

INNER NORTH COMMUNITY FOUNDATION LIMITED
(ACN 127 058 682)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019



INNER NORTH COMMUNITY FOUNDATION LIMITED

ABN 59 127 058 682

INDEX TO FINANCIAL STATEMENTS

3 – 14	Responsible Entities' Report
15	Auditor's Independence Declaration
16	Statement of Profit or Loss and Other Comprehensive Income
17	Statement of Financial Position
18	Statement of Changes in Equity
19	Statement of Cash Flows
20 – 27	Notes to the Financial Statements
28	Responsible Entities' Declaration
29 – 31	Independent Auditor's Report



INNER NORTH COMMUNITY FOUNDATION LIMITED

ABN 59 127 058 682

RESPONSIBLE ENTITIES' REPORT

FOR THE YEAR ENDED 30 June 2019

RESPONSIBLE ENTITIES' REPORT

The Responsible Entities present the report on the Inner North Community Foundation for the financial year ended 30 June 2019.

Directors

The following persons were Responsible Entities of Inner North Community Foundation during or since the end of the financial year.

Sylvia Admans

Fellow, Australian Rural Leadership Foundation
Director, Australian Rural Leadership Foundation
Graduate Member (GAICD), Australia Institute of Company Directors 2008- current
Fellow, Winston Churchill Memorial Trust
Director since 29/10/15
Chair, Nominations and Employment Committee
Member Grants Committee

Dr Christopher Baker

Research Fellow, Centre for Social Impact, Swinburne University of Technology
Fellow, Australian Institute of Company Directors
Director since 9/9/2014
Chair, Inner North Community Foundation since 8/11/2017
Member, Nominations and Employment Committee

Glenn Beard

Independent Consultant
Member, Finance Investment and Risk Committee
Member, Partnerships and Development Committee
Director since 31/10/2017

Julie Beckers

Quality Assurance and Innovation Manager, IntoWork Australia
Director since 5/3/2019
Member, Grants Committee

Elizabeth Board

Chair, IntoWork Australia
Director, MRAEL
Director, AGA
Director, Plus Recruitment
Director since 8/11/16
Director, Institute of Training and Further Education
Chair – Finance, Investment and Risk Committee



INNER NORTH COMMUNITY FOUNDATION LIMITED

ABN 59 127 058 682

RESPONSIBLE ENTITIES' REPORT

FOR THE YEAR ENDED 30 June 2019

Michelle Cheah

Senior Consultant, Nous Group

Director 21/03/2017 – 5/3/2019

Member, Grants Committee

Member, Finance Investment and Risk Committee

Michael Howard

Legal Counsel, Victoria University

Director since 5/3/2019

Member, Nominations and Employment Committee

David Kennedy

Executive Officer - Inner Northern Local Learning and Employment Network

Director since 6/5/2014

Chair, Nominations and Employment Committee

Member Partnerships and Development Committee

Craig Kenny OAM

Independent Consultant

Senior Associate Mach2 Consulting

Director, Xpand Foundation

Director since 29/10/15

Chair – Partnerships and Development Committee

Member – Finance Investment and Risk Committee

Carolyn Munckton

Client Partnerships Manager, The Funding Network

Director since 17 /07/ 2012 – 30/10/2018

Chair - Grants Committee

Member Partnerships and Development Committee

Kevin Neville

Chair, Interact Australia

Director since 5/12/2017

Member, Grants Committee

Member Finance Investment and Risk Committee

Carolyn Phiddian

Director, DSI Engineering Management and Services

Advisory Board Member, Tracee

Director since 30/10/2018

Member, Grants Committee

Member, Partnerships and Development

Company Secretary

Ben Rodgers held the position of secretary at the end of the financial year.



INNER NORTH COMMUNITY FOUNDATION LIMITED

ABN 59 127 058 682

RESPONSIBLE ENTITIES' REPORT

FOR THE YEAR ENDED 30 June 2019

Responsible Entities' meetings

During the financial year 6 meetings of responsible entities were held. No board meetings were held in: August 2018, November 2018, January 2019, February 2019, April 2019 and June 2019.

Attendances were:

Director	Responsible Entities' Meetings	
	No. Eligible	No. Attended
Sylvia Admans	6	6
Christopher Baker	6	6
Glenn Beard	6	5
Julie Beckers	2	2
Elizabeth Board	6	5
Michelle Cheah	4	4
Michael Howard	2	2
David Kennedy	6	6
Craig Kenny	6	5
Carolyn Munckton	3	3
Kevin Neville	6	6
Carolyn Phiddian	4	4

Short and Long Term Objectives

In accordance with the Constitution of the Inner North Community Foundation Ltd., the principal object for which the company is established is to act as trustee for a trust for public charitable purposes supporting eligible charities that benefit the Inner North Community of metropolitan Melbourne.

