

Annual report
The Millennium Foundation
ABN 89 050 329 925
30 June 2008

The Millennium Foundation Limited

Directors' report

For the year ended 30 June 2008

The directors present their report together with the financial report of The Millennium Foundation Limited ("the Company") for the year ended 30 June 2008 and the auditor's report thereon.

1. Directors

The directors of the Company at any time during or since the end of the financial year are:

Name and qualifications	Age	Experience, special responsibilities and other directorships
Mr Patrick Aston Alfred Wilde BA LL.M (Hons) MBA, AM, Dip BA USYD (President)	65	Solicitor. Director since 23 March 1998.
Mr Phil Chronican B Com (Hons) Otago NZ, MBA (Distinction) IMI Geneva, (Vice President)	51	Group Executive, Westpac Institutional Bank. Director since 29 July 2003.
Ms Lorna Raine B.Comm (Hons) Acc. CA (SA), (Treasurer)	38	Market Manager NSW of Yum! Restaurants International. Director since 29 July 2003.
Mr Peter Treseder AM, KSJ, JP, Dip FM, CFRE, MFIA, (Executive Director)	50	Director since 10 November 2002. Resigned 30 May 2008.
Professor Jeremy R Chapman OAM, MD (Camb) FRCP FRACP	52	Director since 27 November 1993.
Professor Anthony L Cunningham MD, MBBS, B. Med Sci (Hons) FRACP, FRCPA	60	Director of Westmead Millennium Institute. Director since 27 November 1996.
Mr Roger G Eaton B.Comm Dip Acc. (Natal) ACA	47	Managing Director of Yum! Restaurants International. Director since 24 April 1999. Resigned 7 February 2008.
Mr Joseph Khattar	59	Managing Director of Dyldam Developments, President of the Australian Lebanese Chamber of Commerce, Executive Board Member of Australian Lebanese Foundation Sydney University. Director since 26 October 2005.
Mr Alan C Overton AM	71	President Parramatta Leagues Club, Chairman Parramatta Stadium Trust, Vice President Scouts Association NSW Branch. Vice Chairman of Ronald McDonald House. Director since 19 March 1992.
Mr Vincent Pang JP B.Build (UNSW), B App. Sc (Land Con.) (UTS), GDipURP (USYD), GDip CD (UNE), GDipProDev (UWS) M.Real Estate (UNSW), M.Project Management (UNSW) SFCDA, FAICD, AFAIM, MAIB, MAIC, MAIPM, AAIQS, AAPAI (Val & Econ)	46	Chairman Timberland Property Holdings Pty Limited. Director since 29 April 2003.
Mr James Wakim B.Ec, Fellow AIBF	52	Managing Director of Arab Bank Australia Limited. Director since 24 May 2000.
Mr Ernest Wong B.Com LLB	48	Lawyer, Deputy Mayor of Burwood Council. Director since 29 August 2004.
Mr Alan Zammit B.Bus ALGA, FCPA, LREA	59	Managing Director of UPDM Pty Limited. Chairman of Norwest Association Limited. Chairman of the Salvation Army Western Sydney Advisory Board Director of UWS Foundation Limited Member of the Parramatta Diocese Schools Council, Parramatta Diocese Property Council and Edmund Rice Education Australia Board. Director since 27 November 2002.
Ms Maureen Berry	52	Director, Clinical Operations, SWAHS Eastern Cluster. Appointed 12 December 2007.
Mr Joe Rizk	56	Chief Banking Officer, Arab Bank. Appointed 12 December 2007.
Mr Eric D'Indy ME _{CON} . MBA. (Executive Director)	46	Director since 14 July 2008

The Millennium Foundation Limited
Directors' report (continued)
For the year ended 30 June 2008

2. Directors' meetings

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

	Number of Meetings	
	Attended	Held
Mr Patrick Aston Alfred Wilde	8	11
Mr Phil Chronican	9	11
Ms Lorna Raine	4	11
Mr Peter Treseder	10	11
Professor Jeremy R Chapman	5	11
Professor Anthony L Cunningham	6	11
Mr Roger G Eaton	1	11
Mr Joseph Khattar	8	11
Mr Alan C Overton	9	11
Mr Vincent Pang	3	11
Mr James Wakim	7	11
Mr Ernest Wong	4	11
Mr Alan Zammit	9	11
Ms Maureen Berry	5	11
Mr Joe Rizk	3	11

3. Company secretary

Ms Lorna Raine B.Comm (Hons) Acc. CA (SA) was appointed to the position of company secretary in July 2003. Ms Lorna Raine is also the company treasurer.

