



Grameen Foundation™

A U S T R A L I A

Our Vision

We envision a world where the poor have broken the generational chain of poverty and lead lives of dignity and opportunity.

Our Mission

Our mission is to empower poor people, especially the poorest and those living in harder to reach areas, with access to microfinance and other development programs; and, as a result of access to these services, to enable these communities to acquire the means to sustainably lift themselves out of poverty for the long-term.

Our Values

In our work, we embrace and draw inspiration from the Grameen Bank heritage, particularly the ideals of Grameen Bank founder and 2006 Nobel Peace Laureate, Prof Muhammad Yunus. Our core values are:

- honouring the voice and self-determination of the world's poor
- long-term / sustainable development through empowering the world's poor, particularly the women;
- keeping focus on the long-term development, without discriminating on the basis of partisan-politics, religious affiliation, or ethnic/racial background;
- holding ourselves and our partners accountable for transparency and measurable results, including social and financial performance;
- championing innovation that makes a difference in the lives of the poor;
- forming partnerships with those who can advance our mission;
- respecting, investing in and promoting local social entrepreneurs and local ownership; and
- honouring the voice, professionalism and integrity of our staff and volunteers.

Grameen Foundation Australia (GFA) is a non-profit organization based in Sydney, with representation across the States and Territories. GFA was founded in 1998 by Grameen Bank Support Group Australia to help and support the ideas of Grameen Bank, in particular; and, as well, microfinance practitioners and programs worldwide.

GFA is keen to spread its declared Vision and Mission of the Grameen philosophy globally.

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Dear Grameen Foundation members and supporters,

I am pleased and honoured to present you with the Annual Report of FY2009 of Grameen Foundation Australia.

Notwithstanding the difficulties of the 2008 /2009 -- global financial crisis, squeeze on credit, fall in demand for goods and services, etc -- this was an exciting year in the life of Grameen Foundation Australia.

Our work in south east Asia grew and diversified. We are planning to expand in east Africa. And at home we are looking forward to a new board comprising of distinguished corporate and civil society leaders.

On behalf of the Board I most sincerely thank a large number of donors, supporters, volunteers, and peer organisations whose commitment and support allows the Foundation to effectively serve the poor.

Yours sincerely

Gloria McGrath
Director / Chairperson

a word from the CEO

Friends,

As you will see from the activities reported that it was a fairly good year. This is especially so with regards to consolidating and building upon our past work, particularly in Northern Samar (Philippines) where we have our largest microcredit program. New branches opened in the province, and our outreach expanded to the province of Pampanga in the main island (Luzon Island).

We have also opened new ground that supplements our microfinance initiative: the Livestock Bank project in partnership with the School of Agriculture, University of Eastern Philippines. This initiative is expected to increase the supply, improve the quality and decrease the market price of livestock in the island and thus benefit our microfinance clients who seek to raise livestock to earn income.

Our public relations activities at home have also been vibrant. Talks, presentations, meetings and partnership-building have continued. Clearly there is no shortage of goodwill and enthusiasm towards Grameen.

Notwithstanding the pressures caused by the global financial crisis, this was indeed an exciting year in the life of Grameen Foundation Australia.

Thank you for your on-going support, and in anticipation of more!

Yours sincerely

Shan Ali
Chief Executive Officer

NORTHERN SAMAR MICROFINANCE

GFA's expansive microcredit program in Northern Samar (Philippines) is into its fifth year. It aims for maximal coverage across the province (population 550,000), so as to stimulate and support gainful and substantive self-employment amongst local communities.