In accordance with the Foundation's strategic plan adopted by the Board on 19 July 2016 this objective is to be achieved by the following four areas:

1) Increase economic participation and prosperity

- Fund projects that remove the barriers faced by vulnerable people on their pathway to work
- Explore ways that philanthropy strengthens local economies.

2) Grow philanthropy

- Insure philanthropy involves everyone.
- Demonstrate the benefits of giving at all levels
- Establish a legacy in perpetuity as our corpus grows.

3) Expand community leadership

- Invest in the skills and capacity of local people to respond to local challenges and opportunities
- Build partnerships with people and organisations to amplify reach and relevance.

4) Strengthen governance and organisational capacity

- Operate as a safe pair of hands and strong organisation to serve the region.



INNER NORTH COMMUNITY FOUNDATION LIMITED

ABN 59 127 058 682

RESPONSIBLE ENTITIES' REPORT

FOR THE YEAR ENDED 30 June 2019

Principal Activities

The principal activities of the Inner North Community Foundation Ltd. during the financial year were to provide funding support to enable prosperous, connected and cohesive communities in the local region, particularly through the Pathways to Employment Grants Round.

Performance Measurement

The Inner North Community Foundation Ltd. measures performance in part by the number and quality of applications to the Pathways to Employment Grants Round, and the number and value of donations received.

Class of Members

- (a) Only the following people are eligible for membership of the Company:
- (i) up to four people nominated by the Founder;
 - (ii) one person nominated by a majority of directors who lives in or, in the reasonable opinion of a majority of directors, has a strong association with the City of Yarra municipal area;
 - (iii) one person nominated by a majority of directors who lives in or, in the reasonable opinion of a majority of directors, has a strong association with the Moreland City Council municipal area;
 - (iv) one person nominated by a majority of directors who lives in or, in the reasonable opinion of a majority of directors, has a strong association with the Darebin City Council municipal area; and
 - (v) up to two people who, in the reasonable opinion of a majority of directors, have appropriate expertise in any one or more of the fields of education, employment, training or finance or such other field as a majority of directors think fit.
 - (vi) The directors may nominate another member, further to those nominated under clause (a), above from time to time for a period determined by the directors.

Liability of Members

According to the Constitution of the Inner North Community Foundation Ltd, every Member undertakes to contribute an amount not exceeding fifty dollars (\$50) to the property of the Company in the event of it being wound up while he or she is a Member or within one year afterwards for:

- a) payment of the debts and liabilities of the Company contracted before the time when he or she ceased to be a Member
- b) the costs, charges and expenses of winding up; and
- c) for an adjustment of the rights of contributories among themselves.

Operating Results

The Inner North Community Foundation received donations and other income from investments totalling \$944,868 (2018: \$1,031,942); incurred expenses totalling \$823,533 (2018: \$826,351); and recognised an unrealised fair value of investment of \$42,073 unrealised loss (2018: \$230,597 unrealised gain) for the year.



INNER NORTH COMMUNITY FOUNDATION LIMITED

ABN 59 127 058 682

RESPONSIBLE ENTITIES' REPORT

FOR THE YEAR ENDED 30 June 2019

Donors 2018 – 2019

Ahmed Atawneh	Giselle M Darling	Paul Ghaie
Alan Brown	Glenyys Romanes	Penny Scott
Bec Maher	Grace Breen	Portland House Foundation
Ben Rodgers	Handsome Her	Poul Bottern
Benjamin Powers	James Davis	Rebecca Haslam
Bev Lewis	Jigna Desai	Rhett Aitken
Brendan Cairns	Joanna Yannaris	S Krishna-Pillay
Brett Crapper	Josephine James	Sandy Fernee
Brett Saraghi	Justine Roach	Sean Cathie
Charles Tegner	Kath McCann	Sharyn Yuen
Clifton Hill North Fitzroy	Kevin Breen	Simon Clarke
Community Branch Bendigo	Kylie Price	Simon Evans
Bank	Lou Lee Chalmers	Simon Manager
Che Oliva	Maggie Maguire OAM	Sophia Exiner
Colin Wookey	Margaret McCaffrey	Pookipoiga
Craig Kenny	Mark Sterrantino	Steve Manders
David Redfearn OAM	Mary Crooks AO	Susannah Evans
Dure Dara	Michael Kendall	Tim Cohen
Elizabeth Board	Mr Kitly	Wildlife
Genevieve Timmons	Matthew Pegg Consulting	Veronika Latsas
Geoff Manchester	Myer Foundation	
George Orfanos	Patricia McCann	

Review of Operations

Grant-Making 2018-2019

The Inner North Community Foundation is an independent grant-making foundation that funds projects to assist Melbourne's inner northern communities of Darebin, Moreland and Yarra. This covers the Melbourne area north of the Yarra and takes in suburbs such as Brunswick, Richmond, Reservoir, Coburg, Northcote, Preston, Fitzroy, Pascoe Vale, Glenroy and Collingwood.

