

Annual report
The Millennium Foundation
ABN 89 050 329 925
30 June 2007

The Millennium Foundation Limited

Directors' report

For the year ended 30 June 2007

The directors present their report together with the financial report of The Millennium Foundation Limited ("the Company") for the year ended 30 June 2007 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 LLM (Hons) MBA, Grad. Diploma of Corporate Management USYD (President)	64	Solicitor. Director since 23 March 1998.
Mr Phil Chronican B Com (Hons) Otago NZ, MBA (Distinction) IMI Geneva, (Vice President)	50	Group Executive, Westpac Institutional Bank. Director since 29 July 2003.
Ms Lorna Raine B.Comm (Hons) Acc. CA (SA), (Treasurer)	37	Market Manager NSW of Yum! Restaurants International. Director since 29 July 2003.
Mr Peter Treseder AM, KSJ, JP, Dip FM, CFRE, MFIA, (Executive Director)	49	Director since 10 November 2002.
Professor Jeremy R Chapman OAM, MD (Camb) FRCP FRACP	53	Director since 27 November 1993.
Professor Anthony L Cunningham MD, MBBS, B. Med Sci (Hons) FRACP, FRCPA	59	Director of Westmead Millennium Institute. Director since 27 November 1996.
Mr Roger G Eaton B.Comm Dip Acc. (Natal) ACA	46	Managing Director of Yum! Restaurants International. Director since 24 April 1999.
Mr Joseph Khattar	58	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	70	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)	45	Chairman Timberland Property Holdings Pty Limited. Director since 29 April 2003.
Mr Keith M Queen OAM, JP	76	Retired President of Blacktown Workers Club. Appointed 8 June 1999, resigned 30 April 2007.
Mr James Wakim B.Ec, Fellow AIBF	51	Managing Director of Arab Bank Australia Limited. Director since 24 May 2000.
Mr Ernest Wong B.Com LLB	47	Lawyer, Deputy Mayor of Burwood Council. Director since 29 August 2004.
Mr Alan Zammit B.Bus ALGA, FCPA, LREA	58	Director since 27 November 2002.

The Millennium Foundation Limited
Directors' report (continued)
For the year ended 30 June 2007

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	11	12
Mr Phil Chronican	6	12
Ms Lorna Raine	6	12
Mr Peter Treseder	11	12
Professor Jeremy R Chapman	6	12
Professor Anthony L Cunningham	6	12
Mr Roger G Eaton	4	12
Mr Joseph Khattar	11	12
Mr Alan C Overton	10	12
Mr Vincent Pang	2	12
Mr Keith M Queen	8	12
Mr James Wakim	7	12
Mr Ernest Wong	4	12
Mr Alan Zammit	8	12

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 \$3,649,038 (2006: \$2,313,026).

The increase in the surplus is driven by an increase in donations and receipts from fundraising events held by the Company.

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 2007

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 25 and forms part of the directors' report for financial year 2007.

This report is made with a resolution of the directors:

Patrick Wilde
Director

Dated at Sydney this day of 2007.

The Millennium Foundation Limited

Income statement

For the year ended 30 June 2007

	Note	2007	2006
Revenue	1	5,437,645	3,471,845
Research grants, equipment funding and other donations		(1,039,512)	(725,336)
Event management expenses		(820,050)	(442,261)
Personnel expenses	3	(559,687)	(406,359)
Printing, postage and stationery		(81,696)	(87,161)
Depreciation expenses	10	(5,454)	(3,590)
Other expenses	2	(97,178)	(89,804)
Surplus from operating activities		2,834,068	1,717,334
Financial income	5	814,970	595,692
Financial expenses	5	-	-
Net financing income		814,970	595,692
Surplus for the year		3,649,038	2,313,026

The income statement is to be read in conjunction with the notes of the financial statements set out on pages 8 to 19.

The Millennium Foundation Limited
Statement of changes in equity

For the year ended 30 June 2007

		Reserves	Accumulated Funds	Total equity
Opening balance at 1 July 2005		5,126,492	5,039,678	10,166,170
Net surplus for the period		-	2,313,026	2,313,026
Transfer to accumulated funds	14	(37,072)	37,072	-
Transfer to reserves	14	1,815,843	(1,815,843)	-
Closing balance at 30 June 2006		<u>6,905,263</u>	<u>5,573,933</u>	<u>12,479,196</u>

		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 accumulated funds	14	-	-	-
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>

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 19.

