

B4MD
Annual Report
2014





Image front cover: Smallholder farmer, Shan State, Myanmar (B4MD)
Images on page 2: Photos from B4MD's Advocacy & Project work in Australia, Papua New Guinea, Kenya, Laos and Indonesia

Business for Millennium Development Ltd Annual Report 2014



“

B4MD has 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*



Message From Chairman

The presentation of this first Annual Report by B4MD is a reflection of the maturing of this organisation that was founded seven years ago. What at the time began as a small, passionate and highly aspirational campaign to challenge corporate Australia – to do business in a way that alleviates poverty – has since grown into one of, if not the leading Indo-Pacific based organisations committed to the development of inclusive business.

During this time, B4MD has not only distinguished itself as a lead voice in the region advocating for the uptake of inclusive business models, but they has proven itself as a market leader in the design and project management of inclusive business solutions. In so doing, B4MD has charted a course to engage business, communities, governments, NGO's and a number of other stakeholders to promote and develop sustainable inclusive business models that can have a major impact on poverty alleviation.

As a result of this journey, we now have a list of influential partners from the resources, agri-business and manufacturing sectors that turn to B4MD for project design and development advice. B4MD is now successfully linking these organisations with communities to develop inclusive businesses, develop business plans, financing, market development and technology transfer. We support projects in Africa, Laos, Myanmar, Indonesia and Papua New Guinea, with partners that include resource companies such as Base Titanium, MMG and Oil Search, major food and agribusinesses such as PepsiCo, Syngenta and Olam, plus GE and Visy, all of which are major, highly regarded companies that are sourcing B4MD expertise to address poverty reduction. This has had a huge impact on our ability to mobilise stakeholders to address poverty alleviation, thereby developing our reputation as a valued partner in this objective.

Through this work, we believe that we now

have a sustainable business plan, built on project consulting and a growing reputation for project delivery.

As well as providing competent consultancy services, B4MD continues to develop its advocacy programmes to educate and further develop inclusive business in our region. The Asia Development Bank recently commissioned B4MD to produce a strategic plan to guide the Southeast Asia and Pacific Inclusive Business Alliance, SEA-PAC. This represents the first high level collaboration between governments, business, NGO's and multilateral organisations with the goal of mainstreaming and harmonising inclusive business policy and practice in the region. It says a lot for the credibility and expertise of B4MD that we have been chosen for this role and to be part of the ongoing Alliance – a real coming of age for our organisation.

We now stand on the threshold of significant, further growth and with that in mind the Board is in the midst of a strategic review that will reset and reaffirm our vision for the next five years, as the world transitions from the Millennium Development Goals to the Sustainable Development Goal's. This will provide us with a clear direction of what we wish to achieve and how we will go about doing this. It will also provide us all with new objectives and accountabilities – all now built on an unprecedented platform of skills, reputation for quality advice, delivery and sustainability.

There is no doubt that B4MD is a unique not for profit organisation. After seven years of hard work, determination and a good measure of resilience, we are pleased to have reached this juncture where we can look back at the achievements of the organisation and the impact that we are creating. The presentation of this Annual Report is a key milestone for the organisation being able to do so as we reflect on our trajectory to this point and take a closer look at some of our lead work over the past 12 months.

Having reached a position of unprecedented

strength, it is important that we recognise that this is due to the skills and dedication of many people.

I would like to recognise the huge contribution to the organisation by our founding Directors, Simon McKeon, Tim Costello, Barry Pipella and Bill Hurditch. The vision, skills and tenacity of these outstanding individuals has been remarkable and I thank them for their commitment and look forward to continued engagement with them as B4MD Ambassadors.

I would also like to acknowledge the contribution from our existing Board, with new Directors - Andrew McConville and James Lowry joining us this year.

Of course what we have achieved to date would not have been possible without the support of our members and I would especially like to thank Agility, Visy, World Vision and Oil Search Ltd.

Lastly, I would like to express the sincere thanks of the Board to our CEO Mark Ingram and the Management Team of B4MD for their tireless efforts of promoting and delivering on the cause of the organisation and congratulate them on successes achieved to date. They have applied enormous skill and dedication, sometimes through uncertain and challenging times, to bring us to where we are, at a point of unprecedented strength and impact on the cause we hold so dear.

The future offers much promise for B4MD as key stakeholders across all sectors commit their organisations to taking up the implementation of inclusive business modes. As we respond to this opportunity we look forward to what can be achieved by this organisation as we continue to harness the strength of the private sector to lift communities out of poverty.

*Peter Botten CBE
Chairman*

Message From CEO

It is with great pleasure that we are able to present this Annual Report to our members, clients and stakeholders as we reflect on what has been both a busy and successful year for B4MD. As the organisation has matured in both its strategic direction and operating model, we have seen a genuine increase in opportunities for B4MD to encourage, facilitate and catalyse inclusive businesses that contribute to the Millennium Development Goals.

As we look back at the early years of B4MD's formation, the organisation was primarily focused on advocacy based activity, promoting the cause of inclusive business as a viable way for companies to connect with poor communities for mutual financial benefit. Shortly thereafter our emphasis transitioned towards project specific opportunities with leading companies in order to demonstrate through practice, what inclusive business in action could look like. However this year, perhaps more than any other, we as an organisation have for the first time been in the position to be able to deliver concurrently on both project opportunities as well as undertaking high impact advocacy work. It is through the achievement of a range of successes to date that we have found ourselves in this fortunate position.

Through this period of development as an organisation, we have been able to draw from these experiences to shape our work as we engage with many leading companies across the region. A strong example of this can be seen in the emergence and consolidation of our Long Term Inclusive Commercial Enterprise (LINC™) model that we have developed to ensure increased and equitable outcomes for poor communities through the channel of inclusive business.

This LINC model has been further integrated into our project work as an organisation over the past 12 months as we have designed, managed and facilitated inclusive business opportunities for many of our clients and member companies. And so we have watched on with great excitement as this model has been piloted by our staff with smallholder farmers across multiple projects in PNG, Myanmar, Laos and Kenya in conjunction with some of our lead clients including Oil Search, MMG, Syngenta, PepsiCo, Cotton On and Base Titanium.

Over this 12 month period our project work has been matched by increased advocacy activity not only in Australia working with Government and the NGO community, but also engaging with companies across the region in places like Singapore, the Philippines and Myanmar through CEO roundtables, business missions, workshops and thought leadership opportunities. In this regard the launch of the Southeast Asia and Pacific Inclusive Business Alliance by B4MD demonstrates the level of impact that we've been able to achieve. An initiative of B4MD, the launch of this Alliance was

attended by a strong number of regional heads of many of the world's largest companies and was supported by the likes of Syngenta, the World Business Council for Sustainable Development, the Asian Development and the Australian Government.

Having matured to this point, and entering into the eighth year of our existence we believe now is the time to move into the scale up of B4MD's operations through the consolidation and expansion of our current pipeline of demonstration projects and the uptake of inclusive business models through our advocacy efforts.

To arrive at this point has been no easy feat, yet our commitment to the founding objectives of B4MD has remained the same and has been the bedrock of our successes that we are now starting to see materialise. With this in mind I would like to thank our Management Team for their efforts to enact the vision of B4MD.

I would also like to thank the Board for their commitment in guiding the organisation as it has grown from a fledging initiative to an influential inclusive business actor in the Indo-Pacific region. I too would like to acknowledge the efforts of our recently retired founding Chairman Simon McKeon AO and retired founding Board members Tim Costello AO, Barry Pipella and Bill Hurditch who continue to be engaged with the organisation for the long term. Clearly much of our achievements over the years is directly related to their support of B4MD.

2015 represents the greatest opportunity to date for B4MD and we as an organisation look forward to capitalising on what lies ahead of us to advance the cause of this remarkable initiative.

Mark Ingram
Chief Executive Officer



About B4MD

We design and promote inclusive business

We are early adopters and propagators of the rapidly emerging inclusive business paradigm.

It is our vision to connect multinational companies with developing communities through the creation of inclusive business enterprises in order to solve poverty.

Business for Millennium Development (B4MD) is one of the leading Indo-Pacific based organisations committed to inclusive business (IB) policy and practice.

We help design and build commercially viable, scalable business enterprises focused on poverty reduction. These enterprises are called **inclusive businesses**.

We are an independent not-for-profit organisation formed in 2007 that propagates inclusive business knowledge and activities across the region that contribute to the Millennium Development Goals and the post 2015 Sustainable Development Goals.

Our unique approach is delivered through advocacy, developing innovative commercial opportunities and delivering scalable inclusive businesses.

Since 2007 we have been testing the inclusive business concept and examining the conditions necessary to enable the private sector to work closely with communities, governments, multilateral organisations and NGOs to maximise poverty alleviation within core business practices.

To date we have delivered work for over 18 leading multinational companies. Over 4,000 people have attended our events and we have worked closely with the private, government, research, and not-for-profit sectors.

“ *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.* ”



Background

FROM THE START WE ASKED

“How can the corporate sector do more to address global poverty?”