The Inner North Community Foundation was established in 2007, has full tax deductibility status and is governed by a skills-based board of people who share a strong affinity for the local region. The Inner North Community Foundation's grant making is primarily geared towards local projects that provide opportunities that strengthen prosperous, connected and cohesive communities in Melbourne's Inner North. Grant activity was across three areas:

1. Core – grants that are ensure compliance with trust deeds and legal structure:
 - a. Pathways to Employment
 - b. Sub-funds grants
2. Iconic – proactive initiatives taken by the Foundation to progress the Strategic Plan 2016-2019:
 - a. Young Changemakers
 - b. Crowdfunding (inc Christmas Crowdfunding)



INNER NORTH COMMUNITY FOUNDATION LIMITED

ABN 59 127 058 682

RESPONSIBLE ENTITIES' REPORT

FOR THE YEAR ENDED 30 June 2019

- c. Rapid Response Grants
- 3. Flowthrough and Co-funding – grants based on partnerships with other funding partners, that can scale up and down as opportunities present:
 - a. Flowthrough grants
 - b. Other trusts and foundations who contact the Foundation

Pathways to Employment Grants 2018-2019

The Pathways to Employment fund disburses grants annually towards projects that assist local residents in Darebin, Moreland and Yarra to get a job or to increase their employment prospects. In 2018-19 the Pathways to Employment grants distributed a total of \$370,000 towards 22 projects that focus on a diverse range of employment barriers faced by people locally, such as English language confidence and competence, mental illness, disrupted schooling or involvement in the criminal justice system.

The Pathways to Employment Grants are supported by IntoWork Australia (INGT Ltd), and the Portland House Foundation.





INNER NORTH COMMUNITY FOUNDATION LIMITED

ABN 59 127 058 682

RESPONSIBLE ENTITIES' REPORT

FOR THE YEAR ENDED 30 June 2019

The following projects were funded in 2019 Pathways to Employment Grants round:

Primary Organisation	Project title	Inner North Community Foundation Grant
Asylum Seeker Resource Centre	ASRC Mentoring Program	\$ 16,000.00
The broader goal of the Employment Program is that people seeking asylum have the skills, confidence and agency to secure their preferred work, succeed on the job, and successfully manage their careers in Australia.		
Blue Light Victoria	The Pavilion Blue Light Boxing Program	\$ 11,000
The Pavilion Blue Light Boxing Program engages at-risk youth in the Darebin area in a boxing and leadership program to develop personal skills and employment opportunities.		
Carlton Neighbourhood Learning Centre	LifeHouse	\$ 16,000
LifeHouse targets CALD people, predominantly women, aged between 30 - 50 years of age in an employment program. LifeHouse also aims to support women whose children are already grown and left the home as their capacity to learn is now more available.		
CERES	Alternative Pathways in Sustainability	\$ 21,000
Alternative Pathways in Sustainability engages participants in their agriculture program by providing career pathway planning, identifying and matching work opportunities and volunteering.		
Collingwood Children's Farm	Master Plan: Phase 1.1 – Retaining Wall and Paddock Fence	\$ 16,000
The program engages students aged between 12 - 18 in an agricultural program by working with animals and acquiring gardening skills to provide further employment and training opportunities.		
Crepes for Change/Society Melb Inc.	The Training Program: evaluation, iteration, and scale	\$ 16,000
Crepes For Change is a social enterprise using hospitality to train their participants who have or are currently experiencing homelessness.		
Fitted for Work	Womankind – Supporting Women Into Work	\$ 24,000
Fitted for Work provides free support services such as work appropriate clothing, interview training, resume support and mentorship, predominatnly for young women with financial disadvantage.		
Free To Ltd.	Free to Feed Employment Program	\$ 20,000
Free to Feed is a social enterprise that uses catering and cooking classes to engage newly arrived CALD people to learn work skills and promote inclusion of diverse members in the Australian workforce.		
Inner Northern LLEN	Jobs for Youth Campaign	\$ 20,000
The Jobs for Youth Campaign connects young people with educational resources and address barriers to employment.		
Islamic Museum of Australia	Australian Muslim Artist Internship	\$ 8,000
This program aims to address the discrimination and prejudice that muslim artists face in the art community and entertainment industry. This program will engage muslim and CALD artists by increasing their visibility and creating a pathway to employment.		
Jesuit Social Services trading as Jesuit Community College	Hammertime 2 (H2)	\$ 22,000



