



# INNER NORTH COMMUNITY FOUNDATION



## Breaking Down Barriers To Employment

Funding  
Projects

Lasting  
Impact

Local  
People

Local  
Giving

Community

Supporting local people  
and communities in the  
inner north of Melbourne

**Annual Report**  
2010 - 2011





Anti-Racism Action Band performers, photo courtesy of Mark Farrelly (top).  
Sprout Garden Markets, photo courtesy of Lindi Huntsman (bottom).

*Local People**Local Giving**Lasting Impact**Local People**Local Giving**Lasting Impact**Local People**Local Giving**Lasting Impact**Local People**Local Giving**Lasting Impact**Local People**Local Giving**Lasting Impact**Local People**Local Giving**Lasting Impact*

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## About the Inner North Community Foundation



The Inner North Community Foundation is a local philanthropic trust that works within our community to benefit the inner north of Melbourne.

The Inner North Community Foundation funds projects that help disadvantaged local people develop necessary work and life skills to help them get jobs.

Spanning a diverse range of communities, the Inner North Community Foundation covers more than 30 suburbs in the municipalities of Darebin, Moreland, and Yarra across Melbourne's inner northern region. The Inner North Community Foundation is dedicated to promoting social change and better outcomes for local people in a region with a population of over 350,000 residents.

Between its inception in 2007 and June 2011, the Inner North Community Foundation has distributed \$274,000 in funding to 20 community organisations. Organisations such as Sprout Community Gardens, CERES Community Environment Park, the Anti-Racism Action Band and Whitelion, have all benefitted from funding through the Inner North Community Foundation Pathways to Employment fund.

### What are Community Foundations?

Community foundations are a relatively new way of approaching philanthropy in Australia. They aim to provide a philanthropic resource for people to pool bequests from wills and collect donations from the wider community, allowing more people to become involved in philanthropy. Community foundations work in specific geographic areas with a particular focus on their local community.

Members of the community are invited to contribute to a community foundation by either supporting the general corpus, or by setting up their own named funds which allow them to direct their donations to an eligible cause or organisation of their choosing.

The Inner North Community Foundation provides an opportunity for residents to participate in local philanthropy, give where they live, and see the results in their suburbs and neighbourhoods.



## Our Pathways to Employment Grants so far

Year	Amount Granted
2008	\$50,000
2009	\$90,000
2010	\$134,000
Total	\$274,000

The Inner North Community Foundation is a perpetual resource for our community. Donations will continue to improve social outcomes for a diverse range of local people and causes long after they are made. The donations build a capital base that is invested and income from these investments is then returned to the community through grant rounds, like the Pathways to Employment grant round.

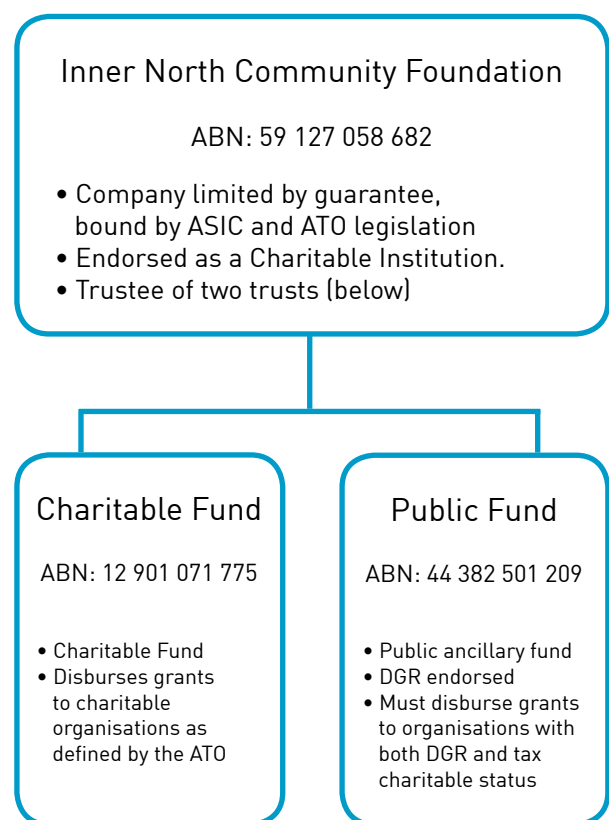
The Inner North Community Foundation pursues issues in the inner north of Melbourne such as high unemployment which affects a vast culturally and linguistically diverse population. Strategic and community-oriented investment are foremost in our consideration.