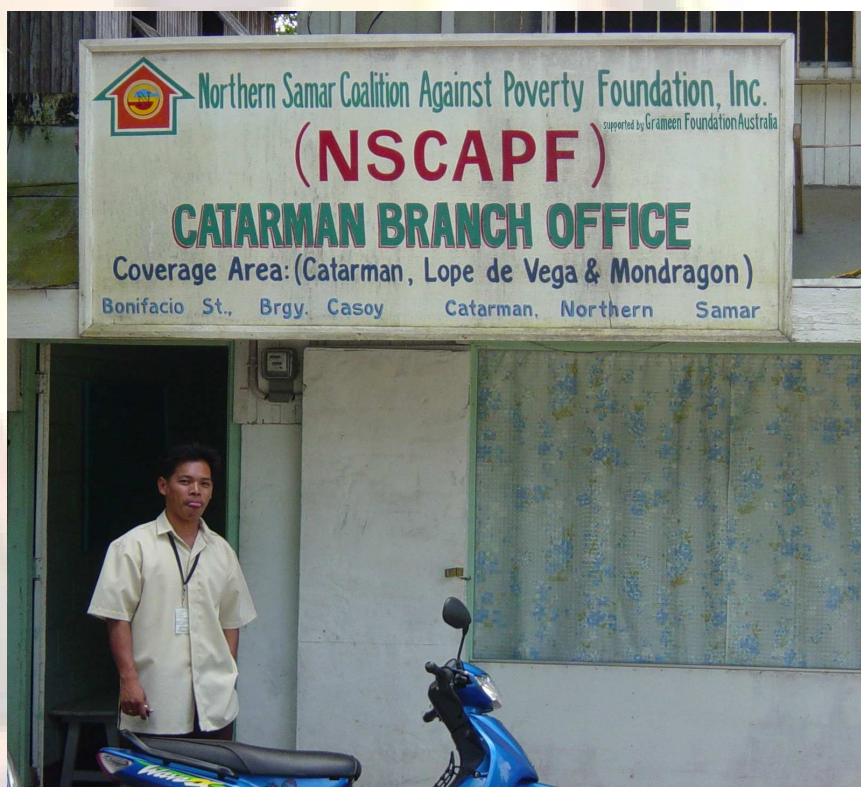
Through this intervention GFA and its

operated Grameen NGO; the Provincial Government of Northern Samar; the University of Eastern Philippines; and the Rotary Club of Northern Samar.

Currently 12 branches are in operation with 2-3 more branches prospectively being considered. These branches are servicing over 10,000 clients, though the demand is measured to be almost 5 times as much. The near future requires GFA to seriously look into doubling the number of

branches to begin meeting some of this ascertained demand. Microfinance 'loan write-offs' are less than 2% of the capital lent.

Currently, 47 people are employed in 12 branches and in the Head Office. Head Office staff includes 3 Quality Managers responsible for 4 branches each. They carry out continuous internal audit and monitoring of their branches.



partners expect to see the following flow through: improved incomes and livelihood stability, improved levels of household health & nutrition, school education, and shelter & clothing.

Local partners include the Northern Samar Coalition Against Poverty Foundation (NSCAPF), a local community based organisation; Fundacion Grameen Pilipinas (FGP, or Grameen Foundation Philippines), the locally constituted and

NORTHERN SAMAR LIVESTOCK BANK

In 2008, GFA provided a matching \$ 50,000 to the School of Agriculture of the University of Eastern Philippines (UEP) to set up a 'Livestock Bank'. While not precisely 'micro'-finance per se, this finance-for-development project embodied the same ethos of a dignified partnership with the poor to facilitate

enterprise formation at the grass roots for household income generation.

exciting and high social return on investment.

A primary aim of the Livestock Bank is to increase the local supply and quality, and to decrease the market-price, of livestock in the province. This helps micro-enterprises associated with livestock, on the sound basis of a needed and known rural activity with its obvious linkage to local food security. It would also aim to diminish dependence on the importation of livestock into the



The Livestock Bank has unfolded as an impressive facility for production of livestock and for teaching and research.

In view of future expansion, UEP has allocated 10 hectares of land at the Cevallos Farm for this project. There are two buildings on this land designed as animal houses. Reconstruction and renovation of these existing structures has been the mainstay of activities, with the

completion of one structure housing an array of farrowing or breeding pens, with lighting and water services fully installed. The other building is intended for use as the fattening facility. The resident civil engineer at the UEP, together with the project manager, supervised the construction needed to customise the two buildings mentioned above.

completion of one structure housing an array of farrowing or breeding pens, with lighting and water services fully installed. The other building is intended for use as the fattening facility. The resident civil engineer at the UEP, together with the project manager, supervised the construction needed to customise the two buildings mentioned above.

This 'Livestock Bank' is also used by the UEP for instruction and research as well as for agricultural extension work such as demonstration and training to farmers in the community.

Our partner, the UEP, put up an equal amount of funds towards the Livestock Bank. Since its establishment, the Livestock Bank quickly became self-sustaining and now profitable. The UEP have recently indicated that the Livestock Bank is now able to repay the initial seed capital into a revolving fund which can be used to instigate more such "social businesses."