The Millennium Foundation Limited
 Balance sheet
 As at 30 June 2007

	Note	2007	2006
Assets			
Cash and cash equivalents	7	17,671,701	13,831,571
Trade and other receivables	8	220,295	159,810
Total current assets		17,891,996	13,991,381
Investments	9	2	2
Property, plant and equipment	10	43,340	26,150
Total non-current assets		43,342	26,152
Total assets		17,935,338	14,017,533
Liabilities			
Trade and other payables	11	1,733,918	1,492,379
Employee benefits	12	66,898	39,670
Total current liabilities		1,800,816	1,532,049
Employee benefits	12	6,288	6,288
Total non-current liabilities		6,288	6,288
Total liabilities		1,807,104	1,538,337
Net assets		16,128,234	12,479,196
Equity			
Accumulated funds	13	6,731,170	5,573,933
Reserves	14	9,397,064	6,905,263
Total equity		16,128,234	12,479,196

The balance sheet is to be read in conjunction with the notes to the financial statements set out on pages 8 to 19.

The Millennium Foundation Limited

Statement of cash flows

For the year ended 30 June 2007

	Note	2007	2006
Cash flows from operating activities			
Donations and other charitable collections		5,894,519	3,592,310
Cash paid to suppliers and employees		(1,748,000)	(547,059)
Cash generated from operations		4,146,519	3,045,251
Interest received		755,767	443,548
Research grants, equipment funding and other donations.		(1,039,512)	(725,336)
Net cash from operating activities	18	3,862,774	2,763,463
Cash flows from investing activities			
Acquisition of property, plant and equipment		(22,644)	-
Net cash from investing activities		(22,644)	-
Net increase in cash and cash equivalents		3,840,130	2,763,463
Cash and cash equivalents at beginning of year		13,831,571	11,068,108
Cash and cash equivalents at end of year	7	17,671,701	13,831,571

The statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 8 to 19.

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 24 October 2007.

(b) Basis of preparation

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

Issued standards not early adopted

The following standards and amendments were available for early adoption but have not been applied by the Company in these financial statements:

- AASB 7 Financial instruments: Disclosure (August 2005) replacing the presentation requirements of financial instruments in AASB 132. AASB 7 is applicable for annual reporting periods beginning on or after 1 January 2007.
- AASB 2005-10 Amendments to Australian Accounting Standards (September 2005) makes consequential amendments to AASB 132 *Financial Instruments: Disclosure and Presentation*, AASB 101 *Presentation of Financial Statements*, AASB 114 *Segment Reporting*, AASB 117 *Leases*, AASB 139 *Financial Instruments: Recognition and Measurement*, and AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards*. AASB 2005-10 is applicable for annual reporting periods beginning on or after 1 January 2007 and is expected to only impact disclosures contained within the financial report.

(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.

The Millennium Foundation Limited

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.

The Millennium Foundation Limited
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.

The Millennium Foundation Limited

Notes to the financial statements

1. Revenue

	2007	2006
Donations and other charitable collections	5,409,103	3,468,032
Administration fees	27,574	3,813
Sundry income	968	-
	5,437,645	3,471,845

2. Other expenses

Entertaining and catering expenses	28,870	18,339
Accountancy and audit expenses	26,707	22,953
Consultancy expenses	2,486	8,817
Insurance	9,706	8,518
Advertising expenses	3,881	7,164
Credit card commission	11,360	6,076
Travel expenses	3,056	3,032
Other expenses	11,112	14,905
	97,178	89,804

3. Personnel expenses

Wages and salaries	495,703	360,156
Contributions to defined contribution plans	36,756	32,232
Increase in liability for employee benefits	27,228	13,971
	559,687	406,359

4. Auditors' remuneration

Audit services

Auditors of the Company

KPMG:

Audit of financial report

	17,500	15,000
	17,500	15,000

5. Net financing income

Interest income	814,970	595,692
Financial income	814,970	595,692
Interest expense	-	-
Financial expenses	-	-
Net financing income	814,970	595,692

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 \$5,409,103 (2006: \$3,468,033). The total costs incurred in respect of fundraising were \$820,050 (2006: \$442,261).