4. Principal activities

The principal activity of the company during the year was raising funds and enhancing community awareness in support of medical research and related health care at Westmead Medical Campus, Sydney West Area Health Service and Westmead Millennium Institute in order to promote the prevention or the control of diseases in human beings.

There were no significant changes in the nature of the activities of the Company during the year.

5. Operating and financial review

The surplus for the year amounted to \$3,679,608 (2007: \$3,649,038).

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the company that occurred during the financial year under review.

6. Events subsequent to reporting date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

The Millennium Foundation Limited
Directors' report (continued)
For the year ended 30 June 2008

7. Likely developments

The Company expects to maintain the present status and level of operations and hence there are no likely developments in the company's operations.

8. Environmental regulation

The company's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. However, the Board believes that the company has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the company.

9. Indemnification and insurance of officers and auditors

Indemnification

Since the end of the previous financial year, the Company has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an officer of the Company.

Insurance premiums

The directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability and legal expenses' insurance contracts, as such disclosure is prohibited under the terms of the contract.

10. Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 27 and forms part of the directors' report for financial year 2008.

This report is made with a resolution of the directors:

Patrick Wilde
Director

Dated at Sydney this day of 2008.

The Millennium Foundation Limited
Income statement
For the year ended 30 June 2008

	<i>Note</i>	2008	2007
Revenue	1	5,180,806	5,437,645
Research grants, equipment funding and other donations		(1,091,908)	(1,039,512)
Event management expenses		(642,326)	(820,050)
Personnel expenses	3	(664,257)	(559,687)
Printing, postage and stationery		(60,936)	(81,696)
Depreciation expenses	10	(11,100)	(5,454)
Other expenses	2	(129,733)	(97,178)
Surplus from operating activities		2,580,546	2,834,068
Financial income	5	1,099,062	814,970
Financial expenses	5	-	-
Net financing income		1,099,062	814,970
Surplus for the year		3,679,608	3,649,038

The income statement is to be read in conjunction with the notes of the financial statements set out on pages 8 to 21.

The Millennium Foundation Limited Statement of changes in equity

For the year ended 30 June 2008

		Reserves	Accumulated Funds	Total equity
Opening balance at 1 July 2006		6,905,263	5,573,933	12,479,196
Net surplus for the period		-	3,649,038	3,649,038
Transfer to reserves	14	2,491,801	(2,491,801)	-
Closing balance at 30 June 2007		<u>9,397,064</u>	<u>6,731,170</u>	<u>16,128,234</u>

		Reserves	Accumulated funds	Total equity
Opening balance at 1 July 2007		9,397,064	6,731,170	16,128,234
Net surplus for the period		-	3,679,608	3,679,608
Transfer to reserves	14	2,820,580	(2,820,580)	-
Closing balance at 30 June 2008		<u>12,217,644</u>	<u>7,590,198</u>	<u>19,807,842</u>

The statement of changes in equity is to be read in conjunction with the notes of the financial statements set out on pages 8 to 21.

The Millennium Foundation Limited
 Balance sheet
 As at 30 June 2008

	Note	2008	2007
Assets			
Cash and cash equivalents	7	20,064,565	17,671,701
Trade and other receivables	8	346,650	220,295
Total current assets		20,411,215	17,891,996
Investments	9	2	2
Property, plant and equipment	10	79,138	43,340
Total non-current assets		79,140	43,342
Total assets		20,490,355	17,935,338
Liabilities			
Trade and other payables	11	631,218	1,733,918
Employee benefits	12	45,007	66,898
Total current liabilities		676,225	1,800,816
Employee benefits	12	6,288	6,288
Total non-current liabilities		6,288	6,288
Total liabilities		682,513	1,807,104
Net assets		19,807,842	16,128,234
Equity			
Accumulated funds	13	7,590,198	6,731,170
Reserves	14	12,217,644	9,397,064
Total equity		19,807,842	16,128,234

The balance sheet is to be read in conjunction with the notes to the financial statements set out on pages 8 to 21.

The Millennium Foundation Limited

Statement of cash flows

For the year ended 30 June 2008

	Note	2008	2007
Cash flows from operating activities			
Donations and other charitable collections		4,070,097	5,894,519
Cash paid to suppliers and employees		(1,306,475)	(1,748,000)
Cash generated from operations		2,763,622	4,146,519
Interest received		768,048	755,767
Research grants, equipment funding and other donations		(1,091,908)	(1,039,512)
Net cash from operating activities	18	2,439,762	3,862,774
Cash flows from investing activities			
Acquisition of property, plant and equipment		(46,898)	(22,644)
Net cash from investing activities		(46,898)	(22,644)
Net increase in cash and cash equivalents		2,392,864	3,840,130
Cash and cash equivalents at beginning of year		17,671,701	13,831,571
Cash and cash equivalents at end of year	7	20,064,565	17,671,701

The statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 8 to 21.

