

Understanding

Design:

Centre for design awareness
Centre for scholarship and research
Museum house

Robin Boyd

Foundation

Annual Report 2011

Director's Report

Commentary on Operations

The 2010/11 financial year has constituted the second full year of trading for the Foundation since it recommenced operations in January 2009. It has been a year of consolidation. The initial public and industry support and participation in the Foundation's programs that commenced in 2009/10 has continued and grown. The Directors are confident that the Foundation is establishing itself in the cultural mindset of Melbourne and the community and that there is wide support for the Foundation's mission - Continuing Robin Boyd's work in promoting a wider community understanding of the benefits of good design.

Continuing growth in the levels of participation (membership and ticketed events) and the 'sell-out' success of all public programs and events again results in the Foundation's earned income slightly exceeding its grant income. This enabled the Foundation to meet all of its commitments to service all required interest obligations and operating expenses without increasing its overall debt levels or accessing its cash reserves and again deliver a small operating surplus. This has been achieved in a year where interest rates and cost of borrowings have increased substantially for all sectors of the community.

Public programs – open day events and lectures held at Walsh Street – continue to underpin the Foundation's success. The Foundation's programs continue to be well reported in the media, which has resulted in capacity audiences and participation. This maintains public awareness of the Foundation and its mission while preserving and delivering a consistent income stream.

Membership levels continue to rise, both individual, practice and corporate categories, with noticeable increases in applications immediately following public events.

'Walsh Street' continues to provide the Foundation with a tangible focus as well as a being a successful venue for public lectures and seminars. Member's use of the house for dinners, seminars and meetings is increasing. This increasing use of the house introduces new people and potential members to the Foundation as members bring guests to their events. The Foundation's use of 'Walsh Street' has been endorsed by the Melbourne City Council as the result of a successful change of use application that now allows the house to be used as a member's facility for a wide range of activities. Peter Rowland Catering continue to provide a high level of service in the house that is regularly complimented by members and guests.

Following the successful republishing of 'The Australian Ugliness' by Text Publishing, the Foundation has committed to publishing a facsimile edition of 'Victorian Modern'. This book, the first published by the Foundation, will be released in December 2011 to commemorate the 50th anniversary of Robin Boyd's death.

General Commentary

The 2010/11 financial year operations have continued to confirm the principal aspects of the Foundation's Business Plan prepared in late 2008. In line with the Business Plan, 2010/11 had a major emphasis on consolidating and refining the operations of the public programs initiated in the previous financial year. 2011/12 will be a year where new programs are developed as a platform for commencing a fundraising program in 2012/13 to begin reducing the Foundation's debt.

The Directors again record their appreciation to the State Government, The Architects Registration Board, Melbourne University, the National Trust of Australia (Victoria) and the Sidney Myer Fund whose continued support enables the Foundation to operate and develop.

Directors' Report

The Foundation's directors' present this report for the financial year to 30 June 2011

Principal Activity

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

Operating Result

The profit from ordinary activities for the year ended 30 June 2011 was \$4,723 (2010 \$15,021) 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 Boyd; B.Arch (Melb), landscape architect;

Susan G Carr; interior designer

Mary B Featherston; Dip. Interior Design;

Daryl S Jackson; AO, architect;

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

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.

Attendances by each director at the three directors' meetings during the financial year were:

	Eligible	Attended
Suzy Boyd	3	3
Susan G Carr (from 11 April 2011)	1	1
Mary B Featherston	3	3
Daryl S Jackson AO	3	3
Natalie Toohey (2 May 2011 to 8 February 2012)	1	1
Corbett Lyon (2 May 2011 to 31 December 2011)	1	1
Dianne L G Weidner OAM (to 31 August 2011)	3	1

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.

Auditor's Independence Declaration

A copy of the auditor's independence declaration is set out on page 6.

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



Director: Daryl S Jackson Director: Suzy Boyd

Dated: 15 June 2012

Declaration by Directors

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 7 to 11, 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 2011 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: Suzy Boyd

Dated: 15 June 2012

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF ROBIN BOYD FOUNDATION LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Robin Boyd Foundation Ltd (the company), which comprises the statement of financial position as at 30 June 2011 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and 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.

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.

**INDEPENDENT AUDIT REPORT TO THE MEMBERS 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 2011 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

Hayes Knight Audit Pty Ltd
Melbourne



Geoff S. Parker
Director

Dated this 15 day of June 2012

**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 2011
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 Pty Ltd
Melbourne


Geoff S. Parker
Director

Dated this 15 day of June 2012

Robin Boyd Foundation

Statement of Comprehensive
Income for the **Financial Year**
Ended 30 June 2011

	2011	2010
Revenue from ordinary activities		
Revenue from government and other grants	62,500	50,000
Revenue from donations bequests & Events	219,770	217,418
Revenue from interest	1,344	1,392
Revenue from other sources		
	283,614	268,810
Expenses		
Administration Expenses	31,508	39,419
Employee benefit expenses	90,287	90,287
Finance costs	148,771	116,635
Doubtful debts	-	-
Depreciation and amortisation	-	-
Accounting expenses		
Audit expenses	3,000	3,000
Legal expenses	-	-
Property expenses	5,325	4,448
Other expenses	-	-
	278,891	253,789
Profit(loss) before income tax	4,723	15,021
Income tax expense	-	-
Profit (loss) after income tax	4,723	15,021

Statement of Financial
Position as at **30 June 2011**

	Note	2011	2010
ASSETS			
Current assets			
Cash and cash equivalents	2	69,064	84,045
Trade and other receivables	3	43,335	420
Total current assets		112,399	84,465
Non-current assets			
Property plant & equipment	4	2,449,573	2,449,573
Total non-current assets		2,449,573	2,449,573
TOTAL ASSETS		2,561,972	2,534,038
LIABILITIES			
Current Liabilities			
Trade and other payables	5	56,388	33,177
Short term borrowings	6	2,113,313	2,113,313
Total current Liabilities		2,169,701	2,146,490
Non-Current Liabilities			
Loans		-	-
Total non-current liabilities		-	-
TOTAL LIABILITIES		2,169,701	2,146,490
NET ASSETS		392,271	387,548
Retained earnings	7	182,271	177,548
Asset revaluation reserve	8	210,000	210,000
TOTAL EQUITY		392,271	387,548

The accompanying notes form part of these financial statements.

