

# **Inclusion Melbourne Inc**

ABN: 67 568 450 949

## **Financial Report**

For the Year Ended 30 June 2022

# Inclusion Melbourne Inc

ABN: 67 568 450 949

## Contents

For the Year Ended 30 June 2022

	Page
<b>Financial Statements</b>	
Statement of Profit or Loss and Other Comprehensive Income	1
Statement of Financial Position	2
Statement of Changes in Equity	3
Statement of Cash Flows	4
Notes to the Financial Statements	5
Statement by the Board Members	18
Auditors Independence Declaration	19
Independent Audit Report	20

# Inclusion Melbourne Inc

## Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2022

	Note	2022 \$	2021 \$
Revenue	4	4,015,681	5,154,853
Employee benefits expenses		(4,450,646)	(4,483,523)
Building and property expenses		(83,473)	(194,135)
Program funding expenses		(227,306)	(311,830)
Depreciation expenses		(100,051)	(128,525)
Office expenses		(50,400)	(41,049)
Administrative and project expenses		(284,512)	(319,612)
Other expenses		-	(178)
<b>Surplus (Deficit) for the year</b>		<b>(1,180,707)</b>	<b>(323,999)</b>
Other comprehensive income for the year		-	-
<b>Total comprehensive income for the year</b>		<b>(1,180,707)</b>	<b>(323,999)</b>

The accompanying notes form part of these financial statements.

# Inclusion Melbourne Inc

ABN: 67 568 450 949

## Statement of Financial Position

As at 30 June 2022

	Note	2022 \$	2021 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	149,915	79,599
Trade and other receivables	6	220,604	128,764
Other assets	8	49,043	57,575
<b>TOTAL CURRENT ASSETS</b>		<b>419,562</b>	<b>265,938</b>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment	7	379,955	477,902
<b>TOTAL NON-CURRENT ASSETS</b>		<b>379,955</b>	<b>477,902</b>
<b>TOTAL ASSETS</b>		<b>799,517</b>	<b>743,840</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	390,249	196,010
Deferred income	11	146,552	162,824
Employee benefits	12	430,049	398,579
<b>TOTAL CURRENT LIABILITIES</b>		<b>966,850</b>	<b>757,413</b>
<b>NON-CURRENT LIABILITIES</b>			
Other financial liabilities	10	2,057,000	1,015,000
Employee benefits	12	40,099	55,152
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>2,097,099</b>	<b>1,070,152</b>
<b>TOTAL LIABILITIES</b>		<b>3,063,949</b>	<b>1,827,565</b>
<b>NET ASSETS</b>		<b>(2,264,432)</b>	<b>(1,083,725)</b>
<b>Equity</b>			
Retained losses		(2,264,432)	(1,083,725)
<b>TOTAL EQUITY</b>		<b>(2,264,432)</b>	<b>(1,083,725)</b>

The accompanying notes form part of these financial statements.

# Inclusion Melbourne Inc

ABN: 67 568 450 949

## Statement of Changes in Equity

For the Year Ended 30 June 2022

### 2022

	Retained Losses \$	Total \$
Balance at 1 July 2021	(1,083,725)	(1,083,725)
Surplus/(deficit) for the year	(1,180,707)	(1,180,707)
Balance at 30 June 2022	<u>(2,264,432)</u>	<u>(2,264,432)</u>

### 2021

	Retained Losses \$	Total \$
Balance at 1 July 2020	(759,726)	(759,726)
Surplus/(deficit) for the year	(323,999)	(323,999)
Balance at 30 June 2021	<u>(1,083,725)</u>	<u>(1,083,725)</u>

The accompanying notes form part of these financial statements.

# Inclusion Melbourne Inc

ABN: 67 568 450 949

## Statement of Cash Flows

For the Year Ended 30 June 2022

	2022	2021
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from grants, donations and other income	3,988,574	5,370,367
Payments to suppliers and employees	(4,958,175)	(5,360,625)
Interest received	22	325
Net cash provided by/(used in) operating activities	16 (969,579)	10,067
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Payments for purchase of fixed assets	(2,105)	(3,999)
Net cash used by investing activities	(2,105)	(3,999)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Advances of borrowings	1,042,000	-
Net cash used by financing activities	1,042,000	-
Net increase/(decrease) in cash and cash equivalents held	70,316	6,068
Cash and cash equivalents at beginning of year	79,599	73,531
Cash and cash equivalents at end of financial year	5 149,915	79,599

The accompanying notes form part of these financial statements.

