

An aerial photograph of a vast, dense forest. The majority of the trees are dark green, creating a textured canopy. In the center of the image, a single tree stands out with bright red foliage, providing a focal point. The lighting is soft, suggesting an overcast day or early morning/late afternoon.

2023 IMPACT REPORT

INGRAINED
FOUNDATION

Social and environmental wellbeing are inextricably linked.

That's why we're taking an interconnected and collaborative approach, investing in and walking alongside grassroots not-for-profits and community.

Our vision is for a regenerative region with thriving communities where resilience, wellbeing, inclusion, diversity and social cohesion are prioritised.

ACKNOWLEDGEMENT

We acknowledge the people of Bundjalung Jagun, the traditional custodians of the land we live, work and learn on in the Northern Rivers, NSW. We pay our respect to their elders past and present, and to the connection First Nations Peoples maintain with land, sea and community.



CONTENTS

Introduction	5
Overview	6
Highlights	8
Learnings	9
Five year milestone	10
Theory of Change	14
Deepening our impact	16
2023 Impact Summary	18
Giving	19
Emergency Relief	20
Cultural Initiatives	22
Long term partnerships	23
Impact investing	24
Our meeting place	25
Financial report	26

WELCOME FROM CHRIS PENSABENE, CHAIR

As Ingrained Foundation celebrates its 5-year anniversary, 2023 was a year of reflection and reset. Since the inception of the Foundation, meaningful and inspired connections have been formed, and we are proud of the outcomes that have been achieved within the communities we operate, despite the environmental challenges.

We took the opportunity to take the learnings to date and focus it into a year of foundation setting. A review of the first five years led to the establishment of a Theory of Change, a three-year strategy, clear impact themes and a consolidated focus on the Northern Rivers that we hope in time will contribute to a regenerative region with thriving communities.

Our operating team also evolved in 2023 with James Perrin completing 5 years of service and handing over responsibilities to Jasmin Daly. James has played an instrumental role overseeing grants, community partnerships and supporting the investment thesis evolution as we move to an impact investment portfolio. We thank him for all his contributions, his influence in shaping the foundation and we look forward to him remaining an important member of our community.

Finally, the continued support and commitment from our donors since inception has placed the Foundation in the privileged position of being able to self-sustain its annual grants round in the Northern Rivers. Unfortunately, the need in the community far outweighs our ability to fund and we continue to welcome new donors or opportunities to collaborate with other like-minded purpose led organisations that are looking to make impact in the Northern Rivers and resonate with our work.

We eagerly anticipate 2024 as we implement our Theory of Change, welcome the new opportunities that may present and look forward to deepening our connections with the community.

With Gratitude,
Chris

OVERVIEW OF 2023



FEBRUARY

Jasmin Daly joins as Executive Director

Additional funds directed to support ongoing Northern Rivers flood relief, taking total donations to \$240k

APRIL

2023 Northern Rivers Grants Round

MAY

Theory of Change developed

Supported Kinship Festival

JUNE

\$201k granted to ten Northern Rivers not-for-profits

JULY

Implemented our Impact Investment Strategy with \$5m under management

NOVEMBER

Rebrand and new website

Living Lab Northern Rivers supported community event: A Place for Oysters

DECEMBER

Set-up shared working space at 4 Boronia Place

HIGHLIGHTS

5

year milestone reached with \$2.5m donated to community since inception

THEORY OF CHANGE

3-year strategy developed

MULTI-YEAR PARTNERSHIPS

approach developed

\$210K

granted through annual program

BRAND REFRESH

and website relaunch

Opening of our **OFFICE SPACE**

LEARNINGS

FOCUS IMPACT AND CENTRALISE RESOURCES



Broadening impact into other regions requires resources, local knowledge, connections and time. We piloted a grants program in 2022 in Brisbane and although we made some great connections with outstanding not-for-profits, we found that unless we were going to allocate additional resources in this area, it is more meaningful to focus our impact and centralise resources in the Northern Rivers.

CREATE A ROADMAP



The Theory of Change we have developed to guide our impact represents the culmination of many years of community engagement, reflection and deep exploration. It is our natural next-step in the lifecycle of the foundation. We look forward to testing our theory with the strategy developed, measuring and evaluating the impact in line with our long-term outcomes.

INCREASE SECURITY OF FUNDING



Through our external stakeholder consultation, which was done as a part of our Theory of Change development, along with ongoing engagement with our beneficiaries, it is clear that introducing a partnership led approach has many benefits. While annual grants enable us to support a number of grassroots not-for-profits and introduces us to initiatives we may not have been aware of, this annual funding approach may not be the most effective way to improving agency and financial security of organisations or best enabling long-term change.