This project certainly demonstrates a great example of 'development cooperation', where GFA capacity facilitation, in partnership with local knowledge and initiative, has yielded

EXPANSION IN PAMPANGA

Spurred on by International Children's Care Australia (ICCA) which runs a project in the province of Pampanga, GFA and its local partner Grameen Foundation Philippines (GFP) agreed to open two new branches in Pampanga Province (Luzon island). This is to spread opportunities for more people in other provinces to get access to capital. GFP hosted on-the-job training of 4 trainees from Pampanga in our microcredit project in Northern Samar, for duration of 4 months. The staff hopefully feels confident and excited to establish, consolidate, and sustain this new branch, notwithstanding the distance and separation from our Samar island heartland. ICCA and Grameen Foundation Australia have jointly invested a total of 8 million pesos in the first branch in Pampanga.



Of late, we are receiving reports of the common and uplifting stories of MF clients finding their place in a tough and often foreboding world where poverty pervades everyday lives.

One example reported is a client who borrowed \$30 to purchase some chickens. She sold the eggs and the chicks. Over just a few months she was able to repay the small loan; has now tripled her assets and has enough income to feed her children three healthy meals a day. In some cases our borrowers are then able to employ other women from their community.



Microfinance loans to women have proven very successful, and almost 100% of loans are repaid in full. Loan recipients are asked to form groups of five to support and encourage each other and to assist each other to repay the loan. The lenders provide training and business skills to these groups. This empowers the women as they provide their own solution to generations of poverty and furthermore creates a sisterhood of caring.

GFA'S IN-COUNTRY ENTITY, SECURES EXPANSION FUNDS

Success builds upon success. As the recognition of the work of GFA / GFP (i.e. Grameen Foundation Australia and Philippines) grows, so too does the demand for its provision of microfinance services.

Expansion requires increase in capitalised funds. To the credit of GFA's counterpart and in-country partner, i.e. GFP, Grameen Foundation Philippines has taken the initiative and sourced funds from local philanthropic benefactors. These will provide the much needed extra capitalisation funds to expand the Northern Samar microfinance operations.

Nortehanon Access Center (NAC) a local NGO focussed on livelihood initiatives; and the Peace & Equity Foundation, sponsor to the Challenge Fund, have extended 2 million pesos to GFP. This 2 million pesos will be used to expand GFP operations into the priority municipalities

on the basis of a pro-people and a development-oriented microfinance service.

This (and other similar initiatives undertaken by GFP) shows the GFP's nous and capacity to fend for, and sustain, itself, on the one hand. And on the other, it also shows recognition accorded to GFP's expertise, track record, and technical capabilities in managing and implementing micro-finance projects in Northern Samar.

DAVID WOOLDRIDGE TALKS "SPIRITUALITY IN THE PUB"

David Wooldridge, a leading member of the GFA public relations team, addressed a group of around 50 people in April 2009, who meet once a month in a pub to discuss "spirituality", social justice, and 'the meaning of life'.

David was asked to present the backdrop to what became a spirited discussion around the issue of poverty. The Grameen story David relayed, with no doubt, impinged on the ethical and religious imperative on Creating a World Without Poverty. The incredible story of the Grameen Bank and how it has changed the lives of millions of poor people provides a practicable and simple solution for those aspiring to do the right thing by others in a world where self interest dominates centre-stage.

AJAY UNNI ADDRESSES ROTARY CLUB GATHERING

Ajay Unni, another member of the GFA public relations team, gave a presentation at St Ives Cove Rotary Club (in Sydney NSW) in February 2009.

He spoke about the background history of the Grameen Bank, and the work of Grameen Foundation Australia. Of great interest to the Rotarian audience were

volunteering opportunities, local fund-raising initiatives, and extending to sponsor and/or initiate new overseas projects which the Club could directly sponsors through GFA management.

MOU SIGNED BETWEEN GFA AND AUSTRALIAN BUSINESS VOLUNTEERS

Australian Business Volunteers (ABV) and GFA are like-minded organisations committed to making a fundamental and lasting difference to the lives of the poor. Hence, GFA and ABV are well placed to work in partnership, to make a bigger impact and accomplish bigger development outcomes. The January 2009 signing of an MoU builds on and officiates this understanding.



