on loans without increasing its overall debt levels.

The public response to the first of the Foundation's public open day program was overwhelming and provides confidence for ongoing event participation and income planned for the 2009/10 year.

The initial response to the proposed membership program is encouraging and the promotion of memberships will be a focus for the 2009/10 year.

A restructure of the Foundation's board is being negotiated with a number of potential new directors currently in discussion with the existing Board. Two of the founding Directors have retired to facilitate the appointment of directors with a changed mix of skills needed to guide the next phase of the Foundation's development

The Directors record their appreciation for the work of departing Directors, Peter Camm and John Hogan who made significant contributions at critical times in the formation and early development of the Foundation right up to the end of the financial year just ended.

Initial audits of the condition of the Walsh Street building fabric, regulatory compliance requirements and the OH&S issues related to the proposed uses of the building do not appear to be as onerous, complex and expensive as initial opinions had indicated. Detailed inspections and appraisals of the building's roof has indicated that major works maintenance, re-tensioning and re-surfacing works will not be required for a 'generation' and minor maintenance works have already been completed to solve immediate problems. The proposed 'active' use of the building has resulted in a greater amount of time being required to discuss, evaluate and resolve the required operating policies to be detailed in the Conservation Management Plan. The final draft of the Conservation Management Plan including the proposed works program and schedules is to be completed by the end of December. It is expected that building works will commence by June 2010 following acceptance of the Plan by Heritage Victoria. Building works and the expenditure of allocated funds will be complete by the end of 2010.

GENERAL COMMENTARY

Despite challenging economic conditions that have existed throughout 2008 and 2009 the Foundation is now meeting the financial targets identified in the Business Plan.

Considerable progress was made in the year in building private sector support through strategic alliances, financial pledges and increased support to use the Walsh Street property with potential revenue benefits for the Foundation.

While financing is a challenge, the goal of securing the future of the house is huge incentive.

Activities in the months up to financial year end and subsequent to year end encourages the view that the Foundation has established a base from which to build, and encouraging supporters to get on board.

The Directors record their appreciation to the State Government and the ARBV for their support and the consequential cooperation of the NAB and the NTAV. The financial support provided by the State Government and the ARBV has underpinned the operation of the Foundation enabling it to escalate its activities and engage in new initiatives to approach and sustain potential financial supporters.

Supporters should recognise that the government's support is the first step, and its support is conditional on the community sharing the vision and embracing it as their own.

Directors' Report

The Foundation's directors' present this report for the financial year to 30 June 2009

Principal Activity

The principal activity of the Foundation in the financial year was to foster creative skills in design and architecture

Operating Result

The loss from ordinary activities for the year ended 30 June 2009 was \$87,423 (2008 \$582,532 profit) The Foundation is not subject to income tax.

Company Limited by Guarantee

The Foundation is a company limited by guarantee and has no share capital. Accordingly, during or since the end of the financial year;

- no dividends were paid or became payable, and
- no options were issued or interests granted and there were no options outstanding at the date of this report.

Review of Operations

Refer accompanying reports.

Significant Changes in State of Affairs

Refer accompanying Reports

After Balance Date Events

Refer accompanying Reports

Future Developments

Refer accompanying reports.

Environmental Issues

The entity's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Directors and Officers

Directors and Officers and their qualifications and experience at the date of this report are:

Suzy a Boyd; B.Arch (Melb) Landscape Architect;

Peter R Camm; B Econ (Mon) Finance, Banking, Company reconstructions/turnarounds;

Mary B Featherston; Dip. Interior Design, A designer who specialises in learning environments

John M Hogan; LLB (Melb) Law, Aged Care, Property; Daryl S Jackson; AO, internationally recognised architect;

Dianne L G Weidner OAM; BA (Qld), Dip Fin Mkts (SIA); Medical, Health education, Communications, Investment

The Company Secretary is Philip S Hare B.Bus, ACA

Except as noted below, all directors and officers have been in office since the start of the financial year to the date of this report.

During the financial year, one directors' meeting was held together with 6 electronic meetings. Attendances by each director were as follows

	Eligible	Attended
Suzy a Boyd	7	7
Peter R Camm (resigned 29/6/09)	7	7
Mary B Featherston	7	6
John M Hogan (resigned 7/4/09)	7	7
Daryl S Jackson AO	7	7
Dianne L G Weidner OAM	7	7

Indemnities and Insurance Premiums

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Foundation.