COLLABORATION IS KEY



We can do more together than on our own. Cross-sector collaboration is key and as is developing partnerships.

SEEK A DIVERSITY OF VOICES



A diversity of voices at the table is needed and we recognise the importance of ensuring our community is well represented in the decisions we make. That is why we are looking to connecting and collaborating more, including seeking Indigenous advisory moving forward.

FOCUSED IMPACT INVESTMENTS



Our impact extends beyond deploying grants and into how we choose to invest our capital via focused impact investments.

REACHING OUR FIVE-YEAR MILESTONE



Human Nature Adventure Therapy



Bangalow Koalas



Stone and Wood



The Shedding

SINCE 2018 WE HAVE DONATED OVER \$2.5 MILLION TO OVER 100 CHARITIES, INCLUDING 40 GRANTS ACROSS THE NORTHERN RIVERS AND BRISBANE AND \$240K IN EMERGENCY RELIEF FUNDING.



Stone and Wood



Queer Family

WE WERE ESTABLISHED BY STONE & WOOD AS A PUBLIC ANCILLARY FUND (PAF). BEING ABLE TO ACCEPT DONATIONS WAS A CONSCIOUS DECISION TO ENSURE THE FOUNDATION WOULD CONTINUE IN PERPETUITY, ENABLING STAKEHOLDERS AND THE BROADER COMMUNITY TO SHARE THEIR ONGOING SUPPORT OF OUR WORK.

Ingrained is also independently governed. We are overseen by a board of directors and we welcomed Jasmin Daly as Executive Director. Our decisions are guided using our Theory of Change as our north star. This is how we believe we can make the most meaningful impact.

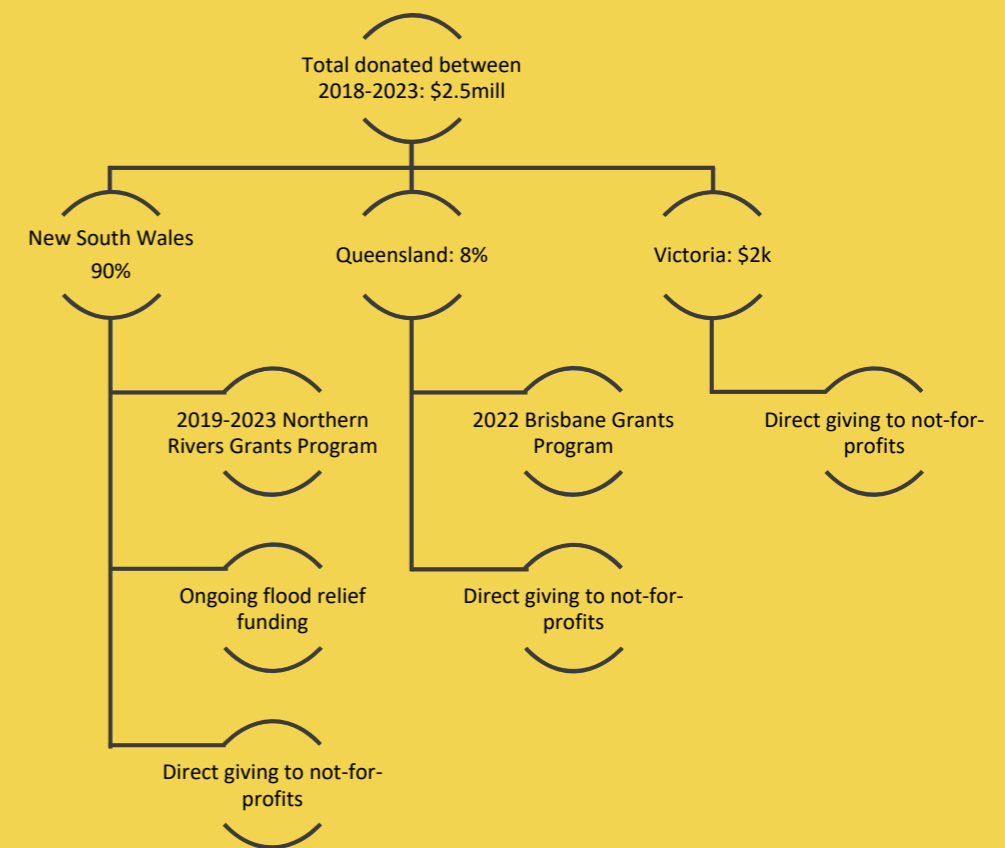
The Foundation's impact-to-date has been made possible through the ongoing contributions of Stone & Wood's giving programs, which include a portion of sales revenue, the generous donations of their stakeholders, along with donations made by our broader community.