The Business for Poverty Relief Alliance was formed in August 2006 when a group of leading and progressive Australian companies came together at the invitation of World Vision to consider the question *“How can corporate Australia do more to address global poverty?”*

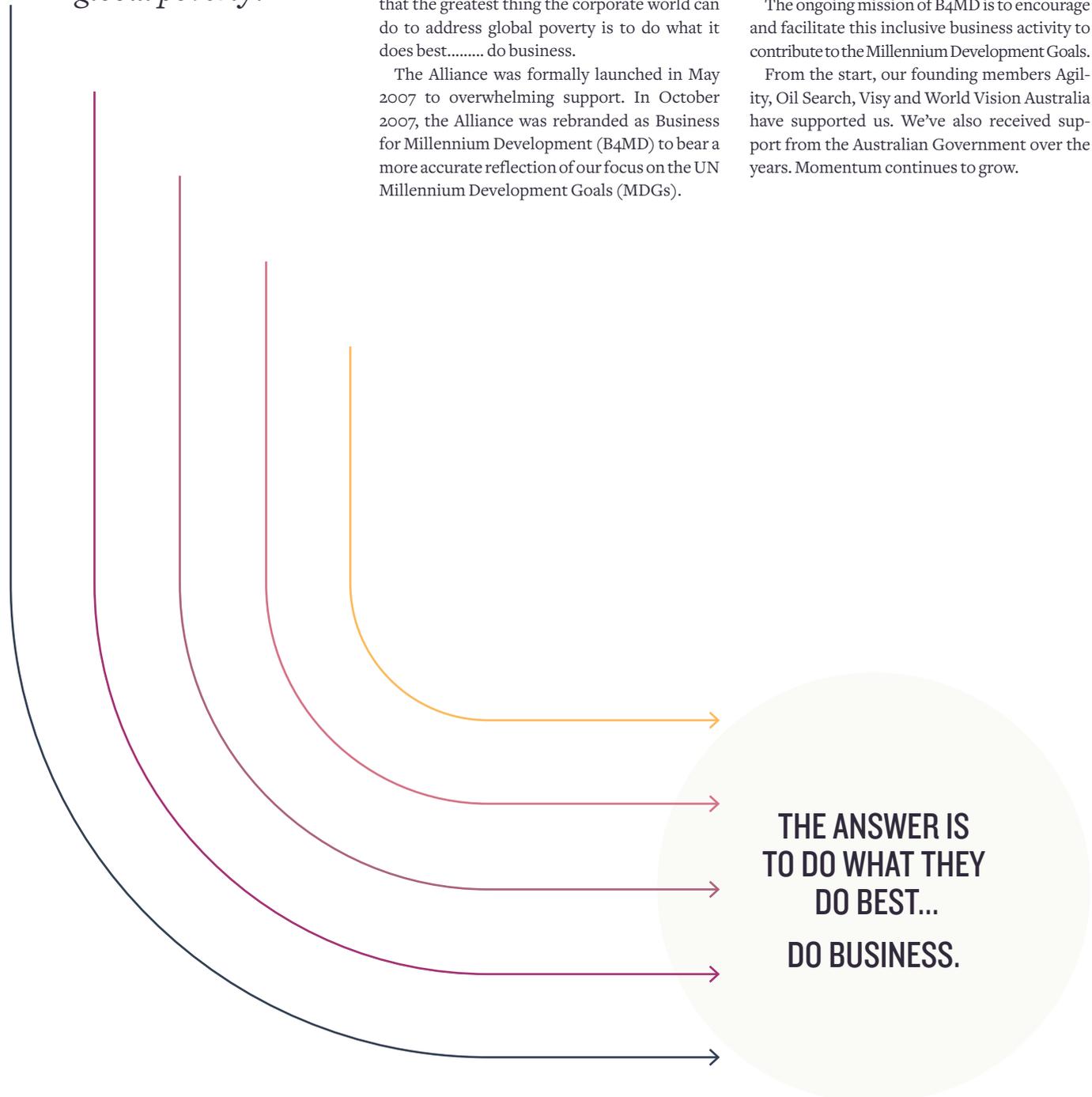
The answer to this foundation question was that the greatest thing the corporate world can do to address global poverty is to do what it does best..... do business.

The Alliance was formally launched in May 2007 to overwhelming support. In October 2007, the Alliance was rebranded as Business for Millennium Development (B4MD) to bear a more accurate reflection of our focus on the UN Millennium Development Goals (MDGs).

B4MD was thus birthed with a multi-year plan to create a paradigm shift of behaviour in moving the corporate sector from philanthropically oriented corporate social responsibility to building scalable business enterprises that link the poor into the value chain of their core operations.

The ongoing mission of B4MD is to encourage and facilitate this inclusive business activity to contribute to the Millennium Development Goals.

From the start, our founding members Agility, Oil Search, Visy and World Vision Australia have supported us. We’ve also received support from the Australian Government over the years. Momentum continues to grow.



Timeline of Activity

- B4MD Advocacy Events
- B4MD Supported Events
- B4MD Projects

2007



Formation as Business for Poverty Relief Alliance

Business for Poverty Relief Alliance launch series. Pictured Hon. John Anderson, former Deputy Prime Minister of Australia in attendance at the launch.



08



CEO Luncheon series with former WTO Director-General and former New Zealand Prime Minister, Mike Moore

CEO Luncheon with economist Professor Jeffrey Sachs, Special Advisor to United Nations Secretary-General Ban Ki-moon on the Millennium Development Goals



Business for Millennium Development Summit with James Wolfensohn, Former President of the World Bank and Hon. Stephen Smith, Foreign Minister of Australia



09

2009 CEO Briefing Session with keynote Mike Moore, former WTO Director-General and former NZ Prime Minister

IB Mission to Papua New Guinea hosted by Oil Search Limited



National Leaders Business Forum

10



The Power of Small campaign with Professor Muhammad Yunus, Nobel Peace Laureate. Three cities, 10 events, 3,000 people. Supported by Oil Search, Exxon Mobil, IBM, National Australia Bank, BHP Billiton and Coffey.

B4MD Innovation Series

Briefing with Professor M.S. Swaminathan together with Asialink and Asia Society Australia



APNGBC Annual Conference

Food Futures Conference with IDEO

Trade QLD Inclusive Business Briefing

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Three Sectors, One Vision Forum with MBS & Accenture

Watut Valley IB Cocoa Mission, Papua New Guinea



- Inclusive Business Briefing with Simon McKeon, 2011 Australian of the Year
- Leadership WA Briefing with Simon McKeon, 2011 Australian of the Year



Launch pilot programs for Hilans Pik Kompani (HPK) - inclusive pork business with Oil Search Limited in Central Region, Papua New Guinea

IB Mission to East Java, Indonesia hosted by Governor Dr. H Soekarwo

Business in Development Forum with AusAID

Engaging Business in Development with Crawford School, Australian National University

Malaria 2012 Forum with AusAID

Mining & International Aid with Cardno



Inclusive Innovators Challenge at Australian Business Congress

Australian Business Congress keynote by Chairman Simon McKeon

CIPS Annual Conference keynote and workshop

Development of potato focused inclusive business in southern Kenya in partnership with Base Titanium and Syngenta



Development of Kwale Cotton - a new inclusive business in Southern Kenya, producing ethical cotton in partnership with Cotton On and Base Titanium

Development of new VScan portable maternal ultrasound business in PNG in partnership with GE

Creating Shared Value Summit, with keynotes Marius Kloppers CEO, BHP Billiton and Andrew Stevens MD, IBM Australia and New Zealand, and Hon. Kevin Rudd Foreign Minister of Australia



Co-Creating Wealth Summit with keynote Umran Beba, President Asia-Pacific for PepsiCo.



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Asia Pacific Development: Closing the Regional MDG Health Gaps

Business, the MDGs & Beyond with UNDP, Business Call to Action, New York

Development of Ironbark Citrus project which aims to triple the income of hundreds of families in Vilabouly, Laos. Launched in partnership with MMG



13

Singapore Inclusive Business Roundtable, with UNDP



Delivering the Post 2015 Agenda with Business Call to Action and Business Fights Poverty



14

Appearance before the Parliament of Australia Joint Standing Committee On Foreign Affairs, Defence And Trade, Foreign Affairs and Aid Sub-Committee, Inquiry Into The Role Of The Private Sector In Promoting Economic Growth And Reducing Poverty in the Indo-Pacific

IB Mission to Myanmar

Launch of Southeast Asia and Pacific (SEA-PAC) Inclusive Business Alliance in Manila on the sidelines of WEF East Asia Summit



We Design Inclusive Businesses

The World Business Council for Sustainable Development (WBCSD) is widely credited for coining the term inclusive business (IB) in 2005. As such the WBCSD and B4MD defines IB as:

An inclusive business is one, which seeks to contribute towards poverty alleviation by including lower-income communities within its value chain while not losing sight of the ultimate goal of business, which is to generate profits.

“ Inclusive business finds profitable ways to engage the poor into their business operations in a way that creates sustainable livelihoods. ”

Fundamental to the conception of IB is the belief that commercial drivers, including expanding markets for products and services and maximising profit, can be aligned with development outcomes.

