

# THE ETHOS FOUNDATION 2006-2007 ANNUAL REPORT

“Be patient toward all that is unsolved in your heart and try to love the questions themselves. Do not seek the answers, the point is to live everything. Live the questions”  
**Rainer Maria Rilke**

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The logo for the Ethos Foundation features the word "ethos" in a lowercase, sans-serif font. The letter "o" is highlighted in a vibrant yellow-green color, and a thin, curved line arches over the top of the "o" and "s". Below "ethos" is the word "foundation" in a smaller, lowercase, sans-serif font. At the bottom of the logo is the tagline "inspired for life" in a lowercase, sans-serif font.  
ethos  
foundation  
inspired for life



“May we greet each other in peace and harmony and journey on with care for ourselves and love for humankind”  
**Harry Tyler**

## Welcome

The Ethos Foundation is a not for profit, deep sustainability learning and earthcare organisation. Our mission is to cultivate effective new thinking, values and action for positive, ecologically sustainable futures.

We are based at Binna Burra in the mountains of south east Queensland – in the Yugambah Language Region and the home of the Wanggeriburra People. We acknowledge and respect the traditional owners of this land.

We are a registered charity. Our activities are funded by the revenue from our consulting service, educational and earthcare enterprises, education programs, partnership and sponsorship relationships, grants, gifts and donations, book sales and memberships.

### **Our activities focus on four key areas:**

1. Learning and education about deep sustainability and post carbon transition
2. Earthcare – sustainable food and farming; land restoration
3. Community building – within our own organisation, online, in the Beechmont community and the Wollumbin Bioregion
4. Consulting service for progressive, sustainable organisations

# OUR PEOPLE

## Board of Directors

Alastair McCracken – Chair  
Phillip Crockford  
Susanne Knowles  
Tim Medhurst  
Sarah Moles  
John O'Brien  
Andrew Perkins  
Ron Tooth

## Fellows

Morag Gamble  
Stephan Harding  
Ian Oelrichs  
Rodger Spiller

## Staff

Sally MacKinnon – Executive Officer  
Emily Pearce – Project Officer  
Ken McLeod – Program Development  
Jana Zehr – Financial Management

## Consulting Service

Sally MacKinnon  
Emily Pearce  
Jan McGregor  
Tom Caamano  
Ken McLeod  
Colin Pearce

## Volunteer Leadership

Linda Munster – Courageous Conversations  
Tom Caamano – Earthcare  
Kamya O'Keefe – Science and Art: Time of Transition  
Sarah Moles – Science and Art: Time of Transition  
Jan McGregor – Special events  
Joss MacKinnon – Sustainable food and farming at the Summit  
Aunty Ruby Rose – Connections to Country  
Sally MacKinnon – Beechmont Business and Enterprise Network  
Ken McLeod – Northern NSW Networks and Ethos Foundation Hub  
Peter Sanderson – Photography  
Emily Pearce - Beechmont Community Website

Please refer to page 11 for the people and organisations who have supported the Ethos Foundation in the past year.



“Seek the wisdom that will untie  
your knot...seek the path that  
demands your whole being”  
Rumi

“When love and skill work together, expect a masterpiece”  
John Ruskin



Dear Members, Partners, Friends and Supporters of the Ethos Foundation,

What an extraordinary year it has been with the rapid mainstreaming of phenomenon like climate change, not only in Australia but around the world.

No longer are organisations like the Ethos Foundation standing on the margins attempting to catalyse change. We are becoming increasingly active regional players in driving transition processes toward low- and post- carbon futures, and to a broadened understanding and acceptance of deep sustainability.

This is a heartening and exciting time for the Ethos Foundation and our activities are growing to meet the interest and demand in our learning programs and processes in particular.

During 2006-07 we created a program development role within the Foundation and were fortunate to engage Ken McLeod in that position. Ken is a highly skilled and experienced adult and social change educator and has contributed an extraordinary amount of energy to the Foundation’s learning mission, activities and their outreach.

Our Board recently welcomed two new, dynamic Board members to our team: environmental educator Ron Tooth and water activist and author Sarah Moles.

