

ETHOS FOUNDATION
2008/2009
ANNUAL REPORT



ethos[•]
foundation
inspired for life



welcome

MESSAGE FROM THE CHAIR OF THE BOARD OF DIRECTORS



Dear Members, Supporters and Friends of the Ethos Foundation,

Welcome to another year in the story of the Ethos Foundation.

0809 has been a year of consolidation, founded on a number of multi-year grants, ongoing consulting work, existing and potential partnerships.

Overall we undertook to shift our emphasis from high profile sustainability education and advocacy public events that we have created over the last three years, to one of integrating that knowledge and understanding into action. This year we have managed both local, state and Federal government grant funded programs that focus on building sustainable communities; delivered a range of services and workshops through the Building Sustainable Small Business program; and provided sustainability consultancy to local government in the Wollumbin bioregion. Our aim is to support business, government, and communities that want to learn more about sustainability with practical toolkits and resources.

Our Board of Morag Gamble, Dr Ron Tooth, Sarah Moles, John O'Brien and Tim Medhurst was expanded with the welcome addition of Craig Zerk. Craig is a Director of GeoLink (a multidisciplinary environmental management and design consultancy) and has a long connection with Ethos including attending previous "Courageous Conversations" as well as sponsoring Roundtables.

As Executive Officer, Kamyra O'Keefe oversaw the range of grants, projects and consultancies that Ethos was engaged in. The Board is very grateful for her work, in particular her guiding and mentoring work with the LAAC (Learning for a Change) project, which was initiated and managed by Angela Ballard.

Amongst other projects, Dr Sally Mackinnon has been leading the consulting arm of Ethos. This crucial and impactful work has helped to underpin the financial position of Ethos during 0809.

Jan McGregor, has continued to do a wonderful job as project manager of the BSSB (Building Sustainable Small Businesses) grant. This project which began in 2007 will continue through into early 2010.

Jane Medhurst has finetuned our accounting processes and practices, at the same time as keeping track of the myriad of small transactions that seem to be associated with the

type of grants and work we do. This attention to detail has streamlined the accounting and auditing processes.

Emily Pearce has continued to do a wonderful job with the technical, creative and presentation parts of our various projects. The production of this annual report is just one example of her work.

We are privileged to have such a highly synergised and multi skilled team who achieve such a huge amount for the organisation.

Further details on the various work, projects, grants and consultancies are contained in other sections of this annual report.

We look forward to opportunities to expand both the numbers of folk involved with Ethos and the depth of work that Ethos engages in.

The impact of spending time to consolidate our operational and administrative processes has meant that we spent more than we earned in 0809. However, these changes have now set the organisation up for a sustainable future in the way that it operates.

Despite this year's small operational loss of \$15,063 the Foundation remains in a healthy position. Our retained earnings (member's equity) are \$25,727.

With our new operating model in place we are on track for a budgeted operating surplus in 0910.

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, and opportunities to create a more resilient sustainable future.

A handwritten signature in black ink, appearing to read 'Tim Medhurst'. The signature is fluid and cursive, with a long horizontal stroke at the end.

Tim Medhurst
Chair, Board of Directors

our people

BOARD OF DIRECTORS

TIM MEDHURST – CHAIR , SARAH MOLES, JOHN O'BRIEN, RON TOOTH,
MORAG GAMBLE, CRAIG ZERK

EXECUTIVE OFFICER

KAMYA O'KEEFFE

FINANCIAL MANAGEMENT

JANE MEDHURST

CONSULTING

SALLY MACKINNON

WEBSITE & DESIGN

EMILY PEARCE

PROJECT MANAGERS

JAN MCGREGOR - BUILDING
SUSTAINABLE SMALL BUSINESS

FELLOWS

MORAG GAMBLE
IAN OELRICHS
RODGER SPILLER

ANGELA BALLARD - LEARNING4ACHANGE



Jan McGregor and Kanya O'Keeffe working on the Ethos Foundation stall at Greenfest 2009

consulting

The Ethos Foundation's consulting service faced many challenges during 2008-09 largely driven by global and regional financial uncertainty and South East Queensland local government amalgamations and water reform. As most of our clients are based in the local government sector, we saw a number of key projects stall or indeed, fold during the year because of this situation and this had an impact on the Foundation's financial bottom line.

We took advantage of this challenging situation internally by reflecting upon the type of consulting work we do and making a conscious decision to expand that work into areas we are passionate about and which interface with our more public programs, including participatory community engagement and governance, local living economy, sustainable small business, local food economy, integrated sustainability, and sustainability learning and education.