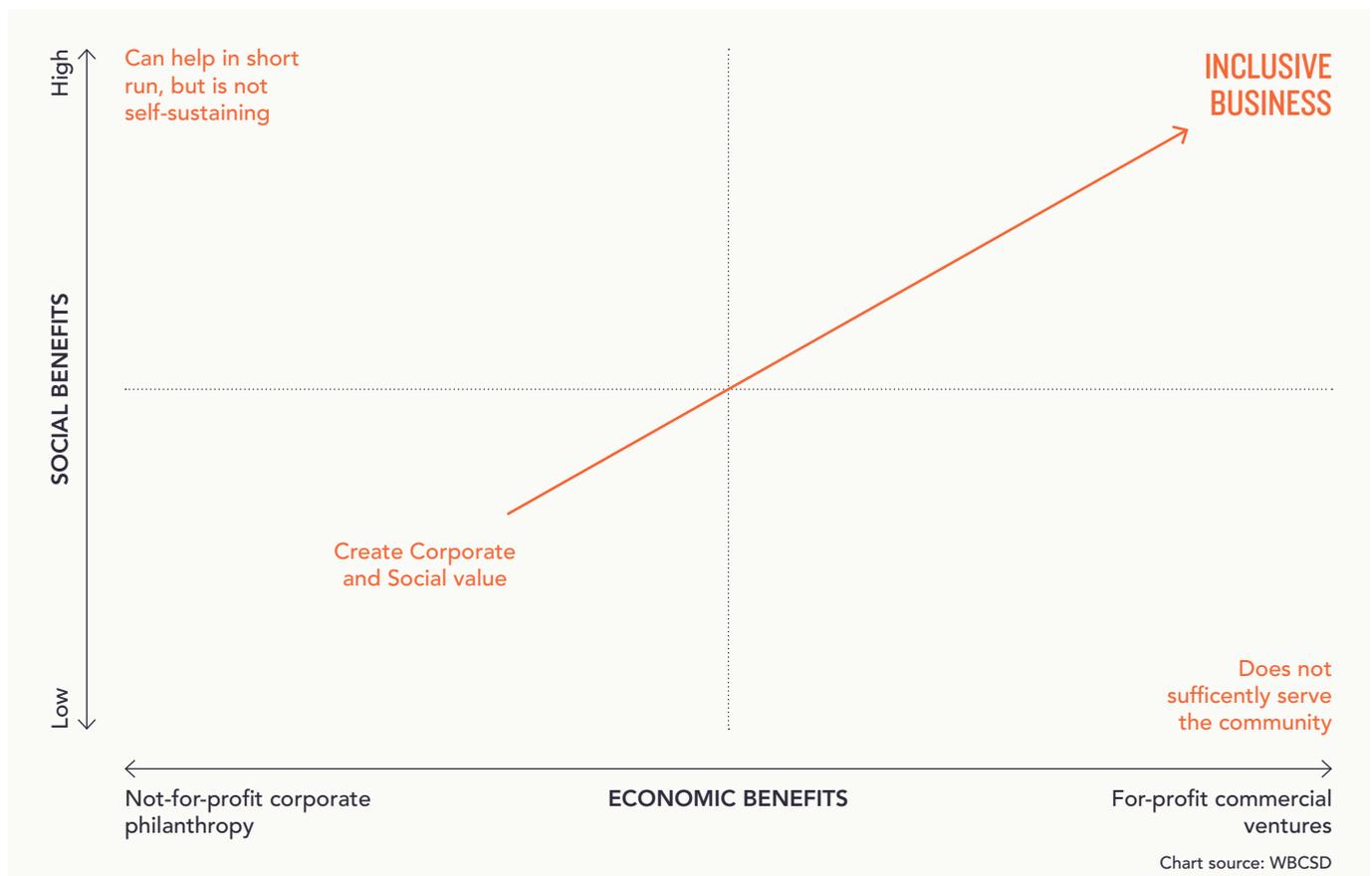
Unlike corporate philanthropy and CSR, which are primarily driven by a desire to minimise impacts and enhance reputation, IB addresses development challenges through core business activities.

IB initiatives are different to full commercial business activities due to its 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.

“ Private sector investments specifically targeting a low income market (less than US\$3 per day) with the double purpose of making reasonable profit (i.e. an internal rate of return of 8-20%) and creating tangible development impact. ”

(Asian Development Bank)



Our Three Pillars

B4MD raises awareness and provides market insights (both geographic and industry) on IB opportunities in developing countries for industry leaders through events, workshops, sharing best practice, and evidence based research.

We generate new connections and ideas for innovative commercial opportunities to reduce poverty through our network of contacts in business, government and NGOs. We also conduct unique business missions to the developing world.

We work together with companies on the development of new inclusive businesses, building project consortia, coordinating feasibility studies and facilitating business planning. The only organisation of its kind in the Indo-Pacific formed by business for business, B4MD believes that the corporate sector has the opportunity to utilise their core competencies to do business with the poor in the emerging markets of the developing world.

1.

**LEADERSHIP
AND
INNOVATION**

2.

**NEW
CONNECTIONS
AND
INTELLIGENCE**

3.

**NEW
PROJECT
OPPORTUNITIES**

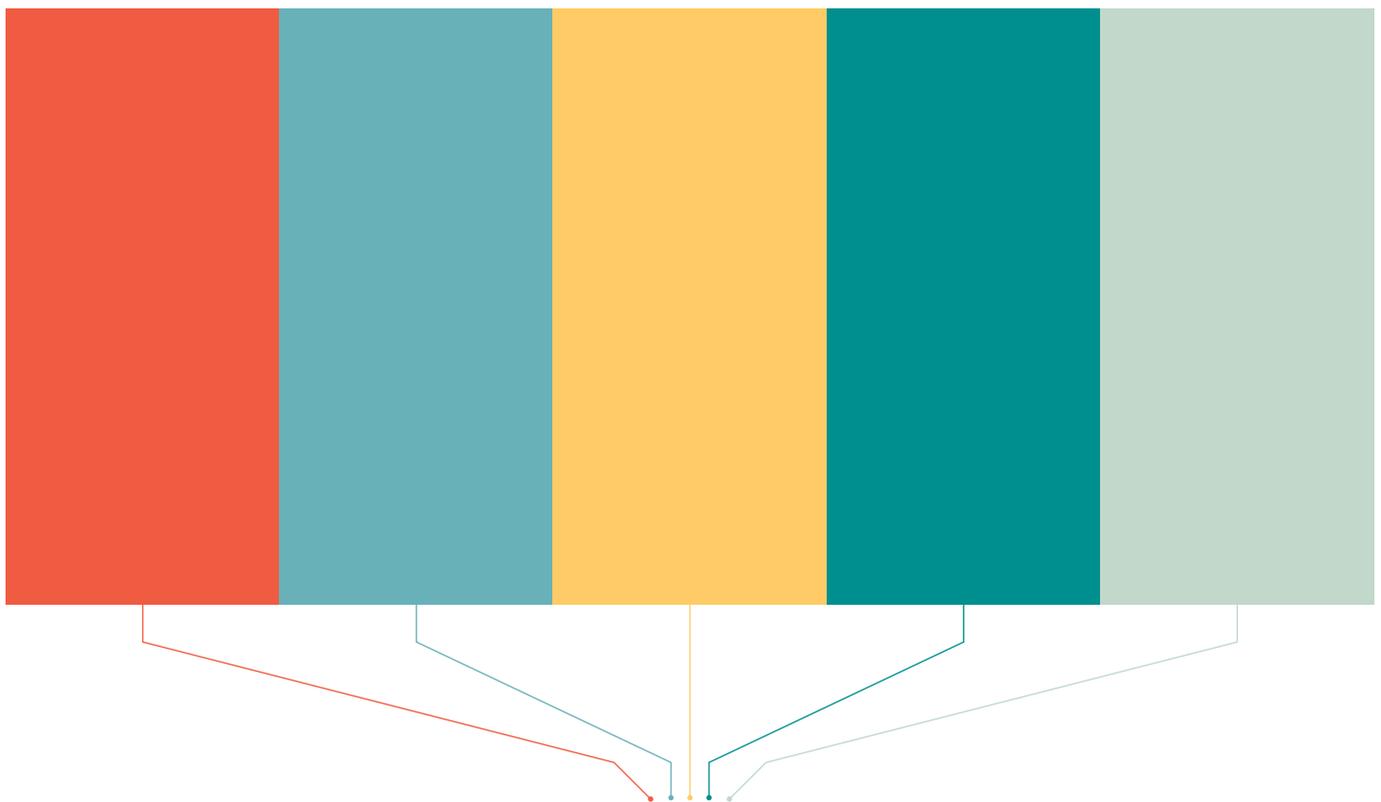
Our Impact

Over the past seven years we have been working closely with major Australian and international companies to prototype inclusive business concepts, deliver and document pilot programs, iterate business design, and build long-term demonstration projects across the Indo-Pacific region.

Our project work runs concurrently with extensive advocacy programs and business missions to bridge the gap between concept and practice.

B4MD has now successfully ‘road-tested’ scalable and replicable inclusive business models and has worked closely with Government to investigate what policy steps might be necessary for development of programs which empower business as a key actor in the strategy to alleviate poverty.

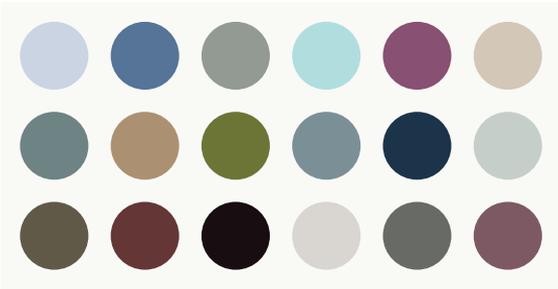
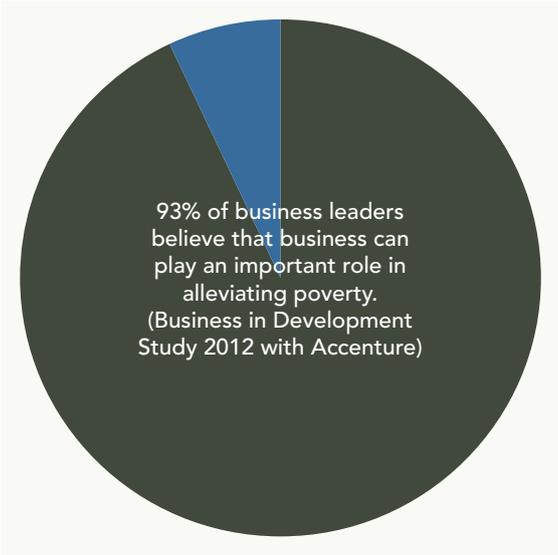
4 live inclusive business projects in 3 countries reaching 10,000 impoverished people by 2020



7 YEARS PROPAGATING INCLUSIVE BUSINESS ACROSS THE INDO-PACIFIC REGION

- Research the business case for IB
- Policy advice to government
- Advocacy initiatives and events
- Business missions
- Sector leadership

- Prototype IB projects
- IB pilots and demonstration projects
- Full commercial IB projects
- SEA-PAC IB Alliance



18 multinational clients
4000+ PEOPLE AT OUR EVENTS



Our LINC™ Model

After years of working in the inclusive business realm and with a focus on food and agribusiness we have developed our own business model to assist in developing mutually beneficial business operations. Through this model farmers and food companies have mutual objectives to increase yields. The LINC™ model helps them cooperate to achieve this. The LINC™ is different to an NGO, because it doesn't use recurrent donations, but rather grows from a seed capital base, like a normal business. It differs from a co-op, because the buyer and social investors are part of the governance structure. It differs from a trader, because it doesn't exist to make a profit but instead to build farmer productivity. It is different from direct procurement, because it seeks to create intentional mutual benefit. The LINC™ is independently financially sustainable, and can grow to scale.

