

Annual Report 2010

*The*  
WILLIAM BUCKLAND  
FOUNDATION  
————— WBF —————

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# The Founder

The Foundation which bears his name commemorates William Buckland, a highly successful businessman and pastoralist in the middle years of the 20th century. Initially involved in building the fledgling motor parts trade, his business interests expanded to include service stations, finance and investment companies and eventually a string of pastoral holdings in the eastern states and Northern Territory. He realised his great fortune by selling his private companies into public ones.

On his death in 1964, after bequests to his family and some favourite causes, William Buckland left the bulk of his large estate – £4 million – to establish a Foundation, the income of which was to be used in his words “to benefit a wonderful country and a wonderful people. Australia and Australians”. Those interested in learning more of him can obtain a copy of his biography, *William Lionel Buckland* by David T. Merrett from ANZ Trustees or public libraries.

The Will which established the trust deed left half of the income “to divide... in each year among such public hospitals, public benevolent institutions or public benevolent societies in Victoria... and I hereby indicate to my Trustees my hope that in the division of such income, they will favourably consider charities for children”. The other half he wished to apply to “public scientific or public educational purposes in Victoria”. His attachment to the pastoral sector is indicated in his suggestion that his Trustees, in administering the public educational purposes should “give preference to agricultural and related pursuits”.

Today, with careful stewardship by the Foundation’s Trustees, William Buckland’s legacy generates in the order of \$5.0 million annually which is distributed for charitable purposes. From its establishment until now, the Foundation has distributed over \$74 million.

# What the Foundation Funds

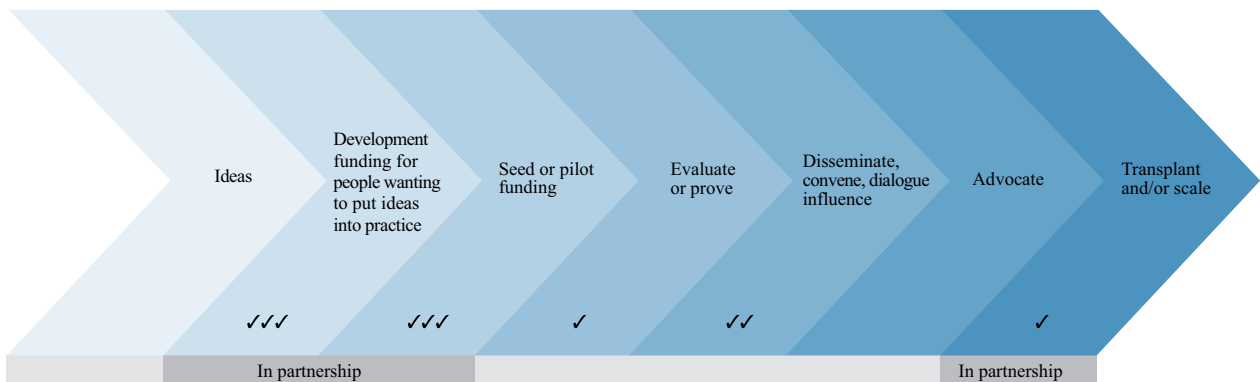
## Mission: To fund innovative ideas and projects for the lasting benefit of the Victorian community.

The William Buckland Foundation provides innovation funding to Victorian charitable organisations. The Foundation seeks to enhance and improve the social fabric of Victoria by investing in new ideas that benefit the marginalised and disadvantaged.

The Foundation welcomes approaches from creative thinkers and community organisations proposing new ideas backed with sound implementation plans. It values and seeks organisational leadership capable of achieving sustainable outcomes. The Foundation is respectful of community leadership and is not directive, however, it is selective as to partners, projects, needs and causes. The Foundation is prepared to take risks – where practical, outcome-focused projects with a sound theoretical basis are proposed.

The contribution and approach of the Foundation reflects its core values of innovation and creativity. It values partnership, particularly in the funding of larger and more complex projects. The Foundation has the freedom to be independent and selective when making grants as philanthropic funds are generated from the Foundation's own investments. It is essential that proposals submitted consider, address and work towards sustainability as the Trustees believe that organisational dependence on philanthropic funding is not an objective of the Foundation.

The diagram below shows the parts of the innovation process in which this Foundation seeks to grant. The number of ticks shown in each part of the process represents our preference for providing funding.



- The main interest of the Foundation is in providing seed funding and funding pilots.
- The Foundation acknowledges the importance of evaluation, however, it only gives some selective support to evaluation, usually for those projects currently within its portfolio.
- The Foundation considers the dissemination of results to be important where such dissemination influences adoption of enhanced practices, stimulates new approaches, or signals that alternatives may be more useful.
- Every proposal needs to demonstrate sustainability.
- The Foundation would rarely participate in transplantation or scaling, that is, replicating the initiative in multiple settings, unless for the purpose of achieving leverage. In these cases it might provide funding in partnership with a funder with a long term commitment to the work.

# Trustees' Overview

This has been a difficult year for philanthropic foundations as we have dealt with the aftermath of the global financial crisis. Whilst we have seen some increase in income available for distribution, this is still far from where it was two years ago and as we look ahead, we see continuing constraints in terms of the level of income generated. Indeed, these have been difficult times for everyone working in the charitable sector as both foundations and individual donors have had found themselves with less disposable income. For many charitable organisations, this has meant battening down the hatches and focussing on core business and survival. Nonetheless, we have received many inspiring applications and have been pleased to have been able to support a number of organisations in their important work in the community. Our grants for the year totalled \$5.1 million, which represented a significant increase on the preceding year of \$3.76 million.

This report provides details on all grants approved and expounds in detail on a couple of these grants. We have also looked back at grants we made some years ago to understand how they helped the recipient organisations advance their purpose. It is often difficult to measure the value of intervention, and the Trustees are always interested to look back at the impact that a grant may have had and understand how it helped create, in some small way, a better world for those who are disadvantaged or to expand people's horizons in challenging and useful ways. This year we have chosen to feature a past grant that resulted in a charity, The Butterfly Foundation, having a significant and lasting impact on the public health care system of Victoria.

Mental health has been one area where we have focussed our support this year and it has been pleasing to see this issue come more effectively onto the political agenda in recent months. Our support for organisations such as The Association of Relatives and Friends of the Emotionally and Mentally Ill and Sane Australia has been directed towards increasing access to advice and support for people with mental illness, as well as for the relatives and friends of people with mental illness.

Another area that is of great interest to the Foundation, given Mr Buckland's commitment to public education, is ensuring that young people get the best start in life so that they can make the most of the educational opportunities that are available to them. We have been very pleased to support the work of three different organisations that are focussing on keeping at school those youth who are at risk of leaving school early. Given Mr Buckland's particular interest in rural and regional Victoria, it is pleasing that one of these programs is taking place in Gippsland. The Stride Foundation's schools based project aims to increase the personal, social and community connectedness of young people from disadvantaged regions of Gippsland.

Over the years, The William Buckland Foundation has been very supportive of a number of programs and organisations using the arts to address social disadvantage. Once again this year we have supported work in this field, providing funds to The Torch Project for the development and implementation of a Certificate IV training program for people working in disadvantaged and indigenous communities. We have also supported the work of The Song Room as it evaluates its unique form of music teaching and participation in primary schools where children rarely get the chance to learn about music or play an instrument. The arts have the power to transform people's lives and the Foundation is proud to continue its support in this area.

