



Annual Report
2015



Business for Millennium Development Ltd Annual Report FY2015



“

B4MD have not only distinguished themselves as a lead voice in the region advocating for the uptake of inclusive business models, but they have proven themselves as a market leader in the design and project management of inclusive business solutions.

”

*Peter Botten CBE, Chairman
Business for Millennium Development*



Chairman and Chief Executive Officer's Review

The last twelve months have been a turning point for the international development community in how it engages with the private sector. Where once poverty alleviation was considered the domain of government, NGOs and civil society, this year we saw a greatly expanded view of the role that the private sector can and must play. In the Australian context we have seen this best reflected in the advent of a strong federal government focus on private sector development. Internationally, we have seen this reflected in the member states of the G20 working towards the adoption of a G20 Framework on Inclusive Business.

At both the local and international level we are delighted to see these changes taking place and are encouraged to recognise the role that we have played in supporting the realisation of these outcomes. Ultimately, these developments serve to underline the important and relevant role that we fulfil in working alongside the private sector to establish inclusive business partnerships that tackle extreme poverty.

As the international development community has grown in its understanding of the role of the private sector, we too have continued to grow and mature in how we work in partnership with the private sector. Since we started, our work has evolved into the design, initiation and management of inclusive business projects and in the eight years since our formation we have consulted to and worked with, some of the world's leading MNCs.

As we consider our growth trajectory to this point, we recognise that as an organisation we have:

- Advocated to over 4,000 people
- Developed over 100 inclusive business concepts
- Led over 50 inclusive business exploratory missions
- Undertaken 24 feasibility studies
- Delivered 13 business plans
- Coordinated the signing of 12 MOU's

- Taken 8 projects to pilot
- Seen 3 of these projects go to scale up

Excitingly for us, this year we have increasingly seen the reward of this hard work evidence itself throughout our operations. We now have two trading entities registered utilising our LINC™ methodology to ensure that beneficial outcomes will be generated for farmers in Kenya and Laos. This has been achieved through our partnerships with Base Titanium and the Cotton On Group and MMG and Ironbark Citrus. Meanwhile, the development of the Highlands Pork Company in partnership with Oil Search Ltd continues to move forward thanks to our innovative feed program and we continue to work closely with Syngenta on the delivery of the company's Good Growth Plan. Our projects in development with Olam, Ok Tedi Development Foundation, Trukai (Sunrice), Louis Dreyfus and Coca Cola Amatil continue to progress as well.

But the reward doesn't stop there. Recognising the longevity and success of our advocacy work, this year we were delighted to be appointed as the Business Call to Action's regional partner (BCtA). Headquartered at the United Nations Development Programme, the BCtA is a global leadership platform for inclusive business. This partnership has brought about a renewed emphasis on our advocacy activity and has seen us engage with a breadth of companies across the region.

And finally, by the end of June 2015 - since our inception - we had successfully raised \$6.9M in funding support to advance the cause of inclusive business in Australia and beyond. In fact FY2015 has been our strongest financial year to date.

This positive growth points to the fact that today, our financial position, our advocacy activities, and our project work have never been stronger and are underwritten by a robust operating model. In so doing, we are well positioned

to capitalise on our strong foundation and move with confidence into 2016 and beyond.

These successes have not only been achieved because of the hard work and commitment of our management team but also because of the support of our Board and we thank them for their contribution. In particular, we wish to acknowledge the contribution of Dr Dan Evans and Richard Rome who completed their terms as non-executive directors this year. We would especially like to thank Dr Evans for his long standing commitment to the organisation and many hours spent working closely with the management team notably in the formative years of the organisation.

To our clients, members and partners, thank you for the opportunity to work with you over the past 12 months. As each year passes we come increasingly closer to realising the vision of the organisation and much of this is because of our engagement with you.

While much has been achieved in 2015, there is much more to be done and we look forward to the coming year when we will roll out a new range of projects and advocacy initiatives to achieve our goal of building inclusive business partnerships that tackle extreme poverty.

As you take the opportunity to read this FY2015 Annual Report we hope to provide you with a snapshot of our lead activity over the past year - our busiest and most rewarding year to date.

Peter Botten CBE,
Chairman, Business for Millennium Development

Mark Ingram,
Chief Executive Officer, Business for Millennium Development

FY2015 Key Achievements

August 2014

John Cook, B4MD Principle Project Consultant is announced by The Hon. Julie Bishop MP, Australian Minister for Foreign Affairs as a Commissioner of the Australian Centre for International Agricultural Research.

Asian Development Bank commission B4MD to develop a strategic plan for the Southeast Asia and Pacific Inclusive Business Alliance (SEA-PAC).

October 2014

Ok Tedi Development Foundation commissions B4MD to develop a LINC™ enterprise solution for smallholder rubber farmers in Western Province of Papua New Guinea, together with off-take partner Olam.

B4MD delivers an “Inclusive Business Briefing Session” for DFAT staff in response to the Australian Government’s newly launched development policy which places an increased emphasis on the role of the private sector in delivering development outcomes.

B4MD host the Australian launch of SEA-PAC at Parliament House in Canberra.

November 2014

G-Resources request B4MD to assist their community development efforts by developing LINC™ solutions for smallholder farming communities in Northern Sumatra, Indonesia surrounding their gold mining operations.

B4MD delivers an “Inclusive Business and the Extractives Sector” workshop as part of the Responsible Business Forum on Sustainable Development in Singapore. The forum is attended by over 500 delegates.

World Fish request B4MD to establish a LINC™ enterprise for smallholder prawn farmers in Aceh province, Indonesia - farmers whose livelihood was completely destroyed by the tsunami of 2004.

First successful pilot harvest of potatoes and cotton in Kenya under the Kwale LINC™ produced in partnership with Base Titanium and the Cotton On Group. First cotton samples are despatched to Bangladesh for quality evaluation.

MMG commission B4MD to develop and establish a second LINC™ in Laos after the success of Ironbark Laos LINC™.

December 2014

B4MD hires former head of Fair Trade Australia New Zealand, Steve Knapp as a new member of the rapidly growing project division.

February 2015

G-Resources commission B4MD to build a LINC within their local farming communities in North Sumatra, Indonesia.

April 2015

DEG (German Investment Corporation) expands co-funding of the Kwale Potato program in Kenya.

B4MD is engaged by the Business Call to Action (UNDP) to form a collaborative alliance in the Asia Pacific region purposed on the promotion of inclusive business and the BCtA.

Finders Resources commissions B4MD to undertake community consultation on Wetar Island, Maluku Province, Indonesia in preparation to form LINC™ enterprises.

May 2015

DFAT request B4MD's input and advice on the Department's response to the G20 Inclusive Business Framework.

Joint MOU signed between Olam, Ok Tedi Development Foundation (OTDF) and B4MD to develop rubber supply chain in Western Province, Papua New Guinea. It is the intention of OTDF and B4MD to benefit 10,000 smallholder rubber farmers in the region.

About B4MD

We design & promote inclusive business

Business for Millennium Development is an independent not-for-profit organisation formed in 2007. Since we began, we have been prototyping how the private sector can work with communities, governments, multilateral organisations and NGOs to solve extreme poverty through inclusive business models in the developing world.

So far, we have consulted to over 20 leading multinational companies and have advocated the uptake of inclusive business models to over 4,000 business leaders.

WE FOCUS ON SMALLHOLDER FARMERS

Recognising that three quarters of the world's extreme poor are dependent on agriculture as their primary source of income – we focus on the creation of increased income earning opportunities for smallholder farmers in partnership with companies from the food and agribusiness sector.