From the remaining amount the Company directed \$1,039,512 (2006: \$725,336) to research grants, funding for equipment and other donations.

The following table illustrates the allocation of funds

	2007	2006
Fundraising income and donations	5,409,103	3,468,032
Costs of fundraising	(820,050)	(442,261)
Net fundraising funds	4,589,053	3,025,771
Directed donations, equipment funding and other donations	(1,039,512)	(725,336)
Surplus arising from fundraising activities	3,549,541	2,300,435

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	769,699	484,734
Penrith Doll Fair	17,592	13,376
Rosehill Race Day	45,295	59,174
Yum! Golf Day	55,132	53,080
Newsletter, in-memoriam and bequests	145,646	127,504
Foundation and directed fund events	2,204,073	877,690
Capital campaign	714,600	419,351
Coin boxes	85,526	92,056
Cause related marketing	543,032	896,636
Miscellaneous	8,458	2,170
	4,589,053	3,025,771

Fundraising activity ratios

	2007	2007 (%)
Total cost of fundraising and donations	820,050	
Gross income from fundraising and donations	5,409,103	15
Net fundraising funds	4,589,053	
Gross income from fundraising and donations	5,409,103	85
Total cost of services provided	1,039,512	
Total expenditure	2,603,577	40
Total cost of service provided	1,039,512	
Total income received	6,252,615	17

The Millennium Foundation Limited

Notes to the financial statements

7. Cash and cash equivalents

	2007	2006
Bank balances	1,035,560	1,082,129
Cash on hand	1,023	400
Short term deposits	16,635,118	12,749,042
	<u>17,671,701</u>	<u>13,831,571</u>

8. Trade and other receivables

Interest accrued on deposits	211,346	152,143
Other debtors	8,949	7,667
	<u>220,295</u>	<u>159,810</u>

9. Other assets

Non - current liabilities

Interest in subsidiary company – at cost	<u>2</u>	<u>2</u>
--	----------	----------

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 2005	71,721
Acquisitions	-
Balance at 30 June 2006	<u>71,721</u>
Balance at 1 July 2006	71,721
Acquisitions	22,644
Balance at 30 June 2007	<u>94,365</u>
Depreciation and impairment losses	
Balance at 1 July 2005	41,981
Depreciation charge for the year	3,590
Balance at 30 June 2006	<u>45,571</u>
Balance at 1 July 2006	45,571
Depreciation charge for the year	5,454
Balance at 30 June 2007	<u>51,025</u>
Carrying amounts	
At 1 July 2005	29,740
At 30 June 2006	<u>26,150</u>
At 1 July 2006	26,150
At 30 June 2007	<u>43,340</u>

The Millennium Foundation Limited

Notes to the financial statements

11. Trade and other payables

	2007	2006
Creditors and accruals	457,258	398,922
Directed donations and research grants payable	1,276,660	1,093,457
	<u>1,733,918</u>	<u>1,492,379</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>66,898</u>	<u>39,670</u>
----------------------------	---------------	---------------

Non Current

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

Defined contribution plans

The Company makes contributions to defined contribution plans. The amount recognised as an expense was \$36,756 for the year ended 30 June 2007 (2006: \$32,232)

13. Accumulated funds

Accumulated funds at beginning of year	5,573,933	5,039,678
Net surplus	3,649,038	2,313,026
Transfers to Ludwig Engel Fund	(101,438)	(124,566)
Transfers to directed donations and bequests reserve	(2,390,363)	(1,691,277)
Transfers from directed donations and bequests reserve	-	37,072
Accumulated funds at end of year	<u>6,731,170</u>	<u>5,573,933</u>

14. Reserves

Ludwig Engel Fund

Balance at beginning of year	1,619,746	1,495,180
Transfers from accumulated funds	101,438	124,566
Balance at end of year	<u>1,721,184</u>	<u>1,619,746</u>

Directed donations and bequests reserve

Balance at beginning of year	5,285,517	3,631,312
Transfers from accumulated funds	2,390,363	1,691,277
Transfers to accumulated funds	-	(37,072)
Balance at end of year	<u>7,675,880</u>	<u>5,285,517</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.