During 2006-07 some highlights within the Foundation’s activities included:

- Hosting two Courageous Conversations:  
“Waging Peace: Relationship, Ownership, the Earth, Community” in August 2006  
“Transforming Energy: Inverting power, transitioning to renewables, preparing for climate change” March 2007
- Hosting one business and government Think Tank “Planning for Climate Change and Accelerating Sustainable Energy in SEQ and Northern NSW” in March 2007
- Organising and hosting Satish Kumar’s highly successful tour of eastern Australia during May 2007 with partners: School of Total Education, Health and Wellbeing, MECU, Allianz, Griffith University’s Multi-Faith Centre, Queensland University’s Centre for Peace and Conflict Studies, Santos Wholefoods, Kindred Magazine, UTS’s Institute for Sustainable Futures, Southern Cross University and CERES Environmental Park

- Developing our consulting service to the point where the Foundation became entirely financially self-sufficient in December 2006
  - Deepening our relationship with Yugambeh woman and elder Auntie Ruby Rose, Mithaka man Scott Gorrington and the land upon which we stand in Wangerriburra country and the Yugambeh Language Region
  - Growing our earthcare activities through bush regeneration and revegetation and sustainable farming initiatives in partnership with the Ridge on Binna Burra, Conservation Volunteers Australia (CVA), Greencorps, Beechmont Landcare, Beaudesert Shire Council and Gecko Regen
  - Continuing to develop the Science and Art: Time of Transition project
  - Supporting the aspirations and efforts of the Beechmont community to revitalise its local economy through sustainable enterprise via the Beechmont Business and Enterprise Network (BBEN) and the Gondwana Centre
  - Growing our collaboration with Beaudesert Shire Council through relationships with councillors and the economic and community development and sustainability divisions
  - Creating new partnerships and maintaining long-term relationships with corporate and business partners including MECU, Hatch, Geolink, Solahart, Education Queensland, Green Cross Australia and Santos Wholefoods
  - Continuing our membership program and providing a number of services for our members
  - Growing our education scholarship program
  - Representation on the Advisory Councils of Green Cross Australia and Gold Coast City Council’s Bold Future program
  - Supporting the Ethos Centre/Ridge on Binna Burra Open Day – February 2007
  - Developing and deepening collaborative relationships and partnerships with aligned not for profit organisations including Wild Mountains Trust, Youth Enterprise Trust, CERES Environmental Park, Spirit of the Land Foundation, Permaforest Trust, Resurgence Magazine and Schumacher College
  - Successfully securing a number of grants and corporate partnerships
  - Identifying and developing new, mission-driven enterprises
  - Continuing to provide inspiration and information through our website and regular eNews
  - Developing our book shop both online and at our Beechmont premises
- Developing a community sustainability library thanks to the financial support of the organisers of the Beechmont Live Earth event.

The Board would particularly like to thank the Foundation’s dedicated staff for all their contributions to the organisation this year. Our staff numbers may be small but they are a highly synergised and multi-skilled team and achieve a huge amount for the organisation.

We would also like to offer our gratitude to the people and organisations who have supported the Foundation with their time, energy, love, financial support, knowledge, resources and expertise over the past year. You make a difference every day with your support.

We recognise the seismic shifts afoot in our world – the beginnings of ecological, social and economic breakdown as well as the emergence of creative, innovative, informed and engaged human and community responses. We are confident that the Ethos Foundation is positioning itself to significantly deepen and broaden its contributions to the Wollumbin Bioregion as we begin our transition to deep sustainability.

Thank you all for your support of the Ethos Foundation during the past year. Together, we are making a difference.

For the Earth  
Alastair McCracken  
Chair, Ethos Foundation

"I feel it with my body, with my blood. Feeling all these trees, all this country. When this wind blow you can feel it. Same for country...You feel it. You can look, but feeling...that make you"

**Bill Neidjie – Kakadu Man**

We begin with the land beneath our feet – Wangerriburra land within the Yugambah Language Region in south east Queensland. We acknowledge the Yugambah and Wangerriburra people who, like all Aboriginal people in Australia, have *never* surrendered their title or their rights over the country they are traditionally responsible for.

The Ethos Foundation is based in the mountains of Binna Burra on the edge of World Heritage Listed Lamington National Park, about one hour's drive west of Surfers Paradise and the Gold Coast.

## *PLACE*

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. 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.



"Today a bird showed me the way  
Led me to the shore  
Of the ocean of joy  
Suddenly  
I saw the sun  
Suddenly  
My soul opened"

Rabindranath Tagore

The Ethos Foundation's education and learning mission is built upon collaboration, conversation, dialogue, reflection, action and creativity. 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.