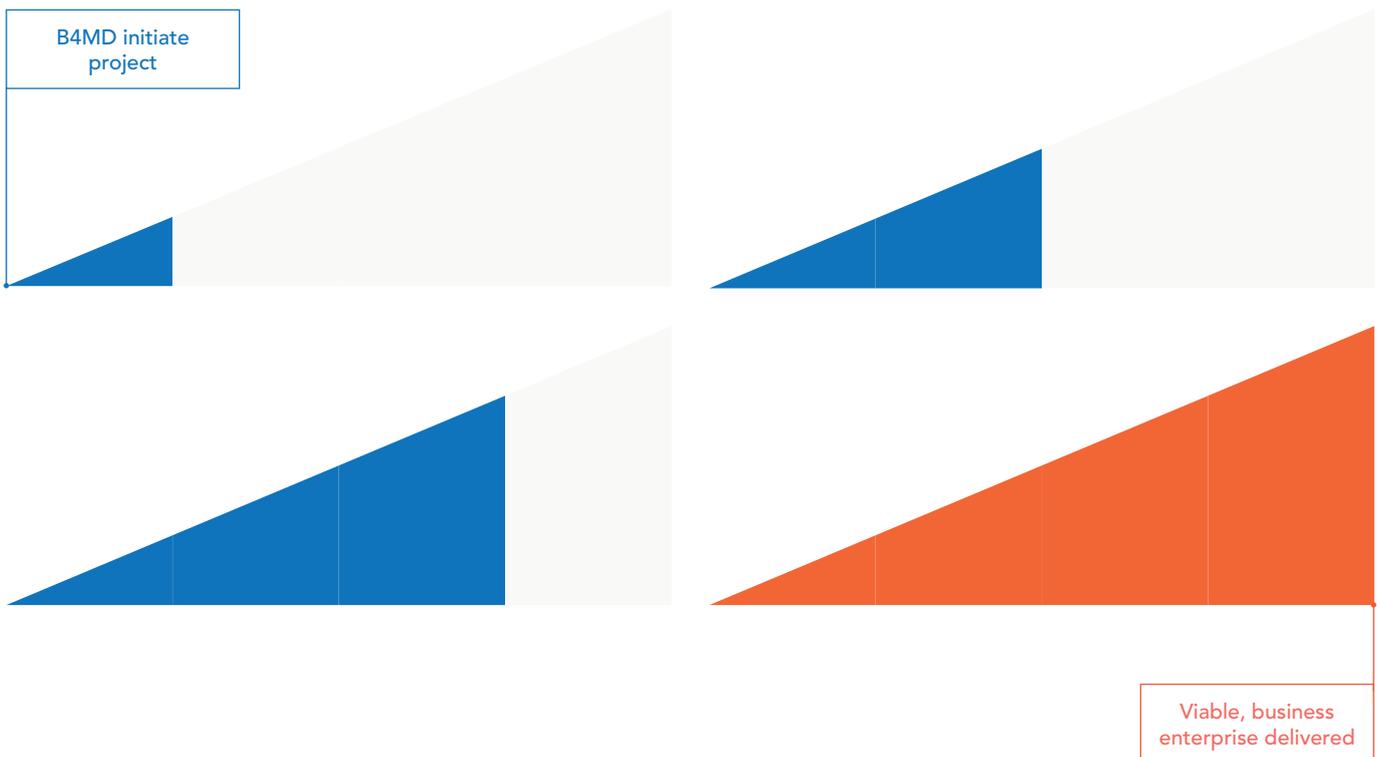
WE CREATE INCLUSIVE BUSINESSES BY SETTING UP LINC'S

Our experiences with companies and farmers led us to develop a unique business model – the first of its kind – to streamline the establishment of mutually beneficial businesses. The LINC™ model mediates the interests of smallholder farmers and buyers. LINC stands for Long-term Inclusive Commercial Enterprise.

WE WORK THROUGH PARTNERSHIPS

We build partnerships with food and agribusiness companies supported by governments, donors, NGO's and companies from the resource sector to ensure that smallholder farmers are positioned for optimal outcomes.

“ *Commercially viable, scalable business enterprises focused on poverty reduction. We work together with government agencies and companies on the development of new inclusive business policy and projects, building policy frameworks, project consortia, coordinating feasibility studies and facilitating business planning.* ”



“

The last twelve months have been a turning point for the international development community in how it engages with the private sector.

Where once poverty alleviation was considered the domain of government, NGOs and civil society, this year we saw a greatly expanded view of the role that the private sector can and must play.

”

*Mark Ingram CEO,
Business for Millennium Development*



Our Clients and Partners

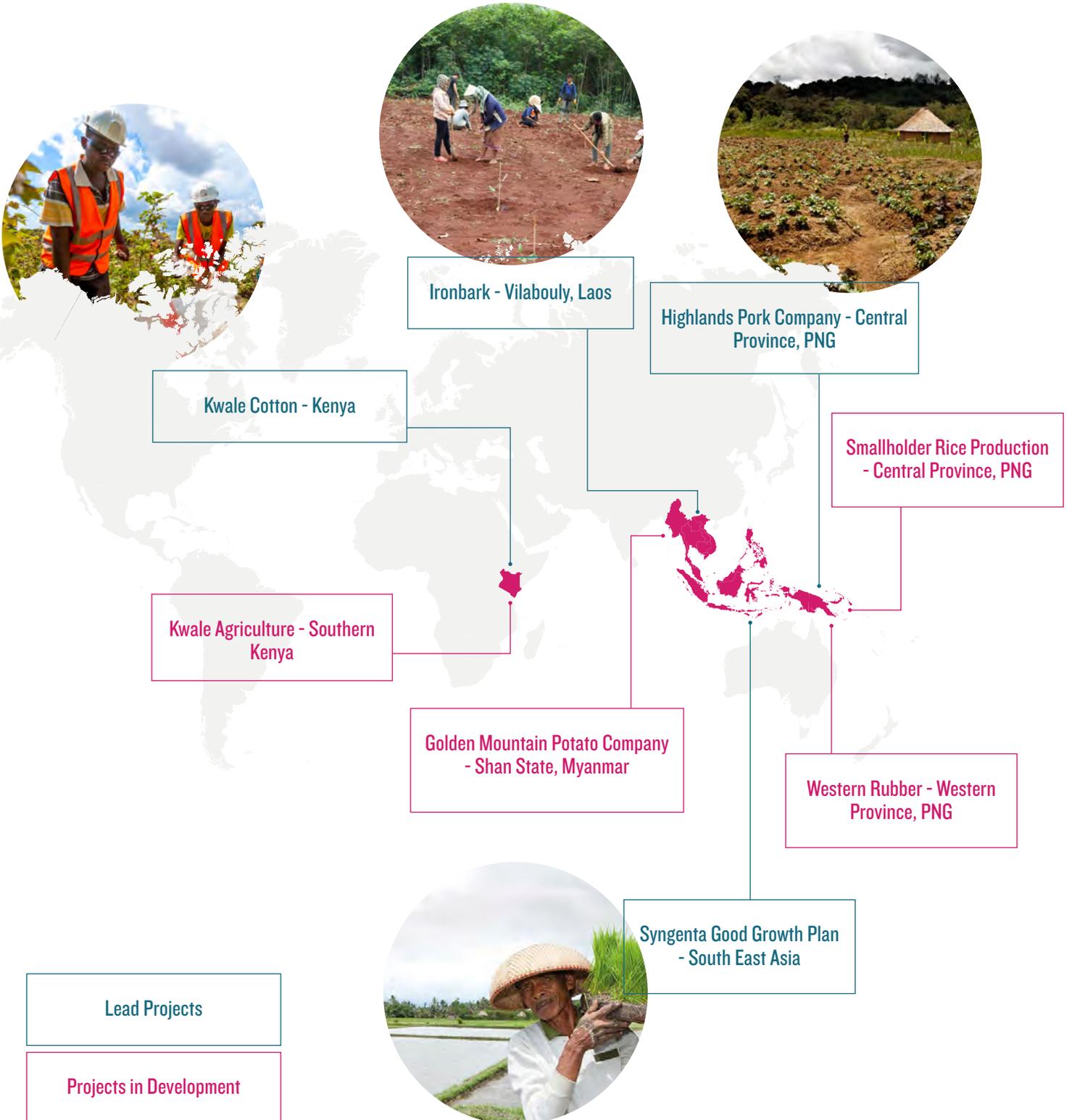
B4MD was founded by business for business. Our network of partners represent many of the world's leading companies. We help these clients build commercially viable, scalable business enterprises focused on poverty reduction

