

INNER NORTH COMMUNITY FOUNDATION LIMITED
(ACN 127 058 682)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

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INNER NORTH COMMUNITY FOUNDATION LIMITED
ACN: 59 127 058 682
RESPONSIBLE ENTITIES' REPORT
FOR THE YEAR ENDED 30 JUNE 2016

The Responsible Entities' present the report on the Inner North Community Foundation for the financial year ended 30 June 2016.

Directors

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

Sylvia Admans

Chief Executive Officer, The R E Ross Trust
Fellow, Australian Rural Leadership Foundation
Graduate Member (GAICD), Australia Institute of Company Directors 2008 - current
Fellow, Winston Churchill Memorial Trust
Director since 29/10/2015
Member, Nominations and Employment Committee
Member, Grants Committee

Rikki Andrews

Philanthropic Relations Manager at Deakin University
Founding Committee Member - Impact100 Melbourne
Member, Swinburne Philanthropy Alumni
Trustee, Trust for Nature
Director since 3/06/2014
Member, Partnerships and Development Committee
Member, Grants Committee

Dr Christopher Baker

Research Fellow, Asia-Pacific Centre for Social Investment and Philanthropy, Swinburne University of Technology
Co-founder, Swinburne Philanthropy Alumni
Director since 9/9/2014
Chair, Finance, Investment and Risk Committee
Chair, Nominations and Employment Committee

Elizabeth Board

Development Director, Camberwell Grammar School
Executive Director, Camberwell Grammar Foundation
Director, Good Shepherd Ages Services
Director, Inner Northern Group Training Limited (IntoWork Australia)
Chair, MAS National Limited
Director, Work & Training Ltd
Director, Plus Recruitment Pty Ltd and its subsidiaries
Director, Community Potential Foundation Ltd
Director, Gippsland Group Training Ltd
Director, 17/08/2007 - 29/10/2015
Member, Finance, Investment and Risk Committee
Member, Fundraising and Marketing Committee



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Kevin Breen

Company Director, Consultant
Director, Inner Northern Group Training Limited (IntoWork Australia)
Chair, Capricornia Training Company Ltd
Director, Work and Training Ltd
Director, Plus Recruitment Pty Ltd and its subsidiaries
Director, Gippsland Group Training Ltd
Director, Community Potential Foundation Ltd
Director since 17/08/2007
Member, Finance, Investment and Risk Committee
Member, Nominations and Employment Committee

Ron Exiner

Director, Cohealth Community Health Service.
Committee of Management, Hanny Exiner Memorial Foundation
Committee member of Post Polio Victoria.
Director 17/03/2008 - 29/10/2015
Member, Nominations and Employment Committee
Member, Finance, Investment and Risk Committee

Michael Francis

Engineer, Corporate Director
Managing Director and Owner Pnevay Engineering – Manufacturing & Process Engineering experience
Director - Francis Investments
Director- Labour Relations and Consulting
Part Owner - Wiggle and Giggle music
External member of Moreland Risk and Audit Committee
Director since 17/08/2007
Member, Finance, Investment and Risk Committee

David Kennedy

Executive Officer, Inner Northern Local Learning and Employment Network
Director since 6/5/2014
Member, Partnerships and Development Committee
Member, Nominations and Employment Committee

Craig Kenny

Independent Consultant
Senior Associate Mach2 Consulting
Director, Xpand Foundation
Director since 29/10/2015
Chair, Partnerships and Development Committee
Member, Finance Investment and Risk Committee

Carolyn Munckton

General Manager of the Victorian Women's Benevolent Trust
Communications Consultant CM Communications
Director since 17/07/2012



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Chair, Grants Committee
 Member Finance Investment and Risk Committee

David Redfearn

Retired
 Former Mayor and Councillor of the City of Northcote
 Chair of the Merri Creek Environment Fund
 Chair of the Northern College of the Arts and Technology College Council
 Secretary of Preston Reservoir Adult Community Education
 Member of the Yarra Riverkeeper Association Finance and Fundraising Committee
 Board Member of Equbed
 Director since 17/03/2008
 Member, Grants Committee
 Member, Nominations and Employment Committee