Photo credit: Human Nature Adventure Therapy



DISTRIBUTION OF DONATIONS



Our five year milestone represented an opportunity to pause and reflect on our impact, our approach to giving, our role in the community, where to focus our work and determine how we can most meaningfully be of service going forward.

* Stone & Wood is owned by Lion Beverage Company

DEVELOPING OUR THEORY OF CHANGE

Working in consultation with our stakeholders, we developed a Theory of Change – a roadmap for how we make measured impact within the Northern Rivers.

The process clarified:

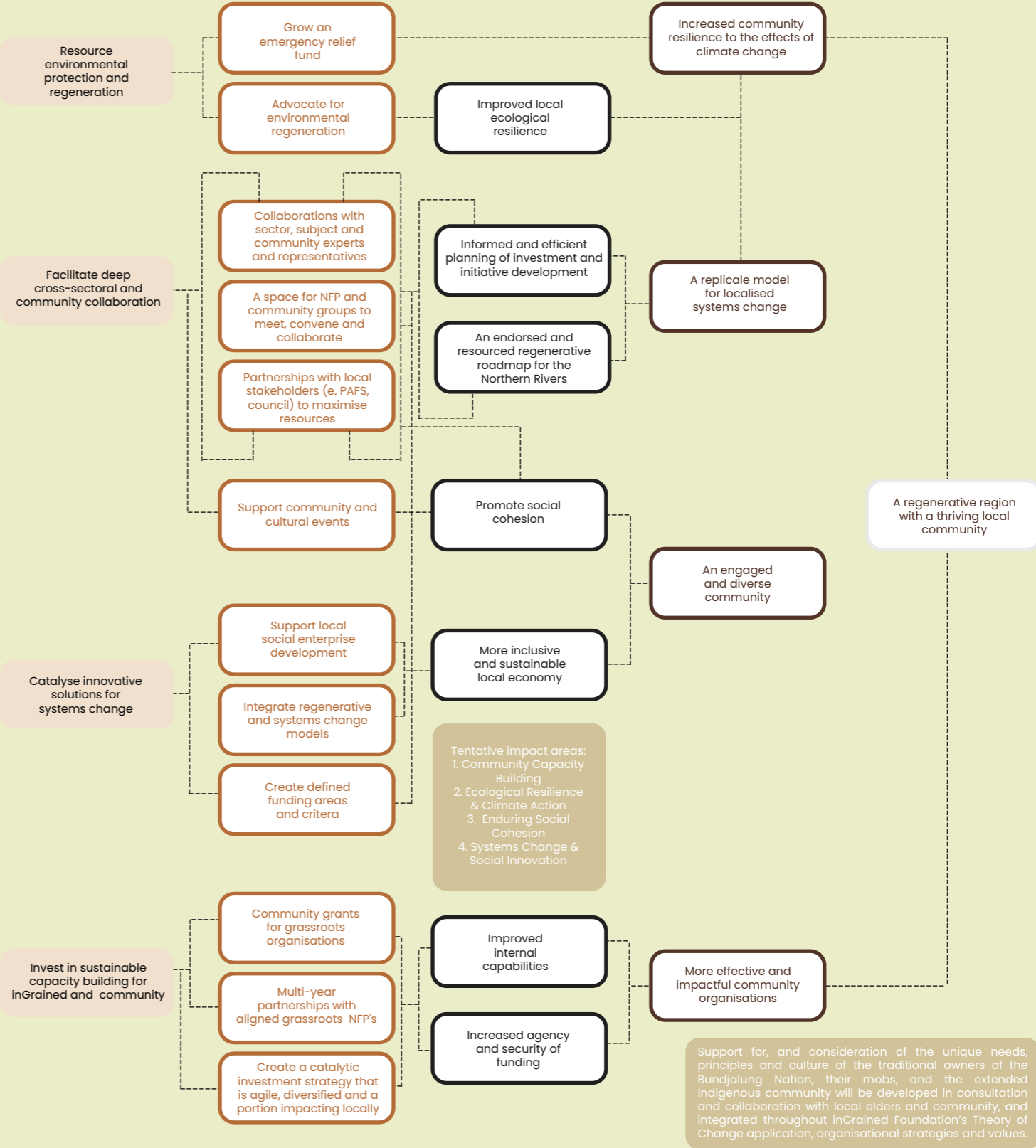
OUR VISION of a regenerative region with thriving communities

OUR INTENTION of becoming a community pillar

OUR WORK being localised and place-based

OUR APPROACH needing to be collaborative, community informed and partnership focused

We recognised that our focus is best placed in improving social and environmental wellbeing and that with finite resources, going deeper feels more meaningful than broader.