INNER NORTH COMMUNITY FOUNDATION LIMITED

ABN 59 127 058 682

RESPONSIBLE ENTITIES' REPORT

FOR THE YEAR ENDED 30 June 2019

Primary Organisation	Project title	Inner North Community Foundation Grant
Hammertime 2 is a woodwork program for women who have been through the justice system to learn trade skills and provide a pathway into the trade industry.		
Life Saving Victoria	CALD Youth Aquatic Employment Program	\$ 15,000
The training provided is targeted, culturally sensitive water safety education and skills based learning to connect CALD youth to the community and provide employment pathways and opportunities within the aquatics industry or emergency services.		
Mission Australia	Charcoal Lane Certificate II training program	\$ 16,000
Mission Australia's social enterprise Charcoal Lane is a training kitchen and restaurant for young Indigenous youth and provides culturally sensitive education whilst removing barriers to employment.		
Onemda Association Inc	Steps to Employment	\$ 15,000
The Steps to Employment Project (STEP) will train and develop young learners with disabilities to enhance the employability skills needed to gain open employment.		
Operation Newstart Northern	Re-engage for Future Pathways	\$ 14,000
Operation Newstart is an outdoor program that targets at-risk teenagers who experience difficulties at home and school by engaging them with physical activity and learn life skills.		
Outer Urban Projects	Associate Artists Residency Program	\$ 16,000
The Associate Artists Residency program targets talented culturally diverse young performing artists seeking to advance their performing arts practice and develop work-ready skills in their chosen industry.		
Rotary Club of Richmond	Next Step Program	\$ 12,000
30 Year 10 students are nominated by Collingwood College and Fitzroy High School to participate in the 'Next Step' program to help them gain insight into their strengths and, through work experience, develop a career focus so they can achieve their goals.		
Scarf Community Organisation	Scarf Tasting Plates in the Inner North	\$ 12,000
The "Tasting Plate" program will provide 16 young people (18-30yo) seeking asylum and from refugee/migrant backgrounds with employment confidence, conversational skills, resume building, interview skills and hands-on hospitality industry skills.		
SisterWorks	Five Years, Five Stars, Fives Basis Skill programs	\$ 16,000
The program will support more women into employment by supporting unskilled migrant women facing family and social challenges or crises, to accelerate their involvement and support their economic empowerment.		
Sustain: The Australian Food Network	Upskilling and supporting migrant women in food entrepreneurship to support self-employment and employment outcomes	\$ 24,000
Sustain, along with Melbourne Food Hub and Global Sisters, works to support migrant women by helping them develop their own food business and become self-employed.		
Whitelion Youth Agency	Practical Pathways	\$ 16,000
The purpose of Practical Pathways is to further support Indigenous youth to address barriers; helping them into education, pre-employment and becoming job-ready through practical brokerage support.		
Youth Projects	Ready, Set, Job	\$ 24,000



INNER NORTH COMMUNITY FOUNDATION LIMITED

ABN 59 127 058 682

RESPONSIBLE ENTITIES' REPORT

FOR THE YEAR ENDED 30 June 2019

Primary Organisation	Project title	Inner North Community Foundation Grant
FREE 2 B ME is specialised to support young LGBTIQ+ people by building confidence, promote wellbeing and develop employability skills to support their transition into employment in a safe, sensitive and supported way.		

Partnering with other Trusts and Foundations

The Inner North Community Foundation worked with other funding bodies to deliver resources to local community organisations. This work included:

Young Changemakers Grants 2018-2019

Three Local high schools, Fitzroy, Northcote and Collingwood, participated in the Young Changemakers program. They selected nine projects to support with funds donated in part by the Clifton Hill / Fitzroy Community Branch of the Bendigo Bank.

Organisation	Project Title	Grant Awarded
Aborigines Advancement League	Zaya	\$8,000
Asylum Seeker Resource Centre	Community Food Program	\$9,000
Australian Conservation Foundation	Community Organising Program	\$1,000
Fitzroy Legal Service	Activists Rights Website Update project	\$3,000
Free to Ltd.	Training Refugees and New Migrants as Leaders, Facilitators and Hosts.	\$5,700
HoMie (Conscious Creative Ltd.)	HoMie Pathway Alliance	\$4,500
Jika Jika Community Centre	Just our Community Building a Just Community Project	\$5,700
Victorian Association for the Care and Settlement of Offenders – VACRO	Bikes for Young People Program	\$5,000
Wellways Australia	Well Together Snapshot	\$4,000
TOTAL		\$45,900



INNER NORTH COMMUNITY FOUNDATION LIMITED

ABN 59 127 058 682

RESPONSIBLE ENTITIES' REPORT

FOR THE YEAR ENDED 30 June 2019

Christmas Crowdfunding

The Foundation supported local traders (and one local choir) to fundraise for six local charities, with funds raised matched by the Foundation and equally divided by the charities.