Genevieve Timmons

Philanthropic Executive, Portland House Foundation
 Director, George Hicks Foundation
 Councillor, Philanthropy Australia
 Chair, Resources and Relationships Committee – Victorian Foundation for Survivors of Torture
 Board Member, Fellowship for Indigenous Leadership
 Fellow, Leadership Victoria
 Senior Fellow, Johns Hopkins International Fellows in Philanthropy
 Life Member, CERES Project
 Director since 17/03/2008
 Chair since 21/10/2014
 Member, Partnerships and Development
 Member, Nominations and Employment Committee

Company Secretary

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

Responsible Entities' meetings

During the financial year five meetings of responsible entities' were held. No board meetings were held in, August 2015, September 2015, November 2015, January 2016, February 2016, April 2016, June 2016, with other strategic and committee work prioritized by Directors. Attendances for full board meetings were:

Director	Responsible Entities' Meetings	
	No. Eligible	No. Attended
Sylvia Admans	4	2
Rikki Andrews	5	5
Christopher Baker	5	5
Elizabeth Board	1	1
Kevin Breen	5	5
Ron Exiner	1	1
Michael Francis	5	5
Craig Kenny	4	4



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David Kennedy	5	3
Carolyn Munckton	5	5
David Redfearn	5	5
Genevieve Timmons	5	5

Short and Long Term Objectives

In accordance with the Constitution of the Inner North Foundation Limited, 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 Board on 21 June 2011 this objective is to be achieved by:

- 1) Conducting an effective annual grants program
- 2) Growing the corpus by 30% over the 3 year (including the contribution from IntoWork Australia)
- 3) Becoming an increasingly effective participant and advocate in community philanthropy and workforce participation; and
- 4) Strengthening governance and organisational capacity.

Principal Activities

The principal activities of the Inner North Community Foundation Limited during the financial year were to provide funding support to enable transition to employment outcomes for residents in the local region, through the Pathways to Employment Grants Round and other activity that progresses the vision and mission of the organisation.

Performance Measurement

The Inner North Community Foundation measures performance by the number and quality of applications to the Pathways to Employment Grants Round, the number and value of donations received, the number and type of partnerships and special projects that directly increase local benefit as a result of our work, the stability of staff, volunteers, and directors including attendance at meetings and fulfilling committee work.

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 2.2(a) in the constitution, from time to time for a period determined by the directors.



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RESPONSIBLE ENTITIES' REPORT
FOR THE YEAR ENDED 30 JUNE 2016

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) an adjustment of the rights of contributories among themselves.

Operating Results

The Inner North Community Foundation received donations and other income from investments totalling \$812,863 (2015: \$950,830); incurred expenses totalling \$704,747 (2015: \$556,567); and recognised an decrease in unrealised fair value of investment of \$278,087 (2015: increase of \$179,417) for the year.

Donors 2015 – 2016

Alan Brown	Mark Ryan
Alan Morgan	Michael Cowen
Amy-Lou Cowdroy-Ling	Miles Openshaw
Andres Vargas	Miquel Mercado
Andrew Billing	MP Consulting
Andrew Day	Nina Visaggio
Aryk Bechler	Patrick Mannix
Ben Rodgers	Penelope Scott
Bendigo Bank	Peta Trembath
Bev Lewis	Portland House
Brendan Carins	Poul Bottern
Brett Crapper	Robert Peyerl
Carolyn Muckton	Ron Exiner
Celine Egan	Rose Mitchell
Chantal Togany	Sandy Fernee
Che Oliva	Sarah Hutchinson
Christine Hawkins	Sean Cathie
Christopher Baker	Sharyn Yuen
Christopher Blair	Simon Evans
City of Darebin	Simon Trivett
Colin Wookey	Stewart Seitz
Craig Kenny	Stockdale Personnel
Daniel Jackson	
David Redfearn	
Elizabeth Board	
Genevieve Timmons	
Grant Hooper	
Helen Newman	
Jadranka Banovic	
Jairo Vargas	
Jill Allan	
Julie Morrison	
Kate Cowdroy-Ling	
Kerri Hall	
Kevin Breen	
Lisa Embling	
Lynne Muller	



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Review of Operations

Grantmaking 2015-2016

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. Our philanthropic funds are used for Grantmaking across broad interests, with a special focus on building pathways to employment and promoting economic participation. This priority recognises the importance of work, which ensures personal and family wellbeing, and enables people to be active contributors in community life.