Through our funded projects we reach many people each year beyond our granting program - whether it be through an Anti-Racism Action Band performance in Melbourne's Federation Square, a Sprout Community Market on a Thursday, or a function catered by the CERES Seven Stars.

## Structure

The Inner North Community Foundation is a not-for-profit grant-making foundation focused on the communities of Darebin, Moreland and Yarra. The Inner North Community Foundation was established through a pledge of \$5 million over ten years by local non-profit company Inner Northern Group Training (INGT). Current granting focuses on Pathways to Employment supporting local projects which assist people within our community who are disadvantaged and marginalised in their access to work and learning opportunities.

The Inner North Community Foundation is a company limited by guarantee and trustee of two trusts, the Inner North Community Foundation Charitable Trust and the Inner North Community Foundation Public Fund. Directors serve on a voluntary basis on a skills based board.



## Chair's Report

At the successful conclusion of the third full year of operation for the Inner North Community Foundation, satisfying progress continues to be made across all aspects of our organisation and, in particular, growing the pool of funds available to grant to local projects supporting people's access to employment.

In our 2010 - 2011 grants round, \$134,500 was provided to our valued partner organisations across Melbourne's vibrant inner northern region. Some wonderful not-for-profit organisations, powered by passionate and committed staff, received funds for a variety of projects to improve the life chances and employment related skills for more than 600 local people. This represents the Inner North Community Foundation's core purpose, which is to fund programs and projects assisting people who are disadvantaged in their access to employment with the important skills and support to allow them to take the next step into the workforce.



Chair, Kevin Breen

staff members along with the important support of our Board. My heartfelt appreciation goes to both our staff team and our directors for their efforts.

Building enduring partnerships across the inner north is critical to our success and we wish to acknowledge these partnerships:

- The communities of the inner north – from Brunswick to Bundoora, Richmond to Reservoir, and Fawkner to Fitzroy
- The community organisations that provide the services to the individuals we seek to assist
- The three Councils of Darebin, Moreland and Yarra which cover the inner north community. Our funding for projects across the inner north region very much complements and augments the work that these Councils undertake
- Inner North Group Training continues to be our highly valued major donor, benefactor and supporter
- The Portland House Foundation remains our much appreciated grants partner in local philanthropy
- Our donors, particularly those who have made a regular commitment, some through regular monthly giving, and some who are supporting the Inner North Community through workplace giving and salary sacrifice

In conclusion, I again express my deep gratitude to our many partners, staff, Board members, and friends in our community who enable the Inner North Community Foundation to continue to grow, develop, and prosper for the benefit of the people of the inner north of Melbourne.

**Kevin Breen**  
Chair



We recognise that access to employment not only improves an individual's own economic position but allows for improved self esteem and participation in the social life of their community.

The annual grant ceremony with the formal handover of cheques was a memorable highlight of our year. It brought together the wonderful organisations who undertake the work that we fund, and most usefully provided a networking opportunity for funded groups and members of our community. In August 2010 this event was held at the East Reservoir Neighbourhood House. The work of our organisation cannot be undertaken without the skills and commitment of our two part time



## Executive Officer's Report



I would particularly like to thank Inner Northern Group Training for supporting us, by providing our accommodation, operating costs, and a large pledge towards our corpus. I also thank Portland House Foundation for their ongoing contribution, as well as our regular fortnightly, monthly and one off donors whose financial support validates and confirms the importance of this area of philanthropic endeavour within our region.

**Sharon Nathani**  
Executive Officer

I was delighted to be appointed to the position of Executive Officer for the Inner North Community Foundation in March and pleased to join an organisation with good processes in place, excellent governance and an active and engaged board.

I arrived in time to facilitate the 2011 – 2012 call for grants applications, and saw the great results of the 2010 – 2011 grants through the evaluation and acquittal reports received.

My predecessor, Trudy Hairs, did a wonderful job in developing contacts with local community organisations and clearly articulating the need for and reason behind our Pathways to Employment grants. In 2010 – 2011 our former Executive Officer oversaw the granting of \$134,000 to 10 community organisations across the municipalities of Yarra, Darebin and Moreland.