Addressing the continuing aftermath of the tragic bushfires in Victoria in February 2009 was also on our mind as the Foundation provided continuing support to the Foundation for Rural and Regional Renewal so that it could continue to deliver a coordinated philanthropic response to the needs of these Victorian communities devastated by these fires. Even as the memory of the fires begins to recede, the task of rebuilding community spirit and community resources needs ongoing support.

We have continued to support medical research in a small way through a \$200,000 allocation to the Medical Research and Technology in Victoria Program that is administered by ANZ Trustees on behalf of a number of charitable foundations. Through this fund we provide support for the purchase of equipment essential for research to take place. We are indebted to the Chair, Professor Rochelle Buchbinder, and other members of the Advisory Committee for their work in assessing the applications and recommending the grants.

## Trustees' Overview continued

This has been a year of change to the Board's composition. Following Professor Bob Officer's retirement, we were very pleased to welcome Graeme Sinclair as a Trustee. Graeme is an experienced company Director with a strong interest in philanthropy. He was Managing Director of the Myer Family Company and Chief Executive Officer of the Myer Family Group. He is a Non-Executive Director of a number of companies, a member of the Board of Habitat for Humanity and a Life Governor of Ringwood Area Lions Aged Care. His contribution to the Foundation, in just this very short time, is already highly valued.

We were sad to say farewell to Mr Bruce Bonyhady, AM during the year. In retiring from ANZ Trustees, Bruce also retired as ANZ Trustees' representative on the Board of this Foundation. Bruce's knowledge of the charitable sector, his personal insights into a number of specific issues within the field and his involvement in philanthropy generally, particularly in his role as President of Philanthropy Australia, added great value to the work of the Foundation. We were delighted to see his work honoured in the June 2010 Honours Awards, when he was appointed a Member of the Order of Australia.

Ms Cheryl Bart AO, Chairman of ANZ Trustees, replaced Bruce Bonyhady as ANZ Trustees' representative. Cheryl brings a depth of experience in business, governance and philanthropy to the Board. She chairs a number of organisations in the corporate and government sector, including in the arts, and has had a long association with the Alcohol Education and Rehabilitation Foundation in NSW of which she was recently appointed Chairman.

With the retirement of Professor Bob Officer, Mr Sandy Clark has been appointed Chairman of the Foundation's Investments Sub-Committee. Sandy's experience and knowledge in this area has served the Foundation well over the challenging last 12 months.

In closing, I express my thanks to my fellow Trustees and also to the staff of ANZ Trustees for the management, granting services and investment oversight they have provided. We are pleased to have been able to support a number of outstanding charities that are doing valuable work in the community.

Louise Gourlay OAM  
Chairman

# Governance

Five Trustees constitute the Board of The William Buckland Foundation:

- Mrs Louise Gourlay OAM (Chairman)
- ANZ Trustees (represented by Mr Bruce Bonyhady AM, until September 2009 and then Ms Cheryl Bart AO)
- Mr C.G. (Sandy) Clark
- Dr Jane Gilmour OAM
- Professor Robert Officer (retired 8 September 2009) and then Mr Graeme Sinclair (since December 2009)

## Management

ANZ Trustees provides secretariat and management services.

## Asset consultant

JANA Investment Advisers Pty Ltd

## Granting consultants

Philanthropy, ANZ Trustees:

- Teresa Zolnierkiewicz, Head of Philanthropy
- Robyn Charlwood, Consultant Philanthropy
- Shaun Cannon, Manager Philanthropy

# Grants

July 2009 – June 2010

The following commitments were made at the meetings of Trustees held in September and December 2009 and March and June 2010.

## Part A

<u>Aboriginal Family Violence Prevention and Legal Service Victoria</u>	(over 3 years) \$531,430
Policy and program development project	
<u>Association of Relatives and Friends the Emotionally and Mentally Ill (ARAFEMI)</u>	(over 3 years) \$230,000
Centre for excellence peer support (mental health)	
<u>Beolite Village Limited</u>	\$50,000
Retirement village activities centre	
<u>Church of All Nations</u>	(over 3 years) \$146,160
Building bridges for Carlton Horn African families	
<u>Evolve (formerly Typo Station)</u>	(over 3 years) \$300,000
Young women's program – a personal development retreat and training program	
<u>Foundation for Rural and Regional Renewal</u>	\$180,000
Support for a coordinated philanthropic response to the 2009 Victorian bushfires (two grants)	
<u>Lighthouse Foundation</u>	\$83,200
Addressing the Cause – support for the Lighthouse Foundation's specialist model of care	
<u>Mental Health Legal Centre</u>	(over 3 years) \$264,826
Inside Access: pro bono advocacy support project	
<u>St Vincent De Paul Society</u>	\$25,000
Compeer Program – recruits, trains and supports volunteers who provide regular friendly companionship for people living with mental health issues	
<u>Tadvic Co-operative Ltd</u>	\$35,000
Tadvic client database re-design – contribution to the provision of mobility aids	
<u>The Torch Project</u>	(over 2 years) \$100,000
Community leadership and training program	
<u>Time for Youth</u>	(over 3 years) \$232,580
Cafe Meals Club evaluation	
<u>Victorian Association for the Care &amp; Resettlement of Offenders</u>	(over 2 years) \$339,051
Krysalis – community based support for families and young people	
<u>Woodbine Inc</u>	\$25,700
Establishment of artificial lawn science	



## Part B

<a href="#">Australian Centenary of Powered Flight Mia Mia Inc</a>	(over 2 years) \$50,000
Australian Centenary of Powered Flight Mia Mia 2010 Festival	
<a href="#">Australian Polish Community Services Inc</a>	\$41,210
Multicultural community services exchange	
<a href="#">Centre for Sustainability Leadership</a>	(over 3 years) \$299,235
Expanding the work of the Centre for Sustainability Leadership	
<a href="#">Footscray Community Legal Centre</a>	\$20,000
Gimme Shelter – support for refugees on housing related issues	
<a href="#">La Trobe University</a>	(over 2 years) \$244,441
Scaling up ‘Writing Themselves in Again’ statewide whole-of-government implementation	
<a href="#">La Trobe University</a>	(over 3 years) \$188,500
Capacity building for reconciling divided communities in Victoria	
<a href="#">Mission Australia Victoria</a>	(over 3 years) \$290,848
Child school leavers pilot project	
<a href="#">Odyssey House Victoria</a>	(over 3 years) \$223,750
Building resilience in community schools – drug and alcohol schools based support program	
<a href="#">Orchestra Victoria</a>	\$20,000
2010 Regional Education Program	
<a href="#">Post Placement Support Service Vic Inc</a>	(over 3 years) \$750,000
Establishment of Post Placement Support centre	
<a href="#">Sane Australia</a>	(over 3 years) \$329,875
Sane Australia’s Mind + Body Initiative – rehabilitation and support development project	
<a href="#">Song Room Inc</a>	(over 4 years) \$281,024
Harmony in Strings – music education for children	
<a href="#">Stride Foundation</a>	(over 3 years) \$213,196
Supportive Schools, Gippsland – development program for young people	
<a href="#">Women’s Health Goulburn North East</a>	(over 3 years) \$236,775
Tools 4 Change – women and financial capability building	
<a href="#">Young People in Nursing Homes National Alliance</a>	\$88,000
Information and Support Officer	

# Grants continued

July 2009 – June 2010

## Recurrent commitments

Foundation for Rural and Regional Renewal \$100,000

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Small grants for Rural Communities Program

Lynley S. Aitken Travelling Fellowship (Royal Melbourne Hospital) \$10,000

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Awarded to Ms Tina Thompson to facilitate a tour to Cardiff to collect information and data in the field of cardiac genetics

Medical Research and Technology in Victoria Program \$200,000

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Funding has been allocated to eight projects for equipment essential to research.