Organisation	Grant Awarded
Asylum Seeker Resource Centre Inc	\$2,606.25
Foundation House	\$2,606.25
Free to Ltd	\$2,606.25
Koorie Tiddas Youth Choir VACCA	\$2,606.25
The Lighthouse Foundation	\$2,606.25
Women's Health In the North	\$2,606.25
TOTAL	\$15,637.50

Named sub-funds

The Inner North Community Foundation also distributed funds from named sub-funds. The following table outlines which sub-funds re-invested in 2018/2019.

Name of sub-fund	Name of organisation	Amount
[REDACTED]	Aborigines Advancement League	\$5,000
[REDACTED]	Arts Project Australia	\$2,800
[REDACTED]	Australian Sports Foundation	\$6,000
[REDACTED]	Good Samaritan Foundation	\$500
[REDACTED]	Kids Under Cover	\$800
[REDACTED]	Kids Under Cover	\$550
[REDACTED]	Preston Reservoir Adult Community Education (PRACE)	\$500
[REDACTED]	Victorian Association for the Care & Resettlement of Offenders (VACRO)	\$5,500
TOTAL		\$21,650



INNER NORTH COMMUNITY FOUNDATION LIMITED

ABN 59 127 058 682

RESPONSIBLE ENTITIES' REPORT

FOR THE YEAR ENDED 30 June 2019

Rapid Response

The Foundation also initiated a new grants round, which responded to emerging opportunities and challenges faced by local groups.

Name of organisation	Project Title	Amount
The Community Grocer	The Community Grocer Fawkner	\$3,000
Preston Neighbourhood House (trading as The Bridge)	TTT Work Club	\$3,000
Carringbush Adult Education	Learning Together: Men's Literacy Engagement' project	\$3,000
Kong's Kings	Kong's 6th Birthday Blowout	\$3,000
Breakaway Youth	Organisation Essentials' project	\$3,000
Kevin Heinze Grow	Reopening of Peppertree Place	\$3,000
Centre For Projection Art Inc	Perspective	\$3,000
North Carlton Railway Neighbourhood House	After school programs.	\$3,000
Fitzroy Learning Network	Upgrading Teacher Certificate IV Qualifications	\$3,000
Fitzroy Legal Service	Enhanced service delivery and organisational capability for community benefit program	\$3,000
TOTAL		\$30,000

Compliance of Charitable Fund and Public Fund

The Charitable Fund (ABN 12901071775) is required to disburse grants to charitable organisations as defined by the ATO. The Public Fund (ABN 33542897543) is a Deductible Gift Recipient (DGR) endorsed Public Ancillary Fund. The Public Ancillary Fund has been operated in compliance with the requirements of the Public Ancillary Fund Guidelines 2012 throughout the year ended 30 June 2019.

Significant Changes

There were no significant changes during the year.

After Balance Day Events

No matters or circumstances have arisen since 30 June 2019 that have significantly affected, or may significantly affect the:

- Inner North Community Foundation's operations in future financial years;
- Results of the operations in future financial years; or
- Inner North Community Foundation's state of affairs in future financial years.

Future Developments

The future developments of the Inner North Community Foundation are guided by the business plan and the board provides direction and commitment to the continued development of the business.



INNER NORTH COMMUNITY FOUNDATION LIMITED

ABN 59 127 058 682

RESPONSIBLE ENTITIES' REPORT

FOR THE YEAR ENDED 30 June 2019

Environmental Issues

The Inner North Community Foundation's operations are regulated by Charity Law and in particular regulations governing the operation of an entity with Deductible Gift Recipient endorsement.

Dividends Paid or Recommended

The Constitution of the Inner North Community Foundation prohibits the payment of dividends from retained earnings. Upon dissolution of the Inner North Community Foundation, any surplus funds after settling all liabilities and realising assets will be paid to a charitable organisation approved by the directors.

Proceedings on Behalf of Economic Entity

No person has applied for leave of Court to bring proceedings on behalf of the Inner North Community Foundation or intervene in any proceedings to which the Inner North Community Foundation is a party for the purpose of taking responsibility on behalf of the Inner North Community Foundation for all or any part of those proceedings. The Inner North Community Foundation was not a party to any such proceedings during the Year.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 60-40 of the *Australian Charities and Not-for-profit Commissions Act 2012* is set out on the following page.