ABV's mission is to contribute to sustainable growth in developing communities through the exchange and transfer of knowledge and workplace skills using volunteer expertise. For GFA's part, it works to advance poverty alleviation through projects aimed at the economic growth of the poor, with an emphasis on the Grameen Bank model. GFA's core expertise includes efficient delivery of microcredit and large-scale project management involving multiple concurrent activities. The MoU outlines agreement and co-operation along the following lines:

1. GFA and ABV intend to work together to initiate, carryout and showcase multiple joint development projects at institutional level in countries of their common geographical focus with the aim to deliver development

outcomes to the partner countries and communities.

2. GFA and ABV will collaborate to develop a volunteer sending program in Singapore.
3. GFA and ABV may call upon each other's skills and infrastructure in various countries in the region.
4. With mutual agreement GF and ABV may publish the results of their joint work

GRAMEEN AT PERMACULTURE NORTH (SYDNEY, NSW)

GFA's CEO, Mr Shan Ali, and staff-member Katherine Nixon, spoke at Permaculture Sydney North's (PSN) monthly gathering on the topic of 'Peace is Freedom from Poverty'. PSN is a group of over 450 people based in Sydney, Australia, with an array of skills and in interest in self reliance, energy & water conservation, and / or qualified in permaculture design and teaching.

It has become a great starting point for people who want to learn more about healthier, abundant and satisfied living - a goal not unlike that which GFA wishes for its client communities abroad!

GFA CEO RALLIES SINGAPOREAN INTEREST TO THE CAUSE

In June 2009 during a stop-over in Singapore GFA CEO, Shan Ali, gave several talks and presentations. Presentations were held at Rajah and Tann Lawyers, UBS and the National University of Singapore, NUS.

GFA is contemplating a permanent office in Singapore. Singapore's strategic geographical location will be beneficial for the work of GFA in the region.





financial report

Grameen Foundation Australia Ltd

ABN 95 086 046 924

for the year ended 30 June 2009

Directors Report

Your directors present their report on the company for the financial year ended 30 June 2009. The names of the directors in office at anytime during or since the end of the year are:

Gloria McGrath , Shirley Ali , and Junko Yoneda

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

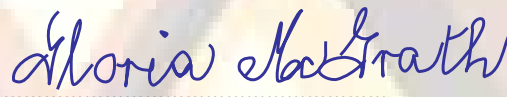
The net profit of the company for the financial year amounted to \$93,131.

A review of the operations of the company during the financial year and the results of those operations are as follows:

- No significant changes in the company's state of affairs occurred during the financial year.
- The principal activities of the company during the financial year was non-profit charitable organisation.
- No significant change in the nature of these activities occurred during the financial year.
- No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company the results of those operations, or the state of affairs of the company in future financial years.
- Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information likely to result in unreasonable prejudice to the company.
- The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of the State.
- The company is a non-profit organisation and is prevented by the constitution from paying a dividend.
- The company is a company limited by guarantee and as such has no share capital. The number of members [including support members] at the date of this report is 117.
- No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.
- The company was not a party to any such proceeding during the year.

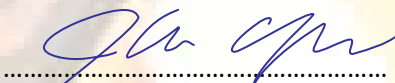
Signed in accordance with a resolution of the board of directors:

Director



.....
Gloria McGrath

Director



.....
Junko Yoneda

Dated

08 March 2010
.....

Profit & Loss Statement For the year ended 30 June 2009

	<i>note</i>	<u>2009</u>	<u>2008</u>
INCOME			
interest received		57,450	77,806
miscellaneous income		1,514	1,635
donations received		80,985	54,615
loss on sale of non-current assets			-2,220
		139,949	131,836
LESS EXPENDITURE			
auditors' remuneration		1,020	900
bank charges		31	132
computer expenses			254
conference expenses		189	345
Donations [i.e. project disbursements]		14,194	187,502
entertainment		282	383
filing fees		327	205
finances & penalties		270	318
interest paid		11,964	17,906
legal fees			1,845
miscellaneous expenses		895	1,456
postage		440	12
printing, stationery & supplies		483	209
professional fees		5,295	9,636
rent		384	260
payments- volunteers			1,980
telephone, fax, mobile		596	811
travelling expenses		10,448	19,028
workers insurance			177
		46,818	243,359
NET OPERATING PROFIT / LOSS		93,131	-111,523
retained profits at the beginning of the financial year		149,220	295,193
TOTAL AVAILABLE FOR APPROPRIATION		242,351	183,670
RETAINED PROFITS AT THE END OF THE FY		242,351	183,670