**LEARNING**

During 2006-07 the Foundation undertook the following education and learning activities:

- Organised and hosted an east coast Australian tour for Satish Kumar - international peace and sustainability leader, founder of Schumacher College and editor of Resurgence Magazine – May 2007
- Planned and hosted two 5-day Courageous Conversations at Binna Burra (both programs were booked out):  
"Waging Peace: Relationship, Ownership, the Earth, Community" - August 2006.  
"Transforming Energy: Inverting power, transitioning to renewables, preparing for climate change" – March 2007
- Planned and hosted a 1-day industry, government, community leadership Think Tank at Binna Burra "Planning for Climate Change and accelerating sustainable energy in SEQ and northern NSW" – March 2007. This program was booked out
- Continued working with leading Australian scientists and sustainability thinkers and practitioners within Courageous Conversations and other learning events (Aunty Ruby Rose – Yugambeh Woman; Scott Gorringer – Mithaka Man; Professor Ian Lowe – Australian Conservation Foundation; Dr Graeme Pearman – Monash University; Dr Anna Littleboy – CSIRO; Dr Keith Lovegrove – Australian National University; Dr Clyde Wild – Griffith University; Dr Hugh Possingham – University of Queensland; Cuong Tran – Griffith University; Sarah Moles – Murray Darling Basin Community Advisory Committee; Rachel Hore – Community Choir Leader; Ian Dunlop – Australian Peak Oil and Climate Change specialist; CERES Environmental Park staff; Morag Gamble – SEED International; Alf Orpen – One Group; Philip Bangerter – Hatch Engineering; Kelvin Genn – Compass Group Australia)
- Deepened our collaborative learning partnerships with CERES Environmental Park, Wild Mountains Trust, Resurgence Magazine, Schumacher College and began relationships with Griffith University's Multi-Faith Centre, Queensland University's Centre for Peace and Conflict Studies, the Institute for Sustainable Futures at University of Technology Sydney, Southern Cross University, Centre for Total Health and Wellbeing, and Green Cross Australia
- Hosted our first weekend workshop with a focus on dialogue – February 2007
- Deepened our online resource library based on the needs of Courageous Conversation participants
- Continued to develop our Science and Art: Time of Transition project under the leadership of Kamyia O'Keefe and Sarah Moles. This project brings together leading scientists with established regional artists to create a group exhibition scheduled for May/June 2008 at the Gold Coast Art Gallery.



The Ethos Foundation's earthcare work focuses on three areas: sustainable food, sustainable farming and land restoration.

We sharefarm on a family-owned smallholding at Beechmont to help grow a permaculture-inspired organic food enterprise. We also link with local land restoration activities to support bush revegetation and regeneration in the Binna Burra and Beechmont community.

During 2006-07 our earthcare activities included:

- Collaboration with Beechmont Landcare, Beaudesert Shire Council and Gecko Regen to undertake a major weed eradication project along Back Creek
- Securing a Beaudesert Shire Council Community Environmental Assistance Grant to lead stage one of the Back Creek Rainforest Restoration project
- National Tree Day plantings on Sept 8 and 9 2006

## EARTHCARE

- Establishment of the Ethos permaculture garden
  - 4 interns involved during the year: Beatrice (Malaysia), Anna (UK), Ken (Australia), Melissa (Australia)
  - Leadership by Tom Caamano and Joss MacKinnon
- Collaboration with Conservation Volunteers Australia who involved Ethos in their 2007 Greencorps program:
  - lantana removal in Back Creek Reserve
  - creek edges prepared for planting
  - hundreds of local provenance rainforest trees and shrubs planted and established in the south eastern area of Back Creek Reserve
- Planning for short workshops for the Beechmont and Beaudesert Shire communities about sustainable food and farming
- Support for the Beechmont Business and Enterprise Network sustainable food and farming initiatives:
  - Sharefarming conversations
  - Planning for a weekly organic produce market – Local food for local folk

“...and in the dew of little things the heart finds its morning and is refreshed” **Kahlil Gibran**

The Ethos Foundation connects a number of communities within its circle:

- its own community of staff, board of directors, volunteers and interns
- its community of partners and collaborators
- its community of members
- its home community of Beechmont and Binna Burra
- its online community of readers, visitors, members, friends and supporters
- its bioregional community of northern NSW and south east Queensland.