We assist governments, multilateral organisations and other NGOs to engage with the emerging IB paradigm to enable the creation of policy responses and new projects.

KEY PARTNERS



Our Projects



Kwale Cotton



LEAD PROJECT
KENYA

PROJECT OVERVIEW

The Cotton On Group in partnership with Business for Millennium Development and Base Titanium have undertaken a pilot program to grow its own cotton sourced directly from farmers in Kenya. Working with 200 farming families at present, our aim is to increase incomes to \$1500 per annum from current subsistence farming.

PROJECT DETAILS

With 46 per cent of the country's population living below the poverty line, the initiative aims to empower farmers with the resources needed to build a sustainable income whilst supporting long term change and development in the country more broadly. Working directly with local farmers, the project has supported the management of crops, provided education on best practice and equipped farmers to successfully grow cotton. As a result, the Cotton On Group will have the opportunity to procure ethically produced cotton on a scalable basis. And most importantly, local farmers have a solution to extreme poverty which can impact thousands of farming families in the South of Kenya.

The initiative has been made possible by Base Titanium as it works to create a sustainable future for farmers in close proximity to its mining operations.

Project partners include Syngenta, DEG, WWF, Kinondo Community Bank, Kenya Agricultural & Livestock Organization, Kwale County, COMPACI and the Kenyan Fibre Crops Directorate.

PROGRESS

Already the program is yielding strong results with the first cotton crop successfully harvested. Opportunities to expand the initiative further are currently being explored, allowing more farmers to become involved. A LINC is under formation to connect local cotton farmers to international buyers of cotton, starting with the Cotton On Group.

KEY STATISTICS

- 100 farmers in the pilot
- \$1500 PA target income
- 10,000 people potential scale of impact



Ironbark

LEAD PROJECT LAOS

PROJECT OVERVIEW

Ironbark Citrus in partnership with MMG and Business for Millennium Development have set up an inclusive business in Laos to enable farmers to earn greater incomes by supplying citrus fruits to regional markets. Working with a pilot group of farmers, our aim is to increase incomes to \$3,000 per annum. This represents a tenfold increase in income for farmers formerly living in extreme poverty, earning less than \$1.25 per day.

PROJECT DETAILS

Many farmers in Laos struggle to grow enough maize or cassava to feed their families. Growing citrus can provide farmers with a basis to sustainably exit poverty, netting a tenfold increase in incomes over traditional crops. Ironbark Citrus has established an inclusive business in Laos building a local citrus industry in the process. The business supplies trees to farmers, provides training and horticultural services, creates pathways for the provision of microfinance and packs and markets citrus to regional markets. Experts in citrus production, Ironbark Citrus have a history of supplying citrus fruits to Southeast Asia. The Laos division of the business will enable the company to provide these markets with a counter-seasonal supply of citrus to supplement their exports from Australia. Designed to generate strong social outcomes, local farmers have the opportunities to grow a new crop that will deliver transformed incomes for their families. The initiative has been made

possible by MMG LXML Sepon as it works to create a sustainable future for farmers in close proximity to its mining operations.

PROGRESS

The company has been registered, a nursery has been built and local management employed. To date 8,000 root stock have been planted in the nursery and 1,200 citrus trees planted in the ground with pilot farmers. The project will reach scale in 2019.

KEY STATISTICS

- 15,000 seedlings planted in nursery
- \$3,000 PA target income
- 200 farmers targeted by 2020



Highlands Pork Company



LEAD PROJECT
PNG

PROJECT OVERVIEW

Commissioned by Oil Search Ltd, we are trialing a local piggery enterprise in PNG that will enable root crops to be utilised for pig feed, outgrowers to breed pigs, and a commercial partnership to supply pork-meat to local markets. Designed to engage existing farmers in the highlands of PNG, the aim of the project is to increase incomes to \$1,500 per annum for farmers currently living in extreme poverty.

PROJECT DETAILS

Exhibiting some of the highest rates of extreme poverty anywhere in the world, rural communities in PNG find it difficult to progress beyond subsistence living. However, common to many families living in these communities is the prevalence of pig ownership. The creation of market supply opportunities will create income streams not previously accessed by these farming families in the highlands. Business for Millennium Development has deployed industry experts who have designed a unique localised feed formulation that utilises root crops such as sweet potato and cassava, commonly grown in PNG. The experts have also designed outgrower sheds and a breeding regime to enable poor farmers to successfully become pig farmers. The Highlands Pork Company has been formed to create a vibrant smallholder piggery producer group in PNG. By 2020 the project aims to have 500 smallholder farmers in its value chain. The initiative has been made

possible by Oil Search Ltd as it works to create a sustainable future for communities in extreme poverty across PNG.

PROGRESS

Business for Millennium Development has developed a pilot farm at 17 Mile near Port Moresby employing 20 staff. The pilot has successfully prototyped the milling of high quality feed from local crops, and training outgrower farmers in animal husbandry. The first batch of pigs have been raised and sold successfully. We are now working to take the business model to the highlands of PNG and partner with a commercial processor.

KEY STATISTICS

- 20 staff employed in pilot
- 500 farmers by 2020
- \$1500 PA target income



Syngenta Good Growth Plan

LEAD PROJECT SEA

PROJECT OVERVIEW

Business for Millennium Development is working closely with Syngenta in South East Asia to help the company achieve its goal of increasing the productivity of 20 million smallholder farmers by 50% by 2020 as part of the company's Good Growth Plan.

PROJECT DETAILS

According to the World Bank 75% of the world's extreme poor live in rural areas and depend on agriculture as their primary source of income. In Asia alone there are 361M smallholder farmers living close to the point of subsistence[1]. However, studies show that investments in agriculture is up to four times more effective in reducing poverty than growth in other sectors[2]. Through its Good Growth Plan, Syngenta, one of the world's leading agricultural input companies has made a commitment to deliver on six global sustainability targets that will positively impact smallholder farmers.

As part of its commitment to advance smallholder productivity and improving livelihoods, Syngenta has engaged Business for Millennium Development as a lead implementation partner. Through this innovative partnership we will work together with Syngenta on opportunities to improve access to markets for smallholder farmers as well as advancing training opportunities.