LINC™

- Aggregates and trades commodities from farmers to the company
- Invests in technologies and training that lift yields
- Provides loans to farmers
- Grows by engaging new farmers



How the LINC™ delivers stakeholder value:

The LINC™ model aims to mediate the interests of farmer and buyer:



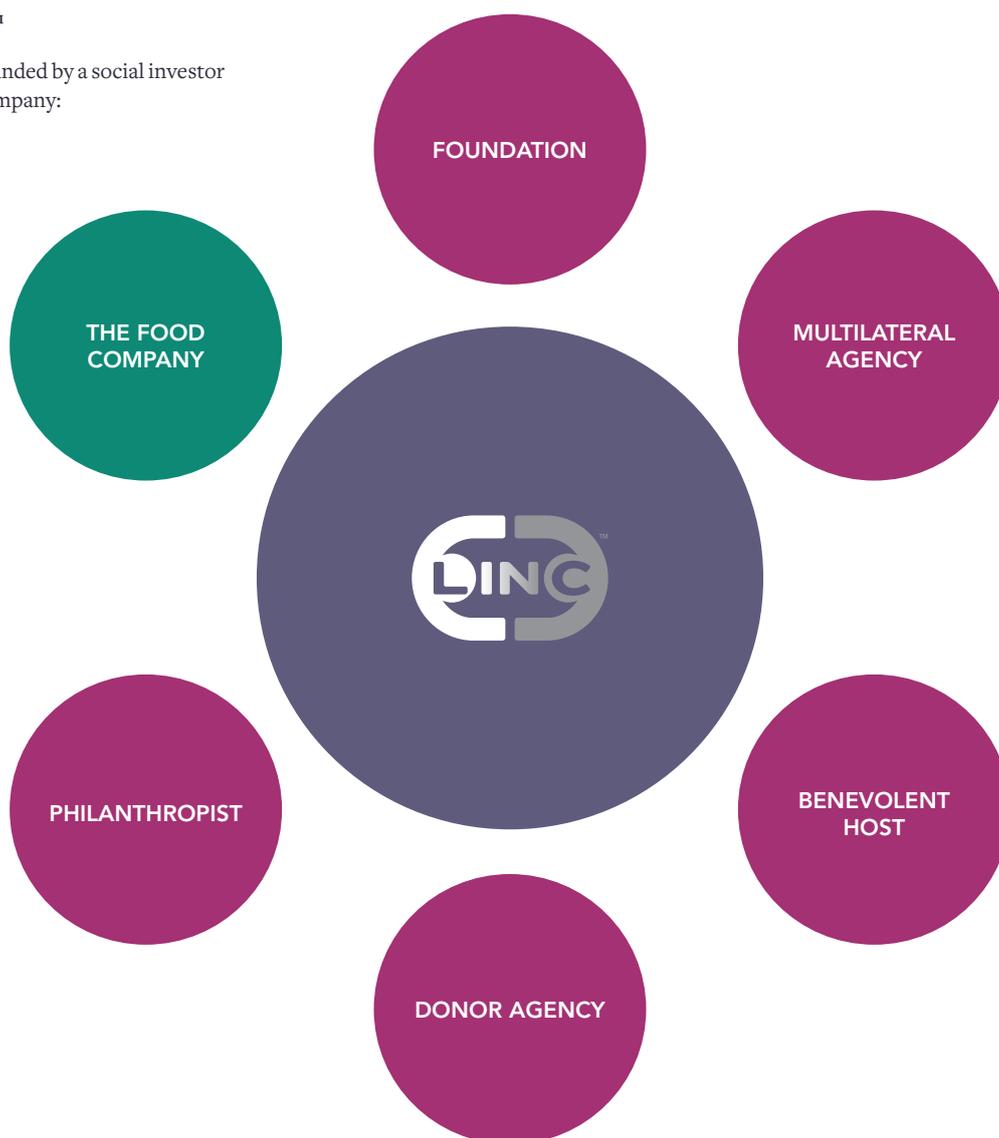
Governance

The governance of a LINC™ is shared between farmers and the food company. A LINC™ board will normally include:

- Commercial experts from the food company, who bring the skills needed to build a sustainable business
- Agricultural advisors, who can oversee the LINC's effort to address farm productively
- Farmer representatives, to facilitate farmer voice in decision making
- NGO representatives, who bring cultural, social and gender expertise
- A LINC™ is owned by a trustee on behalf of the farmers. The LINC™ is not-for-profit.

Funding a LINC™

A LINC™ can be funded by a social investor and/or the food company:



Our Research

We have recently delivered three key research papers that are the first of their kind in the region

Business In Development Study (2012)

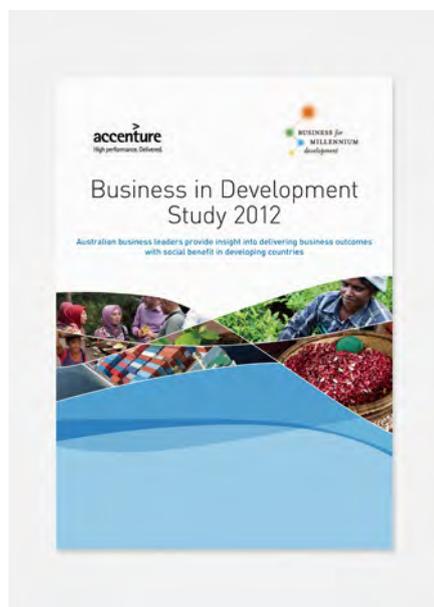
Commissioned by the Australian Agency for International Development, B4MD together with global consulting firm Accenture undertook the Business In Development Study – which gleaned from Australian business leaders insights into delivering business outcomes with social benefit in the developing world. As part of this study B4MD interviewed 35 CEO's and/or senior executives of leading Asia-Pacific based companies as well as surveyed over 55 business leaders from a diverse range of companies including Coca-Cola Amatil, BHP Billiton, Leightons Holdings, IBM, Wesfarmers, ANZ and others. This ground breaking study informed AusAID (now DFAT) in the formation of its business engagement strategy.

Three Sectors, One Vision: Cross Sectoral Collaboration for Economic Development (2011)

Together with the Melbourne Business School (MBS), B4MD delivered the insightful report: Three Sectors, One Vision: Cross Sectoral Collaboration for Economic Development. The report was a direct outcome of the Three Sectors One Vision Symposium hosted by B4MD and MBS in order to stimulate and facilitate a discussion in Australia over how cross-sector partnerships between business, nongovernment organisations and governments can work effectively together to achieve the Millennium Development Goals at the same time as benefitting the partnering organisations.

Inclusive Business Landscape Study (2014)

Recognising that the process through which IB is initially conceived and formed is not well documented, the Australian Department of Foreign Affairs and Trade (DFAT) commissioned B4MD to undertake an Inclusive Business Landscape Study to address the gap in the existing research and practice. Drawing on our practical experience as an IB broker, together with best practice cases studies, this report maps the crucial decision making points for companies considering the creation of IB initiatives and identifies the areas where donors could engage to positively contribute to this decision making process, and thus catalyse the creation of new IB.



“ Some inspired leaders are also realising that business needs to be part of the solution – not part of the problem. ”

Our 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.

(This list includes current and previous partners)

- Accenture Development Partnerships
- Allens Linklates
- Ambassador of the Republic of Indonesia, Canberra
- ANZ
- Asialink
- Asia Society Australia
- AusAID Business Engagement Unit Austrade
- AusAID Business Steering Committee Austrade
- Australia Indonesia Business Council
- Australia National University
- Australian Chambers of Commerce
- Australian Council for International Development
- Bega
- BHP Billiton
- BoP Hub
- Business Call to Action
- Business Fights Poverty
- Cardno
- CEDA
- CIPSA
- City of Melbourne
- City of Sydney
- Coffey
- Department of Prime Minister & Cabinet
- Department of Foreign Affairs and Trade
- Department of Foreign Affairs and Trade Indonesia
- Dixon Partnering Solutions
- East Java Provincial Government
- Executive Compass
- Exxon Mobil
- Goodman Fielder
- Graceworks
- Grey Group
- Global Initiatives
- IBM
- Ironbark Citrus
- KPMG
- Macquarie Foundation
- Mercy Corps
- Melbourne Business School
- MMG
- Monash University
- Mondelez
- Morobe Mining Joint Venture
- Nestle
- Newcrest
- Office of the Minister for Foreign Affairs
- Ok Tedi
- Principles for Social Investment
- Rio Tinto
- Special Presidential Envoy for Poverty Alleviation, Indonesia
- State Government of Victoria
- Trade and Investment New South Wales
- Trade Queensland
- United Nations Development Program
- World Business Council for Sustainable Development

KEY PARTNERS



SEA-PAC Inclusive Business Alliance

More and more leading multinational companies are addressing development challenges in some of the poorest parts of the globe. In competitive markets this is a growth strategy, a way of securing scarce supply, a way to create purposeful brands and receive a 'license to operate' in emerging markets.