DEEPENING OUR IMPACT

With ongoing contributions from Stone & Wood and us being its philanthropic arm and mechanism for giving back to their communities, a key consideration was whether we should continue our national approach to giving. This would have involved expanding our giving program beyond the Northern Rivers and developing key partnerships in other regions, including Brisbane and Melbourne.

It became clear that taking a localised approach and focusing on deepening our impact is more meaningful than broadening it because:

1

To truly understand the needs of a region and its unique challenges, we need to be on the ground, connecting with the community.

2

The need in the Northern Rivers is complex and increasing due to the effects of economic and environmental factors.

3

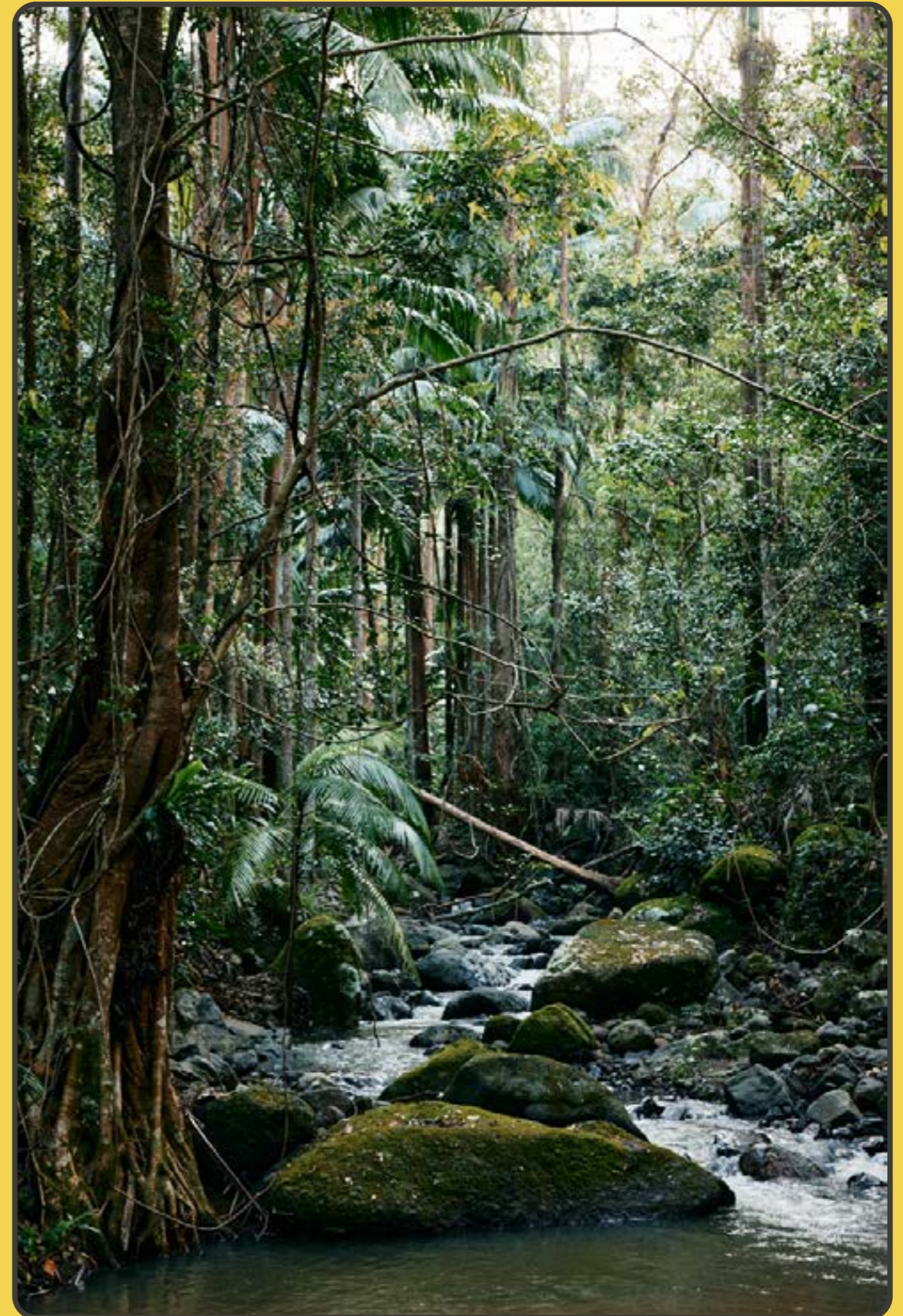
Our Theory of Change's validity needs to be measured and evaluated before we consider adapting it to other regions.