2006-07 has been a very active year of community building for the Foundation:

- Support for the Ethos Centre and Ridge on Binna Burra Open Day – February 2007
- Launch of the Beechmont Business and Enterprise Network – November 2006
- Ongoing support for the Beechmont Business and Enterprise Network
- Coordination of the first Beechmont Business and Enterprise Register – February 2007
- Support for the development and launch of the Beechmont Community Website – April 2007
- The Foundation's website development and regular eNews
- Establishment of new partnerships and deepening of existing partnerships
- Collaboration with Beaudesert Shire Council
- Support for the Wollumbin Collaboration – sustainability networking and transition across northern NSW and south east Queensland
- Continuing organisational development for the Foundation – business, strategic and operational planning, organisational structure, governance
- Maintenance of the Foundation's membership program and services
- Support for the Beechmont and Beaudesert Shire Energywise programs
- Collaboration with Beechmont Landcare





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.



## CONSULTING

During 2006-07 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:

- Development of the Ethos Foundation consulting team
- Development of the Ethos Foundation's Consulting Profile
- Gold Coast Water – Recycled Water Communication Strategy
- Gold Coast City Council – Natural Areas Management Unit
- Deborah Wilson Consulting Service – Recycled Water research
- Permaforest Trust - Marketing
- Compass Group Australia – Sustainability Planning and Development
- SEQ Fire and Biodiversity Consortium – Stakeholder Facilitation



**“It is when you give of yourself that you truly give” Kahlil Gibran**

As the Ethos Foundation completes its second year of operation, we are more aware of the areas where we are making a difference and where our strengths are growing – our circle of influence. We are entering our third year of existence with a much clearer sense of integrated and leveraged purpose which is helping us to align and synergise all the activities in our four focus areas – learning, earthcare, community and consulting.

## THE FUTURE



**“One word frees us and that word is love”  
Sophocles**

## Here's what's ahead in 2007-08:

- Climate Change Leadership Roundtable with Thomas Homer-Dixon at Qld Parliament House – August 2007
- Planning for school-based climate change leadership roundtables
- Development of a Post Carbon Campus enterprise in partnership with Permaforest Trust
- 2008 Courageous Conversation “Bioneering Business: Seeding and growing a new economy” with Judy Wicks – May 19-23 2008
- Food supply chain workshops with Judy Wicks, in partnership with Food Connect – May 23-30 2008
- Short workshop program focused on sustainable food and farming in Beechmont and Beaudesert Shire – November 2007 – June 2008
- Earth Arts weekend workshop with Rachel Hore and Robyn Stewart – June 2008
- Science and Art: Time of Transition group exhibition at the Gold Coast Art Gallery – May – June 2008
- Planning for Arts and Ecology program in partnership with Kanya O’Keefe
- “Building Sustainable Small Business in Beaudesert Shire” training, mentoring and networking program in partnership with Beaudesert Shire Council – 2008-09
- Support for the northern NSW Ethos Foundation Hub
- Consulting service projects
- Launch of new Ethos Foundation website and online community – October 2007
- Growth of the Ethos Foundation’s community sustainability library
- Support for the launch of the Beechmont organic produce market
- Auspicing of the Beechmont Business and Enterprise Network
- Developing our administration and governance capacity
- Australian distribution of Resurgence Magazine
- Ongoing partnerships and collaboration
- Ethos Foundation Open Day and 2<sup>nd</sup> Birthday Celebration – October 2007
- Collaboration with the Orpen Group to launch “Imagine What’s Next”

**“We cannot live only for ourselves.  
One thousand fibres connect us with each other”  
Herman Melville**

# GRATITUDE

## **The Ethos Foundation would not exist but for the support of many people and organisations including:**

- Ethos Foundation Board – Alastair McCracken, Tim Medhurst, Phillip Crockford, John O’Brien, Andrew Perkins, Susanne Knowles, Sarah Moles, Ron Tooth
- Aunty Ruby Rose
- Courageous Conversation Facilitation Team – Ken McLeod, Tom Caamano, Bobbi Allan, Sara Bruxner, Scott Gorringer, Dave Spillman, Richard Zoomers, CERES team, Meghan Bond, Peter Edwards, Angela Ballard
- Courageous Conversation Logistics Team – Linda Munster, Megan Stringer, Holly Mercer, Angela Rowland, Emily Pearce,
- Emily Pearce – dedication and commitment beyond the call of duty
- Satish Kumar and the Resurgence Magazine team
- Jane Medhurst
- Beechmont Live Earth Organisers
- Joss MacKinnon
- Science and Art Artists – Cal MacKinnon, John Dahlsen, Meredith Plant, Robyn Stewart, Dave Groom, Michael Pospischil, Lindy Davidson, Lyndal Hargraves, Sharon Muir
- Kamyra O’Keefe – Science and Art Curator
- Sarah Moles – Science and Art Coordinator
- Gold Coast Art Gallery
- Permaforest Trust
- Wild Mountains Trust
- All our Courageous Conversation Catalyst Presenters 2006-07 – Aunty Ruby Rose, Scott Gorringer, Dave Spillman, Sarah Moles, Cuong Tran, Clyde Wild, John Dahlsen, Morag Gamble, CERES Environmental Park Team, Rachel Hore, Alf Orpen, Ian Lowe, Graeme Pearman, Anna Littleboy, Keith Lovegrove, Philip Bangerter, Kelvin Genn, Andrew Zuch, Michael May, Susie Chapman, Ruth Rosenhek