Over the past two decades, the Asia and the Pacific region has sharply reduced its share of the population living in poverty to 21% (\$1.25 per capita income/expenditure at purchasing power parity of 2005) and 47% (\$2), as of 2008. Many countries in the region have also broadened their government strategy towards making growth more inclusive. However, the potential of the private sector to contribute to this inclusive growth in the region is not yet fully realised¹.

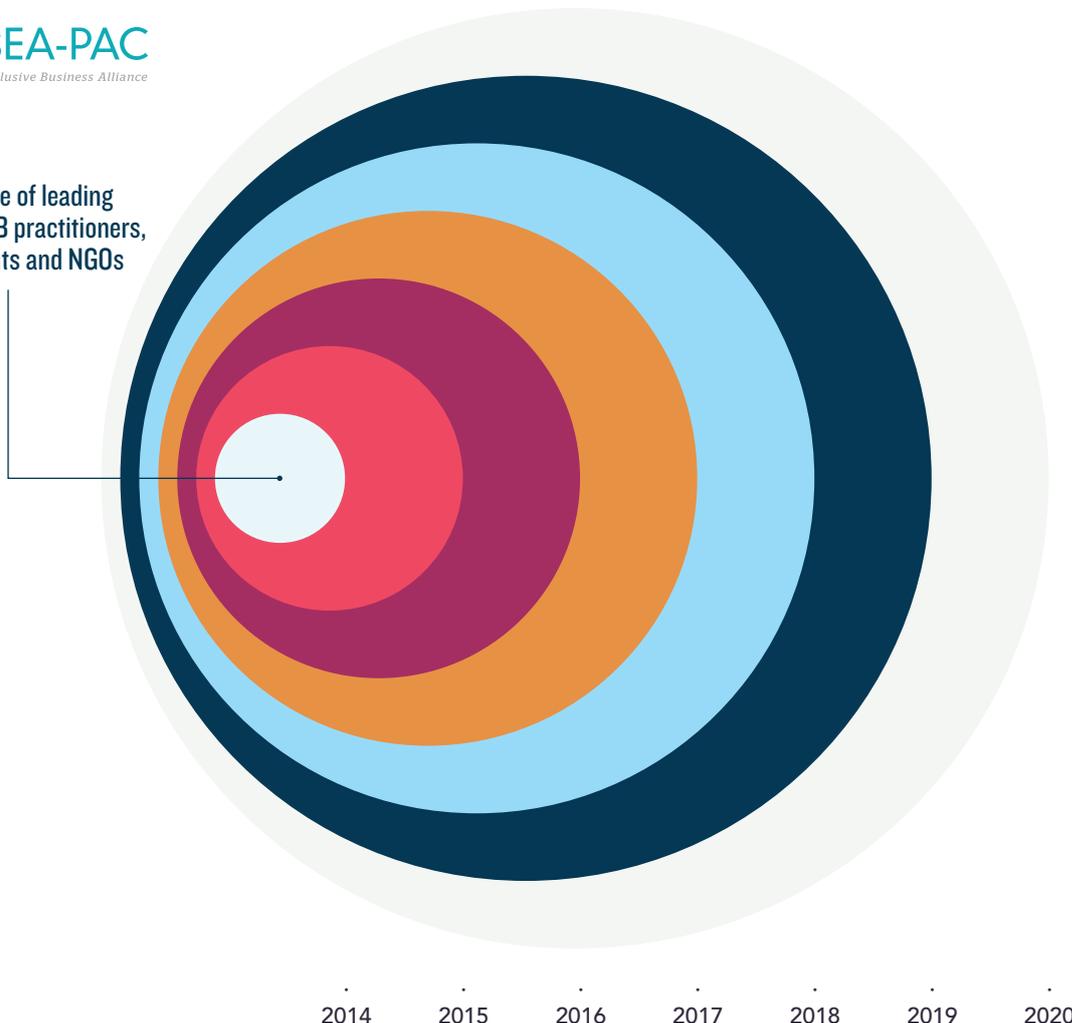
Inclusive Business (IB) models hold great promise for market-based solutions to poverty and sustainable development in Asia and the Pacific region.

The promise of IB as a tool for poverty reduction is no more pronounced than in the agriculture sector - approximately 70 percent of the world's poor are rural and most are involved in farming². Further, it is estimated that 87 percent of the world's 500 million small farms (less than 2 ha) are located in Asia and the Pacific⁴. Indonesia and Vietnam, for example, are estimated to have 17 million and 10 million small farms respectively⁵.

For companies, there has been growing interest in the potential opportunities to integrate smallholder farmers into global value chains, as producers and consumers, to meet growing market needs⁶. Global food demand is expected to rise by 70% by 2050 driven by population growth to 9.3 billion and increasing calorie intakes, with a large proportion of this demand



An alliance of leading companies, IB practitioners, governments and NGOs



“ *The overarching objective of the Alliance is to support mainstreaming and harmonisation of IB policy and practice across the region as the most effective means for business activity to contribute to poverty reduction.*

The Alliance will support mainstreaming of IB by accelerating the growth of inclusive agribusiness partnerships and building the profile of IB across the region.

The Alliance will support harmonisation of IB by encouraging the adoption of best practice principles for inclusive agribusiness among partner companies, communities, governments and donor agencies.) ”

to come from developing country markets in Asia⁷. Further, companies are increasingly viewing the consumers at the bottom of the pyramid as an attractive market opportunity in their own right, with World Bank data suggesting combined BOP household spend on food and beverage at over \$1.5 trillion in South Asia and East Asia alone⁸.

Inclusive agribusiness partnerships, therefore, represent an important opportunity for companies and smallholder farmers alike, and a potential pathway to achieve rapid market growth and poverty reduction goals across the region.

Southeast Asia & Pacific Inclusive Alliance

It is within this context that the Southeast Asia and Pacific Inclusive Business Alliance (“SEA-PAC” or “the Alliance”) has been formed.

SEA-PAC represents the first high-level collaboration between governments, business, NGOs and multilateral organisations focused on the scale-up of inclusive business in the region. Convened by B4MD, the Alliance has been developed together with the support of the Australian Government, Syngenta, the World Business Council for Sustainable Development, Visy, Nufarm, Telstra and the Asian Development Bank.

The Executive Launch of SEA-PAC took place during May 2014 at an independent event on the sidelines of the World Economic Forum East Asia Summit in Manila. This launch was attended by over 40 senior executives, primarily from the Food and Agribusiness sector, including the regional heads of Unilever, Nestle, BASF, Monsanto and Bayer and the Executive Chairman of Visy, together with politicians, government representatives and leading NGOs.

“ *I welcome the establishment of the SEA-PAC Alliance. This is the first regional platform for high-level advocacy on inclusive business and I hope it will result in better coordination and harmonisation of inclusive business initiatives across Southeast Asia and the Pacific.* ”

*The Hon Julie Bishop MP,
Minister for Foreign Affairs*

“ *In recent months I have followed closely the work of B4MD to create a regional alliance to accelerate and facilitate the notion of inclusive business across the Asia Pacific region... congratulations on the progress made so far and we look forward to working with you to ensure growth and future success of SEA-PAC.* ”

*Steven Hawkins, Regional Director,
Asia Pacific, Syngenta*

The success of this event was also reflected in the announcement of the SEA-PAC Executive Steering Group (ESG) that will guide the Alliance through its formation period, ensuring that the objectives of SEA-PAC are achieved. To date this group has increased in size reflecting the high level of interest in the Alliance and is comprised of the following individuals and organisations:

- Mark Ingram, Convener SEA-PAC IB Alliance and CEO, B4MD
- Andrew McConville, Head of Corporate Affairs, Syngenta Asia Pacific
- Filippo Veglio, Director, Social Impact, World Business Council for Sustainable Development
- Ross Fitzgerald, Director, Visy Industries
- Armin Bauer, Principal Economist, Regional and Sustainable Development Department, Asian Development Bank
- Anna Chilczuk, Regional Director, East Asia, Mercy Corps
- U Tin Htut Oo, Chairman of the National Economic and Social Advisory Council of the Union of Myanmar
- Jonas Naguib, Head Responsible and Inclusive Business Hub SEA at GIZ
- Senator Bam Aquino, Senate of the Philippines
- Jack Sim, Founder BoP Hub

1. ADB (2014), <http://www.adb.org/themes/poverty/inclusive-business-base-pyramid>

2. WBCSD (2014), <http://www.inclusivebusiness.org>

3. World Bank (2014), <http://www.worldbank.org/en/topic/agriculture/overview#1>

4. International Food Policy Research Institute (2007), cited in Ganesh Thapa and Raghav Gaiha (2011), Smallholder Farming in Asia and the Pacific: Challenges and Opportunities, Paper presented at the IFAD Conference on New Directions for Smallholder Agriculture 24-25 January, 2011

5. Ibid

6. See, for example, Setboonsarng, Sununtar and Leung, PingSun (2014), Making Globalization Work Better for the Poor through Contract Farming, Asian Development Bank; Margret Will (2013), Contract farming handbook: A practical guide for linking small-scale producers and buyers through business model innovation, GIZ.

7. Food and Agriculture Organisation (2009), ‘How to feed the World in 2050’, Food and Agriculture Organization of the United Nations, paper prepared for How to feed the World in 2050: High-level expert forum, 12-13 October 2009, Rome.