Our consulting coordinator Sally MacKinnon was a member of Gold Coast City Council's Bold Future community visioning program in 2008 and this process helped the Foundation better understand how local governments and communities are approaching sustainability and energy transition over the next 20 to 30 years.

With increasing understanding of our local governments' sustainability needs and our intention to expand our consulting offerings, in 2009 Ethos won a couple of very interesting consulting jobs which are starting to position us as strong sustainability researchers in South East Queensland:

- Two feasibility studies for Scenic Rim Regional Council which focused on (1) the development of an eco-information centre and strategy for the region, and (2) the potential for a Natural Capital Research and Training Institute in the region;
- Research and options report for Gold Coast City Council about best practice in participatory community engagement.

We are growing a very productive relationship with Logan City Council and the Logan Office of Economic Development in the areas of sustainability planning and Local Living Economy and in late 2009, projects will begin to emerge in collaboration with Logan.

In addition, we are beginning to create an active consulting relationship with long-time Ethos Foundation supporter GeoLINK, based in Northern NSW. Together we are looking for consulting projects which combine our skills of social and ecological sustainability in ways that bring synergies and extra value to our clients and communities.

As we look to the new financial year, our consulting team is preparing to undertake a wide variety of sustainability projects which include research, strategic planning, report writing, facilitation, onground community engagement, web development and more.

Our team of Sally MacKinnon, Kamyia O'Keefe, Jan McGregor, Emily Pearce and Sarah Gardiner thanks our clients for their support during 2008-09 and we look forward to expanding our activities in the new year.

programs

BUILDING SUSTAINABLE SMALL BUSINESS

In 2008 and 2009, the Ethos Foundation has continued to deliver the Building Sustainable Small Business program (BSSB), www.bssb.org.au. This two year program was the result of an AusIndustry grant awarded in December 2007, in partnership with the Scenic Rim Regional Council.

The popular program has included the delivery of workshops on sustainability planning in Boonah, Beaudesert and Tamborine Mountain; a comprehensive Mentoring, Training and Leadership program; and the establishment of an online Directory, Scenic Rim Sustainable Business Directory (www.sustainablescenicrim.com.au).

In partnership with EnviroIndustry Gold Coast, the BSSB program also delivered two comprehensive sustainability planning workshops on the Gold Coast and is partnering with Connecting Southern Gold Coast to deliver additional workshops for the Southern Gold Coast area in late 2009.

For more information on the program visit www.bssb.org.au.



LEARNING4ACHANGE

Learning4AChange (L4AC) is a 08/09 pilot program which emerged from a series of events developed and facilitated by the Ethos Foundation in 2006 and 2007. The courageous conversations on “Waging Peace”, “Transforming Energy” and the “Leading for the Future” Roundtable brought leaders and thinkers from the sciences, communities, business, government, education and the arts together.

Learning4AChange (L4AC) builds on these earlier programs by offering people in communities, including young people and community and cultural development workers, the learning resources and training in facilitation and leadership to take these learning conversations and deep sustainability thinking and action into the heart of their own communities, for ongoing co-learning through sustainability learning circles/conversations and community arts projects.

This pilot program was funded by a grant from the Australian Government Department of Environment, Water, Heritage and the Arts (DEWHA) and supported by the Social Action Office in Queensland.

Logan City Council partnered with L4AC in SEQ to pilot the CommunityArtsAChange and L4AC Community Facilitators workshops. A demonstration series of sustainability ‘learning conversations’ using the free, web based resources of the comprehensive L4AC Sustainability Learning Circle Kit have also been run in Logan City with community based facilitators.

L4AC most recently partnered and collaborated with Gecko, the Gold Coast and Hinterland Environment Council, to design integral learning processes, facilitate L4AC workshops and implement the Youth Earth Symposium (YES!).

For more information please visit www.learning4achange.com.au



thanks

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:

LOGAN OFFICE OF ECONOMIC DEVELOPMENT
LOGAN CITY COUNCIL
NICK MCGUIRE
TONY CHADWICK
PERMAFOREST TRUST
TIM WINTON
SCENIC RIM REGIONAL COUNCIL
GENEVIEVE WINDLEY
TANYA LIPUS
MICHAEL ANDERSON
KARIN SCHIANETZ
ALF ORPEN
CURRUMBIN ECOVILLAGE
IAN MURRAY - ROCKCOTE ENTERPRISES
LISA GROOM - INTERNATIONAL PARK TOURS
BEECHMONT BUSINESS AND ENTERPRISE NETWORK (BBEN)
B-FRESH
MARGARET SPRIGGS – LIFELINE GOLD COAST
CRISPIN BUTTERISS – BANG THE TABLE
ROBYN FORTESCUE – WALLABY RIDGE RETREAT
INNES AND TRACEY LARKIN - MOUNT BARNEY LODGE
GREEN DOOR – GEORGE PARROTT
LYN CLIFF
AUSINDUSTRY
DEPARTMENT OF EMPLOYMENT, ECONOMIC DEVELOPMENT AND INNOVATION
GOLD COAST CITY COUNCIL
ENVIROINDUSTRY GOLD COAST
CONNECTING SOUTHERN GOLD COAST

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



Financials

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2009

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, C.J. O'Brien, S.C. Moles, R.C. Tooth (appointed 11-8-08), M. Gamble (appointed 11-8-08) and K. O'Keefe (appointed 6-10-08).

No director has entered into a material contract with the company or received any other benefit or remuneration.

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

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20 July 2009

**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 2009 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

This declaration forms part of and should be read in conjunction with the attached Directors' Report.

ETHOS FOUNDATION**ACN 108 089 327****DETAILED STATEMENT OF INCOME FOR THE YEAR ENDED 30 JUNE 2009**

General Account Income	2009	2008
	\$	\$
Accommodation & meals	0.00	0.00
Beechmont Business & Enterprise Network	(60.00)	2,999.91
BSSB Mentoring Program	5,241.84	1,688.19
Consultancy	36,867.39	264,621.86
Courageous Conversations	0.00	0.00
Donations// Education Scholarship	140.00	1,447.45
Gifts	0.00	0.00
Grants received	132,954.88	172,441.04
Less: transferred to unexpended grants c/fwd	(17,109.96)	(113,424.88)
Interest received - other persons	3,252.21	4,223.06
Membership income	209.08	758.13
Miscellaneous events	2,000.00	1,557.29
Miscellaneous income	1,091.38	3,105.07
Programs/Workshops	3,310.85	80,103.35
Project management	20,333.18	0.00
Reimbursements	0.00	45.45
Sale of books, CDs etc	472.64	3,690.15
Subscriptions	0.00	350.00
Sponsorship	0.00	38,305.45
Total Income	<u>188,703.49</u>	<u>461,911.52</u>
Less: Total Expenses per page 2	<u>204,306.66</u>	<u>436,554.32</u>
Excess of operating income over expenditure	<u>(15,603.17)</u>	<u>25,357.20</u>

ETHOS FOUNDATION**ACN 108 089 327****DETAILED STATEMENT OF INCOME FOR THE YEAR ENDED 30 JUNE 2009**

Expenses	2009		2008	
	\$	\$	\$	\$
Accommodation/meals		0.00		4,432.25
Accounting fees		0.00		381.52
Administration expenses		0.00		1,306.43
Advertising & promotion		32.73		724.36
Audit fees		1,600.00		1,500.00
Bank charges		463.96		1,427.20
Catering for events		0.00		12,860.26
Consultant costs- programs		39,567.01		213,720.90
Cost of sales - books,CDs etc		121.00		1,432.75
Depreciation		4,611.00		2,494.00
Dues & subscriptions		280.00		347.91
Electricity		228.28		996.38
Employment expenses				
Contract Staff	30330.00		32,990.00	
Employee provisions	(769.23)		0.00	
Staff amenities	66.10		119.70	
Superannuation	0.00		3,810.32	
Wages & salaries	0.00		43,127.09	
Workers compensation	<u>0.00</u>	29,626.87	<u>184.53</u>	80,231.64
External speakers		(227.28)		6,732.74
Grants expenses		117,166.85		43,832.78
Insurance		4,259.39		4,221.00
Judy Wicks Tour		2,339.55		14,988.73
Lease costs		0.00		1,126.49
Legal fees/set up costs		0.00		530.40
Licence fees & permits		680.40		780.00
Loss on sale of assets		740.82		0.00
Marketing costs - internet & materials		0.00		3,068.03
Miscellaneous expenses		0.00		419.45
Motor vehicle expenses		0.00		706.00
Office supplies		0.00		1,028.96
Parking & tolls		0.00		327.76
Printing & stationery		156.90		6,249.39
Postage & freight		50.00		676.68
Public relations & media		0.00		43.55
Rent		1,528.50		12,036.82
Repairs & maintenance, equipment & tools		0.00		676.69
Revegetation/environmental management fees		0.00		2,027.60
Seminars/Workshops		0.00		258.64
Special events		0.00		753.73
Telephone/fax/ISDN		920.64		4,368.61
Travel expenses		(216.36)		8,175.99
Venue & equipment hire		185.00		804.55
Web Development		191.40		864.13
Total Expenditure		<u>204,306.66</u>		<u>436,554.32</u>