The Millennium Foundation Limited

Notes to the financial statements

Significant accounting policies

The Millennium Foundation Limited (the “Company”) is a company that is limited by guarantee and domiciled in Australia.

(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 Accounting Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

The financial statements were approved by the Board of **Directors on 26 November 2008.**

(b) Basis of preparation

The financial statements have been prepared on the historical cost basis.

New standards and interpretations not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They are available for early adoption at 30 June 2008, but have not been applied in preparing this financial report:

- AASB 8 *Operating Segments* introduces the “management approach” to segment reporting. AASB 8, which becomes mandatory for the Company’s 30 June 2010 financial statements, will require the disclosure of segment information based on the internal reports regularly reviewed by the Company’s Chief Operating Decision Maker in order to assess each segment’s performance and to allocate resources to them.
- Revised AASB 101 *Presentation of Financial Statements* introduces as a financial statement (formerly “primary” statement) the “statement of comprehensive income”. The revised standard does not change the recognition, measurement or disclosure of transactions and events that are required by other AASBs. The revised AASB 101 will become mandatory for the Company’s 30 June 2010 financial statements. The Company has not yet determined the potential effect of the revised standard on the Company’s disclosures.

(c) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Company’s functional currency.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

(e) Property, plant and equipment

(i) Owned assets

Items of plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses.

Where parts of an item of plant and equipment have different useful lives, they are accounted for as separate items of plant and equipment.

Notes to the financial statements

Significant accounting policies

(e) Property, plant and equipment (continued)

(ii) Subsequent costs

The Company recognises in the carrying amount of an item of plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Company and the cost of the item can be measured reliably. All other costs are recognised in the income statement as an expense as incurred.

(iii) Depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment. The estimated useful lives in the current and comparative periods for plant and equipment is 4-13.3 years. The residual value, if not insignificant, is reassessed annually.

(f) Trade and other receivables

Trade debtors are generally settled within 60 days. Trade and other receivables are stated at their cost less impairment losses.

(g) Cash and cash equivalents

Cash and cash equivalents comprises cash balances and call deposits.

(h) Impairment

The carrying amount of the Company's assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount, Impairment losses are recognised in the income statement, unless an asset has previously been re-valued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through profit or loss.

(i) Calculation of recoverable amount

Receivables with a short duration are not discounted.

Impairment of receivables is not recognised until objective evidence is available that a loss event has occurred. Significant receivables are individually assessed for impairment.

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(ii) Reversals of impairment

An impairment loss in respect of a receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(i) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement as incurred.

Notes to the financial statements

Significant accounting policies (continued)

(ii) Long-term service benefits

The Company's net obligation in respect of long service leave is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates, and is discounted using the rates attached to the Commonwealth Government bonds at the balance sheet date which have maturity dates approximating to the terms of the Company's obligations.

(iii) Wages, salaries and annual leave

Liabilities for employee benefits 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, 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.

(j) Trade and other payables

Trade and other payables are stated cost. Trade accounts payable are normally settled within 60 days.

(k) Revenue

Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST) payable to the taxation authority.

(i) Donation income

Donation income is recognised as income when received.

(ii) Interest income

Interest income is recognised as it accrues, taking into account the effective yield on the financial asset.

(l) Expenses

Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease.

(m) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(n) Share capital

The Millennium Foundation Limited has no share capital, as it is a company limited by guarantee.

(o) Income tax

In accordance with the provisions of the Australian Income Tax Assessment Act 1997, the Company is exempt from income tax.

Notes to the financial statements

(p) Financial risk management

Overview

The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk.

This note presents information about the Company's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout this financial report.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework and is also responsible for developing and monitoring risk management policies.

Risk management policies are established to identify and analyse the risks faced by the Company to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade and other receivables.

At balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Market risk

Market risk is the risk that changes in market prices, such as interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Millennium Foundation Limited

Notes to the financial statements

1. Revenue

	2008	2007
Donations and other charitable collections	5,033,154	5,409,103
Administration fees	140,823	27,574
Sundry income	6,829	968
	5,180,806	5,437,645

2. Other expenses

Entertaining and catering expenses	23,330	28,870
Accountancy and audit expenses	29,144	26,707
Consultancy expenses	-	2,486
Insurance	9,274	9,706
Advertising expenses	25,230	3,881
Credit card commission	6,755	11,360
Website expenses	12,375	-
Travel expenses	9,281	3,056
Other expenses	14,344	11,112
	129,733	97,178

3. Personnel expenses

Wages and salaries	656,035	495,703
Contributions to defined contribution plans	30,113	36,756
Decrease in liability for employee benefits	(21,891)	27,228
	664,257	559,687

4. Auditors' remuneration

Audit services

Auditors of the Company

KPMG:

Audit of financial report

18,750	17,500
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5. Net financing income

Interest income	1,099,062	814,970
Financial income	1,099,062	814,970
Interest expense	-	-
Financial expenses	-	-
Net financing income	1,099,062	814,970

The Millennium Foundation Limited

Notes to the financial statements

6. Fundraising appeal monies

Summary of fundraising income expenditure

During the year the Company received gross income from fundraising and donations of \$5,033,154 (2007: \$5,409,103). The total costs incurred in respect of fundraising were \$642,326 (2007: \$820,050).

From the remaining amount the Company directed \$1,091,908 (2007: \$1,039,512) to research grants, funding for equipment and other donations.

The following table illustrates the allocation of funds

	2008	2007
Fundraising income and donations	5,033,154	5,409,103
Costs of fundraising	(642,326)	(820,050)
Net fundraising funds	4,390,828	4,589,053
Directed donations, equipment funding and other donations	(1,091,908)	(1,039,512)
Surplus arising from fundraising activities	3,298,920	3,549,541

Fundraising appeals conducted

During the financial year the following fundraising appeals were conducted, the monetary result of which are included in the income statement:

Night with the Stars	582,899	769,699
Penrith Doll Fair	15,209	17,592
Rosehill Race Day	636	45,295
Yum! Golf Day	36,164	55,132
Newsletter, in-memoriam and bequests	168,937	145,646
Foundation and directed fund events	1,920,272	2,204,073
Capital campaign	886,296	714,600
Coin boxes	89,680	85,526
Cause related marketing	690,735	543,032
Miscellaneous	-	8,458
	4,390,828	4,589,053

Fundraising activity ratios

	2008	2008 (%)
Total cost of fundraising and donations	642,326	
Gross income from fundraising and donations	5,033,154	13
Net fundraising funds	4,465,191	
Gross income from fundraising and donations	5,033,154	87
Total cost of services provided	1,091,908	
Total expenditure	2,600,259	42
Total cost of service provided	1,091,908	
Total income received	6,279,868	17

The Millennium Foundation Limited

Notes to the financial statements

7. Cash and cash equivalents

	2008	2007
Bank balances	1,107,675	1,035,560
Cash on hand	1,000	1,023
Short term deposits	18,955,890	16,635,118
	20,064,565	17,671,701

8. Trade and other receivables

Interest accrued on deposits	331,014	211,346
Other debtors	15,636	8,949
	346,650	220,295

9. Other assets

Non - current

Interest in subsidiary company – at cost	2	2
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The Company owns 100% of the issued capital of Westmead Research Pty Limited. The controlled entity, whose net assets total \$2, has not traded and remained dormant throughout the year. As a result consolidated financial statements have not been prepared.

10. Property, plant and equipment

Furniture and equipment

Cost

Balance at 1 July 2006	71,721
Acquisitions	22,644
Balance at 30 June 2007	94,365

Balance at 1 July 2007	94,365
Acquisitions	46,898
Balance at 30 June 2008	141,263

Depreciation and impairment losses

Balance at 1 July 2006	45,571
Depreciation charge for the year	5,454
Balance at 30 June 2007	51,025

Balance at 1 July 2007	51,025
Depreciation charge for the year	11,100
Balance at 30 June 2008	62,125

Carrying amounts

At 1 July 2006	26,150
At 30 June 2007	43,340

At 1 July 2007	43,340
At 30 June 2008	79,138

The Millennium Foundation Limited

Notes to the financial statements

11. Trade and other payables

	2008	2007
Creditors and accruals	627,385	457,258
Directed donations and research grants payable	3,833	1,276,660
	<u>631,218</u>	<u>1,733,918</u>

The directed donations and research grants liability represents amounts received by the Foundation that must be used for specified purposes. These amounts are not repayable.

12. Employee benefits

Current

Liability for annual leave	<u>45,007</u>	<u>66,898</u>
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Non Current

Liability for long-service leave	<u>6,288</u>	<u>6,288</u>
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Defined contribution plans

The Company makes contributions to defined contribution plans. The amount recognised as an expense was \$30,113 the year ended 30 June 2008 (2007 \$36,756).