8. IFC (2014), Global consumption data for inclusive business, http://www.ifc.org/wps/wcm/connect/a92b7f0043e733e1a906b9869243d457/IFC_IncluBus_Brochure_May_6.pdf?MOD=AJPERES

Myanmar Business Mission 2014

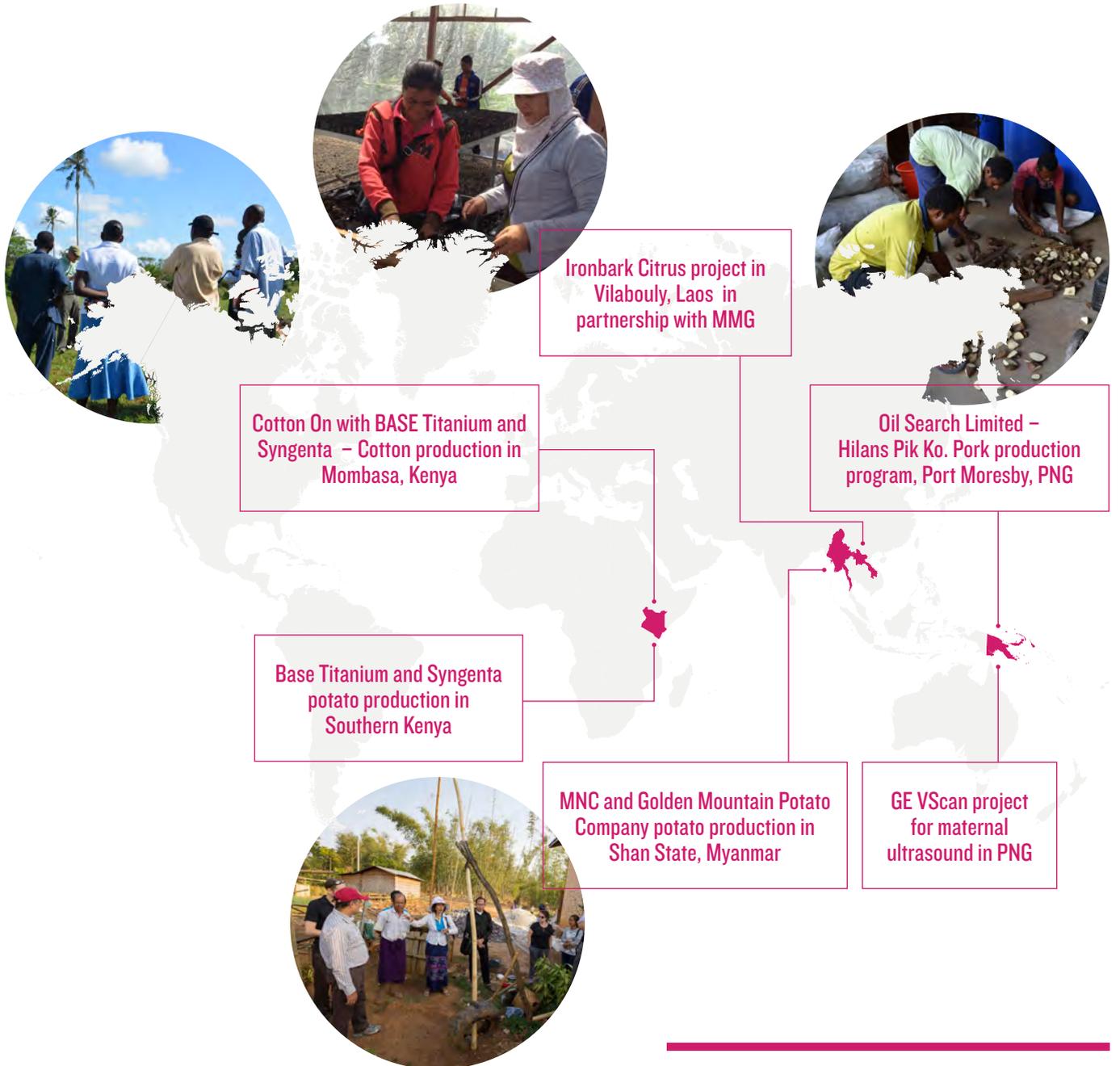
In April 2014, B4MD led an Inclusive Agribusiness Mission to Myanmar bringing together leading companies and organisations to consider how they might harness their commercial competencies to create profitable businesses that tackle rural poverty. This Mission helped participants understand how to do business in Myanmar in a way that is mutually beneficial for companies and communities alike and was a unique cross-sectoral business development opportunity bringing delegates together with rural communities around the Millennium Development Goals. Sponsored

by ANZ and the Australian Trade Commission, the Mission began with a reception dinner hosted by Australian Ambassador to Burma, Ms Bronte Mules and was then followed by a field visit to Shan State.

Companies and organisations that participated in the Mission program included Wilmar, ANZ, GE, Deloitte, PepsiCo, IFC, USAID, World Vision, Mercy Corps, Bayer, Asian Development Bank and Austrade. The Mission was developed in partnership with Graceworks Myanmar.



Our Projects



“ The mindset that global development is the domain of government and NGOs is rapidly changing. In fact many business leaders believe it will be business that drives the next wave of transformation for the world’s poor. ”

Mark Ingram, CEO, Business for Millennium Development

Our 10-Point Checklist

B4MD utilises a 10-point checklist to ensure that all projects meet criteria for it to be accepted as an Inclusive Business .

An Inclusive Business finds profitable ways to engage the poor into their business operations in a way that creates sustainable livelihoods.

1/ Is there a clear statement of mutually agreed intentions which cover both commercial and social objectives of the project?

2/ Is there active and sufficient community voice expressing their approval, co-creation and on-going participation in the project?

3/ Does the project have commercially viable, scalable potential to positively impact at least a thousand low-income beneficiaries as measured by the MDGs?

4/ Does the project bring the targeted beneficiaries up to a level of income well above the extreme poverty level of USD\$1.25 per day to at least USD\$3 per day, a standard of income recognised as minimum for a sustainable livelihood?

5/ Is there a clear and deliberate focus on women's economic empowerment?

6/ Do the poor own a legal entity which empowers them to negotiate equitably with the commercial client, own productive assets and use surplus funds for broader social impact?

7/ Is there sufficient mitigating protection for the targeted low-income beneficiaries against the repercussions of project failure/exit of the commercial partner?

8/ Does the project have a local NGO/development partner that works to protect and promote the interests of the targeted beneficiaries, and that is able to objectively monitor and measure development impact?

9/ Is the market opportunity long term in nature (minimum 10 year period)?

10/ Does the project represent a new approach to business for the company, enabling it to access and serve markets in ways not previously achieved?

CASE STUDY
PROJECT I

Kwale Cotton

Name: Kwale Cotton
Location: Southern Kenya
Stakeholders: Cotton On, Base Titanium Ltd, local smallholder farmers, DEG, CompACI, Syngenta, Kwale Agricultural Ministry, KARI
Investment: AUD\$2M (projected)
Impact: 1000 farmers (projected)
Status: Pilot phase

Cotton On designs and retails clothing, with a strong emphasis on the youth market. The company operates 1200 stores in 12 countries and uses hundreds of tonnes of cotton in its products every year.

Cotton On has a strong social commitment, and has invested in poverty alleviation in Africa for over 10 years.

B4MD was asked by Base Titanium to help build agricultural opportunities for the farmers around its mine site in Southern Kenya. As a result, B4MD has built a partnership between Cotton On and Base Titanium.

The project is equipping farmers with the best seeds, training and tools available to ensure they maximise their cotton production. With these in place, they can earn twice the income they do from maize (their current crop).

The project provides Cotton On with a growing supply source of cotton. Furthermore, it can represent to its customers that this cotton is ethically sourced, and plays a proactive role in helping farmers secure a livelihood.

Concurrently with the cotton program B4MD is also undertaking a trial of potato in the same region, with the support of Syngenta Kenya.

What can be done with first-time farmers and in an unproven environment is truly miraculous. The Project Team is confident the Pilot will validate the opportunity to produce globally competitive cotton in Kwale measured by way of both cost and fibre quality.



CASE STUDY PROJECT 2

HPK

Name: Hilans Pik Kompani (HPK)
Location: Central Province,
 Papua New Guinea
Stakeholders: Oil Search Limited
Investment: AUD\$3M
Impact: 500+ farmers (projected)
Status: Scale up



Pigs are a mainstay in PNG society. There is a huge depth of knowledge and traditional husbandry around these animals and therefore this project builds on a foundation of existing local knowledge.

Hilans Pik Kompani (HPK) is an inclusive pig husbandry and pork production business. The project is focused around a new piggery B4MD has developed at 17 Mile near Port Moresby. The piggery has associated resources for milling high quality feed from local crops and training outreach farmers in animal husbandry. The long-term model is to efficiently raise and process pork as part of a high quality brand, and to supply the product to the Port Moresby market. The first batches of pigs have been raised and sold successfully. We have also conducted a successful feeding and husbandry trial to refine a growth model and training program for local outreach farmers.

HPK is seed funded by Oil Search Ltd. It is being structured as a not-for-profit organisation, so revenues will be re-invested back into the creation of further education and ventures to develop the pork industry. Equity in the business will also be sold to businesses as a means to invest back into the community.



The main drivers behind HPK activities are;

1. Encouragement of rural village agricultural activities that maximise utilisation of:
 - a. Existing local knowledge base (traditional pig husbandry, particular crop growing); and
 - b. Improved availability of resources (land, water, manpower, kau kau/cassava).
2. Promotion of viable small-scale village enterprises to enable access to commercial markets.
3. Replacement and substitution of imports with locally grown products:
 - Providing alternatives to imported lamb with healthier, PNG grown pork.
 - Replacement of imported animal stock feed with feed produced locally in PNG.

HPK's central objective is to catalyze a vibrant smallholder piggery network in PNG focused on import substitution that creates an increase in income earning opportunities for both pig and root crop farmers alike.

The intent is to create employment and economic activity through the establishment of a sustainable community owned and driven pig industry.

The methodology tested during a pilot phase, focusing on innovative local feed production, have proven to be effective and are judged to be commercially viable.

Central to the success of this pilot program has been the identification of the best genetics for local conditions, the creation of effective training routines and materials and the development of a smallholder, locally procured feeding regime.