Balance Sheet As at 30 June 2009

	<i>note</i>	<u>2009</u>	<u>2008</u>
CURRENT ASSETS			
cash	2	1,103,137	1,157,868
receivables		978	1,084
TOTAL ASSETS		1,104,115	1,158,952
CURRENT LIABILITIES			
loan- grameen foundation overseas aid fund borrowings	3	48,589 813,175	53,870 921,413
TOTAL LIABILITIES		861,764	975,283
NET ASSETS		242,351	183,669
EQUITY			
retained profits		242,351	183,669
TOTAL EQUITY		242,351	183,669

Statement of Changes in Equity As at 30 June 2009

	Share Capital	Retained Earnings	Total
Balance at 1 July 2007		295,193	295,193
profit/loss attributable to equity shareholders		-111,523	-111,523
Balance at 1 July 2008		183,670	183,670
profit/loss attributable to equity shareholders		93,131	93,131
Balance at 1 July 2009		242,351	242,351

Cash Flow Statement For the year ended 30 June 2009

		<u>2009</u>	<u>2008</u>
Cash flows from operating activities			
donations received		82,605	56,617
payments to suppliers		-34,854	-225,489
interest received		57,450	77,806
interest & other costs of finance paid		-11,964	-17,906
Net cash provided by (used in) operating activities	4	93,237	-108,972
Cash flows from financing activities			
repayment of borrowings		-147,969	89,211
Net cash provided by (used in) financing activities		-147,969	89,211
Net increase (decrease) in cash held		-54,732	-19,761
Cash at beginning of financial year		1,157,869	1,177,630
cash at end of financial year	4	1,103,137	1,157,869

Notes to the financial statement For the year ended 30 June 2009

1. Statement of Significant Accounting Policies

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial reports. The financial statements are therefore a special purpose financial report that has been prepared in order to meet the needs of the member.

The financial statements have been prepared in accordance with the significant accounting policies disclosed below which the directors have determined are appropriate to meet the needs of the member. Such accounting policies are consistent with the previous period unless stated otherwise.

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 financial statements are as follows:

(a) Financial Instruments

Initial Recognition and Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at cost on trade date, which includes transactions costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Classification and Subsequent Measurement

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Amortised cost is calculated as: (i) the amount at which the financial asset or financial liability is measured at initial recognition; (ii) less principal repayments; (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and (iv) less any reduction of impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees transaction cost and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected

future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The company does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable financial instruments.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short term profit taking. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss. The company has not held any financial assets at fair value through profit and loss in the current or comparative financial year.

(ii) Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

(iii) Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

(iv) Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

(b) Cash and Cash Equivalents

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

(c) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any

consideration deferred is treated as the provision of finance and is discounted as a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Interest revenue is recognised on a proportional basis taking into account the interest rates.

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

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

(d) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(e) Comparative Figures

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

(f) Critical Accounting Estimates and Adjustments

The directors evaluate estimates and judgements incorporated into the financial report 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.

	<u>2009</u>	<u>2008</u>
2. Cash		
<i>cash- BIF</i>	1,161	1,134
<i>cash- NAB</i>	6,308	2,469
<i>cash- ING</i>	<u>1,095,668</u>	<u>1,154,265</u>
	<u>1,103,137</u>	<u>1,157,868</u>
3. Borrowings		
<i>borrowings- directors</i>	3,371	3,010
<i>borrowings- depositors</i>	<u>809,804</u>	<u>918,403</u>
	<u>813,175</u>	<u>921,413</u>

Directors' declaration

The directors declare that the company is not a reporting entity. The directors have determined that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the company declare that:

1. the financial statements and notes as set out on pages 2 to it presents fairly the company's financial position as at 30 June 2009 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
2. 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.

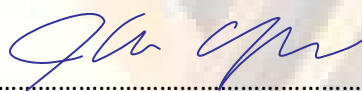
This declaration is made in accordance with a resolution of the Board of Directors.

Director



.....
Gloria McGrath

Director



.....
Junko Yoneda

Dated

08 March 2010
.....

Auditor's independence declaration under Section 307C of the Corporations Act 2001

TO THE DIRECTORS OF
GRAMEEN FOUNDATION AUSTRALIA LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2009 there have been:

- (i) No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) No contraventions of any applicable code of professional conduct in relation to the audit.