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**Total commitments made in 2009-10 financial year: \$6,129,801**

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# 2010 Projects – A Snap Shot

We have chosen to feature two projects designed to positively impact the lives of children. Both projects fit with Mr Buckland's desire to assist young people, particularly children. The projects provide different types of support to children, however, both are using philanthropy to provide children with vital life enhancing environments and opportunities.

## Post Placement Support Service (Vic) Inc

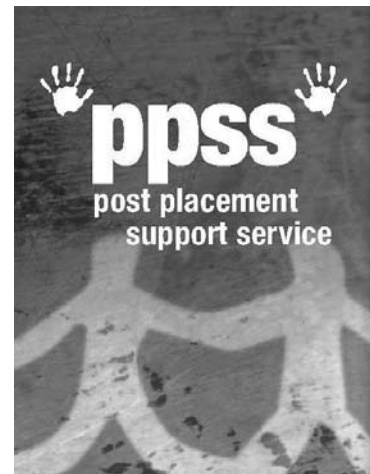
There are at least 15,000 Victorian children at any one time in adoption (local and intercountry) or home-based care (kinship care with relatives or friends, permanent care and foster care). Most of these children come from 'at risk' backgrounds and have been traumatised, often by extreme abuse and neglect. A disproportionate number of these children grow up to become part of Australia's crime, mental illness, unemployment and homeless statistics.

Research strongly underlines the need for targeted support to care-giving families. While there is limited government support for foster carers, permanent carers and some kinship carers, there is no support for most kinship carers and all special needs adoptive families.

The Post Placement Support Centre is a project that aims to build strong families in kinship care, permanent care, special needs adoption and foster care.

The Post Placement Support Service Vic Inc (PPSS) was set up in 2003 as an early intervention support and training service. It services anyone who has a personal or professional connection with permanent care, adoption, kinship care and foster care. From 2003 to 2010, a core group of volunteers provided these services with limited philanthropic funding.

Given the enormity of the need being addressed by PPSS and the effectiveness of the service model, a decision was taken by the Board to formalise the service as a Centre and to expand its capacity to provide support programs across Victoria. Significant philanthropic funding was required for the establishment of the Post Placement Support Centre and its growth. Partnership contributions for the project's establishment have come from The William Buckland Foundation as well as the Truby and Florence Williams Charitable Trust (Strategic Impact Program, ANZ Trustees) and the Collie Foundation.



Members of the PPSS team, from left: Cas O'Neill, Lindsey Harding, Mary Natoli, Gail Scowcroft, Janet Elefintiots (PPSS CEO), Pauline Peile, Ian Seal (AGM Guest Speaker) and Christine Cook.

## 2010 Projects – A Snap Shot continued

The Centre's mission is to provide support and training to Victorian families and professionals involved in adoption and home-based care.

Most of the Centre's services are provided for carers. The rationale is that if carers are well supported they are more likely to provide the stable and positive experience of family life needed by these children for their long term psychological health.

From 2011, the Centre will be developing:

- specialist therapeutic sessions for carers and parents;
- a state-wide Kinship Care Engagement Program;
- collaborative research projects with universities and other relevant organisations;
- a resource centre, incorporating interstate and international networking with similar organisations;
- rural outreach and video conferencing; and
- partnerships with culturally and linguistically diverse organisations in the child welfare field.

The decision to set up the Centre was a bold move as there is no other centre in Australia which provides this service to such a broad group of professionals, families and children.

The William Buckland Foundation has chosen to fund this outstanding project because of the significant need it addresses, its preventative approach and the commitment and expertise of those who have created the newly formed Centre.

## The Song Room

The Song Room is a national not-for-profit organisation that provides free, long term music/arts-based programs for disadvantaged children to improve educational and social outcomes and to contribute to their sustainability. There is a large body of international literature that examines links between quality school-based and community arts programs and broader educational outcomes and provides evidence of the significant positive social impact of young people's participation in music and arts programs.

Currently up to three out of four children in Australian government primary schools have no access to specialist music teachers.

The Harmony in Strings pilot project will trial, research and demonstrate the elements required in primary school music education to provide the best chance of school music program uptake by secondary students, particularly in schools with limited resources. The program will examine the best methods of music delivery, including an innovative model of group instrumental tuition. The group methodology will make music teaching more accessible in less advantaged communities and help to address the enormous gaps in music education.

The project involves professional teaching artists, who are trained instrumental strings teachers, to deliver a year-long structured stringed instrumental music workshop for grades four, five and six at Sacred Heart Primary School, Fitzroy. The Harmony in Strings project is three years in duration.

To understand the effect that one, two, or three years of tuition has on the take-up of music programs in secondary school, the Harmony in Strings project will research the impact of the program as the children transition to secondary school. The research also seeks to understand the broader impacts of the program on the students' learning, social skills and personal development outcomes. The project grant will enable a better understanding of the efficacy of the proposed group model to deliver broader educational and social impacts across Victoria.

Through its support for the Harmony in Strings project. The William Buckland Foundation seeks to address the gaps in current music education provision, particularly in regions of socio-economic disadvantage. The Song Room is confident that the project findings will provide the necessary evidence for the government, education and community sectors to ensure such important social engagement programs are supported in our schools in the future. The findings will assist with the implementation strategy for the inclusion of music and arts into the National Curriculum and will provide the practice-based evidence for a replicable model of music program delivery in primary schools.

In addition, the evidence base generated by this project will significantly enhance The Song Room's organisational capacity, its future program development and influence. The Song Room will be better able to ensure that suitable school-based music programs are available to disadvantaged and special needs Victorian children and youth. Music may literally shape these young people's futures.



Young Song Room student participants.



Engaging Young People  
Through Creativity

# A Look Back on Past Projects

Reflecting on and evaluating the mid to long term impact of funded projects is a key part of effective grantmaking. Here we have chosen to focus on a project of The Butterfly Foundation. In a relatively short period of time this project had a transforming impact on the culture and practice of the prevention and treatment of eating disorders within the Victorian public health care system. The William Buckland Foundation is pleased to observe the leveraged outcomes resulting from our grant.

## The Butterfly Foundation

In 2004, The William Buckland Foundation, along with other foundations, including The Felton Bequest, Helen Macpherson Smith Trust, the Diana Brown Trust and The Myer Foundation, funded the The Butterfly Foundation Southern Health Day Program pilot project and evaluation. The outcomes of this multi-year project enabled the The Butterfly Foundation to transform the way the Australian health care system thinks about and treats young people with eating disorders. In 2006, given the early promise and successes of the project, the Victorian government matched the contributions made by the philanthropic foundations increasing the total project budget to \$1.5 million.