Pathways to Employment Grants 2015-2016

The Pathways to Employment Grant Round disburses grants annually towards projects that assist local residents in Darebin, Moreland and Yarra through organisations running innovative and creative programs that unlock people's potential to contribute to our prosperity.

In 2015 the Pathways to Employment grants distributed a total of \$350,000 towards 21 projects that focus on a diverse range of employment barriers faced by people locally.

The following projects were funded in 2015 - 2016:

Organisation	Project	Amount
Asylum Seeker Resource Centre	<i>ASRC Employment (Asylum Seeker Innovation Hub)</i>	\$5,000.00
Australian Community Support Organisation Inc	<i>ACspresSO Café - Coffee with conviction</i>	\$20,000.00
CERES Community Environment Park	<i>CERES Food Business Incubator Program</i>	\$15,000.00
Crepes for Change Inc	<i>Crepes for Change Hospitality Training Program for underprivileged young people</i>	\$5,000.00
Inner Northern Local Learning and Employment Network Inc	<i>Inner Northern Jobs of Youth Campaign 2015</i>	\$30,000.00
The Ladder Project Foundation	<i>E3-Engagement to Education to Employment</i>	\$5,000.00
Life Saving Victoria Limited	<i>Employment Solutions for CALD Youth in Aquatics</i>	\$25,670.00
Marist Youth Care Limited	<i>Upcycle Sustainable Living Project</i>	\$26,000.00
Mission Australia	<i>Charcoal Lane Culture Program</i>	\$15,000.00
Outer Urban Projects	<i>Zone 2 Emerging Artists Development Program</i>	\$25,000.00
Preston Neighbourhood House	<i>Step Up To Work</i>	\$10,000.00
Preston Reservoir Adult Community Education	<i>Paving the Way to Employment</i>	\$29,104.00
Project Respect	<i>Sustaining choices to exit the sex industry</i>	\$10,000.00
The Reach Foundation	<i>Pathways to purpose</i>	\$5,000.00

Rotary Club of Richmond Next Step Trust	<i>Next Step Program</i>	\$10,000.00
Scarf Community Organisation	<i>Continuing to build Scarf's capacity and deliver effective programs</i>	\$15,000.00
SisterWorks Incorporated	<i>From Community Development, Social Inclusion to Economic Development</i>	\$25,000.00
Songlines Aboriginal Music Corporation	<i>Creating Music Futures Pilot</i>	\$29,950.00
VACRO	<i>Second Chance Cycles</i>	\$15,000.00
Victorian Immigrant and Refugee Women's Coalition	<i>Get Hired: Immigrant and Refugee Women's Steps to Employment</i>	\$15,000.00
Whitelion Incorporated	<i>Creating Pathways</i>	\$15,000.00

Summary of Projects Funded in 2015 – 2016 through Pathways to Employment Grants

Asylum Seekers Resource Centre

\$5,000

ASRC Employment (Asylum Seeker Innovation Hub)

A 12 month program establishing one-to-one relationships between skilled asylum seekers and locally based professionals from the same sector.

Location: Darebin, Moreland and Yarra

Australian Community Support Organisation

\$20,000

ACspesSO Café – Coffee with conviction

Enrol and graduate trainees, conduct engagement forums for potential employers and stakeholders, establish second chance register of employers willing to recruit, feasibility study to train prisoners.

Location: Yarra

CERES Community Environment Park

\$15,000

CERES Food Business Incubator Program

Development, delivery and evaluation of a food producer incubator for young migrants providing an alternate education and training program in hospitality and creating a food business.

Location: Moreland

Crepes for Change Inc

\$5,000

Crepes for Change Hospitality Training Program for underprivileged young people

To purchase coffee equipment to launch Hospitality and Barista Training program.