PROGRESS

Business for Millennium Development has been engaged by Syngenta as a trusted NGO partner in Southeast Asia. We have brokered the introduction of a new stewardship protocol for smallholder farmers across Asia under this arrangement. We have also participated alongside Syngenta to provide thought leadership on solving extreme poverty amongst smallholder farmers with industry leaders, government and media. And we have undertaken preliminary work to connect Syngenta with food and agriculture companies to form partnerships that lift farmer incomes.

KEY STATISTICS

Syngenta commits to:

- 20 million smallholder farmers
- 20 million farm workers in developing world trained
- 50% increase in productivity



BCtA Partnership

ADVOCACY
FEATURE

PROJECT OVERVIEW

Business for Millennium Development is in a joint collaboration with the Business Call to Action to identify companies in Southeast Asia and the Pacific that have implemented inclusive business models.

PROJECT DETAILS

Building a pipeline of Business Call to Action (BCtA) member companies and engaging in inclusive business advocacy in markets where BCtA has not previously been active.

ABOUT BCtA

Headquartered at the United Nations Development Program, BCtA is a global joint advocacy platform that works to accelerate progress towards the Sustainable Development by challenging and supporting companies to develop inclusive business models.

Since 2008, over 130 companies have joined BCtA by making commitments to improve the lives and livelihoods of millions through commercially-viable business ventures that engage low-income people as consumers, producers, suppliers and distributors of goods and services. To date, more than 40 million households, approximately 200 million people, have benefited from BCtA initiatives.

BCtA is a unique multilateral alliance between key donor governments including the Dutch

Ministry of Foreign Affairs, Swedish International Development Cooperation Agency, .K Department for International Development, US Agency for International Development, the Ministry of Foreign Affairs of the Government of Finland, and the United Nations Development Programme — which hosts the secretariat — in collaboration with leading global institutions, such as the United Nations Global Compact, International Finance Corporation and Inter-American Development Bank.

KEY STATISTICS

- 40 company consultations
- 8 sectors engaged
- 4 advocacy events



“

We at Cotton On are very excited on the outlook of the Kenyan cotton project & having the potential for 100% ethically sourced cotton in our product. This has great benefit for the farmers as they will increase their income greatly & we will have more traceable cotton in our product. A brilliant and sustainable project.

”

*Paul Murdoch,
Group Production Manager
Cotton On Group*



What is IB?

About Inclusive Business

The World Business Council for Sustainable Development is widely credited for coining the term inclusive business in 2005.

An inclusive business is a sustainable business that benefits low-income communities. It is a business initiative that, keeping its for-profit nature, contributes to poverty reduction through the inclusion of low-income communities in its value chain. In simple words inclusive business is all about including the poor in the business process be it as producers, entrepreneurs or consumers.^[1]

Fundamental to this idea is the belief that commercial drivers, including expanding markets for products and services and maximising profit, can be aligned with development outcomes, including creating opportunities for the poor and disadvantaged.

POINT OF DIFFERENCE

Unlike corporate philanthropy and corporate social responsibility (CSR) programs, which are primarily driven by ethical considerations and a desire to minimise impacts and enhance reputation, inclusive business (IB) addresses development challenges through core business activities.

IB initiatives are different to full commercial business activities due to their greater focus on poverty alleviation and achieving development outcomes.

Rather than seeing the poor as bystanders or even victims of the market, IB business models aim to include poor people in value chains as producers, employees, consumers, distributors and innovators^[2].

MUTUAL BENEFIT

IB initiatives aim to accrue benefits for both businesses and the poor. For business, these opportunities include generating enhanced profits, developing new markets for products, driving innovation in products and processes, expanding the labour pool, and strengthening the business value chain. For the poor, opportunities include better meeting of basic needs, enabling the poor to become more productive, increasing incomes, and empowerment.

A significant proportion of leading IB case studies directly benefit the poor through increased sustainable livelihood opportunities generated by the food and agribusiness sector.

“An inclusive business is a sustainable business that benefits low-income communities. It is a business initiative that, keeping its for-profit nature, contributes to poverty reduction through the inclusion of low-income communities in its value chain. In simple words inclusive business is all about including the poor in the business process be it as producers, entrepreneurs or consumers.^[1]”

1. <http://www.inclusivebusiness.org>, WBCSD, 2014.

2. “Creating Value for All: Strategies for Doing Business with the Poor”, UNDP, 2008; “Spotlight on Inclusive Business”, Business Innovation Facility, 2012.

Board Members

Peter Botten – Chairperson

Peter Botten is Managing Director Oil Search. Peter has been a leader in the PNG petroleum industry for over 12 years. He is presently President of the Chamber of Mines and Petroleum and is a Council Member of the Australia PNG Business Council. He was recently made a Commander of the British Empire (CBE) in the Queen's Honours List for services to the community and mining and petroleum industries in Papua New Guinea.

Dr Dan Evans – Deputy Chairperson now Resigned

Dan has had two professional careers covering the mining and professional services sectors. After 26 years with WMC Resources where his final role was Vice President Exploration – Africa/Eurasia, Dan spent the last 13 years in management consulting. He was strategy partner in Accenture focused on the global mineral resources industry. Currently, Dan is the Principal of Executive Compass, a management consultancy focused on business strategy he founded in 1991.

Mark Ingram – B4MD Chief Executive Officer

Mark Ingram served as the New Zealand Consul General to Victoria and Trade Commissioner for Biotechnology from 2003 – 2007. During this period, Mark brokered the establishment of the Australia New Zealand Biotech Alliance, founded the New Zealand Victoria Business Group, and led the first official visit of the Victorian State Premier to New Zealand in over 50 years. Prior to his diplomatic posting, Mark had worked for New Zealand Trade and Enterprise as an Export Consultant from 2001-2002.

Ilenna Copley

Ilenna Copley is a senior commercial advisory and dispute resolution lawyer, having worked for 12 years at a top tier Brisbane law firm. She has extensive experience in project managing large scale, multi-faceted matters. In recent years Ilenna has developed innovative and highly regarded business development initiatives. Ilenna is a Director on the Advisory Board of Eightytwo Vision and holds a Bachelor of Laws (Hons) from Queensland University of Technology.

Daniel Blue

Daniel Blue is a senior commercial lawyer. Daniel has advised the CEOs and Boards of leading Australian and overseas companies on many complex commercial matters. He has worked in the resources sector and assisted in the development of new resource projects in remote locations and communities particularly in Africa and Asia. Daniel has served as a director of listed companies and was previously a member of the Advisory Board of the Graduate School of Management, University of Western Australia.

Melanie Gow

Melanie Gow began her career with World Vision Australia in 1995 in the policy and research division. With a Masters in Development Studies (Monash University) and another in Public and International Law (University of Melbourne), Melanie undertook extensive research on a range of development issues as part of this role. In 2000 Melanie left World Vision Australia to join the World Vision International office. Based in Geneva she played a central role in establishing and developing the World Vision International policy and advocacy division as Deputy Director for International Policy & Advocacy. During her time in Geneva she was co-chair of the UN's Expert NGO Panel for the UN Study on Violence Against Children and President of the NGO Group for the Convention on the Rights of the Child. Melanie rejoined World Vision Australia in 2004. Where she is now Chief Strategy Officer and Chief of Staff to the CEO. Melanie is currently a member of the Advisory Board of Researchers for Asylum Seekers at the University of Melbourne.

Richard Rome - Resigned February 2015

Richard Rome is a business development executive specialising in IT outsourcing. He is also a subject matter expert on technology trends in developing markets and actively involved in several poverty alleviation initiatives outside of work. He is a board member of Osiepe and a member of Australian African Business Council (Vic) and holds a Bachelor of Commerce degree from Deakin University. Prior to IBM Richard worked for Goldman Sachs investment bank in London. Richard spent 2006 on a leave of absence doing volunteer work for the Ugunja Com-

munity Resource Centre (UCRC), a locally run grassroots NGO based in rural western Kenya.