The impetus for the project was The Butterfly Foundation's belief that eating disorders were an illness neglected by the Australian community and the health care system. Despite the mortality rate for eating disorders being the highest of all mental illnesses, it was difficult for those affected by the disorder to access effective, multidisciplinary and coordinated treatment and care within the Australian public health system. The treatment gaps in the health system can significantly hinder recovery of young people with eating disorders. Traditionally in-patient treatment focused solely on re-feeding strategies which were insufficient for a successful recovery.

To address the need for provision of more effective treatments for eating disorders, delivered in less restrictive environments, The Butterfly Foundation, in conjunction with Southern Health, designed and delivered the Butterfly Southern Health Day Program. This is a holistic model of care offering a community based, intensive treatment service, with a multi-disciplinary health team together with family-oriented care and family therapy. The young people in this program received intensive therapy five days a week addressing the major concerns relating to eating disorders. These are meal support and supervision to assist with physical restoration and extensive dietetic and family support. The results of this pilot demonstrated a major reduction in in-patient admissions for eating disorders, a reduction in the length of hospital stay and an increase in recovery rates. In 2006 in recognition of these results, the Victorian government committed to fund the Southern Health Day Program until 2011.

The Butterfly Southern Health Day Program with its successful and innovative treatment strategies has changed both the practice of treating eating disorders and the cultural approach.

The Butterfly Foundation believes the initial philanthropic support was crucial to the on-going success of the initiative. The funding allowed the value of the pilot to be demonstrated. This, in turn, resulted in government funds being leveraged towards the program.

The Butterfly Foundation's mission is to change the culture and practice in the prevention and treatment of eating disorders. The Butterfly Southern Health Day Centre project represents a significant step towards achieving this outcome.

Philanthropic support provided by The William Buckland Foundation and other foundations enabled The Butterfly Foundation to change the future for young people with eating disorders, and their families, giving them hope and a good chance of recovery.

The William Buckland Foundations is proud to have been a contributor to The Butterfly Foundation's success story.



# Financial Report



*W. L. Buckland*

# Investment Overview

The Trustees consider that, as the Foundation is a perpetual trust, the amount available for distribution to charities will be maximised over time if a relatively high proportion of the corpus is invested in growth assets, particularly equities.

They also judge it prudent to entrust day-to-day management of the funds to professional investment managers, within asset allocation ranges set by the Trustees. The asset consultant to the Foundation is JANA Investment Advisers Pty Ltd. The investment managers for the financial year ended 30 June 2010 were:

- ANZ Trustees Limited
- Lend Lease Corporation Limited
- Macquarie Investment Management Ltd (to March 2010)
- Tyndall Investment Management Limited
- Warakirri Asset Management Pty Ltd

The Management Expense Ratio (MER) is a measure of the level of expenses incurred by the Foundation. The MER, expressed as a percentage of the net assets of the Foundation, includes the administration fees, investment management fees and other expenses – the components and the amounts are shown in Annexure One. The comparison with the previous year is shown.

The net assets of the Foundation as at 30 June 2010 were \$90,320,715.

<b>The MER</b>	<b>Year ending 2010</b>	<b>Year ending 2009</b>
Net assets	\$90,320,715	\$85,192,623
Administration fees	0.48%	0.40%
Investment management expenses	0.66%	0.64%
Other expenses	0.11%	0.11%
MER	1.25	1.16



# Investment Guidelines and Objectives

Each 'Guideline' and 'Objective' is followed by a brief 'Commentary' to assist the reader. While the Foundation has a time horizon of perpetuity it is expected that the Investment Guidelines and Objectives will be reviewed by the Board of Trustees from time to time. The investment powers of the Foundation set out in William Buckland's Will included a number of restrictions which were varied by the Supreme Court of Victoria in 1993 and 2005 in response to application made by the Trustees.

## 1. Asset mix

### 1.1 Guideline

The great majority, and up to 100 per cent, of the Foundation's assets are to be invested in 'growth' (as distinct from debt) assets. 'Growth' assets include shares, property, convertibles, and even debt type assets that offer equity like returns.

### 1.2 Commentary

As the 'community' is the beneficiary, and perpetuity the time horizon of the Foundation, the asset mix should be dominated by 'growth' (shares/property) assets. However, opportunities to buy other types of securities offering the potential for equity type returns will be considered.

## 2. Management

### 2.1 Guideline

The Foundation's assets should be managed by professional investment managers with a maximum exposure to any one manager/group of 50 per cent of the assets of the Foundation.

### 2.2. Commentary

Since the late 1990s the Foundation has had all its assets managed by professional investment managers. As a matter of prudence, manager diversification should always be a feature of the management of the Foundation's assets.

## 3. Security diversification

### 3.1 Guideline

At no time should the Foundation's exposure to a single risk asset (e.g. a company, or single property) exceed 10 per cent of the assets of the Foundation. The overall portfolio of assets should be broadly diversified to obtain satisfactory yield without increasing risk by concentration in any industry, geographic location, company or individual.

### 3.2 Commentary

It is expected that the share exposure of the Foundation would be spread over at least 30 companies. Too great a concentration is to be avoided. Greater than 10 per cent exposure should be contemplated with 'non risk' assets e.g. government bonds.

## 4. Investment objectives

### 4.1 Guideline

The Foundation's investment objectives are:

- maximise income, consistent with the modest growth of the real value of the Foundation's assets over time;
- target an income distribution in the region of 5 per cent to 6 per cent of the average value of the Foundation's assets over each year; and
- seek to structure the portfolio such that the real income distribution is maintained and grows over time. It is anticipated that this objective, combined with the income distribution target, will mean that over time the capital value of the portfolio shall not decline by as much as the market during those periods where the market return is negative.

### 4.2 Commentary

In no circumstances is the long term real value of the Foundation's assets to be compromised by attempting to maximise income. The Foundation, in understanding that asset values fluctuate, desires that its assets not fluctuate as widely as the share market on the downside. However, it recognises that asset values may fall in real terms from time to time.