Signed in accordance with a resolution of the Responsible Entities'.

Responsible Entity

Responsible Entity

.....
Dr Christopher Baker

.....
Kevin Neville

Dated at Northcote, this ____11____ day of November 2019

AUDITORS INDEPENDENCE DECLARATION TO BE PROVIDED SEPARATELY

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019**

	Note	2019 \$	2018 (restated) \$
Revenue			
Revenue	2	883,650	1,245,680
Other revenue	2	19,145	16,859
Total revenue and other revenue		902,795	1,262,539
Expenses			
Employee benefits expenses		(144,346)	(120,278)
Grant and community disbursements		(587,827)	(618,476)
Advertising and marketing expenses		(8,189)	(6,697)
Fund management fees		(47,929)	(48,142)
Consulting and professional expenses		(1,500)	(175)
Other expenses		(33,742)	(32,583)
Total expenses		(823,533)	(826,351)
Surplus before income tax		79,262	436,188
Income tax expense	1(a)	-	-
Surplus for the year		79,262	436,188
Other comprehensive income, net of income tax			
Other comprehensive income		-	-
Total other comprehensive income for the year		-	-
Total comprehensive income for the year		-	-
Surplus attributable to:			
Members of the Company		79,262	436,188
Surplus for the year		79,262	436,188
Total comprehensive income attributable to:			
Members of the Company		79,262	436,188
Total comprehensive income for the year		79,262	436,188

The accompanying notes form part of these financial statements.

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019**

	Note	2019 \$	2018 (restated) \$	1 July 2017 (restated) \$
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	3	2,147,196	871,249	593,922
Trade and other receivables	4	175,343	138,723	137,222
Financial assets	5	<u>4,265,856</u>	<u>5,490,438</u>	<u>5,332,246</u>
TOTAL CURRENT ASSETS		<u>6,588,395</u>	<u>6,500,410</u>	<u>6,063,390</u>
TOTAL ASSETS		<u>6,588,395</u>	<u>6,500,410</u>	<u>6,063,390</u>
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables	6	586	-	-
Provisions	7	<u>17,008</u>	<u>8,871</u>	<u>8,039</u>
TOTAL CURRENT LIABILITIES		<u>17,594</u>	<u>8,871</u>	<u>8,039</u>
TOTAL LIABILITIES		<u>17,594</u>	<u>8,871</u>	<u>8,039</u>
NET ASSETS		<u>6,570,801</u>	<u>6,491,539</u>	<u>6,055,351</u>
EQUITY				
Retained surplus		6,570,801	6,491,539	6,055,351
Available-for-sale reserve	8	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EQUITY		<u>6,570,801</u>	<u>6,491,539</u>	<u>6,055,351</u>

The accompanying notes form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019**

	Note	Retained surplus \$	Available- for-sale reserve \$	Total \$
Balance at 1 July 2017		5,788,959	266,392	6,055,351
Change in accounting policy	8	266,392	(266,392)	-
Restated balance at 1 July 2017		6,055,351	-	6,055,351
Surplus for the year		436,188	-	436,188
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		436,188	-	436,188
Balance at 30 June 2018		6,491,539	-	6,491,539
Balance at 1 July 2018		6,491,539	-	6,491,539
Surplus for the year		79,262	-	79,262
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		79,262	-	79,262
Balance at 30 June 2019		6,570,801	-	6,570,801

The accompanying notes form part of these financial statements.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019**

	Note	2019	2018
		\$	\$
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from customers, donors		817,865	931,285
Payments to suppliers and employees		(817,437)	(825,519)
Interest received		19,145	16,859
Net cash provided by operating activities		19,573	122,625
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from the sale of investments		1,256,374	154,702
Net cash provided by investing activities		1,256,374	154,702
Net increase in cash and cash equivalents		1,275,947	277,327
Cash and cash equivalents at beginning of year		871,249	593,922
Cash and cash equivalents at end of year	3	2,147,196	871,249

The accompanying notes form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are for Inner North Community Foundation Limited. Inner North Community Foundation Limited is a not-for-profit company limited by guarantee, incorporated and domiciled in Australia.

Statement of Compliance

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Australian Charities and Not-for-profits Commission Act 2012*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial statement containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of this financial statement are presented below. They have been consistently applied unless otherwise stated.

Basis of Preparation

The financial statements, except the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement of fair value of selected non-current assets, financial assets and financial liabilities. Historical cost is generally based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained under changes in accounting policies.

(a) Income Tax

As the Company is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

(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 statement of financial position.