The business is now looking to expand its operations through the increased supply of pork to market and through the inclusion of root crop farmers from the Highlands of PNG into the pig feed program.

By far the greatest social benefit to be achieved through this local inclusive commercial enterprise will be the creation of a sustainable income stream for thousands of poor women farmers growing root crops in the Highlands.

Commissioned by Oil Search, B4MD has brought HPK into existence ensuring that the commercial imperatives of the company are matched by strong social outcomes. B4MD is now managing the scale up of this local company.

CASE STUDY
PROJECT 3

Ironbark Citrus, Laos

Project: Ironbark Laos
Location: Savannakhet Province, Laos
Project Partner: MMG LXML and Ironbark Citrus
Investment: AUD\$1M (projected)
Impact: 500+ farmers (projected)
Target Impact: Increase farmer income x 10
Status: Scale up

Citrus fruits represent an exciting opportunity for the farmers of Laos. Mandarins, limes and oranges are prized in the Thai supermarket sector, where high prices are paid for these traditional gift fruits.

For many farmers in Laos who often struggle to grow enough maize or cassava for their family to consume, citrus can provide the basis to permanently exit poverty. Growing just one acre of citrus can net an income of \$3000 a year, or a 10x fold increase in income over traditional crops.

B4MD was asked by MMG LXML to develop inclusive businesses around their mine site in Savannakhet. B4MD promoted this opportunity to a range of investors, and Ironbark Citrus decided to invest.

Ironbark Citrus is a citrus producer based in Queensland, Australia. The company are experts in citrus production, including nursery operation, pest control, irrigation and harvesting. They also have a long history of exporting to Thailand through a network of wholesalers.

With the support of B4MD and MMG LXML Ironbark Citrus has established Ironbark Laos. The company will engage farmers to grow citrus, train them, and provide the inputs they need. It will also buy the farmer's fruit. This provides a secure system in which small holders can execute best practice propagation techniques. The farmers must wait three years to see their first harvest, so micro-finance is an important element of the design.

The project's vision is to create an opportunity for hundreds of families to exit poverty.



Images courtesy MMG



Olam Livelihood Charter

Operating across 65 countries, from seed to shelf and engaging 3.9 million farmers in its supply chain, Olam International is a leading multinational agribusiness. Through the application of the Olam Livelihood Charter, the company is working with smallholder farmers to increase their revenues by maximising yield and quality. As part of this program, Olam has engaged B4MD as an NGO partner to identify new smallholder farming communities to be included in the company's supply chain both in PNG and Indonesia. This work is focused on high growth commodities including rubber, coffee, cocoa and black pepper.



Good Growth Plan with Syngenta

Through its Good Growth Plan, Syngenta, one of the world's leading agrochemical companies has made a commitment to delivering on six global sustainability targets that directly impact smallholder farmers. As part of this commitment to advance smallholder productivity and improving livelihoods, Syngenta has engaged B4MD as a lead implementation partner. Through this innovative partnership Syngenta and B4MD will work together on opportunities to improve access to markets for smallholder growers as well as advancing training opportunities.



Images on page 27: Photos from B4MD's Advocacy & Project work in Australia, Papua New Guinea and Indonesia

Board Members

Peter Botten – Chairman

Peter Botten is Managing Director of Oil Search Ltd. 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 Chairman

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 Supporter Officer. Melanie is currently a member of the Advisory Board of Researchers for Asylum Seekers at the University of Melbourne.

Richard Rome

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

Mick Turnbull

Mick Turnbull 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.

James Lowrey

James Lowrey is a senior executive in the global Resources, Energy and Infrastructure team at ANZ Banking Group, based in Singapore. He has over 20 years experience in international banking and the financial services sector, successfully structuring complex local and cross border transactions spanning most key industries.

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 Officer

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.

Advocacy

David Faulmann, General Manager Advocacy

David Faulmann 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 convener of the Australian Council for International Development's, NGO & Business Partnerships Working Group. He regularly 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.

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



ACFID
MEMBER

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@b4md.com.au

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 communicates innovative ideas to support NGO-Business partnerships and engages with and provides advice to DFAT regarding NGO-Business partnerships.

Business for Millennium Development Ltd

ABN: 27 128 354 549

Financial Statements For the Year Ended 30 June 2014



Business for Millennium Development Ltd

ABN 27 128 354 549

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Business for Millennium Development Ltd

ABN 27 128 354 549

Directors' Report

For the Year Ended 30 June 2014

Your directors present their report on Business for Millennium Development Ltd for the financial year ended 30 June 2014.

Information on directors

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

Simon McKeon (Chairman)	**Resigned 24 April 2014
Dr Daniel Evans (Deputy Chairman)	
Mark Ingram (Chief Executive Officer)	
Daniel Blue	
*Peter Botten	
Tim Costello	**Resigned 24 April 2014
Dr Bill Hurditch	**Resigned 24 April 2014
Barry Pipella	**Resigned 24 April 2014
Mick Turnbull	
Richard Rome	
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.

*Peter Botten – appointed Chairman 24 April 2014

*Ilenna Copley – appointed 17 October 2013

*James Lowrey – appointed 24 April 2014

*Andrew McConville – appointed 24 April 2014

** Appointed to Ambassador Council 24 April 2014

Principal activities

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

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

Business for Millennium Development Ltd

ABN 27 128 354 549

Directors' Report

For the Year Ended 30 June 2014

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 in Asia Pacific to develop sustainable commerce and deliver on MDGs

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 leadership
- 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.

Strategy for achieving the objectives

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

International Thought Leadership and Best Practice

In August 2013 B4MD hosted an Inclusive Business Design Workshop for members of the Australian Council for International Development's Business and NGO Partnerships Working Group, as part of B4MD's funding agreement with AusAID.

In October 2013 B4MD hosted a Minerals & Resources Inclusive Business Briefing featuring Peter Botten. The event was supported by BHP Billiton through the Inclusive Business Awareness Partnership.

In November 2013 B4MD hosted a Business Leaders Roundtable in Singapore focused on the Food & Agribusiness Sector in Myanmar. Attended by senior executives from within industry, the event was supported by the Business Call to Action, Syngenta, Linklaters, Allens Linklaters and the Singapore Compact. As part of this event B4MD also facilitated an Inclusive Business Design Workshop.

In February 2014 B4MD published the Inclusive Business Landscape Study which provided an analysis of key drivers and enablers for companies as they progress through the inclusive business decision making process.

In April 2014 B4MD completed a series of reports for DFAT assessing the potential for business and NGO partnerships and the role of Government.

In May 2014 B4MD launched the South East Asia & Pacific Inclusive Business Alliance on the sidelines of the World Economic Forum in Manila. The event was attended by over 40 regional heads from the Food and Agribusiness Sector including Monsanto, Bayer, Unilever, Nestle and Dupont and was also attended by the Chairman of Visy, Anthony Pratt. This event was sponsored by Syngenta, supported by the Asian Development and the World Business Council for Sustainable Development and personally endorsed by the Hon. Julie Bishop MP, Minister for Foreign Affairs.

In June B4MD was the first organisation to appear before the Parliamentary inquiry into the role of the private sector in economic growth and poverty reduction in the Indo Pacific region.

There were a number of additional speaking opportunities for staff including CEO Mark Ingram speaking at the Chartered Institute of Procurement & Supply Annual Conference and at the CSIRO Food4Growth International Summit.

Business to Business Connections

B4MD continued to work closely with its member companies and clients to further the activity and reach of the organisation. During the final quarter of 2013, B4MD welcomed Olam and Syngenta as new client companies.

Business for Millennium Development Ltd

ABN 27 128 354 549

Directors' Report

For the Year Ended 30 June 2014

Strategy for achieving the objectives continued

International Business Missions

- In March 2014, B4MD lead an Inclusive Business Mission to Myanmar, focused on the food and agribusiness sector. The mission was supported by ANZ and Austrade and hosted in country by Graceworks Myanmar. The mission was opened by Australian Ambassador to Myanmar, Ms Bronte Moules. Participating organisations included ANZ, Wilmar, PepsiCo, IFC, GE and others.
- B4MD also lead company specific missions over the course of the year for:
 - Rubber Procurement in PNG for Olam
 - V-Scan Maternal Health Monitoring System Distribution in PNG for GE
 - Agricultural commodity Procurement in Myanmar for a multinational grain business
 - Cotton Procurement in Kenya for Cotton On, hosted by Base Resources
 - Agro-chemical inputs for Syngenta in Kenya, hosted by Base Resources
 - Establishing a citrus industry in Laos for Ironbark Citrus, hosted by MMG

Project Scoping & Design

- As a follow on from the above mentioned missions, B4MD also undertook further work for a number of these companies scoping and designing inclusive business supply chain solutions, as well as continuing its work with additional and existing clients and members including Oil Search Ltd in PNG and PepsiCo in Myanmar.
- B4MD was also engaged by Syngenta to assist the company deliver on its objective to empower smallholder farmers across the South East Asia region, through the company's Good Growth Program.

Venture Formation & Feasibility Coordination

- B4MD continued and or initiated its coordination and facilitation work for the above mentioned project opportunities. A particular highlight was the training of farmers in Kwale, Kenya as well as the establishment of a citrus nursery in Laos.

Members guarantee

Business for Millennium Development Ltd 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 is required to contribute a maximum of \$10,000/\$5,000/\$2,500/\$1,000 (depending on membership category) each towards meeting any outstanding obligations of the entity.

At 30 June 2014 the collective liability of members was \$ \$56,666 (2013: \$ 105,000).