- All our panelists for the Leading for the Future Parliament House Roundtable – Graeme Pearman, Ian Dunlop, Janette Hartz-Karp, Monica Richter, Rod Welford, 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
- Thomas Homer-Dixon
- Robert Pekin and Food Connect
- Richard Hindmarsh and his research team
- Peter Sanderson – Photography
- Rachelle Wheeler – Photography
- Paul Maschefski - Photography
- Cal MacKinnon – Photographs
- The Ridge on Binna Burra
- Text Publishing
- Brumby Books
- Stephan Harding
- Amiten O’Keefe
- Jude Fanton – Seed Savers Network
- Jan McGregor
- Hon. Rod Welford – Queensland Minister for Arts and Education
- Education Queensland
- MECU and Judy Abernethy
- Green Cross Australia
- Geolink
- Hatch
- Compass Group Australia
- International Park Tours
- Lisa Groom
- Canungra Newsagents
- Budaka Drummers
- Jackie McDonald
- Wendi Trulson
- Beechmont Business and Enterprise Network (BBEN)
- Beechmont State School
- Solarhart
- Rockcote
- Beaudesert Shire Council – Councillor Virginia West, Nick McGuire, Louise Orr, Keith McCosh, Bronwyn Davies
- Canungra Times
- Kindred Magazine
- Santos Wholefoods
- Multifaith Centre, Griffith University
- Allianz Insurance
- Centre for Peace and Conflict Studies, University of Qld
- Centre for Total Health and Wellbeing, Warwick
- Institute for Sustainable Futures, UTS
- Our Permaculture interns – Beatrice, Anna, Ken and Melissa
- Morag Gamble
- Ian Oelrichs
- Kinectix

Thank you to everyone who has supported the Ethos Foundation in the past year.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2007**

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF THE ETHOS FOUNDATION**

**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 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, S.M.G. Knowles, A.D. McCracken, P. Crockford and C.J. O'Brien.

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.

19 September 2007

**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 2007 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 2007**

General Account Income	2007	2006
	\$	\$
Accommodation & meals	24,452.52	0.00
Consultancy	113,315.40	29,385.55
Courageous Conversations	37,716.20	0.00
Donations/Education Scholarship	3,076.28	86.80
Gifts	140,460.87	0.00
Grants received - non government	3,945.00	34,500.00
Interest received - other persons	265.61	27.23
Membership income	3,202.55	1,704.71
Miscellaneous income	102.73	295.18
Programs/Workshops	4,915.72	0.00
Sale of books, CDs etc	6,496.48	0.00
Sponsorship	22,009.10	5,000.00
<b>Total Income</b>	<b><u>359,958.46</u></b>	<b><u>70,999.47</u></b>
<b>Less: Total Expenses</b> per page 2	<b><u>346,824.68</u></b>	<b><u>68,160.38</u></b>
<b>Excess of operating income over expenditure</b>	<b><u>13,133.78</u></b>	<b><u>2,839.09</u></b>