ETHOS FOUNDATION
ACN 108 089 327

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009	2008
		\$	\$
Revenue from ordinary activities		188,703.49	461,911.52
Expenses of ordinary activities (excluding borrowing costs)		204,306.66	436,554.32
Borrowing costs expense		<u>0.00</u>	<u>0.00</u>
Operating profit before income tax		(15,603.17)	25,357.20
Income tax attributable to operating profit	1	<u>0.00</u>	<u>0.00</u>
Operating profit after income tax		<u>(15,603.17)</u>	<u>25,357.20</u>

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009	2008
		\$	\$
Operating profit after income tax		(15,603.17)	25,357.20
Retained earnings at the beginning of the year		<u>41,330.07</u>	<u>15,972.87</u>
Retained earnings at end of the year		<u>\$ 25,726.90</u>	<u>\$ 41,330.07</u>

ETHOS FOUNDATION
ACN 108 089 327

BALANCE SHEET AS AT 30 JUNE 2009

	Notes	2009 \$	2008 \$
CURRENT ASSETS			
Cash		25,871.14	92,282.79
Accounts receivable - trade debtors		13,099.75	65,489.32
Accounts receivable - other debtors		0.00	0.00
Inventory - books for resale at cost		1,484.00	1,605.00
Other assets-prepayments		0.00	330.00
		<u>40,454.89</u>	<u>159,707.11</u>
NON-CURRENT ASSETS			
Property, Plant & Equipment			
Plant & equipment		14,869.28	17,657.10
Less: Accumulated Depreciation		(6,162.00)	(2,494.00)
Library		1,933.31	1,933.31
Less: Accumulated Depreciation		(193.00)	0.00
		<u>10,447.59</u>	<u>17,096.41</u>
TOTAL NON-CURRENT ASSETS		<u>10,447.59</u>	<u>17,096.41</u>
TOTAL ASSETS		<u>50,902.48</u>	<u>176,803.52</u>
CURRENT LIABILITIES			
Accounts payable - trade creditors & accruals		6,500.00	7,250.14
GST liability		1,565.62	12,581.19
Employee provisions		0.00	769.23
PAYG liability		0.00	1,448.00
Provision for unexpended grants		17,109.96	113,424.88
Superannuation liability		0.00	0.01
		<u>25,175.58</u>	<u>135,473.45</u>
TOTAL CURRENT LIABILITIES		<u>25,175.58</u>	<u>135,473.45</u>
TOTAL LIABILITIES		<u>25,175.58</u>	<u>135,473.45</u>
NET ASSETS		<u>\$ 25,726.90</u>	<u>\$ 41,330.07</u>
MEMBERS' EQUITY			
Retained earnings		<u>25,726.90</u>	<u>41,330.07</u>
TOTAL MEMBERS' EQUITY		<u>\$ 25,726.90</u>	<u>\$ 41,330.07</u>

directors report

2008/09 DIRECTORS REPORT FOR THE ETHOS FOUNDATION YOUR DIRECTORS PRESENT THEIR REPORT ON THE ECONOMIC ENTITY FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2009.

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
Craig Zerk - 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 loss for the year ended June 30th 2009 was \$15,603 on an income of \$188,703. This 08/09 income does not include \$17,110 of grants which have carried forward to 09/10. Retained earnings (Members equity) are \$25,727.

A review of the company's operations during this fourth 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, 4 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. 2 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. 4 years as Director of TEF.

Dr Ron Tooth – Non Executive Director

Appointed to the Board – 2008
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.

Craig Zerk – Non Executive Director

Appointed to the Board -2009
Experience – Director of GeoLink - (a multidisciplinary environmental management and design consultancy)

Meetings of Directors - During the financial year, 6 meetings of the Directors were held.

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

Tim Medhurst (6/6), Morag Gamble (5/6). Sarah Moles (5/6), John O'Brien (3/6), Dr Ron Tooth (6/6), Craig Zerk (3/4)

Directors Declaration

The Directors of the Ethos Foundation declare that:

- The financial statements and notes to the accounts have been made out in accordance with applicable Australian Accounting Standards.
- 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 2009.

In the opinion of the directors:

- 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.
- 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: 8 September 2009.

*inspired
for life*

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