During the year the Inner North Community Foundation facilitated an employment Question and Answer session in association with the Inner Northern Local, Learning and Education Network; held a grants event at the East Reservoir Neighbourhood House; and followed through with the Victorian Government's Community Foundation Initiative, seeing us achieve our target of raising \$100,000 from local donors, which was then matched by a further State Government contribution of \$200,000.

2010 – 2011 saw workplace giving for the Foundation commence at the City of Yarra and the City of Moreland, enabling staff members to make pre-tax contributions to the Inner North Community Foundation through payroll giving.



# Our People

## Board



### Elizabeth Board

Development Director – Camberwell Grammar School  
Executive Director – Camberwell Grammar Foundation  
Director - Inner Northern Group Training  
Director from 17/08/2007  
Member Strategic Planning, Fundraising and Marketing Subcommittees

### Michael Francis

Engineer – Businessman  
Partner/Owner Pneuvay Engineering – Manufacturing & Process Engineering experience  
Director - Inner Northern Group Training  
Director from 17/08/2007  
Member Finance Subcommittee



### Kevin Breen

Company Director, Consultant  
Director - Inner Northern Group Training, including operating entity APlus Apprentice and Trainee Services  
Director - Work and Training Inc (Tasmania)  
Member - Northern Melbourne Regional Development Australia Committee  
Director of INCF from 17/08/2007  
Chair from 21/09/2010  
Member Finance and Strategic Planning Subcommittees



### Melanie Raymond

Chair – Youth Projects Inc  
Chair – Opportunities for Carlton Urban Renewal Project  
Chair - Not For Profit Advisory Committee at Australian Institute of Company Directors  
Chair, Inter-Government Working Group at Victorian Government  
Director from 17/03/2008  
Member Marketing Subcommittee



### Hon. Alan Brown

Businessman, Former Member of Parliament and Leader of the Victorian Liberal Party  
Chairman – Inner Northern Group Training  
Chairman - Bass Coast Community Foundation  
Director from 17/08/2007  
Chair to 21/09/2010  
Deputy Chair from 21/09/2010  
Member of Finance Subcommittee

### David Redfearn

Consultant  
Former Mayor and Councillor of the City of Northcote  
Chair of the Merri Creek Environment Fund  
Member of the Yarra Riverkeeper Association Finance and Fundraising Committee  
Board Member of Equibed  
Director from 17/03/2008  
Member Grant making Subcommittee



### Elena Callipari

Senior Communication Coordinator  
Department of Human Services  
Member City of Yarra Community Panel for Investing in Community Grants  
Member Alphington Paper Mill Action Group  
Associate Member Society of Editors (Victoria) Inc.  
Member Victorian Writers Centre  
Director from 16/11/2010  
Member Marketing Subcommittee



### Genevieve Timmons

Philanthropic Executive – Portland House Foundation  
Board Member – Victorian Foundation for Survivors of Torture and Trauma & Indigenous Leadership Fellowship  
Fellow of Leadership Victoria and Johns Hopkins International Fellows in Philanthropy  
Advisory Council – State Government Community Support Fund and VicHealth  
Indigenous Advisory Committee  
Director from 17/03/2008  
Chair Grant making subcommittee



### Ron Exiner

Director Governance Victorian Local Governance Association  
Committee of Management – Hanny Exiner Memorial Foundation  
Director from 17/03/2008  
Member Strategic Planning and Grant making Subcommittees

## Staff

Trudy Hairs  
Executive Officer 0.6 EFT to April 2011  
Sharon Nathani  
Executive Officer 0.6 EFT from April 2011  
Miles Openshaw  
Communications Officer 0.4 EFT



## Grants

### **Australian Vietnamese Women's Association**

Leg Up Pilot Program - Richmond

\$15,000



The Leg Up Pilot Program is an intensive employment support program for Vietnamese people who have been in contact with the criminal justice system. Fifteen Vietnamese Australians aged 18 – 35 were trained in resume writing, interviewing and the essentials of the job application process to be more competitive in the recruitment process. Project participants explored workplace practices, procedures and protocols to prepare for the realities of the work environment. The program took a holistic approach by working in partnership with community organisations which can provide material and emotional support for people before and during employment.