# Inclusion Melbourne Inc

ABN: 67 568 450 949

## Notes to the Financial Statements

For the Year Ended 30 June 2022

### 1 General Information

The financial report of Inclusion Melbourne Inc is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the *Australian Incorporations Reform Act 2012 (Vic)*, the *Australian Charities and Not-for-Profits Commission Act 2012* and the Rules of the Association. The Directors of Inclusion Melbourne Inc have determined that the Association is not a reporting entity. The Association is a not-for-profit for financial reporting purposes under the Australian Accounting Standards.

Inclusion Melbourne Inc is a not-for-profit association, incorporated and domiciled in Victoria.

#### Principal Activities

Inclusion Melbourne provides a range of personalised services to more than 120 adults in the areas of support coordination, direct support, community visitation, volunteering and specialities in learning and training courses

Through best practice research and innovation, Inclusion Melbourne provides leadership to both state and federal governments in policy development and sector reform.

#### Statement of Compliance

The financial statements have been prepared in accordance with the recognition and measurement requirements specified by all applicable Australian Accounting Standards (except as noted below), and the disclosure requirements of AASB 101 Presentation of Financial Statements, AASB 107 Statement of Cash Flows, AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, and AASB 1054 Australian Additional Disclosures.

The Association has not applied the recognition and measurement requirements of AASB 119 Employee Benefits. The material accounting policies adopted for employee benefits are set out in the accounting policy note 1(j) in these special purpose financial statements.

The Board of the Association have not formally assessed if the requirements of *AASB 10 Consolidated Financial Statements* and *AASB 128 Investments in Associates and Joint Ventures* would be applicable and have not quantified the impact of these accounting standards in these special purpose financial statements.

The Board of the Association have not formally assessed if the requirements of *AASB 138 Intangible Assets* would be applicable and have not quantified the impact of these accounting standards in these special purpose financial statements. The material accounting policies adopted for Intangible Assets (CRM software) are set out in the accounting policy note 1(f) in these special purpose financial statements.

#### Basis of Preparation

The financial report has been prepared on an accrual basis and is based on historical costs. It does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless stated otherwise, have been adopted by the Association in the preparation of the financial report.

# Inclusion Melbourne Inc

ABN: 67 568 450 949

## Notes to the Financial Statements

For the Year Ended 30 June 2022

### 2 Summary of Significant Accounting Policies

#### (a) Revenue and other income

##### Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

##### Contract asset

A contract asset is recognised for work performed but not yet billed due to the milestone billing arrangements in a contract. Once an invoice is issued, the corresponding contract asset is reclassified to trade receivables. A contract liability is recognised if the milestone payment exceeds the revenue recognised to date under the cost-to-cost method.

##### Other revenue

Other revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration Inclusion Melbourne Inc expect to receive in exchange for those goods or services.

##### Interest revenue

Interest is recognised using the effective interest method.

##### NDIS income

Support is provided to participants in accordance with a service agreement and the NDIS is billed for the support fortnightly in arrears.



# Inclusion Melbourne Inc

ABN: 67 568 450 949

## Notes to the Financial Statements

For the Year Ended 30 June 2022

### 2 Summary of Significant Accounting Policies

#### (a) Revenue and other income

##### Government grants

Revenue from Government grants is recognised on the basis that the transfer of promised goods or services to customers at an amount that reflects the consideration expected to be received in exchange for those goods or services. Each agreement is analysed to determine the revenue recognition in accordance with the five step model. Where revenue is recognised over time, recognition is based on directly related expenditure or hours incurred. Where performance obligations have not been met, remaining amounts will be recognised as unearned income.

#### (b) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*. The organisation is registered with the Australian Charities and Not-for-profit Commission as a charity.

#### (c) Goods and Services Tax (GST)

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

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

#### (d) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand and demand deposits.

#### (e) Trade and Other Debtors

Accounts receivable and other debtors include amounts due from customers. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

#### (f) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

# Inclusion Melbourne Inc

ABN: 67 568 450 949

## Notes to the Financial Statements

For the Year Ended 30 June 2022

### 2 Summary of Significant Accounting Policies

#### Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a reducing balance basis over the asset's useful life to the Company, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Fixtures and Fittings	15%
Computer Equipment	40%
Office Equipment	15%
Motor Vehicles	22.5%
CRM System	20%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

#### (g) Financial instruments

##### Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

##### *Classification*

On initial recognition, the Company measures its financial assets at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