Mick Turnbull

Mick is the Regional CEO for North Asia & Australasia of Agility Logistics a global top 10 logistics provider. His oversight extends to Australia, NZ, PNG, Korea, Japan and the Philippines. Following the joining of Agility in 1998 he has also taken onboard a number of key roles including being a member of Agility's Asia Pacific Management Board as well as a director of two associated joint venture companies.

Andrew McConville

Andrew McConville has been Head of Corporate Affairs for Syngenta Asia Pacific since 2008. He has almost 20 years experience in agricultural issues management, public relations and corporate affairs. Based in Singapore, he is responsible for the management of the company's reputation and stakeholder relationships across the region in the disciplines of Government and Public Affairs, Media Relations, Internal Communications, Corporate Responsibility and Issues and Crisis Management.

Andrew is an experienced practitioner of public and corporate affairs in the agricultural sector around the world and through his roles has worked on issues in the United States, Canada, South America, Europe and extensively through Asia Pacific.

Elizabeth Raut – Company Secretary

Elizabeth Raut completed ten years as the Victorian Manager of the Australian Institute of Architects at the end of 2010. Prior to this Elizabeth worked in a number of roles within the health care sector. She was the National Business Development Manager with the Victorian Healthcare Association, undertook a number of management roles at St Vincent's Hospital Melbourne and with the Sisters of Charity Health Service Melbourne Region and completed a public health project for Health Victoria.

Our Management Team

Senior Leadership

Mark Ingram, Chief Executive Officer

Mark Ingram is the founding CEO of B4MD and is recognised for charting the strategic direction of the organisation since its inception. Under his leadership, B4MD has become both the leading practitioner and voice of inclusive business in the region. His tenure with the organisation has seen him engage directly with a breadth of key stakeholders including CEOs and regional heads of some of the world's largest companies, Government Ministers all the way through to some of the poorest communities in the region.

Prior to being appointed CEO of B4MD, Mark served as the New Zealand Consul General to Victoria and Trade Commissioner for Biotechnology from 2003 – 2007. During this period, Mark brokered the establishment of the Australia New Zealand Biotech Alliance, founded the New Zealand Victoria Business Group, and led the first official visit of the Victorian State Premier to New Zealand in over 50 years.

Sam Sondhi, Chief Operating Office

Sameer Sondhi has 10 years' experience in investment banking working as a Vice President in the M&A and Capital Markets groups for Credit Suisse and Citigroup, based in Sydney. Sameer has extensive experience in domestic and international capital markets and has advised some of Australia's largest corporations on a range of acquisitions, divestments and capital raisings. In addition, Sameer spent the last five years establishing and running his own investment company focussed on the Australian retail and wholesale sectors, which he has now divested.

Drawing on his deep experience in business development, project management and financial analysis, Sameer leads B4MD's strategic and operational development in his current role as COO. Sameer also leads a number of B4MD's core relationships with a range of global food and agro-chemical companies.

Sector Expertise & Project Delivery

Paul Voutier, General Manager Projects

Paul Voutier fulfils a significant leading role in the design, development, implementation and management of B4MD's inclusive business project work. This activity has seen him work closely with a range of multinational companies including Mondelez International, MMG, Base Titanium, Olam, Syngenta, GE and Oil Search across the Indo-Pacific region and in Kenya. Core to this work has been the introducing of a number of these and other companies to inclusive business opportunities in the Indo-Pacific region. In 2012 Paul co-authored the landmark "Business In Development Study" which established a body of evidence that characterized the nature of core business activities that Australian multinationals undertake which contribute to poverty alleviation. The report was commissioned by the then Australian Agency for International Development (now DFAT).

John Cook, Principal Project Advisor

With more than 20 years' experience in the food and agribusiness industry holding a variety of executive management positions including Regional Director Kellogg's Europe, Managing Director Kellogg's Australia, Global Head of Burns Philp Consumer Foods Division and Managing Director of Berri Limited, John Cook brings significant sector expertise to the work of B4MD.

Leading key B4MD projects both in the Pacific and in Kenya, John has a deep commitment to seeing smallholder farmers overcome poverty through inclusive business models. In recognition of this commitment and wealth of experience, John was appointed by the Foreign Minister of Australia to the Commission for International Agricultural Research which provides expert, strategic advice for the Australian Centre for International Agricultural Research.

Steve Knapp, Senior Consultant

Steve is an experienced executive with strong leadership skills and 20 years international development and management experience – including strategy, business planning, multi-stakeholder governance, business growth and organisational change, key account and supply chain management, value chain analysis, and facilitating pro-poor trade links. Prior to joining Business for Development, Steve was the founding CEO of Fairtrade Australia/New Zealand.

Advocacy

David Faulmann, General Manager – Advocacy

David has a strong track record of delivering high impact advocacy initiatives and leads B4MD's efforts in this domain. Since 2008 David has overseen the implementation of B4MD's public engagement activities undertaken in partnership with a number of globally recognised brands. This advocacy work has included a broad range of activity including summits, CEO roundtables, workshops, briefings and inclusive business missions across the Indo-Pacific region.

David is the founding convenor of the Australian Council for International Development's, NGO & Business Partnerships Working Group, regular speaks on and facilitates inclusive business workshops and recently represented B4MD before an Australian Parliamentary Inquiry into the role of the private sector in development. David holds a Bachelor of Arts International Studies from Deakin University.

Rosheen O'Hare, Office Manager

Rosheen O'Hare joined B4MD in July 2013 with more than 15 years' experience as a Senior Administrator, in both the corporate and the not for profit sectors. Rosheen held the position of Executive Officer for Soroptimist International of the South West Pacific, for more than four years. Her most recent position was as Office Manager of Homelessness NSW. Rosheen is a key support to project staff and management at B4MD in office management, accounting and financial processes, risk management, strategic planning, project and stakeholder management, developing cost effective processes and HR. She assists with the organisation of B4MD advocacy programs and manages the website content and also works closely with B4MD's Governance Committee. Rosheen prefers to hold a 'socially useful' position and is a lifelong learner.

Accreditation



Business for Millennium Development Ltd is a member of the Australian Council for International Development (ACFID) and a signatory of the ACFID Code of Conduct. ACFID is the peak Council for Australian not-for-profit aid and development organisations. Maintained by ACFID, the Code of Conduct is a voluntary, self-regulatory sector code of good practice that aims to improve international development outcomes and increase stakeholder trust by enhancing the transparency and accountability of signatory organisations. Complaints relating to a breach of the ACFID Code of Conduct by an ACFID member can be made to the ACFID Code of Conduct Committee.

acfid.asn.au/code-of-conduct/complaints

Complaints

Business for Millennium Development Ltd has a process for handling any complaints about the organisation. Please direct your complaint to David Faulmann, General Manager - Advocacy on +61 3 9008 9030 or contactus@businessfordevelopment.org

ACFID Working Groups

B4MD has played a critical role in founding the Australian Council for International Development, NGO & Business Partnerships Working Group.

The Working Group provides strategic direction on NGO-Business partnerships, advocates for the practice of NGO-Business partnerships, communicates current practise and lessons learnt on NGO-Business partnerships, develops and communicate innovative ideas to support NGO-Business partnerships and engages with and provides advice to DFAT regarding NGO-Business partnerships.