Location: Darebin, Moreland and Yarra

Inner Northern Local Learning and Employment Network

\$30,000

Inner Northern Jobs of youth Campaign 2015

To develop workplace development programs that have strong linkage with local business and employers by connecting young people to the resources that can help address obstacles.

Location: Darebin, Moreland and

Ladder Project Foundation

\$5,000

E3-Engagement to Education to Employment

To upskill the knowledge and skills of Ladder staff to be able to engage and assist young people in determining the field/area they would like to work and the skills required.

Location: Yarra



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Life Saving Victoria Limited

\$25,670

Employment Solutions for CALD Youth in Aquatics

In partnership with YMCA, to engage youth from CALD communities in targeted, culturally sensitive water safety education and skills based learning to connect them with the community and explore opportunities within the aquatics industry or emergency services.

Location: Darebin, Moreland and Yarra

Marist Youth Care Ltd

\$26,000

Upcycle Sustainable Living Project

To conduct a furniture/home wares enterprise providing part time work experience for disadvantaged youth with the creation of saleable items. Will include modules from Certificate III in Furniture making.

Location: Moreland and Darebin

Mission Australia

\$15,000

Charcoal Lane Culture Program

3 day Culture Camp to experience and learn about indigenous culture, 4 day Cultural Wellbeing Program for trainees exploring Aboriginal culture and society and resilience training to provide holistic support to address specific barriers to employment.

Location: Yarra and Darebin

Outer Urban Projects

\$25,000

Zone 2 Emerging Artists Development Program

A 12 week program offering one-on-one support to emerging artists, arts workers and creative producers from OUP's program and providing mentoring in a learning and teaching setting.

Location: Moreland and Darebin

Preston Neighbourhood House

\$10,000

Step Up To Work

People focused employment program aimed at matching learning plans to needs. Continuation of program the Inner North Community Foundation funded in 2014/2015.

Location: Darebin

Preston Reservoir Adult Community Education

\$29,104

Paving the Way to Employment

To employ an Employment Engagement Mentor for one day a week to meet one-on-one with people who face barriers to employment.

Location: Darebin, Moreland and Yarra

Project Respect

\$10,000

Sustaining choices to exit the sex industry

Supporting women who wish to leave the sex industry to access positive education and employment pathways.

Location: Darebin, Moreland and Yarra

Reach

\$5,000

Pathways to purpose

One year structured leadership development program, including training in youth work practice, practical on the job experiences, volunteering and leadership opportunities, and personal development training.

Location: Darebin, Moreland and Yarra



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Rotary Club of Richmond

\$10,000

Next Step Program

Program: To connect with, support, guide, mentor, train, educate, provide work experience for 60 disadvantaged young people, aged 15 and 16 attending three schools within the City of Yarra for three years.

Location: Yarra

Scarf Community Organisation

\$15,000

Continuing to build Scarf's capacity and deliver effective programs

Run three 10-week hospitality training and mentoring programs, providing a minimum of 21 trainee positions to disadvantaged young people (refugees, asylum seekers and migrants).

Location: Darebin, Moreland and Yarra

SisterWorks Inc

\$25,000

From Community Development, Social Inclusion to Economic Development

Rental for the first year in the City of Yarra to have a retail space to sell and showcase Sisters' products to increase work opportunities; conduct workshops to share skills with the community and generate income; have a well-equipped Design Lab to support the development and innovation of Sisters' products; have a Business Lab for Sisters and mentors and have a permanent, accessible office for staff and volunteers.

Location: Yarra

Songlines Aboriginal Music Corporation

\$29,950

Creating Music Futures Pilot

Provide practical work experience in Sound Engineering with the purpose of either streaming them into further education or paid employment as arts workers.

Location: Darebin

VACRO

\$15,000

Second Chance Cycles

Providing hands on training in a workshop environment; the opportunity to learn repair and maintenance of bicycles, give back to the community and socialise in a supportive setting.

Location: Darebin, Moreland and Yarra

Victorian Immigrant and Refugee Women's Coalition

\$15,000

Get Hired: Immigrant and Refugee Women's Steps to Employment

To involve 25 women leaders, identified through the VIRWC Women's Leadership Program, to participate in culturally sensitive work ready training and using their skills, apply and/or take steps to secure work for them.