##### *Amortised cost*

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

# Inclusion Melbourne Inc

ABN: 67 568 450 949

## Notes to the Financial Statements

For the Year Ended 30 June 2022

### 2 Summary of Significant Accounting Policies

#### Financial assets

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

#### *Impairment of financial assets*

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

#### *Trade receivables and contract assets*

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

# Inclusion Melbourne Inc

ABN: 67 568 450 949

## Notes to the Financial Statements

For the Year Ended 30 June 2022

### 2 Summary of Significant Accounting Policies

#### Financial assets

*Other financial assets measured at amortised cost*

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

#### (h) Impairment of non-financial assets

At the end of each reporting period, the Association reviews the carrying amounts of its tangible and intangible 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 of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the Association would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of a class of asset, the Association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

#### (i) Trade Payables and other Payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

#### (j) Employee benefits

Provision is made for the Company's liability for employee benefits such as annual leave and long service leave provisions. Short term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages and salaries. Short-term employee benefits are measured at the amounts expected to be paid when the obligation is settled. Long-term employee benefits are benefits that are expected to be settled at least 12 months after the end of the financial reporting period.

# Inclusion Melbourne Inc

ABN: 67 568 450 949

## Notes to the Financial Statements

For the Year Ended 30 June 2022

### 2 Summary of Significant Accounting Policies

#### (j) Employee benefits

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

The Association's obligations for unpaid employee benefits such as wages and salaries are recognised as a part of current trade and other payables in the statement of financial position.

The Association's obligations for employee provisions are presented as current and non-current provisions in its statement of financial position.

#### (k) 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.

#### (l) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

No right-of-use assets or lease liabilities have been taken up in these special purpose financial statements.

#### (m) Going concern

The Directors, having considered the following, have adopted to prepare the financial statements on a going concern basis:

- Net assets deficiency
- Deficiency in working capital
- Losses in recent years

Notwithstanding the Company's deficiency in net assets, the financial report has been prepared on the going concern basis. This basis has been adopted as the Company has received a commitment of continuing financial support from Gawith Foundation Inc to allow the Company to meet its liabilities and it is the belief of the Association that such financial support will continue to be made available.

The Directors have determined that the financial report should be prepared on a going concern basis on the basis that the Directors of Gawith Foundation will provide funds as necessary to meet operating liabilities and will not call upon the loan in the twelve months from the date of signing these financial statements.

# Inclusion Melbourne Inc

ABN: 67 568 450 949

## Notes to the Financial Statements

For the Year Ended 30 June 2022

### 3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

#### **Key estimates - revenue recognition**

To identify a performance obligation under AASB15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgment to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature, cost, quantity and the period of transfer related to the goods or services promised.

# Inclusion Melbourne Inc

ABN: 67 568 450 949

## Notes to the Financial Statements

For the Year Ended 30 June 2022

### 4 Revenue and Other Income

	2022	2021
	\$	\$
<b>Revenue</b>		
- NDIS and individual support packages	2,850,607	2,503,734
- Government stimulus package	-	1,506,150
- Grant income	771,475	807,713
- Grant funding - RTO	289,813	287,210
- Client fees	-	655
- Sundry income	68,904	15,226
- Donations	34,860	33,840
- Interest received	22	325
<b>Total Revenue</b>	<b>4,015,681</b>	<b>5,154,853</b>

### 5 Cash and Cash Equivalents

Cash at bank and short-term deposits	149,915	79,599
<b>Total cash and cash equivalents</b>	<b>149,915</b>	<b>79,599</b>

### 6 Trade and Other Receivables

CURRENT		
Trade receivables	67,330	49,326
Provision for doubtful debts	(1,793)	(2,628)
	65,537	46,698
Accrued revenue	142,636	64,885
Other debtors	12,431	17,181
<b>Total trade and other receivables</b>	<b>220,604</b>	<b>128,764</b>