### **Anti-Racism Action Band (A.R.A.B.)**

**Victorian Arabic Social Services**

Step Three Project – Fawkner

\$15,000

Over the past three years the Inner North Community Foundation has supported A.R.A.B.'s efforts to increase opportunities for young people to earn an income from their artistic talents. Step One (2008) taught young people how to set themselves up as professional performers, Step Two (2009) focused on increasing the number of young women taking up paid performance opportunities and Step Three saw A.R.A.B. create Victoria's first multi-faith, multi-disciplinary Youth Artist Registry to promote youth artists to events organisers and businesses. The registry enables young people to market themselves directly to the public.

The registry will contribute towards increasing the representation of young performers from multicultural backgrounds on Melbourne's event circuit. This project was supported by the Portland House Foundation.



### **Carlton Community Support Agency**

African Families Job and Training IT program -

Carlton

\$10,400

This project was to create a new African Families Jobs and Training Information Technology facility to provide IT training to up to 50 people of African origin needing support to acclimatise to the increasing use of IT in daily life. Project participants were trained in online job searching, how to access emails and employer expectations around email and internet usage.



## Grants

In addition the project participants were trained in how to find information from various government departments online (Australian Tax Office, Centrelink) and Australian regulations around ABNs, company registration and financial management. The project was an extension of the existing Carlton Employment Opportunities (CEO) program and the establishment of the IT facility ensures that residents of the Carlton & Nth Carlton Housing Estates receive ongoing vocational support.

### **CERES Community Environment Park**

The Seven Stars Training Project – Brunswick  
\$15,000

The Seven Stars café at CERES Community Environment Park assists migrant women who live in and around Brunswick, Coburg, Fawkner and Glenroy. Through the Seven Stars Training project, 10 women received Certificate II hospitality training to enable them to open up new opportunities in the hospitality industry. As part of the program, the women undertook a work placement at Seven Stars where they learned from other women who had undergone similar training previously and shared similar backgrounds. On completion of the project, the participants were able to apply for jobs at the Seven Stars café or use their experience to pursue work in the hospitality and catering industry.



### **Koorie Night Market Inc**

Indigenous Skills Development Project –  
Alphington & Northcote  
\$14,500

The Koorie Night Market Inc was established in 2008 in Northcote to provide an opportunity for Indigenous people to earn an income through selling art and craft at the market festivals. The market has grown to support 150 stall holders and more than 30 volunteers and travels around Victoria promoting indigenous artists far and wide.



The Indigenous Skills Development project enabled 10 Koorie people to undertake Small Business training at the Koorie Heritage Trust. Throughout the training, Koorie Night Market Inc provided individualised support to each trainee to ensure they stayed motivated to successfully complete the training and assisted them in developing products for sale at Koorie Night Markets. In addition, the project provided volunteer placements for up to 20 people to boost their CVs and apply their training to the workplace.

### **Melbourne Citymission East Reservoir Neighbourhood Renewal**

Youth Part-Time Pre-Employment Workshops –  
Reservoir  
\$12,600

Melbourne Citymission presented two 8-week pre-employment workshops at Northland Youth Centre to train 20 young people in customer service, food handling and retail operations.



## Grants



The program was tailored to suit jobs on offer at Northland Shopping Centre and included a work experience component at the shopping centre so that young people could expand their workplace contacts and CVs. This project was supported by Gaetano Greco.

### **Rotary Next Step Trust**

NEXT STEP Program - Richmond  
\$10,000

The Next Step project was developed to provide a “one-stop” shop for young people starting their journey to work.



Twenty young people who live in public housing across Richmond, Collingwood and Fitzroy were assisted to identify their employment profile through Chandler MacLeod's employment software, receive training in how to get a job and have the chance to be matched to a mentor

and receive assistance to undertake a work experience placement through Rotary's extensive business contacts.