	2007	2006
Estate Betty Schofield Bequest Fund	72,355	68,209
Cecilia Kilkeary Foundation Fund	392,370	371,739
Westmead Millennium Institute Building Fund	606,589	599,840
Westmead Millennium Institute Building Fund No 2	61,449	51,692
KidsWest Building Fund	305,079	205,401
Pollie Pedal Fund	815,737	526,345
Blacktown Workers Club – Liver Fund	10,000	10,000
Westpac Banking Corporation Fund	51,392	48,139
Ovarian Cancer Building Fund	100,000	100,000
BF2 Peterson Fund	41,000	41,000
Urological Cancer Organisation Fund	279,000	260,230
Cardiac Institute Fund	53,055	11,769
Neo Natal Intensive Care Unit Fund	75,542	110,517
Thyroid Cancer Research Fund	1,938	1,804
Ovarian Cancer Fund	118,668	241,734
The Renaissance Event Fund	-	6,481
Clancy Donald Fund	43,415	37,687
Malcolm and May Perkin Fund	600,000	301,494
Hawks Nest Project Fund	12,116	3,353
Hawks Nest Fund No 2	20,050	20,050
Skin & Cancer Foundation Fund	4,002	3,923
Shades For Aids Fund	36,458	36,458
Breast Cancer Lab Fund	86,799	86,789
Paul Carter Memorial Fund	10,228	10,228
Intensive Care Simulation Education Fund	78,365	67,326
Phyllis Violet O'Brien Fund	4,756	4,756
United In Hope Fund	9,397	(28,631)
Westmead Hospital Intensive Care Unit Fund	25,914	23,430
Cystic Fibrosis Fund	61,652	51,090
Dystonia Australia Fund	103,595	52,753
Rural Project Fund	52,926	52,926
Radiology Fund	3,047	2,967
Brain Dynamics Research Fund	19,322	7,830
Peter Moore Brain Tumour Fund	30,048	25,148
Shaken Baby Project Fund	3,096	3,865
Leukaemia Research Fund	6,345	3,698

The Millennium Foundation Limited
Notes to the financial statements

14. Reserves (continued)

	2007	2006
C5C Radiation Oncology Fund	11,358	10,707
Huntington's Research Fund	8,865	9,140
Melanoma Research Fund	12,320	11,507
Metastatic Breast Cancer Research Fund	10,505	10,505
Vascular Biology Fund	113,590	145,294
Sydney West Cancer Network Fund	86,111	96,689
Surgical Unit Fund	3,311	1,805
Mathew Bond WG Fund	6,200	6,200
Carol Martin Fund	3,400	3,400
Paul & Val Ainsworth Fund	883,154	455,688
Lavender Sale Fund	1,281	1,281
Familial Cancer Fund	42,607	16,870
Estate of Pamela Shaw – Cancer Fund	295,087	295,087
WMI Equipment Fund	-	533
Brain Injury Unit Fund	185	2,830
Prostate Lab Fund	10,898	10,898
Clubs NSW/Funday Fund	9,361	9,361
Chinese Liver Unit Fund	74,294	73,294
Chinese Community Appeal Fund	43,234	43,234
Infectious Disease Fund	6,267	4,030
Equipment Purchase Fund	3,000	3,000
Brain Tumour Fund	1,000	500
Central Venous Access Fund	7,333	5,882
AIDS Research Fund	1,905	2,000
Bone Marrow Storage Fund	2,000	2,000
Bowel Cancer Fund	1,990	1,225
Thyroid Cancer Fund– Steven Boyages	-	133
Westmead Institute Cancer Research Fund	215,059	199,544
Initiating Grants Fund	7,467	30,000
J & R Eastwood Trust Fund	15,004	15,004
Intensive Care Unit Blacktown Fund	55,086	51,557
John Sheard Seminar Fund	9,422	8,782
Centre for Virus Research Fund	1,000	1,000
Austrauma Fund	74,302	84,885
Trauma Service Education & Research	2,504	4,700
Breast Cancer Research Fund	80,000	80,000
Chris Little's Area Fund	306	306
Ward D4C Fund	171	171
Patrick & Jane Wilde Fund	15,000	11,000
Samantha Allende Fund	9,129	9,129
Liver Cancer Research Fund	5,245	5,095
Liver Research Fund	2,360	2,000
Motor Neurone Research Fund	500	500

