



ETHOS FOUNDATION  
2007 / 2008  
ANNUAL REPORT

ethos<sup>•</sup>  
foundation  
inspired for life



# welcome

THE ETHOS FOUNDATION IS A NOT FOR PROFIT, DEEP SUSTAINABILITY LEARNING ORGANISATION. OUR MISSION IS TO CULTIVATE EFFECTIVE NEW THINKING, VALUES AND ACTION FOR POSITIVE, ECOLOGICALLY SUSTAINABLE FUTURES.

WE ARE A REGISTERED CHARITY. OUR ACTIVITIES ARE FUNDED BY THE REVENUE FROM OUR CONSULTING SERVICE, EDUCATION PROGRAMS, EDUCATIONAL AND EARTHCARE ENTERPRISES, PARTNERSHIP AND SPONSORSHIP RELATIONSHIPS, GRANTS, GIFTS AND DONATIONS, BOOK SALES AND MEMBERSHIPS.

OUR ACTIVITIES FOCUS ON THREE KEY AREAS:

1. LEARNING AND EDUCATION ABOUT DEEP SUSTAINABILITY AND POST CARBON TRANSITION
2. COMMUNITY BUILDING – WITHIN OUR OWN ORGANISATION, ONLINE, IN THE BEECHMONT COMMUNITY AND THE WOLLUMBIN BIOREGION
3. CONSULTING SERVICE FOR PROGRESSIVE, SUSTAINABLE ORGANISATIONS

## MESSAGE FROM THE CHAIR OF THE BOARD OF DIRECTORS

Welcome to another year in the story of the growth, evolution and maturing of the Ethos Foundation.

It seems that the words “from little things – big things grow” could have been written for us. With patience, determination and energy the germ of an idea that originally merged with the seeds of the Gondwana Centre, have grown together over the last 3 years into a healthy tree that is flowering and bearing fruit.

### CULTIVATING SUSTAINABLE FUTURES

Whilst the concepts of climate change and sustainability have become mainstream topics, for many people the issues raise more questions than answers. The Ethos Foundation aims to provide avenues for dialogue, discussion, education and solutions around these key issues. As the world considers the impacts of climate change, last year was also a time of change for our organisation. Change tends to be a process that tests the fundamental values of who we are and what we stand for. This process and questioning is healthy for any individual or organisation. For Ethos it has helped strengthen the resolve of who we are, what we stand for and how we do what we do. We have added some new programs, partnerships, staff, consultants and supporters and some new Board members. We have also changed the way we operate to set ourselves up for long term sustainability.

Sustainability education is at the heart of Ethos. Being able to model sustainability at a personal and organisational level is crucial, if we are to be genuinely effective. Being able to walk our own talk adds significant value to our message. Being able to partner with likeminded individuals and organisations multiplies and magnifies the value of what we do.

Financially we are in a healthy and solid position. 07/08 was our first financial year of operating without the significant support from The Ridge project. The Ethos Foundation made a healthy surplus of \$25,357 from a total income of \$461,911. Our retained earnings (member's equity) grew to \$41,330. This is a great effort in a short period of time.

Our beginnings were intertwined with the land at The Ridge on Binna Burra, however our realisation that our work is not located in one place has allowed us to grow beyond this original assumption. The property development at The Ridge has changed and the Ethos Foundation is now a self sustaining independent not for profit organisation located across the SEQ and NSW region.

For three years, Dr Sally MacKinnon has been the Executive Officer, driving force and face of the Ethos Foundation. In early 2008, Sally decided to focus her work on our consulting arm, Ethos Consulting. We pay tribute to Sally for her passion, drive and commitment without which Ethos would not be as strong and connected as it is today. We look forward to continuing to work closely with Sally in her new role.

We are very pleased to announce and welcome Kanya O'Keeffe as the interim Executive Officer.

Towards the end of 2006, Ken McLeod joined Ethos to focus on Program Development. The work of Ken and others led to a 1-day roundtable at Queensland Parliament House in August 2007, which formed the basis for a climate change leader's forum to engage in transition thinking for SE Qld and NNSW. Ken also instigated the Judy Wicks (BALLE – USA 2008) tour in May. The spirit and depth of Ethos was never more evident than when nearly everyone pitched in to help ensure that Judy's tour was a great success. A huge thank you to everyone who helped! Many thanks also go to our consultants who deliver the programs and grants that we receive, specifically Jan McGregor and Sally MacKinnon (with BSSB) and Angela Ballard (L4AC).

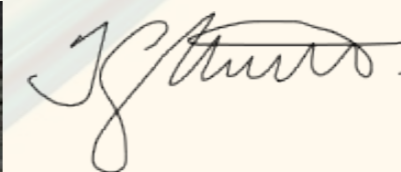
We would like to particularly acknowledge the work of those staff and supporters behind the scenes who ensure that our programs, events, finances and administration run smoothly. This list includes Emily Pearce (Web management) and Jana Zehr (Financial management). We also welcome back Jane Medhurst. We are privileged to have such a highly synergised and multi-skilled team who achieve such a huge amount for the organisation.