Expenses	2007	2006
	\$	\$
Accommodation/meals	40,099.55	0.00
Accounting fees	13,282.14	0.00
Administration expenses	27,441.63	0.23
Advertising & promotion	11,018.69	1,736.56
Audit fees	1,250.00	0.00
Bank charges	1,107.65	34.29
Catering for events	1,142.91	0.00
Consultant (speaking)	0.00	500.00
Consultant (revenue)	56,642.20	9,381.68
Cost of sales - books, CDs etc	5,630.65	0.00
Dues & subscriptions	634.58	577.28
Electricity	314.41	0.00
Employment expenses		
Employee provisions	769.23	0.00
Staff amenities	112.11	50.95
Superannuation	4500.00	3,288.45
Wages & salaries	49997.89	36,537.60
Workers compensation	146.65	282.04
External speakers	28,445.24	0.00
Grants	1,904.16	0.00
Insurance	2,873.95	2,163.64
IT expenses	455.32	356.43
Lease costs	953.68	520.14
Legal fees/set up costs	2,311.45	5,000.00
Marketing costs - internet & materials	31,710.03	0.00
Membership coordination	3,062.50	4,067.00
Miscellaneous expenses	351.89	0.00
Office supplies	1,294.19	275.41
Parking & tolls	367.80	40.91
Printing & stationery	5,016.52	1,291.80
Postage	1,156.24	189.90
Public relations & media	11,305.46	0.00
Rent	6,150.39	60.00
Repairs & maintenance, equipment & tools	888.00	59.09
Revegetation/environmental management fees	16,000.00	0.00
Seminars/Workshops	222.73	0.00
Special events	5,000.00	0.00
Telephone/fax/ISDN	5,818.98	1,044.57
Travel expenses	1,143.71	702.41
Venue & equipment hire	5,402.15	0.00
Web Development	900.00	0.00
<b>Total Expenditure</b>	<b><u>346,824.68</u></b>	<b><u>68,160.38</u></b>

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

**BALANCE SHEET AS AT 30 JUNE 2007**

	Notes	2007 \$	2006 \$
<b>CURRENT ASSETS</b>			
Cash		6,063.13	1,702.91
Accounts receivable - trade debtors		31,916.75	5,000.00
Amount due from Binna Burra Village		0.00	3,450.00
Inventory - books for resale at cost		1,009.03	0.00
Other assets-prepayments		330.00	2,000.00
		<u>39,318.91</u>	<u>12,152.91</u>
<b>TOTAL CURRENT ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant & equipment - library		1,317.05	165.59
		<u>1,317.05</u>	<u>165.59</u>
<b>TOTAL NON-CURRENT ASSETS</b>			
		<u>40,635.96</u>	<u>12,318.50</u>
<b>TOTAL ASSETS</b>			
		<u>40,635.96</u>	<u>12,318.50</u>
<b>CURRENT LIABILITIES</b>			
Accounts payable - trade creditors & accruals		15,612.79	1,041.00
GST liability		3,906.11	3,082.28
Employee provisions		769.23	0.00
PAYG liability		3,336.48	4,144.59
Superannuation liability		1,038.48	1,211.54
		<u>24,663.09</u>	<u>9,479.41</u>
<b>TOTAL CURRENT LIABILITIES</b>			
		<u>24,663.09</u>	<u>9,479.41</u>
<b>TOTAL LIABILITIES</b>			
		<u>24,663.09</u>	<u>9,479.41</u>
<b>NET ASSETS</b>	\$	<u>15,972.87</u>	<u>2,839.09</u>
<b>MEMBERS' EQUITY</b>			
Retained earnings		15,972.87	2,839.09
		<u>15,972.87</u>	<u>2,839.09</u>
<b>TOTAL MEMBERS' EQUITY</b>	\$	<u>15,972.87</u>	<u>2,839.09</u>

To be read in conjunction with attached notes to and forming part of the financial report