Location: Darebin, Moreland and Yarra

Whitelion

\$15,000

Creating Pathways

Employment of Youth Outreach Worker, utilise existing facilities of Melbourne Aboriginal Sport and Recreation to provide safe community centre, provide vocational preparation and employment support, early school leaver interventions and intensive case management in conjunction with court diversion.

Location: Darebin, Moreland and Yarra



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

Named sub-funds

The Inner North Community Foundation also distributed funds from named subfunds. The following table outlines which sub-funds re-invested in 2015/2016.

Name of sub-fund	Name of organisation	Amount
Terry Brian Kenny Fund	Arts Project	\$2,900
Brown Family Bequest	YWCA	\$554
Rotary Club of Preston Fund	Scarf	\$560
Breen Family Fund	VACRO	\$1,850

Partnering with other Trusts and Foundations

The Inner North Community Foundation facilitated a grants round on behalf of the Scanlon Foundation and Community Hubs Australia, resulting in the granting of \$30,000 to local community organisations for operational costs. The 13 successful organisations were:

Organisation	Purpose	Amount \$
Atherton Gardens Residents Association	Towards office equipment and software	1,500
Australian Somali Women's Healthcare Community Foundation	For sewing machines and overlockers to break down isolation, provide peer support and enhance sewing skills for Somali women	3,000
Australian Syrian Charity	Towards office furniture and	3,000

	computers	
Casa Cultura Inc	Leadership Training	1,610
Didi Bahini Samaj Victoria	Towards Data Projector sets and other relevant A/V materials for training and cultural activities	2,000
Fawkner Community House	Towards purchase of nine CPU's	3,500
Kurdish Women's League of Australia Inc	For office equipment to be used for teaching purposes	2,500
Moreland Toy Library	IT equipment and Office supplies	2,000
North Carlton Railway Neighbourhood House	Fully laid carpet	750
North-Eastern Melbourne Chinese Association	Desktop Computer, Printer and USB	1,550
Operation Stitches	For portable shade marquees to protect against UV radiation and heat at three annual events	4,480
SisterWorks Inc	Towards cash register, including equipment and training	1,710
The Ownership Project	For an Architect Cabinet	2,400

Compliance of Charitable Fund and Public Fund

The Charitable Fund (ABN 12 901 071 775) is required to disburse grants to charitable organisations as defined by the ATO. The Public Fund (ABN 33 542 897 543) 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 2016.

Significant Changes

There were no significant changes during the year.

After Balance Day Events

No matters or circumstances have arisen since 30 June 2016 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.

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.



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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 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


.....
Genevieve Timmons
Chair


.....
Christopher Baker
Deputy Chair

Dated at Northcote, this 8 day of November 2016

AUDITORS INDEPENDENCE DECLARATION UNDER SUBDIVISION
60-40 OF THE *AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS*
COMMISSION ACT 2012 TO THE BOARD OF INNER NORTH
COMMUNITY FOUNDATION LIMITED

I declare that, in relation to our audit of the financial report of Inner North Community Foundation Limited for the financial year ended 30 June 2016, to the best of my knowledge and belief, there have been:

- (a) No contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (b) No contraventions of any applicable code of professional conduct in relation to the audit.

Crowe Horwath Vic

CROWE HORWATH VIC



MARY WINTER

Partner

Date: 08 November 2016

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2016**

	Note	2016 \$	2015 \$
REVENUE			
Revenue	2	797,901	927,358
Other revenue	2	14,962	23,472
EXPENSES			
Employee benefits expenses		(117,495)	(100,122)
Grant and community disbursements		(508,818)	(385,362)
Advertising and marketing expenses		(9,808)	(16,450)
Fund management fees		(43,608)	(40,053)
Consulting and professional expenses		(9,970)	-
Other expenses		(15,048)	(14,580)
Surplus before income tax		108,116	394,263
Income tax expense	1(a)	-	-
Surplus for the year		108,116	394,263
Other comprehensive income, net of income tax			
(Loss)/gain on the revaluation of available-for-sale assets		(278,087)	179,417
Total comprehensive (deficit)/income for the year		(169,971)	573,680
Surplus attributable to:			
Members of the Company		108,116	394,263
Surplus for the year		108,116	394,263
Total comprehensive (deficit)/income attributable to:			
Members of the Company		(169,971)	573,680
Total comprehensive (deficit)/income for the year		(169,971)	573,680

The accompanying notes form part of these financial statements.