Business for Millennium Development Ltd

Financial Statements For the Year Ended 30 June 2015



Business for Millennium Development Ltd

ABN 27 128 354 549

Contents

For the Year Ended 30 June 2015

	Page
Financial Statements	
Directors' Report	1
Auditor's Independence Declaration	5
Statement of Income and Expenditure and Other Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10
Directors' Declaration	19

Business for Millennium Development Ltd

ABN 27 128 354 549

Directors' Report

For the Year Ended 30 June 2015

The directors present their report on Business for Millennium Development Ltd for the financial year ended 30 June 2015.

1. General information

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Peter Botten	Chairman
Dr Daniel Evans	Deputy Chairman (Resigned 18 June 2015)
Mick Turnbull	Deputy Chairman (as at 26 June 2015)
Mark Ingram	Chief Executive Officer
Daniel Blue	
Richard Rome	Resigned 12 February 2015
Melanie Gow	
Ilenna Copley	
James Lowrey	
Andrew McConville	

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal activities

The principal activity of Business for Millennium Development Ltd during the financial year was to encourage and facilitate inclusive business activities by Australian companies that contribute to the Millennium Development Goals (MDGs).

No significant changes in the nature of the Company's activity occurred during the financial year.

Short term objectives

The Company's short term objectives are to:

- Demonstrate the business benefits of inclusive business in developing communities
- Generate new business connections and ideas for innovative commercial opportunities to reduce poverty
- Link successful businesses with impoverished communities to develop sustainable commerce and deliver on MDGs in the developing world.

Long term objectives

The Company's long term objectives are to:

- Be respected & supported by communities, businesses and governments for our results, independence, courage to break new ground and MDG/SDG leaderships.
- To be the pre-eminent independent organisation of its kind in Australia, where by B4MD's insights are regularly sought by governments, industry and trade groups, community development consortiums and academic institutions.

Business for Millennium Development Ltd

ABN 27 128 354 549

Directors' Report

For the Year Ended 30 June 2015

Strategy for achieving the objectives

To achieve these objectives, the Company has adopted the following strategies:

- International Thought Leadership and Best Practice

In July 2014 B4MD was commissioned by the Asian Development Bank to author a strategic plan for the Southeast Asia and Pacific Inclusive Business Alliance (SEA-PAC). Taking in research and interviews with over 40 key stakeholders from business, government, NGOs, academia and multilateral agencies, the plan articulated how inclusive business could become mainstreamed in the region.

In October 2014 B4MD hosted the Australian launch of SEA-PAC at Parliament House in Canberra, Australia. The event was addressed by Senator Brett Mason, Parliamentary Secretary to the Minister for Foreign Affairs and was sponsored by Syngenta. Lead speakers also included Simon McKeon AO, Founding Chairman of B4MD and Peter Botten, Chairman of B4MD.

B4MD also hosted an Inclusive Business Briefing for DFAT staff in October. Representatives from Cotton On, Syngenta, Ironbark Citrus, Telstra, Asian Development Bank, GIZ, Accenture Development Partnerships and others also spoke at the event.

In November 2014 B4MD was a lead partner of the Responsible Business Forum on Sustainable Development in Singapore. This included B4MD hosting an inclusive business workshop and participating as a panellist. More than 400 business leaders, investors, NGOs and policy-makers from around the world gathered together to share practical solutions for sustainable growth and creating shared value with economic, social and natural capital.

B4MD was also invited to Canberra for a two day workshop with ACIAR to define private sector engagement strategy of the agency going forward.

In April 2015 B4MD began a joint collaboration with the Business Call to Action (BCtA) to identify companies in Southeast Asia and the Pacific that have implemented these inclusive business models. The purpose of this collaboration, is to build a new presence in these markets where BCtA has not previously been active, build a new pipeline of potential BCtA member companies and to engage in advocacy around inclusive business in the region on behalf of the BCtA. Acting as regional partner to the BCtA, B4MD conducted market research and interviewed close to 40 companies across Australia, Indonesia and Singapore that are practicing inclusive business models.

Throughout the year, B4MD was also able to demonstrate its thought leadership through a range of speaking opportunities for staff, media coverage and an increased social media presence.

- Business to Business Connections

B4MD continued to work closely with its member companies and clients to further the activity and reach of the organisation.

- International Business Missions

During the course of the year B4MD did not undertake any business missions.

- Project Scoping & Design

B4MD undertook work with a range of its member and client companies scoping and designing inclusive business supply chain solutions, as well as continuing its work with additional and existing clients and members. These opportunities included:

- Finders Resources commissioning B4MD to undertake a community consultation on Wetar Island, Maluku Province, Indonesia in preparation to form LINC (Long Term Inclusive Commercial) enterprises.
- G Resources inviting B4MD to explore opportunities to build a LINC within their local farming communities in North Sumatra, Indonesia.
- World Fish requesting B4MD to explore inclusive business opportunities for smallholder prawn farmers in Aceh province, Indonesia

Business for Millennium Development Ltd

ABN 27 128 354 549

Directors' Report

For the Year Ended 30 June 2015

Strategy for achieving the objectives continued

- Venture Formation & Feasibility

B4MD continued and or initiated its coordination and facilitation work for a number of new and existing client companies.

Particular highlights included:

- Ok Tedi Development Foundation commissioning B4MD to develop a LINC enterprise solution for smallholder rubber farmers in Western Province of Papua New Guinea, together with potential off-take partner Olam.
- Successful completion of the cotton pilot in Kenya with Base Resources and Cotton On delivering a trial shipment of ethically produced cotton with Kenyan farmers
- Training of farmers in Laos with Ironbark Citrus and MMG LXML Sepon

Members guarantee

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that 'Each Member, in the event of the Company being wound up while he is a member or within one year after he ceases to be a Member, is required to pay an amount not exceeding the Subscription paid by the Member in the previous financial year.

At 30 June 2015, the total amount that members of the company are liable to contribute if the company is wound up is \$94,750.

Meetings of directors

During the financial year, 6 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Audit & Governance Committee		People Committee		Funding & Marketing Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Peter Botten	6	5	-	-	-	-	-	-
Dr Daniel Evans	6	6	6	6	6	1	-	-
Mick Turnbull	6	5	4	2	2	1	-	-
Mark Ingram	6	6	6	2	6	1	4	3
Daniel Blue	6	4	6	6	2	1	-	-
Richard Rome	4	4	-	-	4	2	-	-
Melanie Gow	6	5	-	-	6	6	-	-
Ilenna Copley	6	5	-	-	-	-	4	4
James Lowrey	6	5	-	-	-	-	4	2
Andrew McConville	6	3	-	-	-	-	4	4

Business for Millennium Development Ltd

ABN 27 128 354 549

Directors' Report

For the Year Ended 30 June 2015

Auditor's independence declaration

The lead auditor's independence declaration for the year ended 30 June 2015 has been received and can be found on page 5 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director: 
Mark Ingram

Director: 
Daniel Blue

Dated 16 October 2015.





Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
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Fax: +61 3 8650 7777
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Auditor's Independence Declaration to the Directors of Business for Millennium Development Ltd

In relation to our audit of the financial report of Business for Millennium Development Ltd for the financial year ended 30 June 2015, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

A handwritten signature in black ink that reads 'Ernst + Young'.

Ernst & Young

A handwritten signature in black ink that reads 'Joanne Lonergan'.