4

While we are self-sustaining, our resources are finite.

With this in mind, our strategy is focused on Bundjalung Country (the Northern Rivers, NSW) where Ingrained Foundation was born. This is where we will focus most of our resources and giving.

It is important to note, we will continue to be a backend mechanism for Stone & Wood to support their local communities beyond the Northern Rivers but our active work of connecting, collaborating, and improving social and environmental wellbeing will be localised.



2023 IMPACT SUMMARY

\$365,298

donated in total

34

grassroots not-for-profits supported

80.5

hours volunteered with not-for-profit recipients and partners

10

Northern Rivers Grants Recipients

35 %

of funding supported environmental initiatives

65 %

of funding supported social initiatives

GIVING

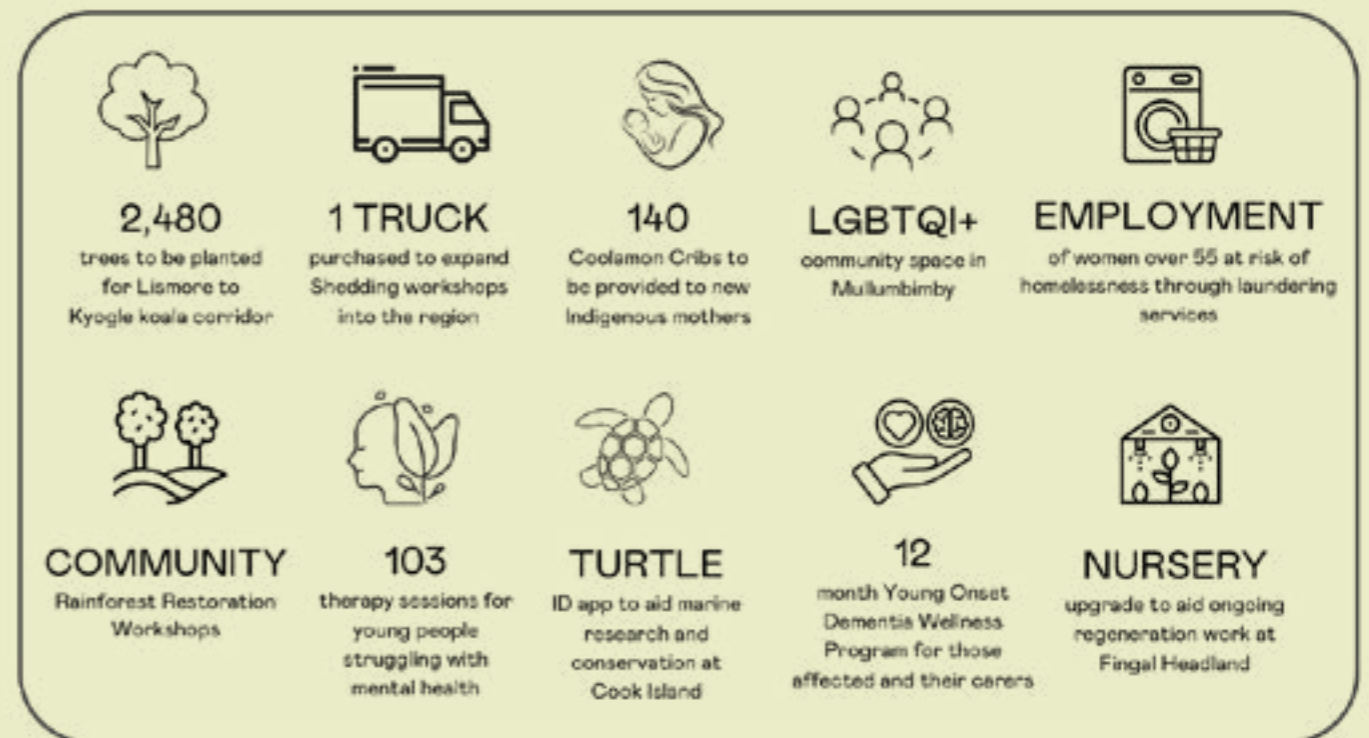
NORTHERN RIVERS GRANTS PROGRAM

Our annual program provides grants between \$5,000 - \$30,000 to improve social and environmental well-being. This year's funding pool of \$201k supported 10 grassroots not-for-profits working across the 7 Northern Rivers local government areas.