# Inclusion Melbourne Inc

ABN: 67 568 450 949

## Notes to the Financial Statements

For the Year Ended 30 June 2022

### 7 Plant and equipment

	2022	2021
	\$	\$
Fixtures		
At cost	38,689	38,689
Accumulated depreciation	(23,612)	(20,952)
Total furniture, fixtures and fittings	<u>15,077</u>	<u>17,737</u>
Motor vehicles		
At cost	36,963	36,963
Accumulated depreciation	(34,856)	(34,245)
Total motor vehicles	<u>2,107</u>	<u>2,718</u>
Office equipment		
At cost	66,914	66,914
Accumulated depreciation	(49,277)	(45,818)
Total office equipment	<u>17,637</u>	<u>21,096</u>
Computer equipment		
At cost	232,653	230,549
Accumulated depreciation	(196,346)	(179,890)
Total computer equipment	<u>36,307</u>	<u>50,659</u>
CRM system improvements		
At cost	543,469	543,469
Accumulated depreciation	(236,006)	(159,141)
Total CRM systems	<u>307,463</u>	<u>384,328</u>
LMS system improvements		
At cost	1,364	1,364
Accumulated depreciation	-	-
Total LMS system improvements	<u>1,364</u>	<u>1,364</u>
<b>Total property, plant and equipment</b>	<b><u><u>379,955</u></u></b>	<b><u><u>477,902</u></u></b>

### 8 Other Assets

CURRENT		
Other assets	49,043	57,575
<b>Total other assets</b>	<b><u><u>49,043</u></u></b>	<b><u><u>57,575</u></u></b>



# Inclusion Melbourne Inc

ABN: 67 568 450 949

## Notes to the Financial Statements

For the Year Ended 30 June 2022

### 9 Trade and other payables

	2022	2021
	\$	\$
CURRENT		
Other payables	216,817	56,468
Trade payables	47,777	19,278
Accrued expenses	125,606	105,050
Salary sacrifice payable	49	-
Payable to Gawith Foundation	-	15,214
<b>Total trade and other payables</b>	<b>390,249</b>	<b>196,010</b>

### 10 Financial Liabilities

NON-CURRENT		
Loan from Gawith Foundation	2,057,000	1,015,000
<b>Total financial liabilities</b>	<b>2,057,000</b>	<b>1,015,000</b>

### 11 Income in Advance

CURRENT		
Income in advance	146,552	162,824
<b>Total income in advance</b>	<b>146,552</b>	<b>162,824</b>

### 12 Employee Benefits

CURRENT		
Employee benefits	430,049	398,579
<b>Current Employee Benefits</b>	<b>430,049</b>	<b>398,579</b>
NON CURRENT		
Employee benefits	40,099	55,152
<b>Non Current Employee Benefits</b>	<b>40,099</b>	<b>55,152</b>

### 13 Auditors' Remuneration

Remuneration of the auditor Saward Dawson, for:

- auditing or reviewing the financial statements	11,500	10,950
- other services	900	800
<b>Total</b>	<b>12,400</b>	<b>11,750</b>

# Inclusion Melbourne Inc

ABN: 67 568 450 949

## Notes to the Financial Statements

For the Year Ended 30 June 2022

### 14 Contingencies

#### Contingent Liabilities

Inclusion Melbourne Inc had the following contingent liabilities at the end of the reporting period:

Inclusion Melbourne Inc has a bank guarantee as security for contract extension with Skills Victoria of \$21,530 (2021: Nil).

### 15 Related Parties

#### Transactions with related parties

The Association has commitments to continue to receive support from Gawith Foundation.

The following transactions occurred with related parties:

	Revenue	Expenses	Balance outstanding	
	\$	\$	Payable	Receivable
	\$	\$	\$	\$
<b>Gawith Foundation</b>				
Corporate service fees	34,860	-	-	-
Grants	355,104	-	-	-
Loan	-	-	2,057,000	32,497

### 16 Cash Flow Information

Reconciliation of result for the year to cash flows from operating activities:

	2022	2021
	\$	\$
(Deficit) for the year	(1,180,707)	(323,999)
- depreciation	100,052	128,525
- provision for doubtful debts	(2,269)	-
Changes in assets and liabilities;		
- (increase)/decrease in trade and other receivables	(89,571)	171,779
- (increase)/decrease in prepayments	8,532	12,713
- increase/(decrease) in amounts received in advance	(16,272)	(49,125)
- increase/(decrease) in trade and other payables	194,239	(16,809)
- increase/(decrease) in other provisions	16,417	86,983
Cash flow from operations	<u>(969,579)</u>	<u>10,067</u>

# Inclusion Melbourne Inc

ABN: 67 568 450 949

## Notes to the Financial Statements

For the Year Ended 30 June 2022

### 17 Events after the end of the Reporting Period

The COVID-19 pandemic began in 2020 and continues to have a global economic impact. While the future effect of the pandemic on the Association is unknown, operations and provision of services have been severely affected by government imposed operational and movement restrictions in the financial year ended 30 June 2022. Government restrictions continue to impact the delivery of services up until the date of the signing of the financial statements. However, the Board does not believe that the pandemic will prevent the Association from continuing to operate as a going concern due to the factors described in note 1(m).