Joanne Lonergan
Partner
16 October 2015

Business for Millennium Development Ltd

ABN 27 128 354 549

Statement of Income and Expenditure and Other Comprehensive Income

For the Year Ended 30 June 2015

	Note	2015 \$	2014 \$
Income	2	1,421,605	1,203,854
Employee benefits expense		(565,828)	(503,277)
Project costs		(398,256)	(559,821)
Marketing and development		(2,446)	(6,041)
Administration expense		(195,684)	(138,470)
Depreciation		(5,521)	(6,417)
Bad and doubtful debts expense		-	(13,670)
Surplus/(Deficit) for the year		253,870	(23,842)
Income tax expense		-	-
Surplus/(Deficit) from continuing operations		253,870	(23,842)
Comprehensive income			
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		253,870	(23,842)

The accompanying notes form part of these financial statements.

Business for Millennium Development Ltd

ABN 27 128 354 549

Statement of Financial Position

As at 30 June 2015

	Note	2015 \$	2014 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	331,850	27,745
Trade and other receivables	4	174,579	167,974
Prepayments		892	1,000
TOTAL CURRENT ASSETS		<u>507,321</u>	<u>196,719</u>
NON-CURRENT ASSETS			
Property, plant and equipment	5	<u>5,763</u>	8,088
TOTAL NON-CURRENT ASSETS		<u>5,763</u>	<u>8,088</u>
TOTAL ASSETS		<u><u>513,084</u></u>	<u><u>204,807</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	6	100,636	158,942
Short-term provisions	7	56,803	27,159
Unearned income	8	90,623	7,554
TOTAL CURRENT LIABILITIES		<u>248,062</u>	<u>193,655</u>
TOTAL LIABILITIES		<u>248,062</u>	<u>193,655</u>
NET ASSETS		<u><u>265,022</u></u>	<u><u>11,152</u></u>
EQUITY			
Accumulated surplus		<u>265,022</u>	<u>11,152</u>
TOTAL EQUITY		<u><u>265,022</u></u>	<u><u>11,152</u></u>

The accompanying notes form part of these financial statements.

Business for Millennium Development Ltd

ABN 27 128 354 549

Statement of Changes in Equity

For the Year Ended 30 June 2015

2015

	Ordinary Shares	Total
	\$	\$
Balance at 1 July 2014	11,152	11,152
Surplus for the year	253,870	253,870
Balance at 30 June 2015	<u>265,022</u>	<u>265,022</u>

2014

	Ordinary Shares	Total
	\$	\$
Balance at 1 July 2013	34,994	34,994
Deficit for the year	(23,842)	(23,842)
Balance at 30 June 2014	<u>11,152</u>	<u>11,152</u>

The accompanying notes form part of these financial statements.

Business for Millennium Development Ltd

ABN 27 128 354 549

Statement of Cash Flows

For the Year Ended 30 June 2015

	2015	2014
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	1,411,987	1,188,350
Payments to suppliers and employees	(1,107,697)	(1,265,196)
Interest received/(paid)	3,011	(8,887)
Net cash provided by (used in) operating activities	9 <u>307,301</u>	<u>(85,733)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of plant & equipment	<u>(3,196)</u>	(3,121)
Net cash used by investing activities	<u>(3,196)</u>	<u>(3,121)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net increase (decrease) in cash and cash equivalents held	304,105	(88,854)
Cash and cash equivalents at beginning of year	<u>27,745</u>	116,599
Cash and cash equivalents at end of financial year	3 <u><u>331,850</u></u>	<u><u>27,745</u></u>

The accompanying notes form part of these financial statements.

Business for Millennium Development Ltd

ABN 27 128 354 549

Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

The directors have prepared the financial statements on the basis that the company is a non-reporting company because there are no users who are dependent on its general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the Corporations Act, Australian Charities and Not-For-Profits Commission Act 2012 and the Australian Charities and Not-For-Profits Regulation 2013.

This special-purpose financial report has been prepared in accordance with all applicable Australian Accounting Standards and other mandatory professional reporting requirements that have a material effect with the exception of the disclosure requirements of:

AASB 7:	Financial Instruments: Disclosure
AASB 116:	Property, Plant and Equipment
AASB 117:	Leases
AASB 119:	Employee Benefits
AASB 124:	Related Party Disclosure
AASB 137:	Provisions, Contingent Liabilities, and Contingent Assets

The financial statements cover Business for Millennium Development Ltd as an individual entity, incorporated and domiciled in Australia. Business for Millennium Development Ltd is a company limited by guarantee.

This annual report has been prepared on a going concern basis for the next 12 months recognising that some specific funding has not yet been confirmed. Though it is expected that this funding will be received ensuring sufficient cash flow for the company, it is understood that there is some uncertainty around the current cash in hand position. The directors can confirm in principle support for ongoing funding exists with the Business for Millennium Development's primary funding streams covering the period of 12 months from the date of this report.

Based on projected revenue from project income, events, business missions, scoping missions, membership fees and AusAID, the Directors consider that the company will secure sufficient funds to support operations and will prioritise the securing of these funds. No adjustments have been made to the financial statements relating to the recoverability and classification of the asset carrying amounts or classification of liabilities that might be necessary should the company not continue as a going concern.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of the statements are as follows:

(b) Revenue and other income

Grant revenue is recognised in the statement of comprehensive income when the company obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the company and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

Business for Millennium Development Ltd

ABN 27 128 354 549

Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies continued

(b) Revenue and other income continued

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Interest revenue is recognised as it accrues using the effective interest rate method.

Financial support is considered to be non-reciprocal and is therefore recognised as revenue when received.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

(c) Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and any impairment losses. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the depreciated replacement cost.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over the asset's useful life to the company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Plant and Equipment	25 - 67%
Office Furniture and Equipment	10 - 30%

Assets under \$1,000 are written off immediately, regardless of class.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised immediately in profit or loss.

Business for Millennium Development Ltd

ABN 27 128 354 549

Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies continued

(d) Impairment of assets

At the end of each reporting period, the company reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, or depreciated recoverable amount as appropriate, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

(e) Leased Assets

Business for Millennium Development Ltd does not have any finance leases. Operating lease payments are charged to the statement of comprehensive income in the periods in which they are incurred, as this represents the pattern of benefits derived from the leased assets.

(f) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period, including on costs. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Contributions are made by the company to an employee superannuation fund and are charged as expenses when incurred.

(g) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

(h) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

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

(i) Income Tax

No provision for income tax has been raised as the company is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

Business for Millennium Development Ltd

ABN 27 128 354 549

Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies continued

(j) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the statement of income and expenditure and other comprehensive income.

(k) Comparative Amounts

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

When a company applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

(l) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

(m) Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key estimates

(a) Impairment

The Company assesses impairment at the end of each reporting year by evaluating conditions specific to the Company that may be indicative of impairment triggers.

Key judgement

(b) Useful lives of property, plant and equipment

Plant and equipment are depreciated over their useful life and the depreciation rates are assessed when the assets are acquired or when there is significant change that affects the remaining useful life of the asset.

Business for Millennium Development Ltd

ABN 27 128 354 549

Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies continued

(n) New Accounting Standards for application in future periods

AASB 9: Financial Instruments (December 2014) and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2018).

These Standards will be applicable retrospectively (subject to the provisions on hedge accounting) and include revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments, and simplified requirements for hedge accounting.

The key changes that may affect the company on initial application of AASB 9 and associated Amending Standards include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to the hedging of non-financial items. Should the entity elect to change its hedge accounting policies in line with the new hedge accounting requirements of AASB 9, the application of such accounting would be largely prospective.

These Standards are not expected to significantly impact the company's financial statements.