# Investment Performance

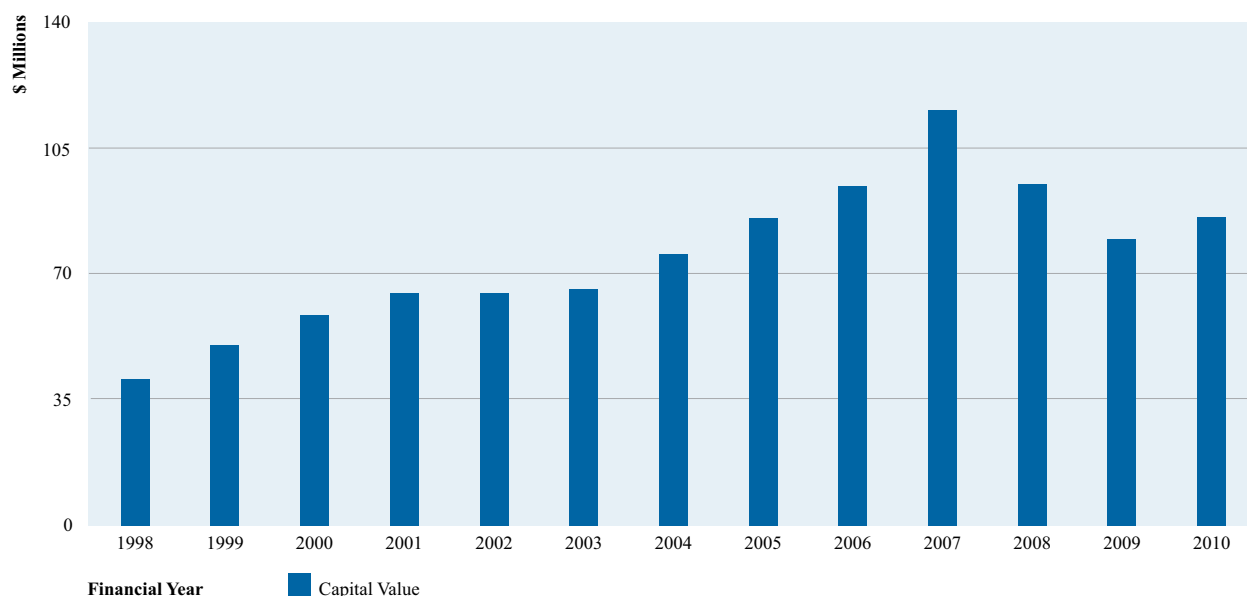
The Foundation aims to maximise income, consistent with a modest growth in the real value of the Foundation's assets over time.

Under the Will the Foundation has no access to the corpus (capital) for granting purposes.

The value of the Foundation's portfolio grew strongly over the period from early 2003 to late 2007, primarily driven by growth in the shares held in the portfolio. The sell off in share markets that began in late 2007 accelerated dramatically from September 2008 before the market began a recovery in March 2009. In the 12 months to 30 June 2010 the portfolio returned +13.2 per cent. This return included a distributable income of 6.0 per cent, at the top end of the target range of 5-6 per cent. While the distributable income for the 12 months to 30 June 2010 was within the target range, portfolio income earned during the 2009-10 year was below that received in the previous year.

The movement in the capital value of the Foundation over recent years is shown in the chart below.

## The Foundation's Capital Value



The Foundation's portfolio aims to produce a relatively consistent, and growing, income stream from year to year. Risk is managed by retaining a number of investment managers. In 2009-10 the income, after investment manager fees, was \$4.8 million, or 6 per cent of the average value of the Foundation's investment portfolio over the year.

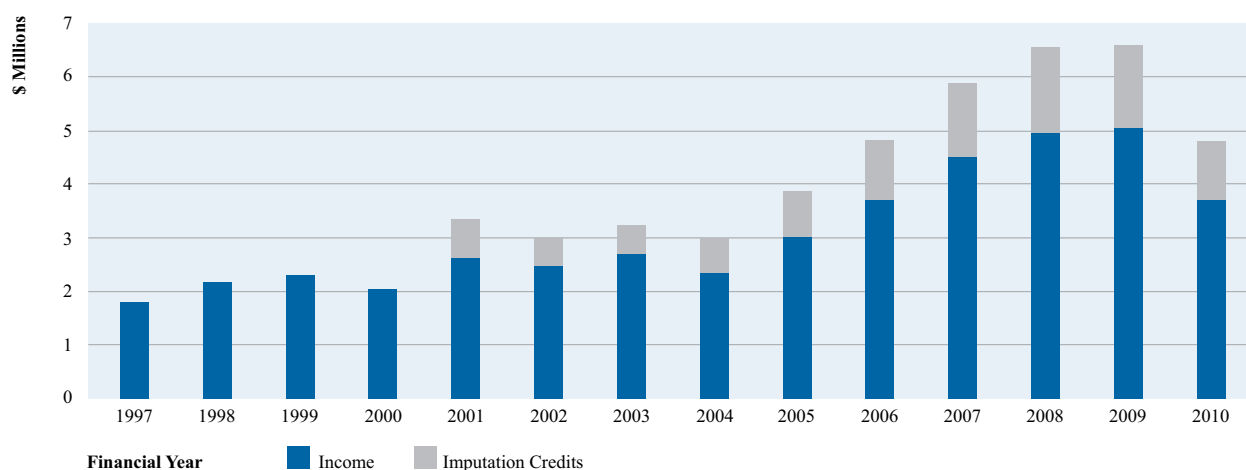
In the eight years to 2008-09, income grew steadily from \$3 million in the year ended 30 June 2002, to peak at \$6.6 million. In the last 12 months, given the economic conditions, companies have taken a cautious approach in relation to dividend payments. Accordingly the total income of the Foundation, derived primarily from its Australian equity exposure, has reduced significantly as shown in the table and the graph adjacent. In summary, the impact of the financial crisis was lagged by almost a year on cash and another year for franking credits. While this allowed the Foundation time to adjust it also means that 2009-10 and 2010-11 are likely to be low points of income.

The benefit of the imputation credits to the total income of the Foundation continues to be an important source of cash flow. It is worth noting the boost to income in 2001 when the Foundation, like other not-for-profit organisations, first received the benefit of imputation credits.

### Income Generated 2002-10

Year ended	Cash income \$	Imputation credits \$	Total income (including imputation credits) \$
2009-10	3,688,828	1,118,226	4,807,054
2008-09	5,059,263	1,531,153	6,590,416
2007-08	4,949,799	1,632,582	6,582,381
2006-07	4,504,343	1,382,703	5,887,046
2005-06	3,715,110	1,113,772	4,828,882
2004-05	3,023,226	864,471	3,887,697
2003-04	2,356,846	636,373	2,993,219
2002-01	2,694,877	528,154	3,223,031
2001-02	2,464,961	534,123	2,999,084

### The Foundation's Distributable Income



The Foundation's Australian equities managers, ANZ Trustees, Tyndall Investment Management and Warakirri Asset Management, have continued to produce income yields above that of the broad Australian share market in 2009-10.

The Foundation's investments in direct property, managed by Lend Lease, produced mixed results over the year. The Retail portfolio preserved value, but the office portfolio suffered a write down in its valuation, mainly in relation to near completed office developments in the portfolio. The Foundation's cash holdings produced sound returns.

# Statement of Comprehensive Income

For the financial year ended 30 June 2010

	Note	2010 \$	2009 \$
<b>Income</b>			
Interest		254,623	224,420
Estate distributions		31,874	35,797
Dividends		1,316,985	1,365,757
Managed investment distributions		2,197,796	3,179,234
Imputation credits		1,141,743	1,477,474
Management fee rebate		136,756	138,709
Other income		–	4
Net movement in fair value of investments		5,950,814	(15,254,566)
<b>Total income/(loss)</b>		<b>11,030,591</b>	<b>(8,833,171)</b>
<b>Expenses</b>			
ANZ Trustees Limited's fees	2	427,854	338,515
Co-Trustees' fees		3,000	4,000
Investment management and custodian fees (paid to Tyndall)		181,495	164,040
Consulting fees		68,627	58,049
Audit fees	11	6,800	6,694
Annual report publication		16,439	17,957
Other expenses	3	9,592	11,821
<b>Total expenses</b>		<b>713,807</b>	<b>601,076</b>
<b>Net income/(loss) for the year</b>		<b>10,316,784</b>	<b>(9,434,247)</b>
<b>Transfers to capital reserves to determine distributable income</b>			
Capital components of net income for the year	7	(6,134,705)	14,887,205
<b>Distributable income for the year</b>		<b>4,182,079</b>	<b>5,452,958</b>
Other comprehensive income		–	–
<b>Total comprehensive income for the year</b>		<b>–</b>	<b>–</b>
<b>Grants paid during the year</b>		<b>5,188,694</b>	<b>3,761,315</b>

Notes to the financial statements are on pages 22 to 27.