(c) Trade and Other Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

Information about the impairment of trade receivables and the Company's exposure to credit risk can be found in Note 1(d) and Note 1(l).

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Impairment of Assets

At each reporting date, the Company reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and replacement cost, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

(e) Investments and Other Financial Assets

(1) Classification

From 1 July 2018, the Company classifies its financial assets in the following measurement categories:

- (i) those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- (ii) those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

The Company measures its investments and other financial assets at amortised cost.

(2) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

(3) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

(4) Impairment

From 1 July 2018, for trade receivables the Company assesses whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach permitted by AASB 9 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Refer to Note 1(c) and Note 1(l).

The Company has applied AASB 9 retrospectively, but this has not had a material impact on the comparative information.

Until 30 June 2018, the Company classified its financial assets in the following categories:

- (i) financial assets at fair value through profit or loss;
- (ii) loans and receivables;
- (iii) held-to-maturity investments; and
- (iv) available-for-sale financial assets.

(5) Accounting policies applied until 30 June 2018

The classification depended on the purpose for which the investments were acquired. Management determined the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluated this designation at the end of each reporting period.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Investments and Other Financial Assets (Continued)

Reclassification

The Company could choose to reclassify a non-derivative trading financial asset out of the held for trading category if the financial asset was no longer held for the purpose of selling it in the near term. Financial assets other than loans and receivables were permitted to be reclassified out of the held for trading category only in rare circumstances arising from a single event that was unusual and highly unlikely to recur in the near term. In addition, the Company could choose to reclassify financial assets that would meet the definition of loans and receivables out of the held for trading or available-for-sale categories if the Company had the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications were made at fair value as of the reclassification date. Fair value became the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date were subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories were determined at the reclassification date. Further increases in estimates of cash flows adjusted effective interest rates prospectively.

Subsequent measurement

The measurement at initial recognition did not change on adoption of AASB 9, see description above. Subsequent to the initial recognition, loans and receivables and held-to-maturity investments were carried at amortised cost using the effective interest method.

For financial assets at FVPL, gains or losses arising from changes in the fair value were recognised in profit or loss within other gains/(losses).

Impairment

The Company assessed at the end of each reporting period whether there was objective evidence that a financial asset or group of financial assets was impaired. A financial asset or a group of financial assets was impaired and impairment losses were incurred only if there was objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) had an impact on the estimated future cash flows of the financial asset or group of financial assets that could be reliably estimated.

Assets carried at amortised cost

For receivables, the amount of the loss was measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that had not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset was reduced and the amount of the loss was recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreased and the decrease could be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss was recognised in profit or loss. Refer to Note 1(c) and Note 1(l).

(f) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 or 60 days of recognition.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the Company to an employee superannuation fund and are charged as expenses when incurred.

(h) Provisions

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

Provisions recognised represent the best estimate of the amounts required to settle the obligation at reporting date.

(i) Revenue

Donations and sponsorships 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.

Dividend revenue is recognised when the right to receive a dividend has been established.

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

(j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(k) Comparative Figures

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

(l) Critical Accounting Estimates and Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, which management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results.

The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Critical Accounting Estimates and Judgements (Continued)

Provision for impairment of receivables

The Company's policy for allowance for doubtful receivables is based on the simplified approach permitted by AASB 9 *Financial Instruments*, which requires expected lifetime losses to be recognised from initial recognition of the receivables and considers an assessment of recoverability and ageing analysis of outstanding accounts and management's estimates. There were no receivables at 30 June 2019 regarded as doubtful (2018: \$nil).

Employee benefits provision

As discussed in note 1(g), the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

(m) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when:

- (i) it is expected to be realised or intended to be sold or consumed in normal operating cycle; or
- (ii) it is held primarily for the purpose of trading; or
- (iii) it is expected to be realised within twelve months after the reporting period; or
- (iv) the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- (i) it is expected to be settled in normal operating cycle;
- (ii) it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or
- (iii) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

(n) New, revised or amending Accounting Standards and Interpretations adopted

The following new Australian Accounting Standards have been issued that are not mandatory for the 30 June 2019 reporting period. Management has assessed these pending standards and has identified the following potential impacts will flow from the application of these standards in future reporting periods.

Revenue from contracts with customers (AASB 15) (applies for financial periods beginning on or after 1 January 2019)

The standard shifts the focus from the transaction-level to a contract-based approach. Recognition is determined based on what the customer expects to be entitled to (rights and obligations), while measurement encompasses estimation by the Company of the amount expected to be entitled for performing under the contract. The full impact of this standard is not known however it is most likely to impact where contracts extend over time, where there are rights and obligations that may vary the timing or amount of the consideration, or where there are multiple performance elements.