Proceedings

No person has applied for leave of Court to bring proceedings on behalf of the Foundation or intervene in any proceedings to which the Foundation is a party for the purpose of taking responsibility on behalf of the Foundation for all or any part of those proceedings. The Foundation was not a party to any such proceedings during the year.

Director's Benefits

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit because of a contract between the Foundation and the Director or a firm of which the Director is a member or an entity in which the Director has a substantial financial interest, except, P R Camm and D S Jackson who received payments of \$58,682 and \$6,000(excluding GST) respectively through their management companies for providing management services in the year.

Auditor's Independence Declaration

A copy of the auditor's independence declaration is set out on page 7.

Signed in accordance with a resolution of the Board of Directors



Director: Daryl S Jackson Director: Mary B Featherston
Dated: 8 February 2010

Declaration by Directors

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 8 to 12, are in accordance with the Corporations Act 2001:

a) comply with Accounting Standards and the Corporations Regulations 2001; and

b) give a true and fair view of the financial position as at 30 June 2009 and of the performance for the year ended on that date of the entity.

2. Subject to the matters discussed under going concern basis in Note 1, in the view of the Directors there are reasonable grounds to believe the Foundation will be able to pay its debts as and when they become due and payable."

This declaration is made in accordance with a resolution of the Board of Directors.



Director: Daryl S Jackson Director: Mary B Featherston
Dated: 8 February 2010

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF ROBIN BOYD FOUNDATION LIMITED

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of Robin Boyd Foundation Limited, which comprises the balance sheet as at 30 June 2009, and the income statement, statement of recognised income and expenditure and cash flow statement for the year then ended, a summary of significant accounting policies, other explanatory notes 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 accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the *Corporations Act 2001* and are appropriate to meet the needs of the members. The directors' responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. 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 judgment, 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 appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the directors' financial reporting under the *Corporations Act 2001*. We 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 members, or for any purpose other than that for which it was prepared.

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

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
ROBIN BOYD FOUNDATION LIMITED**

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of Robin Boyd Foundation Limited.

Qualification

It is not practical for the entity to establish total control over income from various cash activities prior to its entry in the accounting records. Accordingly, our audit relating to such income was limited to the amounts recorded in the accounts.

Qualified Audit Opinion

In our opinion, except for the effects, if any, of the matters referred to in the qualification above, the financial report of Robin Boyd Foundation Limited presents fairly, in all material respects the financial position of Robin Boyd Foundation Limited as of 30 June 2009 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

Inherent Uncertainty Regarding Continuation as a Going Concern

Attention is drawn to the following matter. As a result of the matters described in Note 1, there is significant uncertainty whether the Robin Boyd Foundation Limited will be able to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.


Hayes Knight Audit Pty Ltd
Melbourne


G.S. Parker
Director

Dated this 8 day of FEBRUARY 2010

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS
ACT 2001
TO THE DIRECTORS OF ROBIN BOYD FOUNDATION LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2009
there have been:

1. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit/review, and
2. no contraventions of any applicable code of professional conduct in relation to the audit/review.

Hayes Knight Audit
Hayes Knight Audit Pty Ltd
Melbourne



G.S. Parker
Director

Dated this 8 day of February 2010

Robin Boyd Foundation

Income Statement for the
Financial Year Ended 30 June 2009

	2009	2008
Revenue from ordinary activities		
Revenue from government and other grants	183,925	960,000
Revenue from donations bequests & Events	26,848	21,342
Revenue from interest	2,085	98
Revenue from other sources	-	-
	212,858	981,440
Expenses		
Administration Expenses	92,839	25,435
Employee benefit expenses	41,477	23,590
Finance costs	142,248	255,145
Doubtful debts	-	-
Depreciation and amortisation	1,630	2,088
Accounting expenses		
Audit expenses	3,150	4,500
Legal expenses	-	2,095
Property expenses	10,437	4,656
Other expenses	-	81,399
	300,781	398,908
Profit(loss) before income tax	(87,923)	582,532
Income tax expense	-	-
Profit (loss) after income tax	(87,923)	582,532

Balance Sheet as at
30 June 2009

	Note	2009	2008
ASSETS			
Current assets			
Cash and cash equivalents	2	42,052	617,992
Trade and other receivables	3	21,672	1,344
Total current assets		63,724	619,336
Non-current assets			
Property plant & equipment	4	2,449,573	2,451,202
Total non-current assets		2,449,573	2,451,202
TOTAL ASSETS		2,513,297	3,070,538
LIABILITIES			
Current Liabilities			
Trade and other payables	5	27,457	111,775
Short term borrowings	6	2,113,313	2,498,313
Total non-current Liabilities		2,140,770	2,610,088
Non-Current Liabilities			
Loans		-	-
Total non-current liabilities		-	-
TOTAL LIABILITIES		2,140,770	2,610,088
NET ASSETS		372,527	460,450
Retained earnings	7	162,527	250,450
Asset revaluation reserve	8	210,000	210,000
TOTAL EQUITY		372,527	460,450

The accompanying notes form part of these financial statements.