13. Accumulated funds

Accumulated funds at beginning of year	6,731,170	5,573,933
Net surplus	3,679,609	3,649,038
Transfers to Ludwig Engel Fund	(120,162)	(101,438)
Transfers to directed donations and bequests reserve	(2,700,419)	(2,390,363)
Accumulated funds at end of year	<u>7,590,198</u>	<u>6,731,170</u>

14. Reserves

Ludwig Engel Fund

Balance at beginning of year	1,721,184	1,619,746
Transfers from accumulated funds	120,161	101,438
Balance at end of year	<u>1,841,345</u>	<u>1,721,184</u>

Directed donations and bequests reserve

Balance at beginning of year	7,675,880	5,285,517
Transfers from accumulated funds	2,700,419	2,390,363
Balance at end of year	<u>10,376,299</u>	<u>7,675,880</u>

Nature and purpose of reserves

Ludwig Engel Fund

The Ludwig Engel Fund reserve is set aside for the use of the company.

The Millennium Foundation Limited

Notes to the financial statements

14. Reserves (continued)

Directed donations and bequests

The directed donations and bequests reserve record amounts set aside for specific purposes as set out below.

	2008	2007
Estate Betty Schofield Bequest Fund	77,119	72,355
Geraldine Fund	39,675	-
Cecilia Kilkeary Foundation Fund	418,200	392,370
Westmead Millennium Institute Building Fund	607,427	606,589
Westmead Millennium Institute Building Fund No 2	72,718	61,449
KidsWest Building Fund	305,079	305,079
Pollie Pedal Fund	811,463	815,737
Blacktown Workers Club – Liver Fund	10,000	10,000
Westpac Banking Corporation Fund	58,819	51,392
Ovarian Cancer Building Fund	100,000	100,000
BF2 Peterson Fund	41,000	41,000
Urological Cancer Organisation Fund	299,035	279,000
Cardiac Institute Fund	57,203	53,055
Neo Natal Intensive Care Unit Fund	147,805	75,542
Thyroid Cancer Research Fund	1,938	1,938
Ovarian Cancer Fund	59,958	118,668
Clancy Donald Fund	19,845	43,415
Malcolm and May Perkin Fund	870,000	600,000
Hawks Nest Project Fund	11,206	12,116
Hawks Nest Fund No 2	20,050	20,050
Skin & Cancer Foundation Fund	4,266	4,002
Shades For Aids Fund	36,458	36,458
Breast Cancer Lab Fund	86,799	86,799
Paul Carter Memorial Fund	-	10,228
Intensive Care Simulation Education Fund	73,713	78,365
Phyllis Violet O'Brien Fund	-	4,756
United In Hope Fund	-	9,397
Westmead Hospital Intensive Care Unit Fund	43,908	25,914
Cystic Fibrosis Fund	71,929	61,652
Dystonia Australia Fund	10,360	103,595
Rural Project Fund	52,926	52,926
Radiology Fund	(986)	3,047
Dynamics Research Fund	22,860	19,322
Peter Moore Brain Tumour Fund	49,692	30,048
Shaken Baby Project Fund	6,806	3,096
Leukaemia Research Fund	208,403	6,345
C5C Radiation Oncology Fund	12,105	11,358
Huntington's Research Fund	11,000	8,865
Melanoma Research Fund	20,316	12,320
Metastatic Breast Cancer Research Fund	10,505	10,505
Vascular Biology Fund	39,456	113,590