# Statement of Financial Position

As at 30 June 2010

	Note	2010 \$	2009 \$
<b>Current assets</b>			
Cash and cash equivalents		4,104,386	5,431,204
Receivables	4	1,831,095	3,123,234
Prepayments		13,292	12,771
<b>Total current assets</b>		<b>5,948,773</b>	<b>8,567,209</b>
<b>Non-current assets</b>			
Other financial assets	5	84,572,258	77,019,449
<b>Total non-current assets</b>		<b>84,572,258</b>	<b>77,019,449</b>
<b>Total assets</b>		<b>90,521,031</b>	<b>85,586,658</b>
<b>Current liabilities</b>			
Payables	6	200,316	394,034
<b>Total current liabilities</b>		<b>200,316</b>	<b>394,034</b>
<b>Total liabilities</b>		<b>200,316</b>	<b>394,034</b>
<b>Net assets</b>		<b>90,320,715</b>	<b>85,192,624</b>
<b>Represented by:</b>			
Retained earnings		5,749,700	6,756,315
Capital funds	8	84,571,015	78,436,310
<b>Total trust funds</b>		<b>90,320,715</b>	<b>85,192,625</b>

Notes to the financial statements are on pages 22 to 27.

# Statement of Changes in Trust Funds

For the financial year ended 30 June 2010

		Capital funds			
	Note	Retained earnings \$	Revaluation reserve \$	Capital reserves \$	Total trust funds \$
<b>Balance 1 July 2008</b>		5,064,672	8,295,222	101,618,737	98,388,187
- Net loss for the year		(9,434,247)	-	-	(9,434,247)
- Capital components for the year		14,887,205	-	-	14,887,205
- Transfer to capital funds	7	-	(9,036,224)	(5,850,981)	(14,887,205)
- Grants paid during the year		(3,761,315)	-	-	(3,761,315)
<b>Balance 30 June 2009</b>		<b>6,756,315</b>	<b>(17,331,446)</b>	<b>95,767,756</b>	<b>85,192,625</b>
<b>Balance 1 July 2009</b>		<b>6,756,315</b>	<b>(17,331,446)</b>	<b>95,767,756</b>	<b>85,192,625</b>
- Net income for the year		10,316,784	-	-	10,316,784
- Capital components for the year		(6,134,705)	-	-	(6,134,705)
- Transfer to capital funds	7	-	7,107,524.00	(972,819)	6,134,705
- Grants paid during the year		(5,188,694)	-	-	(5,188,694)
<b>Balance 30 June 2010</b>		<b>5,749,700</b>	<b>(10,223,922)</b>	<b>94,794,937</b>	<b>90,320,715</b>

Notes to the financial statements are on pages 22 to 27.

# Statement of Cash Flows

For the financial year ended 30 June 2010

	Note	2010 \$	2009 \$
<b>Cash Flows From Operating Activities</b>			
Interest received		206,179	224,420
Dividends received		1,261,215	1,578,815
Managed investment distributions received		2,617,788	6,801,280
Managed fee rebates received		148,199	161,856
Refund of imputation credits received		1,528,610	1,994,171
GST received		34,574	39,492
Other income received		–	4
ANZ Trustees Limited's fees paid		(383,346)	(373,566)
Co-Trustees' fees paid		(3,000)	(4,000)
Investment management and custodian fees (paid to Tyndall)		(194,594)	(180,321)
Consulting fees paid		(73,000)	(58,559)
Audit fees paid		(7,184)	(6,908)
Other expenses paid		(27,117)	(31,612)
<b>Net cash provided by operating activities</b>	9(a)	<b>5,108,324</b>	<b>10,145,072</b>
<b>Cash flows from investing activities</b>			
Purchase of investments		(13,428,929)	(16,971,248)
Proceeds from sale of investments		12,182,483	13,697,474
<b>Net cash used in investing activities</b>		<b>(1,246,446)</b>	<b>(3,273,774)</b>
<b>Cash flows from financing activities</b>			
Grants paid		(5,188,696)	(3,761,317)
<b>Net cash used by financing activities</b>		<b>(5,188,696)</b>	<b>(3,761,317)</b>
Net (decrease)/increase in cash and cash equivalents		(1,326,818)	3,109,981
<b>Cash and cash equivalents at beginning of year</b>		<b>5,431,204</b>	<b>2,321,223</b>
<b>Cash and cash equivalents at end of year</b>	9(b)	<b>4,104,386</b>	<b>5,431,204</b>

Notes to the financial statements are on pages 22 to 27.

# Notes to the Financial Statements

For the financial year ended 30 June 2010

## 1. Summary of accounting policies

### 1.1 General information

In the opinion of the Trustees, the Foundation is not a reporting entity. The financial report of the Foundation has been drawn up as a special purpose financial report in accordance with the Will dated 9 August 1960. The entity solely operates within Australia.

The address of its principal place of business is as follows:

Level 42  
55 Collins Street  
Melbourne Victoria 3000

### 1.2 Financial reporting framework

The Foundation is not a reporting entity because in the opinion of the Trustees there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. The financial report of the Foundation has been drawn up as a special purpose financial report at the request of the Trustees.

### 1.3 Statement of compliance

The financial report has been prepared in accordance with the recognition and measurement aspects of all applicable Australian Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards:

AASB 101 – Presentation of Financial Statements  
AASB 107 – Cash Flow Statements

### 1.4 Basis of preparation

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

### 1.5 Distributable income

The financial report has been prepared in accordance with the basis of preparation at Note 1.4. In determining the distributable income, regard is had to any items of income or expenditure that from a trust law perspective would be considered to be on capital account in determining distributable income.

### 1.6 Revenue

Revenue is recognised when the Foundation is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Dividends, income distributions and capital distributions received from unit funds, managed investments and direct equity holdings is recognised as at the date the unit value is quoted ex-distribution.

Imputation tax credits in respect of distributions and dividends received are recognised as revenue as at the date the share is quoted ex-dividend. As the application for the refund of excess imputation credits can only be made after year-end, the applicable revenue is accrued at year-end.

Interest income is earned from the cash management account and is credited to the fund's account on a monthly basis.



## 1.7 Financial assets

All financial assets are recognised and derecognised on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned and are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL) and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

### *(a) Financial assets at FVTPL*

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Foundation manages together and has a recent actual pattern of short term profit-taking.

A financial asset other than a financial asset held may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets which is managed and its performance is evaluated on a fair value basis, in accordance with the Foundation's documented risk management or investment strategy, and information about the Foundation is provided internally on that basis.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'net movement in market value of investments' line item of comprehensive income.