Robin Boyd Foundation

Statement of Recognised Income and Expenditure for the Financial Year Ended 30 June 2009

	Retained Earnings	Asset Reval'n Reserve	Total
Balance 30 6 2007	(332,082)	210,000	122,082
Profit attributable to the Foundation	582,532		
Balance 30 6 2008	250,450	210,000	460,450
Profit attributable to the Foundation	(87,923)	-	(87,923)
Balance 30 6 2009	162,527	210,000	372,527

Cash Flow Statement for the Financial Year Ending 30 June 2009

Cash flows from operating activities	2009	2008
Cash from customers	190,445	981,342
Cash from interest	2,085	98
Cash to customers & employees	(283,572)	(68,760)
Cash paid for interest	(99,898)	(231,096)
Total cash from / (used in) operating activities	(190,940)	681,584
Cash flows from financing activities		
Proceeds from/ (Repayments of) Loans	(385,000)	(151,908)
Total Cash from Financing Activities	(385,000)	(151,908)
Cash flow from investing activities		
Cash paid for property, plant & equipment		
Net cash used by investing activities	-	-
Cash and cash equivalents		
- at the start of the year	617,992	88,315
- at the end of the year	42,052	617,992
Reconciliation of cash flow from ordinary operations to net profit (loss) from ordinary activities		
Profit (loss) from ordinary operations	(87,923)	582,532
Depreciation	1,629	2,088
Increase in Receivables	(20,328)	-
Increase / (decrease) in Payables	(84,318)	96,964
	(190,940)	681,584

The accompanying notes form part of these financial statements.

Notes to the Financial Statements for the Financial Year Ended 30 June 2009

1 Summary of Accounting Policies

a. Corporate information

The Robin Boyd Foundation is a company limited by guarantee and has been issued a licence under Section 383 of the Corporations Act 2001.

The Foundation is an income tax exempt charity under Sub-division 50-5 of the Income Tax Assessment Act 1997 (Commonwealth).

The Foundation is registered for GST and holds Australian Business Number 50 111 119 807.

The Foundation's registered office and principal place of business is at 270 Walsh Street South Yarra Victoria.

b. Basis of Preparation

The financial report is a general-purpose financial report that has been prepared in accordance with the Corporations Act 2001 (Commonwealth), applicable Accounting Standards and Urgent Issues Group Consensus Views, and complies with other requirements of the Law.

The financial report has been prepared on an accruals basis and is based on historical costs, modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which fair value basis of accounting has been applied.

Cost is based on the fair value of the consideration given in exchange for assets.

The Foundation has not adopted segment reporting (as specified in AASB 114) based on Business Segments as this is not required by this standard for Non Profit Organisations

c. Operating Cycle

The financial year covered by the reports refers to the twelve months from 1 July 2008 to 30 June 2009. Comparative figures are for the twelve months from 1 July 2007 to 30 June 2008.

d. Critical accounting estimates and judgements

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make estimates, judgements and assumptions based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data. Actual results may differ from these estimates. The accounting policies detailed in note 1 provide details of these estimates, judgements and assumptions. Revisions to accounting estimates are recorded in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

e. Rounding

All figures are rounded to the nearest dollar.

f. Properties, plant and equipment

The Foundation owns a heritage property and chattels, which is carried in the Financial Statements at fair value. The foundation's land and buildings were revalued on 24 July 2006 by independent valuer Charter Keck Cramer. Valuations were made on the basis of open market value. The revaluation surplus was credited to an asset revaluation reserve. Except for the heritage property and chattels, each class of property, plant and equipment is carried at cost, less any accumulated depreciation and impairment losses.

g. Restoration Costs and Capital Expenditure

Expenditure incurred on the heritage property and chattels is written off in the year in which it is incurred. Other capital expenditure on properties, buildings, plant, equipment, and motor vehicles is capitalised and depreciated.

h. Going Concern

Significant uncertainty exists at the date of this report as to whether the Foundation will be able to continue as a going concern in that the Foundation has future loan commitments in excess of its available resources.