Our Board has grown to include Dr Ron Tooth, Principle of Pullenvale Environmental Education Centre, Sarah Moles, a natural resource educator and Murray/Darling activist and more recently Morag Gamble, Director of SEED International; alongside our founding members John O'Brien and Tim Medhurst (Chair). Our thanks go to outgoing Board members Susanne Knowles, Andrew Perkins and to our outgoing chairman, Alastair McCracken for all their contributions over the early years.

Our sincere gratitude also goes to the many people and organisations that have supported the Ethos Foundation over the last year with their time, energy, resources, finances, knowledge and experience. We also pay a special tribute to the community organisations, government departments, local authorities and corporations who have either partnered with, funded or made grants to the Ethos Foundation.

Working together we have made a difference!

We look forward to the year ahead with gratitude for our achievements, commitment to our work, the strengthening of our relationships and the joy of acknowledging our shared values in the generation of new partnerships, programs and opportunities to create a more resilient sustainable future.



Tim Medhurst  
*Chair, Board of Directors*

# our people

## STAFF

SALLY MACKINNON – EXECUTIVE OFFICER (TO APRIL 08)  
KAMYA O'KEEFFE – INTERIM EXECUTIVE OFFICER  
EMILY PEARCE – WEB MANAGEMENT  
JANA ZEHR – FINANCIAL MANAGEMENT  
JANE MEDHURST – FINANCIAL MANAGEMENT

## CONSULTANTS

SALLY MACKINNON  
JAN MCGREGOR - BSSB, ETHOS CONSULTING  
ANGELA BALLARD –E4AC/ L4AC  
KEN MCLEOD – CLIMATE CHANGE LEADERS NETWORK  
TOM CAAMANO

## VOLUNTEER LEADERSHIP

KAMYA O'KEEFFE – SCIENCE AND ART: TIME OF TRANSITION  
SARAH MOLES – SCIENCE AND ART: TIME OF TRANSITION  
JAN MCGREGOR – SPECIAL EVENTS  
ANGELA BALLARD – L4AC DEVELOPMENT  
AUNTY RUBY ROSE – CONNECTIONS TO COUNTRY  
SALLY MACKINNON – BEECHMONT BUSINESS AND ENTERPRISE NETWORK  
LISA GROOM AND JULIA VINCENT – B-FRESH  
KEN MCLEOD – NORTHERN NSW NETWORKS AND ETHOS FOUNDATION HUB  
EMILY PEARCE - BEECHMONT COMMUNITY WEBSITE

## BOARD OF DIRECTORS

TIM MEDHURST – CHAIR  
SARAH MOLES  
JOHN O'BRIEN  
RON TOOTH  
MORAG GAMBLE  
(OUTGOING)  
ANDREW PERKINS  
SUZANNE KNOWLES  
ALASTAIR MCCRACKEN  
PHILLIP CROCKFORD

## FELLOWS

MORAG GAMBLE  
STEPHAN HARDING  
IAN OELRICHS  
RODGER SPILLER



# place

THE STORIES AND THE LAND GO TOGETHER. IF THE LAND STAYS, THE STORIES STAY. IF YOU GIVE 'EM STORY ALL THE TIME."

BILL NEIDJIE – KAKADU MAN

OUR ACTIVITIES FAN OUT ACROSS THE COMMUNITIES WITHIN THE MT WARNING CALDERA OR WOLLUMBIN BIOREGION WHICH STRETCHES FROM THE COAST AND HINTERLAND AREAS OF NORTH EASTERN NEW SOUTH WALES TO THOSE OF SOUTH EAST QUEENSLAND. WE ACKNOWLEDGE AND RESPECT THE TRADITIONAL OWNERS OF THIS LAND.

THE REGION IS ONE OF AUSTRALIA'S TOP THREE BIODIVERSITY HOTSPOTS – AN AREA OF WORLD-RENOWNED NATURAL BIODIVERSITY AND CULTURAL HERITAGE THAT IS UNDER EXTREME THREAT FROM URBAN DEVELOPMENT AND LAND DEGRADATION.

# consulting

DURING 2007-08 THE FOUNDATION BECAME FINANCIALLY SELF-SUSTAINING PRIMARILY THROUGH ITS CONSULTING WORK. WE ARE PROUD OF THIS FACT AND ARE GROWING OUR CONSULTING EXPERTISE AND CLIENT BASE WITHIN OUR MISSION AND EXTENDED ACTIVITIES.

OUR CONSULTING TEAM IS HIGHLY EXPERIENCED AND ENTHUSIASTIC NOT ONLY ABOUT ITS WORK BUT ITS ROLE IN HELPING TO SUPPORT THE ETHOS FOUNDATION'S MISSION AND VISION.