The fair values of financial assets are determined as follows:

- the fair values of financial assets with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- the fair values of other financial assets are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

### *(b) Loans and receivables*

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

## 1.8 Expenditure

All expenditure is accounted for on an accruals basis.

## 1.9 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash held within Common Fund Number M1-Mutual Common Fund. For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any outstanding bank overdrafts.

# Notes to the Financial Statements continued

## For the financial year ended 30 June 2010

### 1.10 Receivables

Receivables are measured at amortised cost less impairment. Receivables are assessed for indicators of impairment at each balance sheet date. Receivables are normally settled within 30 days.

Trades are recorded on trade date and normally settled within three business days. Sales of securities that are unsettled at reporting date are included in receivables.

### 1.11 Payables

Payables are recognised for amounts to be paid in the future for services rendered, whether or not billed to the Fund. Payables are normally settled within 30 days.

Trades are recorded on trade date and normally settled within three business days. Purchases of securities that are unsettled at reporting date are included in payables.

### 1.12 Taxation

The Foundation is a charitable fund in accordance with section 50-5 of the Income Tax Assessment Act 1997 and is therefore exempt from paying tax.

### 1.13 Grants paid

Grants made by the Foundation are not recognised until there is reasonable assurance that the recipient will comply with the conditions attaching to them and the grants will be paid.

### 1.14 Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the cash flow statement on a gross basis. The GST components of cash flows arising from investing and distribution activities, which are recoverable from, or payable to, the ATO are classified as operating cash flows.

### 1.15 Off market buy backs

The managed funds and securities that the Foundation is invested in may participate in off market buy backs, where appropriate. The proceeds of the off market buy back are received in the form of a capital payment and a dividend, which is usually fully franked.

All revenue (dividends and imputation credits) and gains from the off market buy back are included within the net income of the Foundation. Items of a purely capital nature (which includes dividends, imputation credits and gains from the off market buy backs) are deducted from net income in order to determine distributable income. All items so deducted are applied to the Trust's capital and are available for investment.

## 1.16 The difference between net income, distributable income and grants paid

### *Net income*

Net income for the year for the Foundation is actual income, including imputation credits, less expenses. Included in 'net income', is 'income' of a capital nature coming through from share buy backs, realised or unrealised gains or losses, and tax deferred distributions.

### *Distributable income*

Distributable income is determined by removing (subtracting) capital components from 'net income', including tax deferred amounts as these are considered capital under Trust Law.

### *Grants paid*

This is the total sum of all grant monies paid out of the Foundation's accounts in the current financial year up to 30 June. This amount includes grants determined in prior years to be paid by instalments (once certain conditions or milestones were met) where instalments fell due in the current year. 'Grants paid' does not include all the grants determined in the current financial year if payments are to be made by instalments and these instalments are not yet due as conditions and milestones have not yet been met. These 'grants determined' will be reflected in future Financial Reports once they are paid.

	<b>2010</b>	2009
	\$	\$
<b>2. ANZ Trustees Limited's fees</b>		
ANZ Trustees Limited's trustee fee	<b>366,354</b>	256,515
ANZ Trustees Limited's research advisory fees	<b>61,500</b>	82,000
	<b>427,854</b>	338,515

## 3. Other expenses

Memberships	<b>5,638</b>	6,034
Bank charges	<b>2,906</b>	4,467
Tyndall telegraphic transfers	–	792
GST and franking credit recovery costs	<b>1,048</b>	256
Reimbursement costs	–	272
	<b>9,592</b>	11,821

## 4. Receivables

Interest	<b>48,445</b>	–
Estate distribution	<b>38,813</b>	52,164
Dividends	<b>263,583</b>	207,813
Managed investment distributions	<b>232,557</b>	607,323
Management fee rebate	<b>35,059</b>	36,495
Imputation credits	<b>1,190,568</b>	1,577,435
Unsettled sale	–	246,378
Other	–	381,032
GST	<b>22,070</b>	14,594
	<b>1,831,095</b>	3,123,234

# Notes to the Financial Statements continued

For the financial year ended 30 June 2010

	2010 \$	2009 \$
<b>5. Non current assets – other financial assets</b>		
Australian listed equities and managed funds	84,572,258	77,019,449
	<b>84,572,258</b>	<b>77,019,449</b>

## 6. Trade and other payables

Audit fees	7,480	7,184
ANZ Trustees Limited's trustee fee	144,890	69,076
Investment management and custodian fees (paid to Tyndall)	47,946	47,764
Unsettled purchase	–	270,010
	<b>200,316</b>	<b>394,034</b>

## 7. Capital components of net income for the year

Realised gain on sale of investments	1,012,841	539,669
Realised loss on sale of investments	(2,169,551)	(6,758,011)
Distributions of a capital nature – tax deferred	182,917	367,361
Capital expenses	974	–
	<b>(972,819)</b>	<b>(5,850,981)</b>
Unrealised gain/(loss) on revaluation of investments	7,107,524	(9,036,224)
	<b>6,134,705</b>	<b>(14,887,205)</b>

The value of realised and unrealised gains/losses as disclosed above has been calculated in accordance with the Income Tax Assessment Acts. The Income Tax assessment Acts require realised gains to be calculated as the value of investments sold less the original purchase cost which in some cases may be different to the value calculated in accordance with AIFRS.

## 8. Capital funds

Investment revaluation reserve	(10,223,922)	(17,331,446)
Capital fund	94,794,937	95,767,756
	<b>84,571,015</b>	<b>78,436,310</b>

## 9. Notes to the cash flow statement

### (a) Reconciliation of profit/(loss) for the period to net cash provided by operating activities

Net income/(loss) for the year	10,316,784	(9,434,247)
Adjust for items classified as investing/financing activities and non cash items		
Net movement in fair value of investments	(5,950,814)	15,254,566
Changes in assets and liabilities		
Decrease/(increase) in receivables	716,787	4,378,642
Increase/(decrease) in payables	25,567	(53,889)
Net cash provided by operating activities	<b>5,108,324</b>	<b>10,145,072</b>

## (b) Reconciliation of cash and cash equivalents

For the purposes of the cash flow statement, cash includes cash at bank. Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

	2010 \$	2009 \$
Cash and cash equivalents	4,104,386	5,431,204
Total cash and cash equivalents	4,104,386	5,431,204

## 10. Indemnity of Trustees

The rights of the Trustees to be indemnified for losses or liabilities incurred during the administration of the Foundation and to recoup expenditure incurred are limited to the monies and property comprising the Trust Fund.

## 11. Auditor's Remuneration

	2010 \$	2009 \$
Audit fees	6,800	6,694
	6,800	6,694

The auditor of the Foundation is Deloitte Touche Tohmatsu.

## 12. Trustees

The Trustees of The William Buckland Foundation during or since the end of the financial year are:

ANZ Trustees Limited, Mr C.G. Clark, Mrs L. Gourlay OAM, Prof R. Officer (retired 8/09/2009), Dr J. Gilmour OAM, Mr G. Sinclair (appointed 31/12/2009).