5  
**ETHOS FOUNDATION**  
**ACN 108 089 327**

**STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2007**

	2007 \$	2006 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers in the course of operations	330,662.47	31,385.44
Cash receipts from donations	3,076.28	86.80
Grants received - non government	8,145.00	31,800.00
Interest received	265.61	27.23
Sponsorship	(4,907.65)	0.00
Cash payments in the course of operations	(331,730.03)	(61,430.97)
	<u>5,511.68</u>	<u>1,868.50</u>
<b>Net cash from operating activities</b>		
	<u>5,511.68</u>	<u>1,868.50</u>
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>		
Payments for plant & equipment - library	(1,151.46)	(165.59)
	<u>(1,151.46)</u>	<u>(165.59)</u>
<b>Net cash used in investment activities</b>		
	<u>(1,151.46)</u>	<u>(165.59)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Loans raised/(repaid)	0.00	0.00
	<u>0.00</u>	<u>0.00</u>
<b>Net cash from financing activities</b>		
	<u>0.00</u>	<u>0.00</u>
<b>Net increase/(decrease) in cash held</b>	4,360.22	1,702.91
Cash at the beginning of the financial year	1,702.91	0.00
	<u>1,702.91</u>	<u>0.00</u>
<b>Cash at the end of the financial year</b>	\$ <u>6,063.13</u>	\$ <u>1,702.91</u>
<b>Notes to Cash Flow Statement</b>		
<b>1.Reconciliation of operating profit after income tax to net cash from operating activities</b>		
Operating profit/(loss) after income tax	13,133.78	2,839.09
Movement in provision for employee benefits	769.23	0.00
(Increase)/decrease in accounts receivable - trade debtors	(26,916.75)	(5,000.00)
(Increase)/decrease in amount due from Binna Burra Village	3,450.00	(3,450.00)
(Increase)/decrease in inventory	(1,009.03)	0.00
(Increase)/decrease in other assets-prepayments	1,670.00	(2,000.00)
Increase/(decrease) in accounts payable - trade creditors & accruals	14,571.79	1,041.00
Increase/(decrease) in GST liability	823.83	3,082.28
Increase/(decrease) in PAYG liability	(808.11)	4,144.59
Increase/(decrease) in superannuation liability	(173.06)	1,211.54
	<u>5,511.68</u>	<u>1,868.50</u>
<b>Net cash provided by operating activities</b>		
	<u>5,511.68</u>	<u>1,868.50</u>
<b>2.Reconciliation of Cash</b>		
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.		

To be read in conjunction with attached notes to and forming part of the financial report

Ethos Foundation Ltd was incorporated under the Australian Companies Act 2001, on February 23<sup>rd</sup>, 2004, as a company limited by guarantee. It was renamed The Ethos Foundation on October 2005. Pursuant to Section 304 of the Corporations Law, the directors report as follows:

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

A. D. McCracken - P. Crockford - T.G. Medhurst - S.M.G. Knowles - A.P. Perkins - C.J. O'Brien.

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 it's 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.

The Consolidated nett operating profit for the year ended June 30<sup>th</sup>, 2007 was \$13,133.78, a considerable achievement for the second year of operation in any new Foundation. 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.

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

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.

The company has not, during or since the end of the year, in respect of any person who is or has been an officer or auditor of the company or a related body corporate:

- indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including for the costs and expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings.

No director of the company has, since the end of the previous financial year, received or become entitled to receive a benefit (other than a benefit included in the emoluments received or due and receivable by directors), by reason of a contract made by the company with the director or with a firm of which he is a member, or with a company in which he has an interest, other than fees payable to a director in relation to accounting services provided.

Future operations of the company are likely to continue in the same manner, although to an increased capacity, 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.

Signed on behalf of the Board, and in accordance with it's resolution:



A P Perkins



A D McCracken

Dated: October 18<sup>th</sup>, 2007.

## Information about Directors

S.M.G. Knowles MBA (Bond), MORGPsych(UQ), MEdSt(UQ), FAIM, FAICD, MAPS  
Experience: 30 years of senior governance and administrative roles in private and public sectors including Deputy Director General of Department of Training and Industrial Relations; and Academic Director of Australian College of Natural Medicine. 4 years as Director of AIM; 1 year Director of TEF.

T.G. Medhurst M.Sc.,B.Sc.(Surv), Dip.Ed.  
Experience: 25 years in surveying, land development and NFP company administration. 1 year as Director of TEF; 6 years as Director of Australian Outward Bound Foundation .

A.P. Perkins B.Ecn, Dip.Fin.,Dip.Farm  
Experience: 20 years as agricultural economist, in private and commercial practice. Director, Youth Enterprise Trust; 1 year as Director of TEF.

A.D. McCracken  
Experience: 26 years in resort and managed village administration and development; 2 years a Director of Ecotourism Association Australia; 6 years as Director InterPacific Resorts; 1 year Director of TEF.

P. Crockford  
Experience: 30 years in general business as health practitioner, trainer, author, coach and entrepreneurial activities. State and National leadership roles with International Coaching Federation; 1 year Director of TEF.

C.J. O'Brien B.App.Sc  
Experience: Prominent marketing and management positions in Europe and the United States, in the IT business. Board and strategic management roles in the renewable and alternative energy field, and currently vice-president (Asia-Pacific) of Frontrange Solutions; 1 year Director of TEF.

During the year, 3 meetings of Directors were held.