SNAPSHOT

Grant funding is enabling:



RECIPIENTS:



EMERGENCY RELIEF

Over the past six years, the Northern Rivers region has weathered droughts, fires, catastrophic floods and their ongoing impacts. Through each disaster and the chaotic, heartbreaking months that ensued, we acted as quickly as possible to distribute over \$240,000 of funding out to known community organisations who were providing critical recovery services.

In addition to the \$150,000 directed to the flood relief in 2022, in January we received a donation from Victorian based company Bintani, who had fundraised \$15,000 alongside interstate industry peers. We directed the money to four community groups Hub 2484, HHUG, Resilient Lismore and Wardell CORE – all of which have been cornerstones for their respective communities' recoveries since the floods.

"WE CHOSE INGRAINED AS THE CHANNEL FOR OUR DONATION DUE TO THEIR CONNECTION TO LOCAL AFFECTED COMMUNITIES, ALONG WITH THE INTEGRITY OF WORK WE BELIEVE INGRAINED DELIVER."

Sam Bethune, Bintani

Through our established relationships and network of community contacts, we are confident in our ability to effectively direct money to where it is most needed, without the unnecessary bureaucracy.

If we have learnt anything over the years, it is that severe climatic disasters are forecast to continue and we need to be prepared to respond. Our next step is to adapt our model, collaborating with other key stakeholders who are lighthouses to our community to:

1 Determine and map key community hubs and organisations who are best equipped to respond in a disaster across the Northern Rivers.

Centralise and maximise fundraising response when disaster strikes.

2

3 Increase efficiency in funds reaching organisations.



Photo credit: Nathan Gordon

CULTURAL INITIATIVES ARE BRIDGEBUILDERS

Rooted in our origins of being connected to a local business which is at the heart of the community, creating connection is a key value of the Foundation. Events, gatherings and cultural initiatives are bridgebuilders. When done well, they can bring a diversity of people together to learn, experience and share together, improving social cohesion.

For years Ingrained Foundation has supported Kinship Festival through an annual donation of \$10,000 and coordinating volunteer support for the free BBQ stall. An Aboriginal-designed and directed initiative on Minjungbal Country (Murwillumbah, NSW), Kinship aims to engage Indigenous and Non-Indigenous families with community, culture, and Country while linking them to local support services and programs through shared learning and participation.

Kinship Festival is a free community event modelling culturally safe practises, developing cultural intelligence, sustaining cultural practises and modelling cultural healing processes aligned with Country.

As a non-Indigenous organisation, we recognise the need for us to listen and learn from the history, knowledge and wisdom of First Nations Peoples and support their initiatives that bring healing and reconnection to Country. We look forward to walking more with Bundjalung-led organisations, Elders and the diversity of voices of mob from and for this region's wellbeing and regeneration.



LONG-TERM PARTNERSHIPS ARE KEY

Our annual grants program provide funding to grassroots not-for-profits enabling them to progress a social or environmental initiative in our region. These grants 'unearth' not-for-profits we may have not been aware of, discover new initiatives and develop relationships, while taking a trust-based philanthropic approach that isn't onerous on the recipient.

We will continue our annual grants and additionally introduce a partnership funding model. This will take a more long-term philanthropic approach with beneficiaries. This enables continuity of services over a broader time-span, giving not-for-profits the opportunity to deliver deeper, meaningful outcomes and reliable data to validate impact models.

Both giving programs will be anchored in our impact areas:



IMPACT INVESTING

It has been important to us to work towards being self-funded without contributing to the industries our philanthropic work is in opposition to. This year, we transitioned to an impact investing led approach to managing our corpus. All of our investments are ethically screened, ensuring they aren't doing any harm at the least and ideally, making meaningful impact.

IT IS EARLY DAYS FOR US AND WE ARE CONSCIOUS THAT THERE ARE NO PERFECT SOLUTIONS BUT THIS APPROACH IS INTENTIONAL. AS WE GO FORWARD, WE'RE LEARNING AS WE GO, BEING OPEN TO OPPORTUNITIES AS THEY ARISE, WITH A FOCUS ON SEEKING LOCALISED IMPACT INVESTMENTS THAT BENEFIT AUSTRALIA, IF NOT SPECIFICALLY THE NORTHERN RIVERS.