Business for Millennium Development Ltd

ABN 27 128 354 549

Directors' Report

For the Year Ended 30 June 2014

Meetings of directors

During the financial year, six meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Audit Committee		People Committee		Funding Committee	
	Number eligible to attend	Number attended						
SimonMcKeon	7	6	-	-	-	-	-	-
Dr Daniel Evans	7	4	7	7	-	-	-	-
Mark Ingram	7	7	7	6	3	3	1	1
Peter Botten	7	7	-	-	-	-	-	-
Tim Costello	7	0	-	-	-	-	-	-
Dr Bill Hurditch	7	1	-	-	3	1	-	-
Barry Pipella	7	3	-	-	-	-	1	1
Mick Turnbull	7	6	-	-	3	3	-	-
Richard Rome	7	4	-	-	-	-	1	1
Daniel Blue	7	7	7	7	-	-	-	-
Melanie Gow	7	4	-	-	3	3	-	-
Ilenna Copley	5	4	-	-	-	-	-	-
James Lowrey	1	1	-	-	-	-	-	-
Andrew McConville	1	1	-	-	-	-	-	-

Auditor's independence declaration

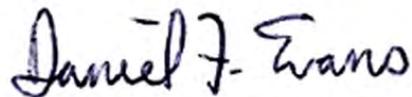
The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2014 has been received and can be found on page 7 of the financial report.

Signed in accordance with the Board of Directors:

Director:



Director:



Dated: 23 October 2014



Building a better
working world

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Fax: +61 3 8650 7777
ey.com

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 2014, 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.

Ernst & Young

Joanne Lonergan
Partner
23 October 2014

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 2014

	Note	2014 \$	2013 \$
Income	2	1,203,854	1,235,005
Administration expense		(138,470)	(160,641)
Employee benefits expense		(503,277)	(375,880)
Depreciation		(6,417)	(4,680)
Bad and doubtful debts expense		(13,670)	(27,500)
Marketing and Development		(6,041)	(3,406)
Project costs		(559,821)	(546,885)
(Deficit)/Surplus for the year		(23,842)	116,013
Income tax expense		-	-
(Deficit)/Surplus from continuing operations		(23,842)	116,013
Comprehensive income		-	-
Other comprehensive income		-	-
Total comprehensive (loss)/income for the year		(23,842)	116,013

Business for Millennium Development Ltd

ABN 27 128 354 549

Statement of Financial Position

As at 30 June 2014

	Note	2014 \$	2013 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	27,745	116,599
Trade and other receivables	4	167,974	109,264
Prepayments		1,000	-
TOTAL CURRENT ASSETS		196,719	225,863
NON-CURRENT ASSETS			
Property, plant and equipment	5	8,088	11,384
TOTAL NON-CURRENT ASSETS		8,088	11,384
TOTAL ASSETS		204,807	237,247
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	6	158,942	164,806
Short-term provisions	7	27,159	17,447
Unearned income	8	7,554	20,000
TOTAL CURRENT LIABILITIES		193,655	202,253
TOTAL LIABILITIES		193,655	202,253
NET ASSETS		11,152	34,994
EQUITY			
Accumulated surplus		11,152	34,994
TOTAL EQUITY		11,152	34,994

Business for Millennium Development Ltd

ABN 27 128 354 549

Statement of Changes in Equity

For the Year Ended 30 June 2014

2014

	Accumulated Surplus	Total
	\$	\$
Balance at 1 July 2013	34,994	34,994
Deficit for the year	(23,842)	(23,842)
Balance at 30 June 2014	11,152	11,152

2013

	Accumulated Surplus	Total
	\$	\$
Balance at 1 July 2012	(81,020)	(81,020)
Surplus for the year	116,014	116,014
Balance at 30 June 2013	34,994	34,994

Business for Millennium Development Ltd

ABN 27 128 354 549

Statement of Cash Flows

For the Year Ended 30 June 2014

	2014	2013
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	1,188,350	1,203,049
Payments to suppliers and employees	(1,265,196)	(1,224,097)
Interest received/(paid)	(8,887)	3,073
Net cash provided by (used in) operating activities	9 (85,733)	(17,975)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of plant & equipment	(3,121)	(873)
Net cash used by investing activities	(3,121)	(873)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net increase (decrease) in cash and cash equivalents held	(88,854)	(18,848)
Cash and cash equivalents at beginning of year	116,599	135,447
Cash and cash equivalents at end of financial year	3 27,745	116,599

Business for Millennium Development Ltd

ABN 27 128 354 549

Notes to the Financial Statements

For the Year Ended 30 June 2014

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 2014

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 2014

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 2014

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 2014

1 Summary of Significant Accounting Policies continued

(n) New Accounting Standards for application in future periods

AASB 9: Financial Instruments (December 2010) and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2017).

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.

AASB 10: Consolidated Financial Statements, AASB 11: Joint Arrangements, AASB 12: Disclosure of Interests in Other Entities, AASB 127: Separate Financial Statements and AASB 128: Investments in Associates and Joint Ventures (August 2011) (as amended by AASB 2012-10: Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments), AASB 2011-7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards and AASB 2013-8: Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities (applicable to not-for-profit entities for annual reporting periods commencing on or after 1 January 2014).

AASB 10 replaces parts of AASB 127: Consolidated and Separate Financial Statements and Interpretation 112: Consolidation – Special Purpose Entities. AASB 10 provides a revised definition of “control” and additional application guidance so that a single control model will apply to all investees.

AASB 11 replaces AASB 131: Interests in Joint Ventures. AASB 11 requires joint arrangements to be classified as either “joint operations” (where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or “joint ventures” (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement). Joint ventures are required to adopt the equity method of accounting (proportionate consolidation is no longer allowed).

AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a “structured entity”, replacing the “special purpose entity” concept currently used in Interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities.

To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued. AASB 2013-8 amends AASB 10 by adding an appendix to that Standard to explain and illustrate how the principles in AASB 10 apply from the perspective of not-for-profit entities in the private and public sectors. Similarly, AASB 2013-8 amends AASB 12 by adding an appendix to that Standard to explain the concept of a structured entity in a not-for-profit context. Neither of these appendices apply to for-profit entities, nor affect the application of AASB 10 or AASB 12 by for-profit entities.

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 2014

	2014	2013
	\$	\$
2 Revenue and Other Income		
Membership fees	62,363	115,000
Government grants	27,091	191,314
Sponsorship	85,949	86,500
Business Missions	9,575	78,186
Other income	11,858	82,383
Interest income	518	3,073
Project income	1,006,500	611,834
Creating shared value	-	66,715
	<hr/>	<hr/>
	1,203,854	1,235,005
3 Cash and cash equivalents		
Cash at bank	27,745	32,772
Cash on deposit	-	83,827
	<hr/>	<hr/>
	27,745	116,599
4 Trade and other receivables		
CURRENT		
Trade receivables	170,394	136,764
Provision for doubtful debts	(2,420)	(27,500)
	<hr/>	<hr/>
Total current trade and other receivables	167,974	109,264
5 Plant and equipment		
PLANT AND EQUIPMENT		
Office equipment		
At cost	31,727	28,606
Accumulated depreciation	(23,639)	(17,222)
	<hr/>	<hr/>
Total plant and equipment	8,088	11,384
6 Trade and other payables		
CURRENT		
Trade creditors	101,927	36,294
Other payables	57,015	128,512
	<hr/>	<hr/>
	158,942	164,806

Business for Millennium Development Ltd

ABN 27 128 354 549

Notes to the Financial Statements

For the Year Ended 30 June 2014

	2014	2013
	\$	\$
7 Provisions		
CURRENT		
Employee benefits	27,159	17,447
	<u>27,159</u>	<u>17,447</u>
8 Unearned Income		
CURRENT		
Unearned income	7,554	20,000
	<u>7,554</u>	<u>20,000</u>

Unearned income consists of membership fees for the period 1 July 2014 to 31 December 2014 which have been invoiced in the 2014 financial year.

9. Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities

Net (deficit)/surplus for the year	(23,842)	116,013
Non-cashflows:		
Depreciation	6,417	4,680
Movement in provision for doubtful debt	(25,080)	(49,500)
Changes in assets and liabilities		
(Increase)/decrease in accounts receivable	(33,630)	(36,609)
(Increase)/decrease in prepayments	(1,000)	-
Increase/(decrease) in trade and other payables	(5,864)	(30,605)
Increase/(decrease) in provisions	9,712	(640)
Increase/(decrease) in unearned income	(12,446)	(21,314)
Cashflow from operations	<u>(85,733)</u>	<u>(17,975)</u>

Business for Millennium Development Ltd

ABN 27 128 354 549

Notes to the Financial Statements

For the Year Ended 30 June 2014

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

Directors' Declaration

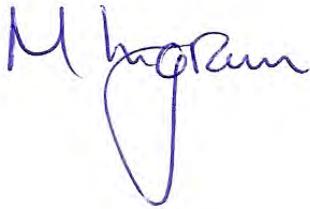
The directors have determined that the Company is not a reporting entity as defined in the Australian Accounting Standards and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors of the Company declare that:

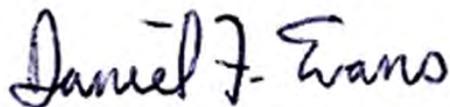
- A. The financial statements and notes, as set out on pages 3 to 14, are in accordance with the Corporations Act 2001 and the Australian Charities and Not-For-Profits Commissions Act 2012 including:
- (i) giving a true and fair view of the company's financial position as at 30 June 2014 and if its performance 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



Dated 23 October 2014



Building a better
working world

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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 2014, 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:

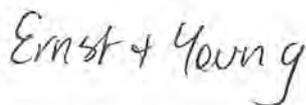
- a. giving a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
- b. complying with Australian Accounting Standards to the extent described in Note 1, and complying with the *Corporations Regulations 2001* and the *Australian 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
23 October 2014



Images on this page: Photos from B4MD's Advocacy work

Business for
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Alliance



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