Attendances were: A.D. McCracken (3) S.M.G. Knowles (3) C.J. O'Brien (0) P. Crockford (3) T.G. Medhurst (3) A.P. Perkins(3)

## Directors' Declaration

The Directors of the Ethos Foundation declare that:

1. the financial statements enclosed in this report
  - (a) comply with Accounting Standards and Corporations Law; and
  - (b) give a true and fair view of the financial position as at 30 June 2007 and the performance for the year ended on that date of the company and the economic entity;
2. in the Directors opinion there are reasonable grounds to believe that the company will be able to pay its debts as and where they become due and payable.

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

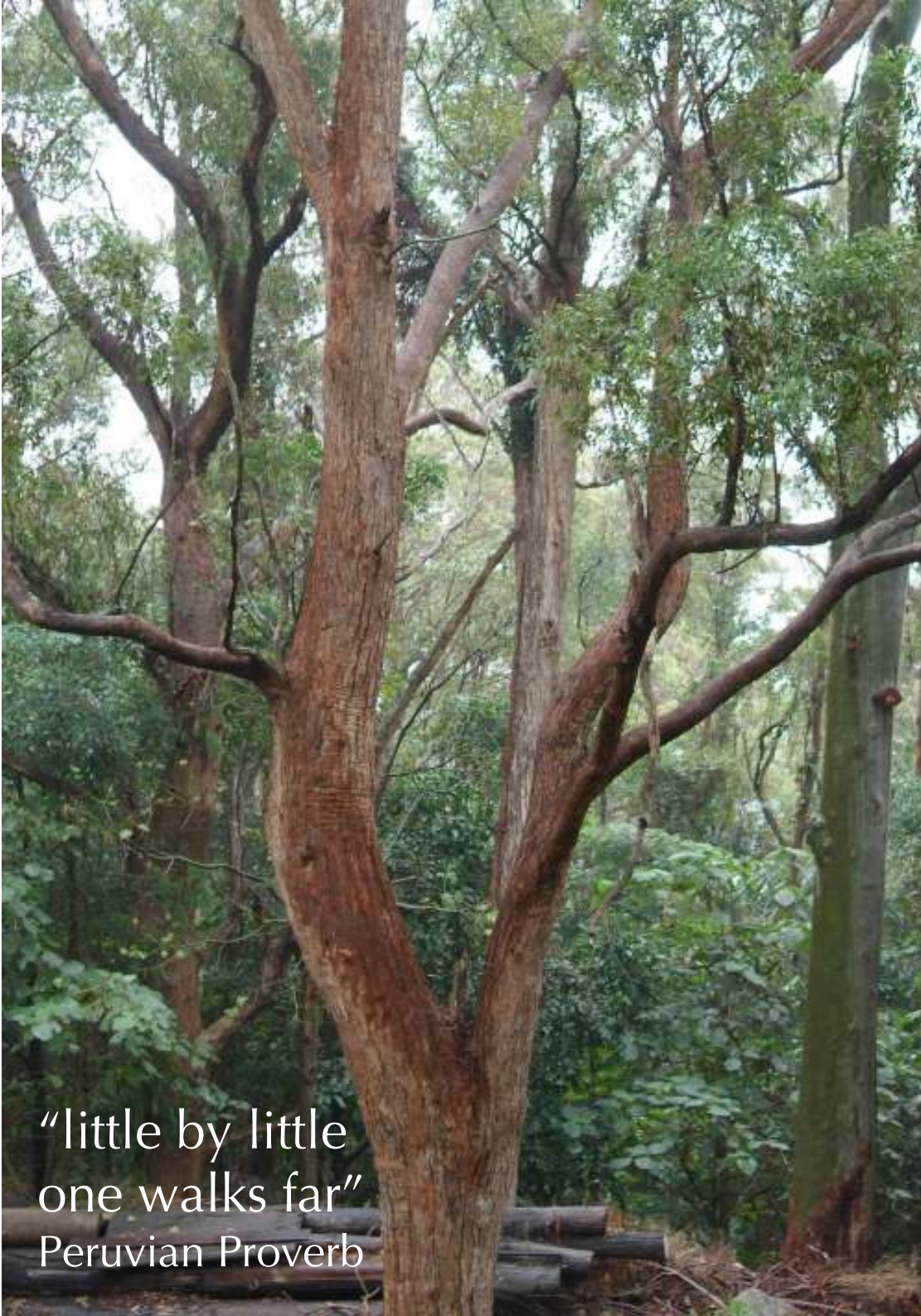


A P Perkins



A D McCracken

Dated: October 18<sup>th</sup>, 2007



“little by little  
one walks far”  
Peruvian Proverb

## The Ethos Foundation

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foundation  
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