The Millennium Foundation Limited
Notes to the financial statements

14. Reserves (continued)

	2008	2007
Sydney West Cancer Network Fund	64,461	86,111
Surgical Unit Fund	4,910	3,311
Mathew Bond WG Fund	6,200	6,200
Carol Martin Fund	3,400	3,400
Paul & Val Ainsworth Fund	1,345,728	883,154
Lavender Sale Fund	1,281	1,281
Familial Cancer Fund	46,187	42,607
Estate of Pamela Shaw – Cancer Fund	295,087	295,087
Brain Injury Unit Fund	-	185
Prostate Lab Fund	10,898	10,898
Clubs NSW/Funday Fund	9,361	9,361
Chinese Liver Unit Fund	79,294	74,294
Chinese Community Appeal Fund	43,234	43,234
Infectious Disease Fund	50,894	6,267
Equipment Purchase Fund	3,000	3,000
Brain Tumour Fund	4,220	1,000
Central Venous Access Fund	7,333	7,333
AIDS Research Fund	220	1,905
Bone Marrow Storage Fund	4,000	2,000
Bowel Cancer Fund	1,990	1,990
Westmead Institute Cancer Research Fund	230,150	215,059
Initiating Grants Fund	7,467	7,467
J & R Eastwood Trust Fund	-	15,004
Intensive Care Unit Blacktown Fund	72,366	55,086
John Sheard Seminar Fund	12,191	9,422
Centre for Virus Research Fund	1,000	1,000
Austrauma Fund	112,471	74,302
Trauma Service Education & Research	-	2,504
Breast Cancer Research Fund	80,000	80,000
Chris Little's Area Fund	-	306
Ward D4C Fund	171	171
Patrick & Jane Wilde Fund	12,046	15,000
Samantha Allende Fund	9,129	9,129
Liver Cancer Research Fund	5,245	5,245
Liver Research Fund	4,815	2,360
Motor Neurone Research Fund	500	500
Multiple Sclerosis Fund	1,570	1,070
Neurology Research	100	100
Ovarian Cancer Fund	57,990	3,454
Renal Research Fund	10,065	3,365
Princess Quest Diabetes Fund	112,861	88,157
TMF Hospital Fund	855	855
Westlink M7 Fund	20,000	20,000
Rotary 9690 Diabetes Fund	23,850	23,850
Spinal Research Fund	100	100
Macquarie Matrons Fund	(2,897)	(613)

The Millennium Foundation Limited

Notes to the financial statements

14. Reserves (continued)

	2008	2007
Pancreatic Transplant Fund	1,400	1,400
Cardiac Research Fund	1,400	1,300
Throat Cancer Fund	500	500
Baxter Make a Difference Fund	-	7,055
Tenix Brain Fund	120,000	60,000
MF Leukaemia Fund	3,214	2,454
MF Lung Cancer Fund	1,486	606
Huntington's Career Fund	537	300
Diabetes Research Fund	1,580	500
Kidney Transplant Research Fund	330	280
Oral Health Fund	46	46
Schizophrenia Research Fund	650	650
Ros Mead Cancer Research Fund	4,019	4,019
MF Breast Cancer Research Fund	2,856	400
Pancreatic Cancer Research Fund	1,124	1,124
Ovarian Cancer Research Fund	10,525	10,375
March 2007 DM Appeal	(1,970)	(1,970)
MF Cancer Research Fund	19,469	8,230
Confocal Microscope Equipment Fund	626	587
Organ and Tissue Research Fund	20,607	17,337
Clubs NSW Fund	687,315	650,319
16 Week Challenge Leukaemia Research Fund	7,784	7,784
Flow Cytometry Leukaemia Research Fund	83,932	17,589
BMT Laboratory	20,000	-
Ovarian Cancer Gala Dinner Fund	46,577	30,504
Pat Farmer Fund	231,543	239,848
Radiology Education and Research Fund	28,079	14,757
Youth and Road Trauma Fund	-	77,182
Orthopaedic Trauma Fund	7,067	12,815
Zostavax Fund	40,800	38,279
SWAHS Catering Float Fund	(5,850)	3,756
September 2008 DM Appeal	16,442	-
March 2008 DM Appeal	(3,445)	-
Haematology	60	-
Lymphoma	100	-
Palliative Care Unit	38,884	-
Storr Liver Unit	471,609	-
Westmead Millennium Institute Fund	697,305	-
UEF Fund	1,187	-
Crash	40,193	-
Westmead Choir Fund	5,217	-
NETS Fund	3,408	-
High Dependency Ward	104	-
Westmead Hospital	22,167	-
Psychiatry	5,452	-
Raynauds and CTD Research	27,612	-
Otology	13,835	-

The Millennium Foundation Limited

Notes to the financial statements

14. Reserves (continued)

	2008	2007
Podiatry Fund	12,343	-
NOGIN Appeal	150	-
Neuroscience	619	-
C Jeuco Fund	4,505	-
Endoscopy	126,095	-
Diabetes and Endocrinology	14,740	-
Young Ambassador	(728)	-
	10,376,299	7,675,880

15. Financial instruments

Credit risk

At the balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet, as follows:

	<i>Note</i>	2008 \$	2007 \$
Cash and cash equivalents	7	20,064,565	17,671,701
Trade and other receivables	8	346,650	220,295
		20,411,215	17,891,996

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted.

The credit risk represents the loss that would be recognised on the income statement is generally the carrying amount, net of any impairment losses. The company minimises trade credit risk by collection of receivables within 30 days.