OUR MEETING PLACE

A space to meet, workshop and connect, Ingrained's office is intended as a place for not-for-profits to be able to utilise for free.

With working space, a meeting room and common areas, we are looking forward to welcoming the community in 2024.



INGRAINED FOUNDATION

ABN 24 602 236 461

Financial Report For The Year Ended
30 June 2023

Ingrained Foundation Limited

ABN 24 602 236 461

Financial Report For The Year Ended 30 June 2023

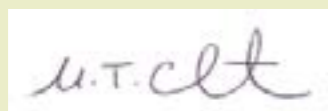
CONTENTS	Page
Auditor's Independence Declaration	1
Statement of Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
Notes to the Financial Statements	6
Declaration by Board of Fundraising Appeals	18
Responsible Persons' of the Company Declaration	19
Independent Audit Report	20

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF INGRAINED FOUNDATION LIMITED
ABN: 24 602 236 461**

In relation to our audit of the financial report of Ingrained Foundation Limited for the year ended 30 June 2023, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the APES 110 Code of Ethics for Professional Accountants or any applicable code of professional conduct.

Signed in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012.

MF Partners Chartered Accountants



**Mark Charter
Partner**

24th November 2023

**INGRAINED FOUNDATION LIMITED ABN 24 602 236 461
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 \$	2022 \$
INCOME			
Event Income	2	-	823
External Contributions	2	21,278	6,053,328
Fermentum Family Contributions	2	348,253	308,626
Interest Income	2	109,085	3,597
Net Income Managed Investment	2	23,698	10,456
TOTAL INCOME		502,314	6,376,830
EXPENSES			
Donations	3	(456,704)	(1,450,922)
TOTAL DONATIONS EXPENSES		(456,704)	(1,450,922)
Advertising and public relations	3	(7,687)	(17,600)
Administration expenses	3	(574)	(95)
Auditor remuneration	3	(2,200)	(1,925)
Depreciation	3	-	-
Professional fees	3	(1,934)	(3)
Wages and on costs	3	(53,532)	(13,221)
TOTAL ADMINISTRATIVE EXPENSES		(65,927)	(32,844)
PROFIT BEFORE INCOME TAX		(20,318)	4,893,064
INCOME TAX EXPENSE	1(c)	-	-
PROFIT FOR THE YEAR		(20,318)	4,893,064
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME		(20,318)	4,893,064

The accompanying notes form part of these financial statements.

**INGRAINED FOUNDATION LIMITED ABN 24 602 236 461
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023**

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	106,105	4,998,514
Trade and other receivables	5	5,000	37,106
Financial assets	6	5,081,851	217,327
TOTAL CURRENT ASSETS		<u>5,192,956</u>	<u>5,252,947</u>
TOTAL ASSETS		<u>5,192,956</u>	<u>5,252,947</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	64,281	106,262
Short term provisions	8	2,308	-
TOTAL CURRENT LIABILITIES		<u>66,589</u>	<u>106,262</u>
TOTAL LIABILITIES		<u>66,589</u>	<u>106,262</u>
NET ASSETS		<u>5,126,367</u>	<u>5,146,685</u>
EQUITY			
Retained earnings		5,126,212	5,146,530
Issued Capital		155	155
TOTAL EQUITY		<u>5,126,367</u>	<u>5,146,685</u>

The accompanying notes form part of these financial statements.

**INGRAINED FOUNDATION LIMITED ABN 24 602 236 461
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023**

	Retained Earnings \$	Issued Capital \$	Total \$
Balance at 1 July 2021	253,466	155	253,621
Profit (Loss) attributable to the entity	4,893,064	-	4,893,064
Total other comprehensive income for the year	-	-	-
Balance at 30 June 2022	5,146,530	155	5,146,685
Profit (Loss) attributable to the entity	(20,318)	-	(20,318)
Total other comprehensive income for the year	-	-	-
Balance at 30 June 2023	<u>5,126,212</u>	<u>155</u>	<u>5,126,367</u>

The accompanying notes form part of these financial statements.

INGRAINED FOUNDATION LIMITED ABN 24 602 236 461
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Donations received		401,638	6,348,546
Other investment income		23,698	823
Payments to suppliers and employees		(105,601)	(32,844)
Interest received		109,085	3,597
Donations paid		(456,705)	(1,450,925)
Net cash provided by/(used in) operating activities	14(b)	(27,886)	4,869,197
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds on sale of investments		-	10,611
Payment for investments		(4,864,523)	-
Net cash provided by/(used in) investing activities		(4,864,523)	10,611
Net increase/(decrease) in cash held		(4,892,409)	4,879,808
Cash and cash equivalents at the beginning of the financial year		4,998,514	118,706
Cash and cash equivalents at the end of the financial year	14(a)	106,105	4,998,514

The accompanying notes form part of these financial statements.