The impact of this new Australian Accounting Standards is not expected to have a significant impact on future financial years.

	Note	2019 \$	2018 \$
NOTE 2: REVENUE			
<i>Revenue from operating activities</i>			
- Donations received		372,456	403,891
- Sponsorships		166,969	166,678
- Investment income		312,433	362,217
- Fair value (loss)/gain of investments		(42,073)	230,597
- Gain on disposal of investments		73,865	82,297
		<u>883,650</u>	<u>1,245,680</u>
<i>Other income</i>			
- Interest revenue		19,145	16,859
		<u>19,145</u>	<u>16,859</u>
Total revenue and other revenue		<u>902,795</u>	<u>1,262,539</u>
NOTE 3: CASH AND CASH EQUIVALENTS			
Current			
Cash on hand		2,147,096	871,149
Cash at bank		100	100
		<u>2,147,196</u>	<u>871,249</u>
NOTE 4: TRADE AND OTHER RECEIVABLES			
Current			
Franking credits receivable		86,767	30,045
Other receivables		65,964	88,693
Net GST receivable		22,612	19,985
		<u>175,343</u>	<u>138,723</u>
NOTE 5: FINANCIAL ASSETS			
Current			
At amortised cost		1,178,628	1,004,120
At fair value		3,087,228	4,486,318
		<u>4,265,856</u>	<u>5,490,438</u>
NOTE 6: TRADE AND OTHER PAYABLES			
Current			
Accrued expenses		586	-
		<u>586</u>	<u>-</u>
NOTE 7: PROVISIONS			
Current			
Annual leave		17,008	8,871
		<u>17,008</u>	<u>8,871</u>

Note	2019 \$	2018 \$
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NOTE 8: CHANGE IN ACCOUNTING POLICY

With the implementation of AASB 9 on 1 July 2018, the Company classifies its financial assets in the following measurement categories:

- (i) those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- (ii) those to be measured at amortised cost.

The table below provides a breakdown of the impact of the implementation of AASB 9:

	As previously stated \$	Adjustment \$	Restated Balance \$
1 July 2017			
<i>Impact on statement of financial position</i>			
EQUITY			
Retained surplus	5,788,959	266,392	6,055,351
Available-for-sale reserve	266,392	(266,392)	-
TOTAL EQUITY	6,055,351	-	6,055,351
30 June 2018			
<i>Impact on statement of profit or loss and other comprehensive income</i>			
Fair value gain of investments	-	230,597	230,597
Surplus for the year	-	230,597	230,597
Other comprehensive income, net of income tax			
Gain on the revaluation of available-for-sale assets	230,597	(230,597)	-
Total Other Comprehensive Income	230,597	(230,597)	-
Total Comprehensive Income	230,597	-	230,597
<i>Impact on statement of financial position</i>			
EQUITY			
Retained surplus	5,994,550	496,989	6,491,539
Available-for-sale reserve	496,989	(496,989)	-
TOTAL EQUITY	6,491,539	-	6,491,539

Note	2019 \$	2018 \$
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NOTE 9: KEY MANAGEMENT PERSONNEL COMPENSATION

Any person(s) having authority or responsibility for planning and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel (KMP). The totals of remuneration paid to KMP of the Company during the financial year are as follows:

Total compensation paid to KMP	<u>77,569</u>	<u>76,122</u>
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NOTE 10: MEMBERS' GUARANTEE

The Company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the Company is wound up the constitution states that each member is required to contribute a maximum of \$50 towards meeting any outstanding obligations of the Company. At 30 June 2019 the total amount that members of the Company are liable to contribute if the Company is wound up is \$50 (2018: \$50).

NOTE 11: CONTINGENT ASSETS AND LIABILITIES

There are no contingent assets and liabilities as at 30 June 2019 (2018: \$nil).

NOTE 12: EVENTS AFTER REPORTING DATE

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.

NOTE 13: COMPANY DETAILS

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

192-198 High Street
NORTHCOTE VICTORIA 3070

RESPONSIBLE ENTITIES' DECLARATION

In accordance with a resolution by the directors of Inner North Community Foundation Limited, the directors of the Company declare that:

1. The financial statements and notes, as set out on pages 16 to 27, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - a. Comply with Australian Accounting Standards – Reduced Disclosure Requirements; and
 - b. Give a true and fair view of the financial position of the Company as at 30 June 2019 and of its performance for the financial year ended on that date.
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.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*:

Dr Christopher Baker
Chair

Kevin Neville
Director

Dated this 11th day of November 2019.

To be provided as a separate document

To be provided as a separate document