Credit risk also rises from investments and financial institutions. The company minimises its credit risk on investment by investing only with reputable institutions. As at 30 June 2008, amounts invested were spread as follows

Arab Bank Australia Limited	28.28%
Westpac Banking Corporation	71.72%

Interest rate risk

The Company takes a conservative approach to investing, investing in only term deposits. As such the assets bears interest at a fixed rate and is not exposed to significant interest rate risk.

Fair values

The net fair value of all assets and liabilities in the balance sheet approximates their carrying values.

The Millennium Foundation Limited

Notes to the financial statements

15. Financial instruments (continued)

Effective interest rates and repricing analysis

In respect of income-earning financial assets, the following table indicates their effective interest rates at the balance sheet date and the periods in which they reprice.

	2008			2007		
	Effective interest rate	Total	6 months or less	Effective interest rate	Total	6 months or less
Cash and cash equivalents	7.56%	20,064,565	20,064,565	6.35%	17,671,701	17,671,701

Cash Flow analysis

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below.

Table Cash Flow analysis

	2008		2007	
	Profit on Loss		Profit on Loss	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
	\$	\$	\$	\$
Variable rate instruments	200,646	(200,646)	176,717	(176,717)
Cash flow sensitivity	200,646	(200,646)	176,717	(176,717)

Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

30 June 2008	Carrying amount	Contractual cash flows					More than 5 years
		6 mths or less	6-12 mths	1-2 years	2-5 years		
Non-derivative financial liabilities							
Trade and other payables	631,218	631,218	631,218	-	-	-	
	631,218	631,218	631,218	-	-	-	

30 June 2007	Carrying amount	Contractual cash flows					More than 5 years
		6 mths or less	6-12 mths	1-2 years	2-5 years		
Non-derivative financial liabilities							
Trade and other payables	1,733,918	1,733,918	1,733,918	-	-	-	
	1,733,918	1,733,918	1,733,918	-	-	-	

16. Company Details

The Company is limited by guarantee. In the event of winding up of the company, a Member may be required to contribute a maximum of \$5.00 for the purpose of winding up. The registered office of the company is Westmead Millennium Institute, Darcy Road, Westmead NSW 2145.

The Millennium Foundation Limited

Notes to the financial statements

17. Segment information

The principal activity of the company during the year was raising funds and enhancing community awareness in support of medical research and related health care at Westmead Medical Campus, Sydney West Area Health Service and Westmead Millennium Institute in order to promote the prevention or the control of diseases in human beings. The company operates predominately in one geographical area, being Sydney, New South Wales, Australia.

18. Reconciliation of cash flows from operating activities

	2008	2007
Cash flows from operating activities		
Surplus for the period	3,679,609	3,649,038
<i>Adjustments for:</i>		
Depreciation	11,100	5,454
Operating profit before changes in working capital and provisions	3,690,709	3,654,492
(Increase)/decrease in trade and other receivables	(126,355)	(60,485)
Increase/(decrease) in payables	(1,102,700)	241,539
Increase/(decrease) in employee benefits	(21,892)	27,228
Net cash from operating activities	2,439,762	3,862,774

19. Related parties

The following were key management personnel of the Company at any time during the year and unless otherwise indicated were key management personnel for the entire year:

Non-executive directors

Mr Patrick Aston Alfred Wilde
 Mr Phil Chronican
 Ms Lorna Raine
 Professor Jeremy R Chapman
 Professor Anthony L Cunningham
 Mr Joseph Khattar
 Mr Alan C Overton
 Mr Vincent Pang
 Mr Roger G Eaton

Non-executive directors (continued)

Mr James Wakim
 Mr Ernest Wong
 Mr Alan Zammit
 Mr Maureen Berry
 Mr Joe Rizk

Executive director

Peter Treseder (resigned 30 May 2008)
 Eric D'Indy (appointed 14 July 2008)

Key management personnel compensation

The key management personnel compensation included in 'personnel expenses' (see note 3) is as follows:

	2008	2007
Short-term employee benefit	143,888	141,055
Other long term benefits	-	12,003
	143,888	153,058

The Millennium Foundation Limited Directors' declaration

In the opinion of the directors of The Millennium Foundation Limited ("the Company"):

- (a) the financial statements and notes, set out on pages 4 to 21, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the company as at 30 June 2008 and of its performance, as represented by the results of its operations and its cash flows, for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards including Australian Accounting Interpretations and the Corporations Regulations 2001;
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;
- (c) the income statement is drawn up so as to give a true and fair view of income and expenditure of the company for the year ended 30 June 2008 and a true and fair view with respect to fundraising appeals;
- (d) the balance sheet and statement of cash flows are drawn up so as to give a true and fair view of the state of affairs of the company and cash flows as at 30 June 2008 with respect to fundraising appeals;
- (e) the provisions of the Charitable Fundraising (NSW) Act 1991, the Regulations under the Act and the conditions attached to the fundraising authority have been complied with for the financial year ended 30 June 2008; and
- (f) the internal controls exercised by the company are appropriate and effective in accounting for all income received and applied from any fundraising appeals.