OUR CONSULTING ACTIVITIES DURING THE YEAR INCLUDED

- GOLD COAST WATER – RECYCLED WATER COMMUNICATION STRATEGY; STAFF AND LEADERSHIP TEAM COACHING
- GOLD COAST CITY COUNCIL – NATURAL AREAS MANAGEMENT UNIT; LEADERSHIP COACHING
- DEBORAH WILSON CONSULTING SERVICE – RECYCLED WATER RESEARCH
- PERMAFOREST TRUST - MARKETING
- COMPASS GROUP AUSTRALIA – SUSTAINABILITY PLANNING AND DEVELOPMENT
- SEQ FIRE AND BIODIVERSITY CONSORTIUM – STAKEHOLDER FACILITATION
- COMMUNITAS – BOONAH FUTURES PROJECT

THE ETHOS FOUNDATION HAS A CONSULTING SERVICE THAT WORKS WITH PROGRESSIVE GOVERNMENTS AND GOVERNMENT DEPARTMENTS, COMMERCIAL AND CORPORATE OPERATIONS, SMALL TO MEDIUM ENTERPRISES AND NOT FOR PROFIT AND COMMUNITY ORGANISATIONS AND NETWORKS.

WE SPECIALISE IN SOCIAL AND ENVIRONMENTAL SUSTAINABILITY IN THE AREAS OF COMMUNICATION, COMMUNITY ENGAGEMENT, RESEARCH AND WRITING, AND EDUCATION AND TRAINING.

“BUSINESS CAN BE BEAUTIFUL”

JUDY WICKS

THE ETHOS FOUNDATION'S EDUCATION AND LEARNING MISSION IS BUILT UPON COLLABORATION, CONVERSATION, DIALOGUE, REFLECTION, ACTION AND CREATIVITY

**cultivating collaboration** We are motivated by the need to support rapid social transition to deep and intelligent sustainability over the next 50 years. We believe this is both a time of ecological, economic and social emergency and a time of great opportunity to create new ways of living lightly – in harmony with the Earth and all life that shares this planet.

During 2007-08 the Foundation undertook the following education and learning activities:

**August 2007 Leading for the Future Roundtable**

A 1-day roundtable at the Queensland Parliament House with Education and Arts Minister Rod Welford and Canadian political scientist Professor Thomas Homer Dixon. The focus of this event was bringing together bioregional leaders from government, business and community to engage in transition thinking for SEQ and northern NSW.

Out of this event came the desire for community-based roundtables which the Learning4AChange program is now addressing.

In December 2007, Ethos was awarded an AusIndustry grant, in partnership with the Scenic Rim Regional Council, to deliver a two-year program in the Scenic Rim Region called **Building Sustainable Small Business**. (BSSB). The Scenic Rim region includes an area encompassing Beechmont, Canungra, Tamborine Mountain, Beaudesert and Boonah. The BSSB program is an Australian Government funded initiative under the Building Entrepreneurship in Small Business program.

The program delivers hands-on practical sustainability learning to small businesses and is proving popular, demonstrating the growing interest that the business community has in developing sustainability planning. It includes **free workshops; a Mentoring, Training and Leadership program; and the development of a Sustainable Business Network and Directory**. For more information on this program visit [www.bssb.org.au](http://www.bssb.org.au)

**May 2008 Going Local with Judy Wicks**

The Going Local program hosted over 10 days brought together people and organisations interested in building the sustainability and resilience of their local communities. The program included events in Brisbane, Melbourne, NSW and the Sunshine Coast. Our keynote speaker, Judy Wicks, is an international pioneer of sustainable business and co-founder of the Business Alliance for Local Living Economies (BALLE) in the United States. Ethos has since been invited to auspice BALLE in Australia.



# learning

**May 2008 Time of Transition / Interdisciplinary Art & Science project**

A group of ten artists from northern NSW and southern Queensland formed in 2006 as part of an Art/Science project with the Ethos Foundation. Their exploration began with a 3-day Courageous Conversation and has focused on an **interdisciplinary dialogue** between artist and scientist to deepen their understandings and broaden their responses to both ecological change and crisis. Engaging with scientists Professor Hugh Possingham, Ecology Lab and Prof Ian Lowe AO, the artists examined environmental challenges facing contemporary society from the broad issue of climate change to specific issues of interdependency, the problems of waste and loss of biodiversity. The project culminated in an exhibition with Gold Coast City Art Gallery.

In June 2008, Ethos was awarded a grant from the Commonwealth Department of Water, Environment, Heritage and the Arts to develop and pilot a sustainability engagement and learning program that operates in collaboration with local government, business, community, youth and education sectors. **Learning4AChange** and the overarching and interrelated **Engaging4AChange** programs (E4AC/L4AC) have their genesis in the earlier Ethos Foundation roundtable programs such as “Leading for the Future” and have been in development, with significant in kind support from the Social Action Office and project co-ordinator Angela Ballard since February 2008. The E4AC/L4AC model brings together community capacity building, roundtable processes, ongoing sustainability learning in communities and youth leadership and mentoring into collaborations with local government. In the 07/08 year the focus has been on concept design and relationship building for developing partnerships with councils and communities in the SEQ region.