No other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

### 18 Association Details

The registered office of the Association is:

Inclusion Melbourne Inc

67 Sutherland Road

Armadale VIC 3143

# Inclusion Melbourne Inc

ABN: 67 568 450 949

## Statement by the Board Members

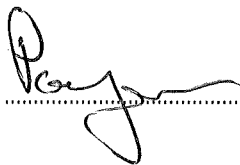
The Board has determined that the Company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and the accounting policies outlined in Note 2 to the financial statements.

In the opinion of the board, the board members certify that the financial report as set out on pages 2 to 17:

1. Presents a true and fair view of the financial position of Inclusion Melbourne Inc as at 30 June 2022 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 and 2 to the financial statements; and
2. At the date of this statement, there are reasonable grounds to believe that Inclusion Melbourne Inc will be able to pay its debts as and when they fall due with the continuing support of creditors.

This statement is made in accordance with a resolution of the Board and is signed for and on behalf of the Board by:

Board Member  .....

Board Member  .....

Dated 19 October 2022 .

## Inclusion Melbourne Inc

ABN: 67 568 450 949

### **Auditors Independence Declaration under Section 60.40 of the Australian Charities and Not-for-profits Commission Act 2012**

In accordance with the requirements of section 60.40 of the Australian Charities and Not-for-profits Commission Act 2012, as auditor for the audit of Inclusion Melbourne Inc for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

- (i) No contraventions of the auditor independence requirements section 60.40 of the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- (ii) No contraventions of any applicable code of professional conduct in relation to the audit, and Accounting Professional and Ethical Standards.

  
Saward Dawson



Jeffrey Tulk  
Partner  
Blackburn VIC

Dated: 2 November 2022

# Inclusion Melbourne Inc

ABN: 67 568 450 949

## Independent Audit Report to the members of Inclusion Melbourne Inc

### Report on the Audit of the Financial Report

#### Opinion

We have audited the accompanying financial report, being a special purpose financial report of Inclusion Melbourne Inc (the Association), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by the board members.

In our opinion, the accompanying financial report of Inclusion Melbourne Inc has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of Inclusion Melbourne Inc's financial position as at 30 June 2022 and of its financial performance and its cash flow for the year ended; and
- (ii) complying with the Australian Accounting standards to the extent described in Note 1, Division 60 of the Australian Charities and Not-for-Profits Commission Regulation 2013, and the Associations Incorporation Reform Act 2012.

#### Basis of Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of Inclusion Melbourne Inc in accordance with the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act) ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

# Inclusion Melbourne Inc

ABN: 67 568 450 949

## Independent Audit Report to the members of Inclusion Melbourne Inc

### Emphasis of Matter - Going Concern

We draw attention to Note 2(m) in the financial report, which indicates that Inclusion Melbourne Inc incurred a net loss of (\$1,202,077) during the year ended 30 June 2022 and, as of that date, Inclusion Melbourne Inc's current liabilities exceeded its total assets by \$2,285,802. The Association is reliant on the ongoing financial support of Gawith Foundation Inc. as stated in Note 1(m), these events or conditions, along with other matters as set forth in Note 2(m), indicate that a material uncertainty exists that may cast significant doubt on the Inclusion Melbourne Inc's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Directors' financial reporting responsibilities under the *Australian Charities and Not-for-profits Commission Act 2012*, the *Australian Charities and Not-for-profits Commission Regulation 2013* and the *Associations Incorporation Reform Act 2012* (VIC). As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

### Board Members' Responsibility for the Financial Report

The Board of Inclusion Melbourne Inc are responsible for the preparation and fair presentation of the financial report and have determined that the basis of preparation described in Note 1, is appropriate to meet the requirements of the Australian Charities and Not-for-profits Commission Act 2012 and is appropriate to meet the needs of the members. The board members' responsibility also includes such internal control as the officers determine is necessary to enable the preparation and fair presentation of a financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the board is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process

### Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

21

## Inclusion Melbourne Inc

ABN: 67 568 450 949

### Independent Audit Report to the members of Inclusion Melbourne Inc

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Inclusion Melbourne Inc's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board members.
- Conclude on the appropriateness of the board members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Inclusion Melbourne Inc's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Inclusion Melbourne Inc to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

  
Saward Dawson



Jeffrey Tulk  
Partner

Blackburn VIC  
Dated: 2 November 2022