Robin Boyd Foundation

Statement of Changes in Equity for the Financial Year Ended 30 June 2011

	Retained Earnings	Asset Reval'n Reserve	Total
Balance 30 6 2009	162,527	210,000	372,527
Profit attributable to the Foundation	15,021	-	15,021
Balance 30 6 2010	177,548	210,000	367,548
Profit attributable to the Foundation	4,723	-	4,723
Balance 30 6 2011	182,271	210,000	392,271

Statement of Cash Flows for the Financial Year Ending 30 June 2011

Cash flows from operating activities	2011	2010
Cash from customers	239,354	288,670
Cash from interest	1,344	1,392
Cash to customers & employees	(106,908)	(131,434)
Cash paid for interest	(148,771)	(116,635)
Total cash from / (used in) operating activities	(14,981)	41,992
Cash flows from financing activities		
Proceeds from/ (Repayments of) Loans	-	-
Total Cash from Financing Activities	-	-
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	84,045	42,052
- at the end of the year	69,064	84,045
Reconciliation of cash flow from ordinary operations to net profit (loss) from ordinary activities		
Profit (loss) from ordinary operations	4,723	15,021
Depreciation	-	-
(Increase)/decrease in Receivables	(42,915)	21,252
Increase / (decrease) in Payables	23,211	5,720
	(14,981)	41,993

The accompanying notes form part of these financial statements.

Notes to the Financial Statements for the Financial Year Ended 30 June 2011

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 2010 to 30 June 2011. Comparative figures are for the twelve months from 1 July 2009 to 30 June 2010.

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.

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.

For the second year running, trading has returned a small surplus; membership is growing and support strengthening. Although finance continues to be tight, achievement of positive results, in an economic downturn encourages greater confidence in the future of the Foundation.

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.

Robin Boyd Foundation

Notes to the Financial Statements for the Financial Year Ended 30 June 2011

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).

v. Adoption of New and Revised Accounting Standards

In the current year, the Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the 'AASB') that are relevant to its operations and effective for the current annual reporting period. Adoptions of these standards and interpretations did not have any material impact on the financial position or performance of the Company.

2 Cash and cash equivalents

Cash at Bank	34,064	49,045
Bank Bills		
Term Deposits	35,000	35,000
	<u>69,064</u>	<u>84,045</u>

3 Trade and other receivables

Current Trade Debtors (Aged less than 30 Days)	43,335	420
Provision for impairment of receivables	-	-
Current Trade Debtors	<u>43,335</u>	<u>420</u>
Bad Debts expense	-	-

4 Property, plant and equipment

Land and buildings	2,400,000	2,400,000
Less accumulated depreciation	-	-
Total land and buildings	<u>2,400,000</u>	<u>2,400,000</u>
Heritage Assets	49,573	49,573
Less accumulated depreciation	-	-
Total furniture and fittings	<u>49,573</u>	<u>49,573</u>
Computer equipment	6,328	6,328
Less accumulated depreciation	<u>(6,328)</u>	<u>(6,328)</u>
Total Computer equipment	-	-

Movement in carrying amounts

Balance at 1 July	2,449,573	2,449,573
Depreciation Expense	-	-
Balance at 30 June	<u>2,449,573</u>	<u>2,449,573</u>

The depreciation rates used for each class of asset

Buildings	0%
Heritage Assets	0%
Computer equipment	33%

5 Trade and other payables

Trade Creditors	39,119	23,486
Accruals	6,500	3,000
Annual Leave	9,769	6,691
	<u>55,388</u>	<u>33,177</u>

6 Loans

Current		
Borrowing - Overdraft		-
Borrowing - banks	1,800,000	1,800,000
Borrowing - related party	313,313	313,313
Borrowing - other		
	<u>2,113,313</u>	<u>2,113,313</u>

7 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 2011.

8 Auditor's remuneration

Remuneration of the auditor; Hayes Knight for Auditing the financial report	3,500	3,000
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9 Employee benefits

Total employee benefits expenses are as follows:		
Total employee benefits	83,087	87,087
Superannuation		
Contribution Expense	7,200	7,200
The key management personnel compensation reported in employee expenses are as follows		
Short term employee benefits	83,087	83,087
Post-employment benefits	7,200	7,200

10 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

11 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. 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	
	2011	2010	2011	2010	2011	2010
Financial Assets*						
Cash	0.01	0.01	34,064	49,045		
Term Deposits	3.50	3.50	35,000	35,000		
Receivables					43,335	420
Total Financial Assets			69,064	84,045	43,335	420
Financial Liabilities*						
Trade Payables					55,388	33,177
Mortgage borrowing from banks	6.26	6.47	1,800,000	1,800,000		
Unsecured borrowing from related party – short term	0	0	313,313	313,313		
Total Financial Liabilities			2,113,313	2,113,313	55,388	33,177

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

12 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.

13 Contingencies

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

c. 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.

d. 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

e. 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.