With funds from the Dept of Environment, Water, Heritage and Arts now in hand the design and development of the learning circle materials and workshop and roundtable processes components are underway and we expect to roll out three programs in the 08/09 year.

The former Beaudesert Shire Council (now Scenic Rim Regional Council) awarded the Ethos Foundation a Community Environment Assistance Grant in 2007-08 to host a number of **pilot workshops** focused on sustainable food and farming in the Beechmont community and Scenic Rim Region. Between November 2007 and August 2008, Ethos hosted workshops with regional specialists in Biodynamic Farming, Organic Agriculture, Seed Saving and Energy Descent. This was a most successful skills and knowledge development project and it is hoped that in future, Council will consider broadening this work in the region. We particularly acknowledge the involvement of Dick Marriott, Bev and Geoff Buckley, Jude Fanton, Wild Mountains Trust and the Sunshine Coast Energy Action Centre in hosting these workshops.

“TO SEE THINGS IN THE SEED, THAT IS GENIUS.”

LAO TZU

# Partnerships and community

THE ETHOS FOUNDATION CONNECTS A NUMBER OF COMMUNITIES WITHIN ITS CIRCLE.

Our community of staff, board of directors, volunteers and interns  
Our community of members  
Our online community of readers, visitors, members, friends and supporters  
Our bioregional community of Northern NSW and South East Queensland.  
Our community of partners and collaborators for 2007/08

Ethos acknowledges the skill, experience and wisdom our network of partners and collaborators bring to our education and learning programs for sustainability.

These individuals and organisations have greatly contributed to the value and understanding of our work and together they create our community of practice.

## [‘Leading for the Future’ Parliament House Roundtable](#)

Professor Thomas Homer-Dixon  
Hon. Rod Welford – Queensland Minister for Arts and Education  
All our panelists– Graeme Pearman, Ian Dunlop, Janette Hartz-Karp, Monica Richter, John Cole, Helen Abrahams, Jill Lang, Rachel Bending, Anna Littleboy, Scott Gorringer, Ian Christesen, Jim McNoulty, Rowan Dowland, Andrew Murphy, Morag Gamble, Leonie Pearson, Paul Gilding, Robert Pekin, Fiona Waterhouse, Malcolm Petrie



## [Time of Transition](#)

Science and Art Artists – Cal MacKinnon, John Dahlsen, Meredith Plant, Robyn Stewart, Dave Groom, Michael Pospischil, Lindy Davidson, Lyndal Hargraves, Sharon Muir

Professor Ian Lowe, AO  
Professor Hugh Possingham

Sandra Warner, John Walsh and the Gold Coast Art Gallery Team

## [Earth Arts](#)

Robyn Stewart & Rachel Hore

## [Building Sustainable Small Business \(BSSB\)](#)

AusIndustry  
Scenic Rim Regional Council  
Department of Tourism, Regional Development and Industry  
Gold Coast City Council  
Logan City Council  
Permaforest Trust

## [Going Local - Growing Local Living Economies](#)

Hon Rod Welford, Minister for Education, Training & the Arts  
Judy Wicks, BALLE, US  
MECU Intelligent Banking



Brisbane City Council, Robert Pekin – Food Connect, Emma-Kate Rose – G-Whiz Carshare, Hon Andrew McNamara, Minister for Sustainability, Climate Change, and Innovation, Gilbert Rochecouste – Village Well, Amadis Lacheta – Village Well, Randwick City Council, Fiona Campbell, Russel Grayson, Santos Wholefoods, Ingrid Burkett –Foresters ANA, Helena Norberg Hodge – ISEC, Redlands Sustainability Co-op, Morag Gamble – Seed International, Elizabeth Bragg – Sustainable Futures, Peter Cuming –Sustainable Futures, John Champagne, Adam McMurray-Jones, Steph Zannakis, Janet Millington, Sonya Wallace, Spiral Community Hub, Bobbi Allan, Simon Clough, Kristen Lyons

Sunshine Coast Energy Action Center, Sunshine Coast Regional Council, Sunshine Coast Environment Council SEQ Catchments, Queensland Health, University of Sunshine Coast

Southern Cross University, NORCO Co-operative Ltd, Northern Rivers Regional Organisation of Councils, Northern Rives Regional Development Board, Northern Rivers Tourism, ACE Byron Shire

## [Engaging 4A Change & Learning 4A Change \(E4AC/L4AC\)](#)

Social Action Office  
Catholic Religious Australia, Qld  
Tony McCarthy and Grace Fields (project interns)  
Julia Zimmerman  
Robert Pekin -Food Connect  
Marie Gale  
Ron Tooth  
Robyn Stewart, Clare Towler, Russell and Gabrielle Austenberry, Cam MacKenzie, Julia Stuart



THANK YOU TO EVERYONE WHO HAS SUPPORTED THE ETHOS FOUNDATION IN THE PAST YEAR. THE ETHOS FOUNDATION WOULD NOT EXIST BUT FOR THE SUPPORT OF MANY PEOPLE AND ORGANISATIONS INCLUDING:

# gratitude

JUDY ABERNETHY, MECU  
COUNCILLOR VIRGINIA WEST  
GOLD COAST HINTERLAND ENVIRONMENT  
COUNCIL (GECKO)  
CURRUMBIN WILDLIFE SANCTUARY  
BEAUDESERT ABORIGINAL TRADITIONAL  
OWNERS GROUP  
WILD MOUNTAINS TRUST  
QLD DEPARTMENT OF ARTS, EDUCATION  
AND TRAINING  
GREEN CROSS AUSTRALIA  
KINDRED MAGAZINE  
JUDE FANTON – SEED SAVERS NETWORK  
JOSS AND CAL MACKINNON  
TANYA LIPUS  
NICK MCGUIRE  
TONY CHADWICK  
TIM ELTHAM  
KEITH MCCOSH  
SCOTT GORRINGE  
JODI SAMPSON  
DEBORAH BENNETT  
JOE LEGGETT  
LUNA WOOD  
EWAN OGILVY  
IAN OELRICHS  
AUNTY RUBY ROSE  
TEXT PUBLISHING  
DR RICHARD HINDMARSH  
PAUL MASCHEFSKI - PHOTOGRAPHY  
CANUNGRA NEWSAGENTS  
BUDAKA DRUMMERS  
JACKIE McDONALD  
WENDI TRULSON  
ROCKCOTE  
CANUNGRA TIMES  
BEECHMONT LIVE EARTH ORGANISERS  
BEECHMONT STATE SCHOOL  
BEECHMONT BUSINESS & ENTERPRISE  
NETWORK (BBEN)  
INTERNATIONAL PARK TOURS  
AILSA BROWN  
ANDREW HAMILTON

ANNETTE BOSELEY  
BRIAN STOCKWELL  
CR JULIE WALKER  
CRAIG ZERK  
EMMA-KATE ROSE  
MARY MAHER  
MICHAEL KISLUK  
MONICA RICHTER  
OLIVER WAGG  
PHILIP MCKENZIE  
PROFESSOR BILL LOVEGROVE  
PROFESSOR IAIN GRAHAM  
PROFESSOR JENNY STEWART  
ROXANNE KENNEDY-PERRIMAN  
SIMON KALINOWSKI  
TRACEY JOHNSON  
TREVOR BIRRELL  
MITRA ADRON  
LANI SUMMERS  
MULLUMBIMBY COMMUNITY ACTION  
NETWORK  
THE MANY VOLUNTEERS IN THE GROWING  
LOCAL LIVING ECONOMIES TOUR  
DONNELLE DAVIS  
GEMMA SCHUCH  
LOUISE ERBACHER  
ELSIE BALLARD  
ANGELA HIRST  
JACQUI PEDERSEN

AND MOST IMPORTANTLY THANK YOU  
TO ALL OF OUR MEMBERS WHO BY BEING  
PART OF OUR ORGANISATION SUPPORT US  
EVERYDAY.

“I SLEPT AND DREAMT THAT LIFE  
WAS JOY. I AWOKE AND SAW THAT  
LIFE WAS SERVICE. I ACTED AND  
BEHOLD, SERVICE WAS JOY.”

RABINDRANATH TAGORE



# Financials

## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2008

### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant policies which have been adopted in the preparation of this financial report are:

- (a) **Basis of Preparation**  
The accounts of the company have been drawn up in accordance with applicable accounting standards and the requirements of law. They have been prepared on the basis of historical cost and do not take into account changes in the purchasing power of money, or, except where specifically stated, current valuations of non-current assets.

In the opinion of the directors the company is not considered to be a reporting entity at present as there are unlikely to exist users who are unable to command the preparation of reports tailored to satisfy specifically all of their information needs. This financial report is therefore considered to be a special purpose report prepared to enable the company to fulfil its obligation to prepare accounts under the Corporations Law. The statements have generally been prepared in accordance with the provisions of the following Australian Accounting Standards:

AASB 101 Presentation of Financial Statements  
AASB 107 Cash Flow Statements (first year so no comparatives shown)  
AASB 108 Accounting Policies, changes in accounting estimates and errors  
AASB 110 Events after Balance Sheet Date  
AASB 1031 Materiality

No other accounting standards are considered to be relevant for the purpose of this special purpose report and none have been intentionally adopted.

- (b) **Segment reporting**  
The company acts within Australia as a holistic learning and earth care organisation.

### 2. RELATED PARTIES

#### Directors

The names of each person holding the position of director of the company during the financial year are T.G. Medhurst, A.P. Perkins (resigned during year), S.M.G. Knowles (resigned during year), A.D. McCracken (resigned during year), P. Crockford (resigned during year), C.J. O'Brien and S. Moles (appointed during year).