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016**

	Note	2016 \$	2015 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	344,572	632,032
Trade and other receivables	4	70,517	38,042
Available-for-sale assets	5	5,039,815	4,952,610
TOTAL CURRENT ASSETS		5,454,904	5,622,684
TOTAL ASSETS		5,454,904	5,622,684
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	6	-	4,463
Provisions	7	8,374	1,720
TOTAL CURRENT LIABILITIES		8,374	6,183
TOTAL LIABILITIES		8,374	6,183
NET ASSETS		5,446,530	5,616,501
EQUITY			
Available-for-sale reserve	8	575,560	853,647
Retained surplus		4,870,970	4,762,854
TOTAL EQUITY		5,446,530	5,616,501

The accompanying notes form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2016**

	Available-for- sale reserve \$	Retained surplus \$	Total \$
Balance at 1 July 2014	674,230	4,368,591	5,042,821
Surplus for the year	-	394,263	394,263
Other comprehensive income for the year	179,417	-	179,417
Total comprehensive income for the year	<u>179,417</u>	<u>394,263</u>	<u>573,680</u>
Balance at 30 June 2015	<u>853,647</u>	<u>4,762,854</u>	<u>5,616,501</u>
Balance at 1 July 2015	853,647	4,762,854	5,616,501
Surplus for the year	-	108,116	108,116
Other comprehensive deficit for the year	(278,087)	-	(278,087)
Total comprehensive deficit for the year	<u>(278,087)</u>	<u>108,116</u>	<u>(169,971)</u>
Balance at 30 June 2016	<u>575,560</u>	<u>4,870,970</u>	<u>5,446,530</u>

The accompanying notes form part of these financial statements.

**STATEMENT OF CASH FLOWS
FOR YEAR ENDED 30 JUNE 2016**

	Note	2016 \$	2015 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from customers		765,426	925,899
Payments to suppliers and employees		(702,556)	(556,831)
Interest received		14,962	23,472
Net cash provided by operating activities		<u>77,832</u>	<u>392,540</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Net proceeds from sale and purchases of investments		(365,292)	(22,042)
Net used in investing activities		<u>(365,292)</u>	<u>(22,042)</u>
Net (decrease)/increase in cash and cash equivalents		(287,460)	370,498
Cash and cash equivalents at beginning of year		632,032	261,534
Cash and cash equivalents at end of year		<u><u>344,572</u></u>	<u><u>632,032</u></u>

The accompanying notes form part of these financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

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 and other short-term highly liquid investments with original maturities of three months or less.

(c) 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.

(d) Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the entity has transferred substantially all the risks and rewards of ownership.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Investments and other financial assets (continued)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets, principally equity securities, that are either designated as available-for-sale or not classified as any other category. After initial recognition, fair value movements are recognised in other comprehensive income through the available-for-sale reserve in equity. Cumulative gain or loss previously reported in the available-for-sale reserve is recognised in profit or loss when the asset is derecognised or impaired.

Impairment of financial assets

The Company assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

The amount of the impairment allowance for financial assets carried at cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for similar financial assets.

Available-for-sale financial assets are considered impaired when there has been a significant or prolonged decline in value below initial cost. Subsequent increments in value are recognised in other comprehensive income through the available-for-sale reserve.

(e) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified at fair value through profit or loss in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

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 for 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 costs 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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Financial Instruments (continued)

i. 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.

ii. Financial liabilities, including trade and other payables

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

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 loss has arisen. Impairment losses are recognised in the statement of profit or loss and other comprehensive income.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(f) 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.

(g) 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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) 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).

(i) 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.

(j) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments 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.

Key Estimates

i. Impairment

The Company assesses impairment at each reporting date by evaluation of conditions and events specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

No impairment has been recognised in respect of available-for-sale financial assets at reporting date.

ii. Employee benefits provision

As per Note 1(f), the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at 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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) 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.