### **Sprout Community Garden, a program of Mind Australia**

Sprout Community Market Employment Pathways Project – Thornbury  
\$17,000

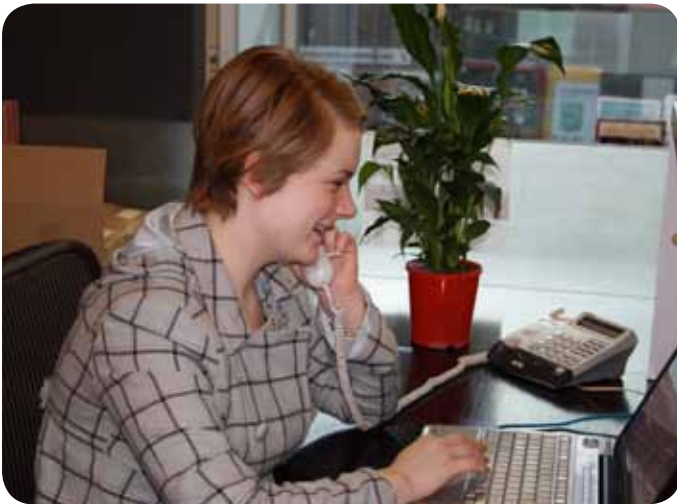
This project built on the achievements of participants in a pilot in 2009 and supported 6 more participants to become more active in Sprout's fresh produce markets. Project participants were trained in product development, pricing, promotions and customer service to help them be involved in stalls at Sprout's Community Market and behind the scenes. Sprout Community Garden is a recovery focused program of Mind Australia for people living with mental illness that promotes well-being and healthy eating. The Market sells vegetables to the public on the first Thursday of every month in summer and has a weekly “Open-Gate” where locals can buy fresh produce throughout the year. This project was supported by the Portland House Foundation.



## Grants

### **Sussex St Neighbourhood House**

Piloting Youth Employment Opportunities in the Not-for-Profit Sector - North Coburg  
\$10,000



Sussex Street Neighbourhood House developed a youth participation strategy aimed at increasing the number of young people participating in activities. Sussex Street Neighbourhood House provided structured work experience placements for two young people which exposed them to the not-for-profit sector and provided experience in office administration, project coordination and committee work. Sussex Street Neighbourhood House established a youth committee to develop and implement youth activities at the house and learnings helped identify how best to support young people to access opportunities at the house on an ongoing basis.

### **Victorian Association for the Care and Resettlement of Offenders (VACRO)**

Second Chance Cycles – Bicycle Mechanics Training and Work Skills Program – Collingwood  
\$15,000

The Second Chance Cycles Workshop in Collingwood opened its doors in mid 2009 to provide bicycle mechanics training to ex-offenders and disadvantaged local residents. The program runs for a full day per week and was extended to include a job-readiness program to ensure people understand employer expectations around timeliness, customer orientation, communication and reliability. The program benefitted twelve people who had been in contact with the criminal justice system and needed assistance to navigate their way back into work. They underwent accredited bike mechanics training and a structured work placement at Second Chance Cycles and at local bike shops to boost their employment options and assist in their recovery. This project was supported by the Portland House Foundation.





## Thanks to our 2010-2011 Donors

Anonymous (1)  
Jill Allan  
Catherine Brown  
James Campbell  
Simon Evans  
James Hale  
Bishoy Hanna



INGT  
Craig Kenny  
Lions Club of Coburg  
Sharon Nathani



Che Oliva  
Miles Openshaw  
Portland House Foundation  
Glenyys Romanes

Rotary Club of Moreland  
Rotary Club of Preston  
Faye Stanesby  
Sharyn Yuen  
Colin Wookey



## Financials

### Statement of Comprehensive Income

	2011	2010
Revenue and Other Income	271,988	1,578,982
Employee Benefits Expense	(68,815)	(63,702)
Grant and Community Disbursements	(135,921)	(94,121)
Fundraising and Communication Expenses	(7,776)	(20,212)
Bank Funds Management Fees	(21,296)	(12,345)
Consulting Expenses	(2,934)	(1,004)
Impairment of Investment	219,598	53,430
Additional Administration Costs	(8,581)	(9,438)
<b>Profit before Income Tax Expense</b>	231,580	1,431,590
Income Tax Expense	-	-
<b>Profit after Income Tax Expense</b>	231,580	1,431,590





# Financials

## Statement of Financial Position

	2011	2010
<b>Assets</b>		
<b>Current Assets</b>		
Cash	741,714	1,165,762
Available-for-sale Financial Assets	2,169,967	1,522,440
Prepayments	804	-
GST Receivable	981	1,504
	<hr/>	<hr/>
<b>Total Current Assets</b>	2,913,466	2,689,706
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Trade creditors and other accruals	1,390	2,233
Provisions	884	5,580
GST Payable	-	20,000
	<hr/>	<hr/>
<b>Total Current Liabilities</b>	2,274	27,813
	<hr/>	<hr/>
<b>Net Assets</b>	2,911,192	2,661,893
<b>Equity</b>		
Retained Earnings	2,911,192	2,661,893
	<hr/>	<hr/>
<b>Total Equity</b>	2,911,192	2,661,893