Dated at Sydney this day of 2008.

Signed in accordance with a resolution of the directors:

Patrick Wilde
Director

Declaration by Executive Director in respect of fundraising appeals

I, Erik D'Indy, Executive Director of The Millennium Foundation Limited, declare in my opinion:

- (a) the financial report gives a true and fair view of all income and expenditure of The Millennium Foundation Limited with respect to fundraising appeal activities for the financial year ended 30 June 2008;
- (b) the balance sheet gives a true and fair view of the state of affairs with respect to fundraising appeal activities as at 30 June 2008;
- (c) the provisions of the Charitable Fundraising Act 1991 and Regulations and the conditions attached to the authority have been complied with for the financial year ended 30 June 2008; and
- (d) the internal controls exercised by The Millennium Foundation Limited are appropriate and effective in accounting for all income received and applied from any fundraising appeals.

Dated at Sydney this day of 2008.

Eric D'Indy
Executive Director

Independent auditor's report to the members of The Millennium Foundation Limited

Report on the financial report

We have audited the accompanying financial report of Millennium Foundation (the Company), which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes 1 to 21 and the directors' declaration set out on page 22.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility 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. 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 judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the 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.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the Company's financial position and of its performance.

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 The Millennium Foundation Limited (continued)

Additional scope pursuant to the Charitable Fundraising (NSW) Act 1991

- In addition, our audit report has also been prepared for the members of the company in accordance with Section 24(2) of the Charitable Fundraising (NSW) Act 1991. The Charitable Fundraising (NSW) Act 1991 commenced 1 September 1993. Accordingly we have performed additional work which included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the Charitable Fundraising (NSW) Act 1991 and Regulations.
- It should be noted that the accounting records and data relied upon for reporting on fundraising appeal activities are not continuously audited and do not necessarily reflect after the event accounting adjustments and the normal year end financial adjustments for such matters as accruals, prepayments, provisioning and valuations necessary for year end financial report preparation.
- The performance of our statutory audit included a review of internal controls for the purpose of determining the appropriate audit procedures to enable an opinion to be expressed on the financial report. This review is not a comprehensive review of all those systems or of the system taken as a whole and is not designed to uncover all weaknesses in those systems.
- The audit opinion expressed in this report pursuant to the Charitable Fundraising (NSW) Act 1991 has been formed on the above basis.

Qualification

Donation income

Donation income totalling \$5,033,154 is a significant source of revenue for the company. It is not always practicable for the company to establish controls over the collection of all sources of donation income prior to entry into its financial records. Accordingly as the evidence available to us regarding revenue from these sources was limited, our audit procedures with respect to donation income had to be restricted to amounts recorded in the financial records. We are therefore unable to express an opinion whether the donation income of the company is complete.

Qualified audit opinion pursuant to the Corporations Act 2001

In our opinion, except for the effects on the financial report of such adjustments, if any, as might have been required had the limitations referred to in the qualification paragraphs not existed, the financial report of the company is in accordance with:

- a) 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 year ended on that date; and
 - ii. complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- b) other mandatory financial reporting requirements in Australia.

Independent audit report to the members of The Millennium Foundation Limited (continued)

Qualified audit opinion pursuant to the Charitable Fundraising (NSW) Act 1991

In our opinion, except for the effects on the financial report of such adjustments, if any, as might have been required had the limitations referred to in the qualification paragraphs not existed:

- a) the financial report gives a true and fair view of the financial result of fundraising appeal activities for the financial year ended 30 June 2008;
- b) the financial report has been properly drawn up, and the associated records have been properly kept for the year, in accordance with the Charitable Fundraising (NSW) Act 1991 and Regulations;
- c) money received as a result of fundraising appeal activities conducted during the year has been properly accounted for and applied in accordance with the Charitable Fundraising (NSW) Act 1991 and Regulations;
and
- d) there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

KPMG

Brett Mitchell

Partner

Sydney

2008

Lead auditor's independence declaration under Section 307C of the Corporations Act 2001

To: the directors of The Millennium 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 2008 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Brett Mitchell
Partner

Sydney

2008