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

The Company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

	Note	2016 \$	2015 \$
NOTE 2: REVENUE			
<i>Revenue from operating activities</i>			
- Donations received		275,363	641,692
- Sponsorships		143,082	144,784
- Investment income		<u>379,456</u>	<u>140,882</u>
		<u>797,901</u>	<u>927,358</u>
<i>Other revenue</i>			
- Interest income		<u>14,962</u>	<u>23,472</u>
Total revenue and other revenue		<u><u>812,863</u></u>	<u><u>950,830</u></u>
NOTE 3: CASH AND CASH EQUIVALENTS			
Cash at bank		344,472	631,932
Cash on hand		100	100
	9	<u>344,572</u>	<u>632,032</u>
NOTE 4: TRADE AND OTHER RECEIVABLES			
Current			
Franking credits receivable		59,658	31,449
Other receivables		428	-
Net GST receivable		<u>10,431</u>	<u>6,593</u>
		70,517	38,042
Less: Net GST receivable		<u>(10,431)</u>	<u>(6,593)</u>
Financial receivables as trade and other receivables	9	<u>60,086</u>	<u>31,449</u>
NOTE 5: AVAILABLE-FOR-SALE FINANCIAL ASSETS			
Managed investments	9	<u>5,039,815</u>	<u>4,952,610</u>
<i>Reconciliation</i>			
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:			
Opening fair value		4,952,610	4,620,314
Additions		365,292	152,879
Revaluation (decrements)/increments		<u>(278,087)</u>	<u>179,417</u>
Closing fair value		<u>5,039,815</u>	<u>4,952,610</u>
NOTE 6: TRADE AND OTHER PAYABLES			
Current			
<i>Unsecured liabilities</i>			
Trade payables	9	<u>-</u>	<u>4,463</u>
NOTE 7: PROVISIONS			
Current			
Annual leave		<u>8,374</u>	<u>1,720</u>

	Note	2016 \$	2015 \$
NOTE 8: AVAILABLE-FOR-SALE RESERVE			
The reserve is used to recognise increments and decrements in the fair value of available-for-sale financial assets.			
Opening balance		853,647	674,230
Revaluation (decrements)/increments		<u>(278,087)</u>	<u>179,417</u>
Closing balance		<u><u>575,560</u></u>	<u><u>853,647</u></u>

NOTE 9: FINANCIAL RISK MANAGEMENT

Financial Risk Management Policies

The Company's financial instruments consist mainly of deposits with banks, short-term deposits and accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

Financial Assets

Cash and cash equivalents	3	344,572	632,032
Loans and receivables	4	60,086	31,449
Assets-available-for-sale	5	<u>5,039,815</u>	<u>4,952,610</u>
Total Financial Assets		<u><u>5,444,473</u></u>	<u><u>5,616,091</u></u>

Financial Liabilities

Financial liabilities at amortised cost:

Trade and other payables	6	<u>-</u>	<u>4,463</u>
Total Financial Liabilities		<u><u>-</u></u>	<u><u>4,463</u></u>

NOTE 10: RELATED PARTY TRANSACTIONS

Key management personnel

Disclosures relating to key management personnel are set out in note 11.

Transactions with related parties

The following revenue transactions occurred with related parties:

Inner Northern Group Training Ltd - Sponsorship income	143,082	144,784
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Terms and conditions

All transactions were made on normal commercial terms and conditions.

NOTE 11: 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 committee member (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>74,000</u>	<u>55,400</u>
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NOTE 12: CONTINGENT LIABILITIES

There are no contingent liabilities at reporting date (2015: \$nil).

NOTE 13: 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 14: COMPANY DETAILS

The registered office and principal place of business of the Company is:
192-198 High Street
NORTHCOTE VICTORIA 3070

Inner North Community Foundation Limited

ACN: 127 058 682

DIRECTORS 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 2016 and of its performance for the financial year ended on that date; and
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*:


Genevieve Timmons
Chair


Christopher Baker
Deputy Chair

Dated this 8th day of November 2016.

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