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Ross Ellice-Flint
Partner
Ellice-Flint & Co.

Dated: *11 March 2010*
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Independent Audit Report To the members of Grameen Foundation Australia Ltd

We have audited the accompanying financial report of Grameen Foundation Australia Limited (the company) which comprises the balance sheet as at 30 June 2009 and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the financial reporting requirements of the company's constitution. This responsibility includes designing, implementing and maintaining internal controls 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. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: 'Presentation of Financial Statements', that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

Auditors Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. 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 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 control relevant to the entity'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 entity's internal control. 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 complied with the independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion:

- a. The financial report of Grameen Foundation Australia Limited is in accordance with the company's constitution including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2009 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the company's constitution.
- b. The financial report also complies with international Financial Reporting Standards as disclosed in Note 1.



.....
Ross Ellice-Flint
Partner
Ellice-Flint & Co.

Dated: **11 March 2010**
.....



financial report

Grameen Foundation Overseas Aid Fund

ABN 88 360 740 454

for the year ended 30 June 2009

The Trustee for Grameen Foundation Overseas Aid Fund is a Charitable Fund, and is endorsed as a Deductible Gift Recipient from 04 May 2005. It is covered by item 2 of the table in section 30-15 of the Income Tax Assessment Act 1997.

Grameen Foundation Australia Ltd
is the Trustee for
Grameen Foundation Overseas Aid Fund.

Directors Report

Your directors present their report on the company for the financial year ended 30 June 2009. The names of the directors in office at anytime during or since the end of the year are:

Shirley Ali , Junko Yoneda, and John Gallagher

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

The net profit of the company for the financial year after providing for income tax amounted to \$78,870.

A review of the operations of the company during the financial year and the results of those operations are as follows:

- No significant changes in the company's state of affairs occurred during the financial year.
- The principal activities of the company during the financial year was non-profit organisation.
- No significant change in the nature of these activities occurred during the financial year.
- No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company the results of those operations, or the state of affairs of the company in future financial years.
- Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information likely to result in unreasonable prejudice to the company.
- The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of the State.
- The company is a non-profit organisation and is prevented by the constitution from paying a dividend.
- The company is a company limited by guarantee and as such has no share capital.
- No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.
- No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.
- The company was not a party to any such proceeding during the year.

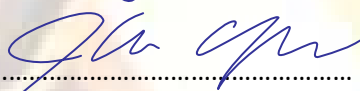
Signed in accordance with a resolution of the board of directors:

Director



.....
Shirley Ali

Director



.....
Junko Yoneda

Dated

08 March 2010
.....

Profit & Loss Statement For the year ended 30 June 2009

	<i>note</i>	<u>2009</u>	<u>2008</u>
INCOME			
interest received		2,056	1,028
donations received		76,814	50,951
		<u>78,870</u>	<u>51,979</u>
NET OPERATING PROFIT / LOSS			
retained profits at the beginning of the financial year		78,870	51,979
		97,130	45,151
TOTAL AVAILABLE FOR APPROPRIATION		<u>176,000</u>	<u>97,130</u>
RETAINED PROFITS AT THE END OF THE FY		<u>176,000</u>	<u>97,130</u>

Balance Sheet As at 30 June 2009

	<i>note</i>	<u>2009</u>	<u>2008</u>
CURRENT ASSETS			
cash at bank		127,411	43,260
*Loan-related entities		48,589	53,870
TOTAL ASSETS		<u>176,000</u>	<u>97,130</u>
NET ASSETS		<u>176,000</u>	<u>97,130</u>
EQUITY			
retained profits		176,000	97,130
TOTAL EQUITY		<u>176,000</u>	<u>97,130</u>

Statement of Changes in Equity As at 30 June 2009

	Share Capital	
	Retained Earnings	Total
Balance at 1 July 2007	45,151	45,151
profit/loss attributable to equity shareholders	51,979	51,979
Balance at 1 July 2008	97,130	97,130
profit/loss attributable to equity shareholders	78,870	78,870
Balance at 1 July 2009	<u>176,000</u>	<u>176,000</u>