In the previous year, the Victorian Government's Department of Planning and Community Development 'DPCD' provided additional funding of \$700,000 and the Architects Registration Board of Victoria 'ARBV' \$210,000 to reduce the loans payable by the Foundation to its primary lenders, the National Trust of Australia (Victoria) 'NT (Vic)', and the National Australia Bank 'NAB'. A condition for approval of additional grant funding was that the Foundation submitted a business plan. Approval was received from the DPCD in December 2008. The Foundation is now meeting the financial targets identified in the business plan, however conditions prevailing early in the year caused delays of up to six months.

The Foundation is reliant on the continuing financial support of its lenders and the DPCD and ARBV. NAB holds a first mortgage over the primary physical asset of the Foundation, the Robin Boyd House. As a part of the increased grant funding arrangements, the DPCD required a second ranking security behind the NAB. The loan from NT (Vic) is unsecured. In the event that the loan commitments cannot be met, whether principal or interest there would need to be a sale of the Robin Boyd House, which is a recognised heritage asset, supported by a registered covenant under S85 of the Heritage Act 1995. The realisable value in these circumstances may differ from that stated in the financial report.

i. Depreciation of Fixed Assets

From the date of acquisition depreciation is provided on the initial cost of plant, equipment, motor vehicles and improvements at annual rates appropriate to write off the cost of such assets over their estimated useful lives and estimated disposal values. The straight-line method is applied in calculating depreciation.

j. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in values, and bank overdrafts.

k. Trade and other receivables

Trade receivables, which generally have 7-30 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An allowance for doubtful debts is made when there is objective evidence that the entity will not be able to collect the debts.

l. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

m. Impairment of Assets

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether those assets have been impaired. If impaired, the recoverable amount of the asset, being the higher of the asset's fair value less the costs to sell and value in use, is compared to the asset's carrying value.

n. Trade and Other Payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the company prior to the end of the financial year that are unpaid and arise when the company becomes obliged to make future payments in respect of the purchase of these goods and services.

o. Government Grants

Grants received from Government in respect of one off projects are brought to account when the funds are received.

p. Employee Benefits

Liabilities for wages, salaries and annual leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date. They are calculated at undiscounted amounts based on remuneration wage and salary rates that the company expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

q. Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

r. Income Tax

The Foundation is exempt from paying income tax.

s. Revenue

- (a) Revenue from the sale of goods is recognised upon the delivery of goods to customers.
- (b) Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.
- (c) Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.
- (d) Donations are recognised upon receipt.

t. Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST, except:

- where the GST is not recoverable from the Australian Taxation Office (ATO), it is recognised as part of the cost of acquisition of an asset or as part of an expense.
- for receivables and payables which are recognised inclusive of GST. The net amount of GST recoverable from the ATO is charged to a GST asset account and the net amount of GST payable to the ATO is charged to a GST liability account

u. Related Party Transactions

The National Trust of Australia (Victoria) 'NT (Vic)' provided an advance to the Foundation to facilitate the purchase of Boyd House II at Walsh Street South Yarra. The balance stands at \$313,313 and is payable at call. No interest was charged in the year.

NT (Vic) is a separate legal entity incorporated pursuant to the Corporations Act 2001 (Cwth) with its own constitution). The Foundation is considered an entity not controlled by NT (Vic).

P R Camm and D S Jackson received payments of \$58,682 and \$6,000(excluding GST) respectively through their management companies for providing management services in the year.

v. Change in Accounting Policy

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods. The company has decided against early adoption of these standards. A discussion of those future requirements and their impact on the company is as follows:

AASB 101: Presentation of Financial Statements, AASB 2007-8: Amendments to Australian Accounting Standards arising from AASB 101, and AASB 2007-10: Further Amendments to Australian Accounting Standards arising from AASB 101 (all applicable to annual reporting periods commencing from 1 January 2009). The revised AASB 101 and amendments supersede the previous AASB 101 and redefines the composition of financial statements including the inclusion of a statement of comprehensive income. There will be no measurement or recognition impact on the company. If an entity had made a prior period adjustment or reclassification, a third balance sheet as at the beginning of the comparative period would have been required.