The Millennium Foundation Limited
Notes to the financial statements

14. Reserves (continued)

	2007	2006
Multiple Sclerosis Fund	1,070	570
Neurology Research	100	50
Ovarian Cancer Fund	3,454	1,225
Renal Research Fund	3,365	3,365
Princess Quest Diabetes Fund	88,157	91,848
TMF Hospital Fund	855	855
Westlink M7 Fund	20,000	20,000
Rotary 9690 Diabetes Fund	23,850	3,100
Sovereign Order of St John Fund	-	(816)
Heptology Fund	-	450
Spinal Research Fund	100	50
Macquarie Matrons Fund	(613)	(486)
Pancreatic Transplant Fund	1,400	200
Cardiac Research Fund	1,300	800
Throat Cancer Fund	500	500
Baxter Make a Difference Fund	7,055	15,000
Tenix Brain Fund	60,000	-
MF Leukaemia Fund	2,454	-
MF Lung Cancer Fund	606	-
Huntington's Career Fund	300	-
Diabetes Research Fund	500	-
Kidney Transplant Research Fund	280	-
Oral Health Fund	46	-
Schizophrenia Research Fund	650	-
Ros Mead Cancer Research Fund	4,019	-
MF Breast Cancer Research Fund	400	-
Pancreatic Cancer Research Fund	1,124	-
Ovarian Cancer Research Fund	10,375	-
March 2007 DM Appeal	(1,970)	-
MF Cancer Research Fund	8,230	-
Confocal Microscope Equipment Fund	587	-
Organ and Tissue Research Fund	17,337	-
Clubs NSW Fund	650,319	-
16 Week Challenge Leukaemia Research Fund	7,784	-
Flow Cytometry Leukaemia Research Fund	17,589	-
Ovarian Cancer Gala Dinner Fund	30,504	-
Pat Farmer Fund	239,848	-
Radiology Education and Research Fund	14,757	-
Youth and Road Trauma Fund	77,182	-
Orthopaedic Trauma Fund	12,815	-
Zostavax Fund	38,279	-
SWAHS Catering Float Fund	3,756	-
	7,675,880	5,285,517

The Millennium Foundation Limited

Notes to the financial statements

15. Financial instruments

Credit risk

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 provisions for doubtful debts. 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 2007, amounts invested were spread as follows

Arab Bank Australia Limited	30.18%
Westpac Banking Corporation	69.82%

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 interest rate risk.

Fair values

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

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.

	2007			2006		
	Effective interest rate	Total	6 months or less	Effective interest rate	Total	6 months or less
Cash and cash equivalents	6.35%	17,671,701	17,671,701	5.65%	13,831,172	13,831,172

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.

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.

The Millennium Foundation Limited
Notes to the financial statements

18. Reconciliation of cash flows from operating activities

	2007	2006
Cash flows from operating activities		
Surplus for the period	3,649,038	2,313,026
<i>Adjustments for:</i>		
Depreciation	5,454	3,590
Operating profit before changes in working capital and provisions	3,654,492	2,316,616
(Increase)/decrease in trade and other receivables	(60,485)	(31,678)
Increase in payables	241,539	464,554
Increase in employee benefits	27,228	13,971
Net cash from operating activities	3,862,774	2,763,463

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 Roger G Eaton
Mr Joseph Khattar

Non-executive directors (continued)

Mr Alan C Overton
Mr Vincent Pang
Mr Keith M Queen (retired)
Mr James Wakim
Mr Ernest Wong
Mr Alan Zammit

Executive director

Peter Treseder

Key management personnel compensation

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

	2007	2006
Short-term employee benefit	141,055	125,458
Other long term benefits	12,003	6,738
	153,058	132,196

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 19, 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 2007 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 2007 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 2007 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 2007; 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 2007.

Signed in accordance with a resolution of the directors:

Patrick Wilde
Director

Declaration by Executive Director in respect of fundraising appeals

I, Peter Treseder, 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 2007;
- (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 2007;
- (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 2007; 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 2007.

Peter Treseder
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 2007, 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 19 and the directors' declaration set out on page 20.

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 \$5,409,103 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 2007 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 2007;
- 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

2007

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 2007 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

2007