Cash Flow Statement For the year ended 30 June 2009

		<u>2009</u>	<u>2008</u>
Cash flows from operating activities			
receipts from customers		76,814	50,951
interest received		2,056	1,028
Net cash provided by (used in) operating activities	2	<u>78,870</u>	<u>51,979</u>
Cash flows from financing activities			
payments made to related parties		5,281	-41,670
Net cash provided by (used in) financing activities		<u>5,281</u>	<u>-41,670</u>
Net increase in cash held		84,151	10,309
Cash at beginning of financial year		43,260	32,951
cash at end of financial year	2	<u>127,411</u>	<u>43,260</u>

Notes to the financial statement For the year ended 30 June 2009

1. Statement of Significant Accounting Policies

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial reports. The financial statements are therefore a special purpose financial report that has been prepared in order to meet the needs of the member.

The financial statements have been prepared in accordance with the significant accounting policies disclosed below which the directors have determined are appropriate to meet the needs of the member. Such accounting policies are consistent with the previous period unless stated otherwise.

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 financial statements are as follows:

(a) Financial Instruments

Initial Recognition and Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at cost on trade date, which includes transactions costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Classification and Subsequent Measurement

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Amortised cost is calculated as: (i) the amount at which the financial asset or financial liability is measured at initial recognition; (ii) less principal repayments; (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and (iv) less any reduction of impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees transaction cost and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected

future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The company does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable financial instruments.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short term profit taking. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss. The company has not held any financial assets at fair value through profit and loss in the current or comparative financial year.

(ii) Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

(iii) Held-to-maturity investments

These investments have fixed maturities, and it is the company's intention to hold these investments to maturity. Any held-to-maturity investments held by the company are stated at amortised cost using the effective interest rate method.

(iv) Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

(v) Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

(b) 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. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(c) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Interest revenue is recognised on a proportional basis taking into account the interest rates.

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

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

(d) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(e) Comparative Figures

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

(f) Critical Accounting Estimates and Adjustments

The directors evaluate estimates and judgements incorporated into the financial report 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.

	<u>2009</u>	<u>2008</u>
2. Cash flow information		
(a) Reconciliation of cash		
cash at the end of financial year as shown in the Statement of Cash Flows is reconciled to the related items in the statement of financial position as follows:		
cash at bank	127,411	43,260
	<u>127,411</u>	<u>43,260</u>
(b) Reconciliation of cash flow from operations with profit		
profit after income tax	78,870	51,979
Net cash provided by (used in) operating activities	<u>78,870</u>	<u>51,979</u>

Directors' declaration

The directors declare that the company is not a reporting entity. The directors have determined that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the company declare that:

3. the financial statements and notes as set out on pages 2 to it presents fairly the company's financial position as at 30 June 2009 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
4. 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



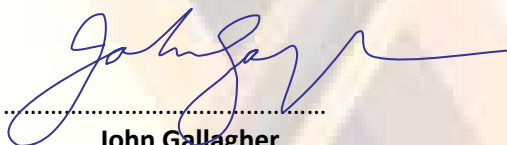
.....
Shirley Ali

Director



.....
Junko Yoneda

Director



.....
John Gallagher

Dated

08 March 2010
.....

Compilation Report

Grameen Foundation Overseas Aid Fund

Scope

On the basis of information provided by the directors of Grameen Foundation Overseas Aid Fund we have compiled in accordance with APES 315 'Compilation of Financial Information' the special purpose financial report of the company for the period ended 30 June 2009, as set out on pages 25 to 29.

The specific purpose for which the special purpose financial report has been prepared is set out in Note 1. The extent to which Accounting Standards and other mandatory professional reporting requirements have or have not been adopted in the preparation of the special purpose financial report is set out in Note 1.

The directors are solely responsible for the information contained in the special purpose financial report and have determined that the accounting policies used are consistent with the financial reporting requirements of the company's constitution and are appropriate to meet the needs of the directors and member of the company.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the directors provided into a financial report. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

To the extent permitted by law, we do not accept liability for any loss or damage which any person, other than the company may suffer arising from any negligence on our part. No person should rely on the special purpose financial report without having an audit or review conducted.

The special purpose financial report was prepared for the benefit of the directors and member of the company and the purpose identified above. We do not accept responsibility to any other person for the contents of the special purpose financial report.

Ellice-Flint & Co
Chartered Accountants
Level 13
23 Hunter Street
Sydney NSW 2000