### 3. MEMBERS EQUITY

The company is a company limited by guarantee. In the event of the company winding up its operations, the members have guaranteed to contribute a maximum amount of \$10 per member



Chartered Accountant

**Chris Booker**

*Chartered Accountant*

PO Box 8124, Cleveland Q 4163  
79 Morris Circuit, Thornlands Q 4164  
Telephone (07) 3286 7228 Fax (07) 3286 9301  
Mobile 0417 782 744  
Email: [chrisa@cbaudit.com.au](mailto:chrisa@cbaudit.com.au)  
Web: [cbaudit.com.au](http://cbaudit.com.au)

Ref: cab/wp

24 July 2008

**The Directors**  
**Ethos Foundation**  
**37 Bibaringa Close**  
**Beechmont Qld 4211**

### AUDITOR'S INDEPENDENCE DECLARATION

This declaration is made in connection with our audit of the financial report of the company for the year ended 30 June 2008 and in accordance with the provisions of the Corporations Act 2001.

I declare that, to the best of my knowledge and belief, there have been:

- No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to this audit;
- No contraventions of the Code of Professional Conduct of the Institute of Chartered Accountants in relation to this audit.

Yours faithfully,

Chris Booker FCA  
Chartered Accountant  
Registered Company Auditor No.15761

1  
**ETHOS FOUNDATION**  
**ACN 108 089 327**

**DETAILED STATEMENT OF INCOME FOR THE YEAR ENDED 30 JUNE 2008**

General Account	2008	2007
Income	\$	\$
Accommodation & meals	0.00	24,452.52
Beechmont Business & Enterprise Network	2,999.91	0.00
BSSB Mentoring Program	1,688.19	0.00
Consultancy	264,621.86	113,315.40
Courageous Conversations	0.00	37,716.20
Donations// Education Scholarship	1,447.45	3,076.28
Gifts	0.00	140,460.87
Grants received	172,441.04	3,945.00
Less: transferred to unexpended grants c/fwd	(113,424.88)	0.00
Interest received - other persons	4,223.06	265.61
Membership income	758.13	3,202.55
Miscellaneous events	1,557.29	0.00
Miscellaneous income	3,105.07	102.73
Programs/Workshops	80,103.35	4,915.72
Reimbursements	45.45	0.00
Sale of books, CDs etc	3,690.15	6,496.48
Subscriptions	350.00	0.00
Sponsorship	38,305.45	22,009.10
<b>Total Income</b>	<b><u>461,911.52</u></b>	<b><u>359,958.46</u></b>
<b>Less: Total Expenses per page 2</b>	<b><u>436,554.32</u></b>	<b><u>346,824.68</u></b>
<b>Excess of operating income over expenditure</b>	<b><u>25,357.20</u></b>	<b><u>13,133.78</u></b>

2  
**ETHOS FOUNDATION**  
**ACN 108 089 327**

**DETAILED STATEMENT OF INCOME FOR THE YEAR ENDED 30 JUNE 2008**

Expenses	2008	2007
	\$	\$
Accommodation/meals	4,432.25	40,099.55
Accounting fees	381.52	13,282.14
Administration expenses	1,306.43	27,441.63
Advertising & promotion	724.36	11,018.69
Audit fees	1,500.00	1,250.00
Bank charges	1,427.20	1,107.65
Catering for events	12,860.26	1,142.91
Consultant costs- programs	213,720.90	56,642.20
Cost of sales - books,CDs etc	1,432.75	5,630.65
Depreciation	2,494.00	0.00
Dues & subscriptions	347.91	634.58
Electricity	996.38	314.41
Employment expenses		
Contract Staff	32990.00	0.00
Employee provisions	0.00	769.23
Staff amenities	119.70	112.11
Superannuation	3810.32	4,500.00
Wages & salaries	43127.09	49,997.89
Workers compensation	184.53	146.65
External speakers	6,732.74	28,445.24
Grants expenses	43,832.78	1,904.16
Insurance	4,221.00	2,873.95
IT expenses	0.00	455.32
Judy Wicks Tour	14,988.73	0.00
Lease costs	1,126.49	953.68
Legal fees/set up costs	530.40	2,311.45
Licence fees & permits	780.00	0.00
Marketing costs - internet & materials	3,068.03	31,710.03
Membership coordination	0.00	3,062.50
Miscellaneous expenses	419.45	351.89
Motor vehicle expenses	706.00	0.00
Office supplies	1,028.96	1,294.19
Parking & tolls	327.76	367.80
Printing & stationery	6,249.39	5,016.52
Postage & freight	676.68	1,156.24
Public relations & media	43.55	11,305.46
Rent	12,036.82	6,150.39
Repairs & maintenance, equipment & tools	676.69	888.00
Revegetation/environmental management fees	2,027.60	16,000.00
Seminars/Workshops	258.64	222.73
Special events	753.73	5,000.00
Telephone/fax/ISDN	4,368.61	5,818.98
Travel expenses	8,175.99	1,143.71
Venue & equipment hire	804.55	5,402.15
Web Development	864.13	900.00
<b>Total Expenditure</b>	<b><u>436,554.32</u></b>	<b><u>346,824.68</u></b>