The Directors of ANZ Trustees Limited during or since the end of the financial year are:

Ms C.S. Bart (appointed 08/06/2006), Mr B.P. Bonyhady (appointed 19/06/2000, resigned 30/09/2009), Mr G.A. Cohen (appointed 21/03/2006), Ms C.M. McDowell (appointed 19/01/2009), Mr R. Goudswaard (appointed 06/10/2009, resigned 12/02/2010), Ms M. Harrison alternate Director for G. Cohen (appointed 24/09/2008), Mr S. Hill (appointed 06/10/2009), Mr R.A. Scenna (appointed 24/09/2008), Mr D.H. Ward (appointed 04/05/2004, resigned 31/10/2009), Mr L.J. Willett AO (appointed 06/12/1995, resigned 30/09/2009).

## 13. Contingent liabilities and commitments

The Foundation does not have any material commitments and contingent liabilities that require disclosure.

## 14. Trust fund details

The registered office and its principal place of business of the Foundation is Level 42, 55 Collins Street Melbourne.

The principal activity is the distribution of the Foundation's income to eligible charities.

## 15. Subsequent events

There have not been any other matters or circumstances that have arisen since the end of the financial year, that have significantly affected, or may significantly affect, the operations of the Foundation, the results of those operations, or the state of affairs of the Foundation in the future financial year.

# Trustees' Declaration

In the opinion of the Trustees of The William Buckland Foundation:

- the Foundation is not a reporting entity because in the opinion of the Trustees there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs;
- the financial statements and notes thereto, set out on pages 18 to 27, are drawn up, in accordance with the basis of accounting described in Note 1, so as to present fairly the financial position of the Foundation as at 30 June 2010 and its performance, as represented by the results of its operations and its cash flows for the financial year ended on that date;
- there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they become due and payable; and
- the Foundation has operated during the year ended 30 June 2010 in accordance with the provisions of the declaration of trust.



Signed for and on behalf of ANZ Trustees Limited

29/03/11

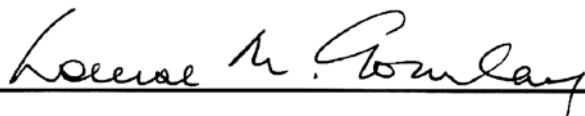
Dated



Mr C G Clark - Trustee

25/2/11

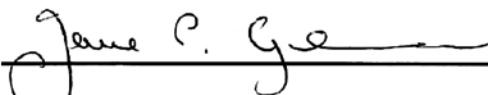
Dated



Mrs L Gourlay OAM - Trustee

8.3.2011


Dated



Dr J P Gilmour OAM - Trustee

8.3.2011

Dated



Mr G Sinclair - Trustee

3/3/11

Dated

# Auditor's Report

For the financial year ended 30 June 2010

## Deloitte.

Deloitte Touche Tohmatsu  
ABN 74 490 121 060

550 Bourke Street  
Melbourne VIC 3000  
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[www.deloitte.com.au](http://www.deloitte.com.au)

### INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE WILLIAM BUCKLAND FOUNDATION

We have audited the accompanying financial report, being a special purpose financial report, of The William Buckland Foundation, which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of cash flows and statement of changes in trust funds for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Trustee's declaration as set out on pages 1 to 14.

#### *The Responsibility of the Trustees for the Financial Report*

The Trustees of the foundation are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the financial reporting requirements of the Trust Deed and are appropriate to meet the needs of the Trustees. The responsibility of the Trustee also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the trustees. We conducted our audit in accordance with Australian Auditing Standards. These Auditing 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 judgement, 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 control relevant to the foundation's preparation and fair presentation of the financial report 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 foundation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Trustees, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to the trustees for the purpose of fulfilling their financial reporting requirements under the Trust Deed. We disclaim any assumption of responsibility

Liability limited by a scheme approved under Professional Standards Legislation.  
Member of Deloitte Touche Tohmatsu Limited

# Auditor's Report continued

For the financial year ended 30 June 2010

for any reliance on this report or on the financial report to which it relates to any person other than the trustees, or for any purpose other than that for which it was prepared.

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

#### *Auditor's Independence Declaration*

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

#### *Auditor's Opinion*

In our opinion, the financial report presents fairly, in all material respects, the financial position of The William Buckland Foundation as at 30 June 2010 and of its financial performance, its cash flows and its changes in trust funds for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.

**DELOITTE TOUCHE TOHMATSU**

DELOITTE TOUCHE TOHMATSU



Paul Radici  
Partner  
Chartered Accountants  
Melbourne, 29 March 2011



# Annexure One

The net assets of the Foundation as at 30 June 2010 were \$90,320,715.

## Expenses

### 1. Fees for Trusteeship

(a) Trustee fee to ANZ Trustees Limited:	\$427,854
Management fees are 0.30 per cent of capital in accordance with the Trustee Companies' Act Victoria 1984 (Section 21A) which allows a fee of up to 0.96 per cent of capital.	
(b) Fees to the four individual Co-Trustees:	\$3,000
Set fee of \$1,000 each per annum as provided in the Will of William Buckland.	
<b>Total</b>	<b>\$430,854</b>

### 2. Investment management fees

ANZ Trustees Common Fund 8	\$139,009
ANZ Trustees Common Fund M1 (cash)	\$61,542
Lend Lease APPF Commercial	\$70,807
Lend Lease APPF Retail	\$52,606
Macquarie Investment Management Ltd	–
Tyndall Investment Management Limited	\$153,823
Warakirri Asset Management Pty Ltd	\$118,755
<b>Total</b>	<b>\$596,542</b>

### 3. Other expenses

Fee for preparation of annual accounts and audit	\$6,800
Asset consultancy fees	\$68,627
Miscellaneous expenses	\$9,592
Annual report (layout and printing costs)	\$16,439
<b>Total</b>	<b>\$101,458</b>

All fees are GST exclusive.

# The Grantmaking Process

## Administration

Applications are received by Philanthropy, ANZ Trustees which provides secretariat, management and administration services to The William Buckland Foundation.

## Research

Applications are researched and assessed by Philanthropy, ANZ Trustees. The applicant may be contacted and the submission discussed. The researcher may also contact other referees.

## Visitors at Trustees' meetings

The William Buckland Foundation Trustees may invite agencies to attend the meeting. This is an opportunity for the Trustees to deepen their understanding of the particular sector in which an agency works. Trustees may also invite public policy makers or academics to talk about an area of expertise.

## At the meeting

Decisions on grants are made at the meeting. Applications are approved, declined or deferred.

## After the meeting

Notification of the outcome of a grant application is usually sent within 10 to 14 days of the meeting.

## Reporting

All grant recipients are required to submit a report on their project outcomes annually and/or at the conclusion of the funding period.

# How to Find Out About Funding

Copies of the full guidelines are available from:

Philanthropy, ANZ Trustees

Website: [www.anz.com/anztrustees](http://www.anz.com/anztrustees)

Please note the guidelines are currently being uploaded. Prior to submitting a grant application check the website for current information.

Applications must be submitted on the special form attached to the guidelines together with documentation as specified in the guidelines.

The Australian Directory of Philanthropy contains summary information on the major Trusts and Foundations in Australia. Contact your local library for access to a copy or contact, the Directory's publishers, Philanthropy Australia on (03) 9662 9299.

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