2 Cash and cash equivalents

Cash at Bank	7,052	232,992
Bank Bills		
Term Deposits	35,000	385,000
	42,052	617,992

3 Trade and other receivables

Current Trade Debtors (Aged less than 30 Days)	21,672	1,344
Provision for impairment of receivables	-	-
Current Trade Debtors	21,672	1,344
Bad Debts expense	-	-

4 Property, plant and equipment

Land and buildings	2,400,000	2,400,000
Less accumulated depreciation	-	-
Total land and buildings	2,400,000	2,400,000
Heritage Assets	49,573	49,573
Less accumulated depreciation	-	-
Total furniture and fittings	49,573	49,573
Computer equipment	6,328	6,328
Less accumulated depreciation	(6,328)	(4,699)
Total Computer equipment	-	1,630

Movement in carrying amounts

Balance at 1 July	2,451,202	2,455,901
Depreciation Expense	(1,629)	(4,699)
Balance at 30 June	2,449,573	2,451,202.

The depreciation rates used for each class of asset

Buildings	0%
Heritage Assets	0%
Computer equipment	33%

5 Trade and other payables

Trade Creditors	20,843	109,775
Accruals	3,000	2,000
Annual Leave	3,614	
	27,457	111,775

6 Loans

Current		
Borrowing - Overdraft		-
Borrowing - banks	1,800,000	2,185,000
Borrowing - related party	313,313	313,313
Borrowing - other		
	2,113,313	2,498,313

7 Retained earnings

Balance at 1 July	250,450	(332,082)
Net Profit (Loss)	(87,923)	582,532
Transfer from/(to) reserves		
Balance at 30 June	162,527	250,450

8 Asset revaluation reserve

Balance at 1 July	210,000	210,000
Net unrealised gain/ (losses)	-	-
Balance at 30 June	210,000	210,000

9 Emoluments of directors

Other than that disclosed in Note 1 u., the Directors of the Foundation did not receive any emolument or remuneration in respect of their service to the Foundation for the year ended 30 June 2009.

10 Auditor's remuneration

Remuneration of the auditor; Hayes Knight for Auditing the financial report	3,000	2,650
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11 Employee benefits

Total employee benefits expenses are as follows:

Total employee benefits	37,864	21,642
Superannuation		
Contribution Expense	3,408	1,948
The key management personnel compensation reported in employee expenses are as follows		
Short term employee benefits	37,864	21,642
Post employment benefits	3,408	1,948

12 Share capital

The Foundation has no share capital. Under the articles liability of Members is limited to \$100 per member. The number of members is 5.

13 Financial Instruments

The Foundation's principal financial instruments comprise cash and bank bills and loans from two parties. The main purpose of these financial instruments is to raise finance for the entities operations. The entity has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations. The main risks arising from the entities financial instruments are interest rate risk, liquidity risk, and credit risk. The policies for managing each of these risks are summarised below.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

a. Credit Risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The Foundation trades only with recognised, creditworthy third parties. Receivable balances are monitored on an ongoing basis with the result that the entities exposure to bad debts is not significant. With respect to credit risk arising from the other financial

assets of the entity, which comprise cash and cash equivalents the entities exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

There are no significant concentrations of credit risk within the entity at the balance sheet date.

b. Liquidity Risk

The entities objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, preference shares, finance leases and hire purchase contracts.

c. Sensitivity Analysis

The Foundation has performed a sensitivity analysis relating to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year's results and equity which could result from a change in this risk

Change in interest rate of 100 base points	Change in Profit	Change in Equity
Increase	(20,783)	(20,783)
Decrease	20,783	20,783

d. Fair Value

The directors consider that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values

The fair values of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices;
- The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis; and

Transaction costs are included in the determination of net fair value.

e. Interest Rate Risk

The exposure to interest rate risks and the interest rates of financial assets and liabilities are detailed below as at 30 June.

	Weighted average effective interest rate %		Floating interest rate \$		Non-interest bearing \$	
	2009	2008	2009	2008	2009	2008
Financial Assets*						
Cash	0.01	0.01	7,052	232,992		
Term Deposits	3.50	4.50	35,000	385,000		
Receivables					21,672	1,344
Total Financial Assets			42,052	617,992	21,672	1,344
Financial Liabilities*						
Trade Payables					27,457	111,775
Mortgage borrowing from banks	6.47	9.25	1,800,000	2,185,000		
Unsecured borrowing from related party – short term	0	10.50	313,313	313,313		
Total Financial Liabilities			2,113,313	2,498,313	27,457	111,775

* No other covenants pertaining to financial liabilities are in place or were breached during the year.

14 Capital and Leasing Commitments

The Foundation has a capital commitment to repay loans reported elsewhere in the financial report. The Foundation has no lease commitments.

15 Contingencies

The Directors are not aware of any contingent liabilities to be disclosed in the financial report