*Financials*

**STATEMENT OF INCOME FOR THE YEAR ENDED 30 JUNE 2008**

	Note	2008	2007
		\$	\$
Revenue from ordinary activities		461,911.52	359,958.46
Expenses of ordinary activities (excluding borrowing costs)		436,554.32	346,824.68
Borrowing costs expense		0.00	0.00
<b>Operating profit before income tax</b>		<b>25,357.20</b>	<b>13,133.78</b>
Income tax attributable to operating profit	1	0.00	0.00
<b>Operating profit after income tax</b>		<b><u>25,357.20</u></b>	<b><u>13,133.78</u></b>

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2008**

	Note	2008	2007
		\$	\$
<b>Operating profit after income tax</b>		25,357.20	13,133.78
Retained earnings at the beginning of the year		15,972.87	2,839.09
<b>Retained earnings at end of the year</b>		<b><u>\$ 41,330.07</u></b>	<b><u>\$ 15,972.87</u></b>

**BALANCE SHEET AS AT 30 JUNE 2008**

	Notes	2008	2007
		\$	\$
<b>CURRENT ASSETS</b>			
Cash		92,282.79	6,063.13
Accounts receivable - trade debtors		65,489.32	31,916.75
Amount due from Binna Burra Village		0.00	0.00
Inventory - books for resale at cost		1,605.00	1,009.03
Other assets-prepayments		330.00	330.00
<b>TOTAL CURRENT ASSETS</b>		<b><u>159,707.11</u></b>	<b><u>39,318.91</u></b>
<b>NON-CURRENT ASSETS</b>			
Property, Plant & Equipment			
Plant & equipment		17,657.10	0.00
Less: Accumulated Depreciation		(2,494.00)	0.00
Library		1,933.31	1,317.05
<b>TOTAL NON-CURRENT ASSETS</b>		<b><u>17,096.41</u></b>	<b><u>1,317.05</u></b>
<b>TOTAL ASSETS</b>		<b><u>176,803.52</u></b>	<b><u>40,635.96</u></b>
<b>CURRENT LIABILITIES</b>			
Accounts payable - trade creditors & accruals		7,250.14	15,612.79
GST liability		12,581.19	3,906.11
Employee provisions		769.23	769.23
PAYG liability		1,448.00	3,336.48
Provision for unexpended grants		113,424.88	0.00
Superannuation liability		0.01	1,038.48
<b>TOTAL CURRENT LIABILITIES</b>		<b><u>135,473.45</u></b>	<b><u>24,663.09</u></b>
<b>TOTAL LIABILITIES</b>		<b><u>135,473.45</u></b>	<b><u>24,663.09</u></b>
<b>NET ASSETS</b>		<b><u>\$ 41,330.07</u></b>	<b><u>\$ 15,972.87</u></b>
<b>MEMBERS' EQUITY</b>			
Retained earnings		41,330.07	15,972.87
<b>TOTAL MEMBERS' EQUITY</b>		<b><u>\$ 41,330.07</u></b>	<b><u>\$ 15,972.87</u></b>

Financials

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2008

	2008	2007
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers in the course of operations	245,494.52	330,662.47
Cash receipts from donations	1,447.45	3,076.28
Grants received	285,865.92	8,145.00
Interest received	4,223.06	265.61
Sponsorship	4,732.88	(4,907.65)
Cash payments in the course of operations	<u>(437,270.81)</u>	<u>(331,730.03)</u>
<b>Net cash from operating activities</b>	<b><u>104,493.02</u></b>	<b><u>5,511.68</u></b>
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>		
Payments for property, plant & equipment	<u>(18,273.36)</u>	<u>(1,151.46)</u>
<b>Net cash used in investment activities</b>	<b><u>(18,273.36)</u></b>	<b><u>(1,151.46)</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Loans raised/(repaid)	<u>0.00</u>	<u>0.00</u>
<b>Net cash from financing activities</b>	<b><u>0.00</u></b>	<b><u>0.00</u></b>
<b>Net increase/(decrease) in cash held</b>	<b>86,219.66</b>	<b>4,360.22</b>
Cash at the beginning of the financial year	<u>6,063.13</u>	<u>1,702.91</u>
<b>Cash at the end of the financial year</b>	<b>\$ <u>92,282.79</u></b>	<b>\$ <u>6,063.13</u></b>

**Notes to Cash Flow Statement****1.Reconciliation of operating profit after income tax to net cash from operating activities**

Operating profit/(loss) after income tax	25,357.20	13,133.78
Add: Depreciation	2,494.00	0.00
Movement in provision for employee benefits	0.00	769.23
(Increase)/decrease in accounts receivable - trade debtors	(33,572.57)	(26,916.75)
(Increase)/decrease in amount due from Binna Burra Village	0.00	3,450.00
(Increase)/decrease in inventory	(595.97)	(1,009.03)
(Increase)/decrease in other assets-prepayments	0.00	1,670.00
Increase/(decrease) in accounts payable - trade creditors & accruals	(8,362.65)	14,571.79
Increase/(decrease) in GST liability	8,675.08	823.83
Increase/(decrease) in PAYG liability	(1,888.48)	(808.11)
Increase/(decrease) in provision for unexpended grants	113,424.88	0.00
Increase/(decrease) in superannuation liability	<u>(1,038.47)</u>	<u>(173.06)</u>
<b>Net cash provided by operating activities</b>	<b><u>104,493.02</u></b>	<b><u>5,511.68</u></b>

**2.Reconciliation of Cash**

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at bank and short term deposits at call, net of bank overdraft. The cash at the end of the year represents the cash at bank figure shown in the balance sheet.