# Financials

## Statements of Changes in Equity

	Retained Profits \$	Reserves \$	Total \$
<b>2011</b>			
Balance 02 July 2010	2,661,893	-	2,661,893
Profit after Income Tax Expense	249,299	-	249,299
Revaluation on increase on Available-for-Sale Financial Assets	-	219,598	219,598
Fair Value gain recognised in Statement of Comprehensive Income	-	(219,598)	(219,598)
Total Comprehensive Income for the period ended 01 July 2011	249,299	-	249,299
<b>Balance as at 01 July 2011</b>	<b>2,911,192</b>	<b>-</b>	<b>2,911,192</b>
<b>2010</b>			
Balance 27 June 2009	1,230,303	-	1,230,303
Profit after Income Tax Expense	1,431,590	-	1,431,590
Revaluation on increase on Available-for-Sale Financial Assets	-	53,430	53,430
Fair Value gain recognised in Statement of Comprehensive Income	-	(53,430)	(53,430)
Total Comprehensive Income for the period ended 01 July 2011	1,431,590	-	1,431,590
<b>Balance as at 02 July 2010</b>	<b>2,661,893</b>	<b>-</b>	<b>2,661,893</b>

## Statement of Cash Flows

Note	2011 \$	2010 \$
<b>Cash Flows from Operating Activities</b>		
Donations	85,884	1,427,783
Sponsorships	98,141	92,581
Payments to Suppliers & Employees	(268,107)	(174,513)
Interest Received	77,970	5,827
Investment Income	9,993	52,791
<b>Net Cash Generated from Operating Activities</b>	<b>3,881</b>	<b>1,404,469</b>



# Financials

	Note	2011 \$	2010 \$
<b>Cash Flows from Investing Activities</b>			
Net Purchase of Investments		(427,929)	(512,489)
<b>Net Cash Used in Investing Activities</b>		<b>(427,929)</b>	<b>(512,489)</b>
Increase in Cash during the Period		<b>(424,048)</b>	<b>891,980</b>
<b>Cash at Beginning of Financial Period</b>		<b>1,165,762</b>	<b>273,782</b>
<b>Cash at End of Financial Period</b>	4	<b>741,714</b>	<b>1,165,762</b>

## Notes to the Financial Statements

### Note 1: Statement of Significant Accounting Policies

#### (a) General Information

This general-purpose financial report covers the economic entity of Inner North Community Foundation Limited ("the Foundation"). The directors have determined that the Foundation is a reporting entity. Inner North Community Foundation Limited is a company limited by guarantee, incorporated and domiciled in Australia.

#### (b) Basis of Preparation

The financial report is a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001.

Australian Accounting Standards (including Australian Accounting Interpretations) set out accounting policies that the Australian Accounting Standards Board has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of available-for-sale financial assets.

#### (c) Investments

##### (i) Available-for-sale financial assets

Available-for-sale financial assets comprise investments in managed investment schemes. They are included in non current assets unless management intends to dispose of the investment within 12 months of the reporting date.

##### (ii) Recognition and de-recognition

Acquisitions and disposals of investments are recognised on trade date being the date the Foundation commits to purchase or sell the asset. Available-for-sale financial assets are initially recognised at fair value plus transaction costs and are subsequently measured at fair value.

##### (iii) Unrealised gains and losses arising from changes in the fair value of long term investments

# Financials

Unrealised gains are recognised in equity in the available-for-sale financial assets reserve. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in profit or loss. Impairment losses recognised in profit or loss on equity instruments classified as available-for-sale are not reversed through profit or loss.

## (iv) Fair Value

The fair values of quoted investments are based on current published bid prices at the reporting date.

## (v) Impairment

At each reporting date, the Foundation assesses whether there is objective evidence that a financial asset is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered an indication that a security could potentially be impaired.

If any such evidence exists, the cumulative loss – measured as the difference between the acquisition cost and the current market value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in profit or loss are not reversed through the income statement.

## (d) 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.

## (e) Employee Benefits

Contributions are made by the Foundation to employee superannuation funds and are charged as expenses when incurred.