Business for Millennium Development Ltd

ABN 27 128 354 549

Notes to the Financial Statements

For the Year Ended 30 June 2015

	2015	2014
	\$	\$
2 Revenue and Other Income		
Membership fees	108,896	62,363
Government grants	33,939	27,091
Interest income	3,011	518
Business Missions	-	9,575
Other income	3,225	11,858
Project income	1,272,534	1,006,500
Sponsorship income	-	85,949
	<u>1,421,605</u>	<u>1,203,854</u>
3 Cash and cash equivalents		
Cash at bank	331,850	27,745
4 Trade and other receivables		
CURRENT		
Trade receivables	174,579	170,394
Provision for doubtful debts	-	(2,420)
Total current trade and other receivables	<u>174,579</u>	<u>167,974</u>
5 Plant and equipment		
PLANT AND EQUIPMENT		
Office equipment		
At cost	34,923	31,727
Accumulated depreciation	(29,160)	(23,639)
Total office equipment	<u>5,763</u>	<u>8,088</u>
Total plant and equipment	<u>5,763</u>	<u>8,088</u>
6 Trade and other payables		
CURRENT		
Trade creditors	44,019	101,927
Other payables	56,617	57,015
	<u>100,636</u>	<u>158,942</u>

Business for Millennium Development Ltd

ABN 27 128 354 549

Notes to the Financial Statements

For the Year Ended 30 June 2015

	2015	2014
	\$	\$
7 Provisions		
CURRENT		
Employee benefits	56,803	27,159
	<u>56,803</u>	<u>27,159</u>
8 Unearned Income		
CURRENT		
Unearned income	90,623	7,554
	<u>90,623</u>	<u>7,554</u>

Unearned income consists of membership fees for the period 1 July 2015 to 31 December 2015 which have been invoiced in the 2015 financial year.

9. Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities

Net surplus/(deficit) for the year	253,870	(23,842)
Non-cash flows:		
Depreciation	5,521	6,417
Movement in provision for doubtful debt	-	(25,080)
Changes in assets and liabilities		
(Increase)/decrease in accounts receivable	(6,606)	(33,630)
(Increase)/decrease in prepayments	108	(1,000)
Increase/(decrease) in trade and other payables	(58,306)	(5,864)
Increase/(decrease) in provisions	29,644	9,712
Increase/(decrease) in unearned income	83,070	(12,446)
Cashflow from operations	<u>307,301</u>	<u>(85,733)</u>

Business for Millennium Development Ltd

ABN 27 128 354 549

Notes to the Financial Statements

For the Year Ended 30 June 2015

10 Office Lease Commitment

Business for Millennium Development signed a new 2 year lease with the Landlord for suite 14.05 of 401 Docklands Drive, Docklands, Victoria on 14th February 2014. The lease expires on 14th February 2016. Annual rental is \$24,000 per annum excl GST, payable monthly in advance. On each anniversary of the Commencement Date during the term, the rent shall be increased by a fixed amount of 3%. There will be a market review upon renewal. The lessee carries public risk insurance of \$10 million".

11 Company Details

The registered office of and principal place of business of the company is:

Business for Millennium Development Ltd
14.05 Aquavista Tower
401 Docklands Drive
Docklands, Vic 3008

Business for Millennium Development Ltd

ABN 27 128 354 549

Notes to the Financial Statements

For the Year Ended 30 June 2015

12 Additional Information - Complying with ACFID Code of Conduct

Business for Millennium Development Ltd is a member and signatory organisation of ACFID and complies with the ACFID Code of Conduct. Signatory organisations are required to comply with ACFID's financial reporting requirements.

Business for Millennium Development does not currently undertake International Aid & Development activities. As such, there is no revenue or expenses associated with these activities. Accordingly, no single appeal, grant or other form of fund raising for a designated purpose generated 10% or more of Business for Millennium Development Ltd's international aid and development revenue for the financial year.

The following short form table for International Aid & Development Income Statement in compliance with ACFID's requirements is provided below. Further explanations are provided in following the table.

		2015	2014
		\$	\$
Revenue			
Donations and gifts		-	-
Monetary		-	-
Non-monetary		-	-
Grants	(a)	33,939	27,091
Other income	(b)	1,387,666	1,176,763
Total Revenue		1,421,605	1,203,854
Expenditure			
International Programs	(c)	-	-
Community Education	(c)	-	-
Fundraising Costs	(c)	-	-
Accountability and Administration	(d)	227,200	164,782
Non-monetary		-	-
Other expenses	(e)	940,535	1,062,914
Total Expenses		1,167,735	1,227,696
Excess/(Shortfall) of Revenue of Expenditure		253,870	(23,842)

Explanations

No International Aid & Development revenue, expenses or activities were undertaken throughout the year.

- (a) Grants received were in respect of the Export Marketing Development Grant (EMDG).
- (b) Other income represents Business for Millennium Development's total other income in order to arrive at the total revenue figure which agrees to the Statement of Income and Expenditure report.
- (c) There were no international programs, community education, or fundraising costs incurred throughout the year.
- (d) Accountability and Administration costs include all general administration and office related costs and includes 100% of the Office Manager's remuneration.
- (e) Other expenses includes all other costs in order to arrive at the total expenses of Business for millennium Development for the year that are non International Aid & Development or Accountanbility and Administration related.

Business for Millennium Development Ltd

ABN 27 128 354 549

Directors' Declaration

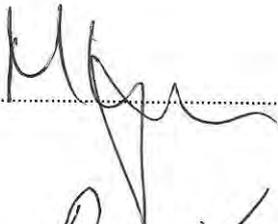
The directors have determined that the Company is not a reporting entity as defined in the Australian Accounting Standards and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors of the Company declare that:

- A. The financial statements and notes, as set out on pages 6 to 18, are in accordance with the Corporations Act 2001 and the Australian Charities and Not-For-Profits Commissions Act 2012 including:
- (i) giving a true and fair view of the company's financial position as at 30 June 2015 and if its performance for the year ended on that date and
 - (ii) complying with Australian Accounting Standards to the extent described in Note 1 to the financial statements and complying with the Corporations Regulations 2001 and the Australian Charities and Not-For-Profit Commission Regulation 2013.
- B. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Director



Director

Daniel Blue

Dated

16/06/2015

Independent auditor's report to the members of Business for Millennium Development Ltd

We have audited the accompanying financial report, being a special purpose financial report of Business for Millennium Development Ltd (the "company"), which comprises the statement of financial position as at 30 June 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and the *Australian Charities and Not-for-Profits Commission Act 2012* and is appropriate to meet the needs of the members.

The directors' responsibility also includes such internal controls as the directors determine are necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001* and the *Australian Charities and Not-for-Profits Commission Act 2012*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Opinion

In our opinion the financial report of Business for Millennium Development Ltd is in accordance with the *Corporations Act 2001* and the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

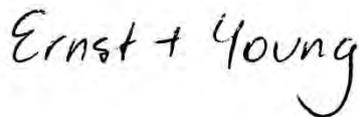
- a. giving a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
- b. complying with Australian Accounting Standards to the extent described in Note 1, and complying with the *Corporations Regulations 2001* and the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualification to the opinion expressed above, attention is drawn to the following matter. As a result of matters described in Note 1 to the financial statements, there is a material uncertainty whether the Company will be able to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the company not continue as a going concern.

Basis of accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001* and the *Australian Charities and Not-for-Profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose.



Ernst & Young



Joanne Lonergan
Partner
Melbourne
16 October 2015