# Financials

# directors report

## General Information

Ethos Foundation Ltd was incorporated under the Australian Companies Act 2001, on February 23rd, 2004 as a company limited by guarantee. It was renamed the The Ethos Foundation (TEF) in October 2005.

Directors - The names of the Directors in office at the time of this report are as follows:

Tim Medhurst – Independent Non-Executive Chair  
Morag Gamble - Independent Non-Executive Director  
Sarah Moles – Independent Non-Executive Director  
John O'Brien – Independent Non-Executive Director  
Dr Ron Tooth – Independent Non-Executive Director

Principal Activities - The principal activities of the company in the course of the financial year were independent education and seminars, consulting advice, community facilitation and land and environmental care activities in support of its mission to cultivate the changes in thinking, in values and in actions necessary to create a more peaceful, just and sustainable world. There were no significant changes to these activities through the year.

Business Review - The consolidated net profit for the year ended June 30th 2008 was \$25,357.20 from an income of \$461,911.52, a considerable achievement for the third year of operation in any new Foundation. Retained earnings (Members equity) increased from \$15,972.87 in 2006/07 to \$41,330.07.

A review of the company's operations during this third year of operation and the results of the operations are outlined in the Chairman's Report and the accompanying Financial Report.

No income tax was payable by the company. No shares or debentures were issued through the year. In accordance with clause 33.1 of the company's Constitution, no dividends are payable to members.

There has not arisen any matter or circumstances in this operating year that have significantly or may significantly effect: the operations of the company; the results of those operations; or the state of affairs of the company in subsequent financial years.

Future operations of the company are likely to continue in the same manner, as they have been conducted in the year under review.

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

## Directors Information

### Tim Medhurst – Non Executive Chair

Appointed to the Board - 2004

Experience - 30 years in Surveying, Science, Land Development and NFP organisational leadership. 7 years as Director of Australian Outward Bound Foundation, 3 years as Director of TEF

### Morag Gamble – Non Executive Director

Appointed to the Board – 2008

Experience – 15 years in permaculture design, community garden and ecovillage movements in 20 countries through SEED (Sustainability Education and Ecological Design)

### Sarah Moles – Non Executive Director

Appointed to the Board – 2007

Experience - 15 years working in natural resources management with WWF, most recently focusing on the Murray Darling Basin. 1 year as Director of TEF

### John O'Brien – Non Executive Director

Appointed to the Board – 2004

Experience – 30 years in prominent marketing and management positions in Europe and the United States in the IT business. Board and strategic management roles in renewable and alternative energy fields. 3 years as Director of TEF.

### Dr Ron Tooth – Non Executive Director

Appointed to the Board – 2007

Experience - Principal of Pullenvale Environmental Education Centre for the past 26 years. Ron has worked with a creative team of 'teacher artists' to pioneer the Storythread Approach as an alternative model of curriculum design and practice. 1 year as Director of TEF.

Meetings of Directors - During the financial year, 5 meetings of the Directors were held.

Attendances for each Director : (number attended/number eligible to attend

Tim Medhurst (5/5), Phillip Crockford (2/2), Susanne Knowles (1/1), Alastair McCracken (4/4), Sarah Moles (2/4), John O'Brien (4/5), Andrew Perkins (4/4), Dr Ron Tooth (1/3).

## Directors Declaration

The Directors of the Ethos Foundation declare that:

(a) The financial statements and notes to the accounts have been made out in accordance with applicable Australian Accounting Standards.

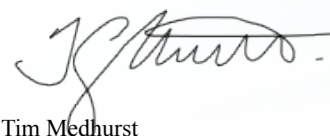
(b) The financial statements and notes to the accounts are drawn up so as to give a true and fair view of the results and cash flows and financial position of the company for the financial year ended 30 June 2008.

In the opinion of the directors:

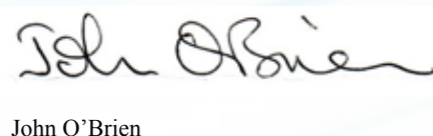
(a) at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

(b) the financial statements set out in this report are drawn up in accordance with the Corporations Law to the extent applicable as set out in Notes to the financial statements.

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



Tim Medhurst



John O'Brien

Dated: 15 September 2008.

*inspired  
for life*

ethos<sup>•</sup>  
foundation

The Ethos Foundation  
ABN 68 108 089 327  
37 Bibaringa Close, Beechmont, QLD  
P 07 30403540  
[info@ethosfoundation.org](mailto:info@ethosfoundation.org)  
[www.ethosfoundation.org](http://www.ethosfoundation.org)