## (f) Income Tax

No provision for income tax has been recognised as the entity is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

## (g) Revenue

Donations and bequests are recognised as revenue when received. Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Other revenue is recognised when the right to receive the income has been established.

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

## (h) 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 Taxation 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 expense.

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.



# Financials

## (i) Critical Accounting Estimates and Judgments

The preparation of financial statements requires the directors to make judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

### (i) Critical judgments in applying the accounting policies – Available-for-sale financial assets

The Foundation follows the guidance of AASB 139: Financial Instruments: Recognition and Measurement in classifying investments in managed investments schemes as available-for-sale financial assets.

Investments are not designated as fair value through profit and loss as the Foundation does not manage these investments based on their fair values in accordance with a documented risk management strategy.

### (ii) Critical judgments in applying the accounting policies – Impairment of available-for-sale financial assets

The Foundation follows the guidance of AASB 139 in determining when an available-for-sale financial asset is impaired. This determination requires significant judgment. In making this judgment, the directors evaluate, among other things, the duration and extent to which the fair value of the investment is less than its cost and the financial health of, and near term business outlook for, the investment.

Apart from those listed above, there were no other critical accounting estimates or judgments made in the preparation of the financial statements.

## Note 2: Revenue & Other Income

	2011 \$	2010 \$
<b>Operating Activities</b>		
Donations	85,884	1,427,783
Sponsorship	98,141	92,58
Interest Received	77,970	5,827
Investment Income	9,993	52,790
<b>Total Revenue</b>	<b>271,988</b>	<b>1,578,982</b>



# Financials

## Note 3: Available-for-sale Financial Assets

	2011 \$	2010 \$
<b>Units held in managed investments schemes, at fair value</b>	2,169,967	1,522,440
Movements during the financial period	-	-
Opening balance at the start of the period	1,522,440	956,521
Acquisitions of units	506,235	500,000
Net returns reinvested in units	(78,306)	12,489
Proceeds from disposals	-	-
Changes in fair value of investments	219,598	53,430
<b>Closing balance at the end of the period</b>	<b>2,169,967</b>	<b>1,522,440</b>

During the period, the Foundation purchased 495,442 units in the ANZ Trustee's Diversified Income Common Fund. The unit price of these units at 1 July 2011 was \$1.0143.

Information about the Foundation's exposure to price risk is provided in Note 6.

## Note 4: Reconciliation of Cash Flows

	2011 \$	2010 \$
Profit after income tax	249,299	1,431,590
Changes in fair value of investment	(219,598)	(53,430)
(Decrease)/Increase in trade payables and other accruals	(20,893)	22,283
(Decrease)/Increase in provisions	(4,646)	5,530
Increase in prepayments	(804)	-
Decrease/(Increase) in receivables	523	(1,504)
<b>Cash Flows from Operations</b>	<b>3,881</b>	<b>1,404,469</b>
<b>Cash</b>		
Cash at Bank and In-Hand	702,760	1,153,849
Cash held by other Financial Institutions	38,954	11,913
<b>Total Cash</b>	<b>741,714</b>	<b>1,165,762</b>



# Financials

## Note 5: Events Subsequent to Reporting Date

There were no significant events subsequent to the reporting date that require disclosure in the financial statements.

## Note 6: Financial Risk Management

The Foundation's financial instruments consist of available-for-sale financial assets.

The Foundation does not have any derivative instruments at 1 July 2011.

The Foundation holds the following financial instruments:

	2011 \$	2010 \$
<b>Units held in managed investment schemes, at fair value</b>	<b>2,169,967</b>	<b>1,522,440</b>

## Treasury Risk Management

The directors and management regularly analyse financial risk exposure and evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

## Financial Risk Exposures and Management

The main risk the Foundation is exposed to through its financial instruments is price risk. The Foundation does not have any assets or liabilities that expose it to material interest rate, foreign currency, liquidity or credit risk.

### Price risk

The Foundation is exposed to equity investments price risk. This arises from investments held by the Foundation and classified on the balance sheet as available-for-sale financial assets. All the Foundation's equity investments are in managed investment schemes.

The table below summarises the impact of reasonable/possible increases/decreases in the unit prices of the Foundation's equity investment in the ANZ Trustee's Common Fund 102. The analysis is based on the assumption that the unit price of this investment increased/decreased by 10% with all other variables held constant.

Unit price increases/decreases would have a positive/negative impact on the available-for-sale financial asset reserve of:

	2011 \$	2010 \$
<b>Increase by 10%</b>	<b>216,997</b>	<b>152,244</b>
<b>Decrease by 10%</b>	<b>(216,997)</b>	<b>(152,244)</b>

The Foundation is not exposed to any other material financial risks.

## Note 7: Related Party Transactions

During the year, expenses of \$98,141 (2010: 92,581) were incurred by the Foundation and paid for by Inner Northern Group Training Limited, an entity related by virtue of common control.

# Financials

## Note 8: New Accounting Policies

Certain new accounting standards and interpretations have been published that are not mandatory for 1 July 2011 reporting periods. The entity's assessment of the impact of these new standards and interpretations is set out below: ASB 9 Financial Instruments (issued December 2010)

This new standard is applicable to periods beginning on or after 1 January 2013 and will amend requirements for classification and measurement of financial assets. Due to the recent release of these amendments and that adoption is only mandatory for the 30 June 2014 year end, the entity has not yet made an assessment of the impact of these amendments.

No other accounting standards issued but not yet effective are expected to impact the Foundation.

## Note 9: Company Details

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

Inner North Community Foundation Limited  
Level 1,  
273 High Street,  
Preston, Victoria, 3072

## Note 10: Key Management Personnel

Key Management Personnel (KPM) Has been taken to comprise the Directors and the members of the various executive management teams responsible for the day-to-day financial and operational management of the entity.

The aggregate compensation of Key Management Persons during the year comprising amounts paid or payable or provided for was as follows:

	Economic Entity	
	2011 \$	2010 \$
(a) Short term employee benefits - salary and directors fees	9,569	0
(b) Post employee benefits - superannuation contributions	861	0
(c) Other long term benefits- increase in long service leave provisions	0	0
<b>Total</b>	<b>10,430</b>	<b>0</b>



# Financials

## Auditor's Report



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### INDEPENDENT AUDITOR'S REPORT

To the members of Inner North Community Foundation Limited

We have audited the accompanying financial report of Inner North Community Foundation Limited, which comprises the statement of financial position as at 1 July 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

#### Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal 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 have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Inner North Community Foundation Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

## Auditor's Report



### Opinion

In our opinion the financial report of Inner North Community Foundation Limited is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 1 July 2011 and of its performance for the period ended on that date; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

A handwritten signature in black ink that reads 'BDO'.

**BDO Audit (NSW-VIC) Pty Ltd**

A handwritten signature in black ink, appearing to read 'Nicholas E. Burne'.

**Nicholas E. Burne**

Director

Melbourne, 28<sup>th</sup> September 2011

## Support

### *Local People, Local Giving, Lasting Impact*



The Inner North Community Foundation is a local philanthropic trust that works within our community to benefit the inner north of Melbourne.

Training, employment, and financial independence bring benefits to an individual and in turn, our community. Investing in local people and projects will ensure long term community well being.

The Inner North Community Foundation depends upon the community it serves for donations, support, and a wide range of partnerships.



You can contribute to the Inner North Community Foundation by making a cash donation, donating shares, supporting us through work place giving, starting a named fund, or making a bequest.

For more information phone our Executive Officer on (03) 8689 1967 or visit our website at [www.innernorthfoundation.org.au](http://www.innernorthfoundation.org.au) for more details.





## Acknowledgements

The Inner North Community Foundation would like to thank all our partners who have provided financial, in-kind, and community support.

Their interest and generosity has ensured that we are able to continue our work increasing community well being.

### Major Partners

Inner Northern Group Training (INGT)



Portland House Foundation



### Key Partners



### Supporting Partners



### Photography courtesy of

Bindi Cole, Mark Farrelly, James Henry, Lindi Huntsman, Ian McKenzie, Miles Openshaw, Deb Salvagno, June Tan, Daybreak Films



Koorie Night Market performer, photo courtesy of Deb Salvagno (top).  
Sprout Community Gardens, photos courtesy of Mark Farrelly (bottom).



INNER NORTH  
COMMUNITY  
FOUNDATION



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A big thank you to:  
Daybreak Films for producing our wonderful short documentary.  
View it on our website or Vimeo.

Connect with us:



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