INGRAINED FOUNDATION LIMITED ABN 24 602 236 461
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

The financial report was authorised for issue by the trustees on 24th November 2023.

The financial statements are for Ingrained Foundation Limited (The Foundation). The company is a company limited by guarantee which is incorporated and domiciled in Australia.

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards' Simplified Disclosure, the *Charitable Fundraising Act 1991*, the *Australian Charities and Not-for-profit Commission Act 2012* and the Australian Charities and Not-for-profits Commission Regulation 2013. The trust is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of this report are as follows:

Accounting Policies

(a) Revenue

Revenue generated by the trust is categorised in the single reportable segment of Charitable Fundraising.

Donations and bequests are recognised as contribution revenue when received as there are no milestones attached.

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.

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

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

(b) Financial Instruments

Initial Recognition and Measurement

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

Financial instruments (except for trade receivables) 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. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and Subsequent Measurement

Financial assets

Financial assets held by the trust are subsequently measured at amortised cost.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset is subsequently measured at amortised cost when it meets the following conditions:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

Note 1 Summary of Significant Accounting Policies

A financial asset is subsequently measured at fair value through other comprehensive income when it meets the following conditions:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates;
- the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The entity initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as “accounting mismatch”) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy, and information about the groupings was documented appropriately, so that the performance of the financial liability that was part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis;
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading and not a contingent consideration recognised by an acquirer in a business combination to which AASB 3: Business Combinations applies, the entity made an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit and loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the entity's accounting policy.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires).

An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the entity no longer controls the asset (ie the entity has no practical ability to make a unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Note 1 Summary of Significant Accounting Policies

Impairment

The entity recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (eg amounts due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The entity uses the following approaches to impairment, as applicable under AASB 9: Financial Instruments:

- the general approach
- the simplified approach
- the purchased or originated credit impaired approach; and
- low credit risk operational simplification.

General approach

Under the general approach, at each reporting period, the entity assesses whether the financial instruments are credit-impaired, and if:

- the credit risk of the financial instrument has increased significantly since initial recognition, the entity measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; or
- there is no significant increase in credit risk since initial recognition, the entity measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times. This approach is applicable to:

- trade receivables or contract assets that result from transactions within the scope of AASB 15: Revenue from Contracts with Customers and contain a significant financing component; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (ie diversity of customer base, appropriate groupings of historical loss experience, etc).

Purchased or originated credit-impaired approach

For a financial asset that is considered credit-impaired (not on acquisition or origination), the entity measures any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

Evidence of credit impairment includes:

- significant financial difficulty of the issuer or borrower;
- a breach of contract (eg default or past due event);
- a lender granting to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;
- high probability that the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for the financial asset because of financial difficulties.

Low credit risk operational simplification approach

If a financial asset is determined to have low credit risk at the initial reporting date, the entity assumes that the credit risk has not increased significantly since initial recognition and accordingly it can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such a determination that the financial asset has low credit risk, the entity applies its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

Note 1 Summary of Significant Accounting Policies

A financial asset is considered to have low credit risk if:

- there is a low risk of default by the borrower;
- the borrower has strong capacity to meet its contractual cash flow obligations in the near term;
- adverse changes in economic and business conditions in the longer term may, but not necessarily will, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a risk of default lower than the risk inherent in the financial assets, or lower than the credit risk of the jurisdiction in which it operates.

Recognition of expected credit losses in financial statements

At each reporting date, the entity recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value, with changes in fair value recognised in other comprehensive income. Amounts in relation to change in credit risk are transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (eg loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

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

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires 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 expired. The difference between the carrying value of the financial liability, which is 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.

Note 1 Summary of Significant Accounting Policies

(c) Impairment of Assets

At the end of each reporting period, the trust reviews the carrying values 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 to sell and value in use, 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 comprehensive income.

Where the future economic benefits of the asset are not primarily dependent upon on the asset's ability to generate net cash inflows and when the entity 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 an assets class, the trust estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

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.

(d) Income Tax

The trust is a not-for-profit entity and does not apply the principles of tax effect accounting as the trustees believe the resultant asset and liability recognised upon adoption will never be capable of realisation in the ordinary course of business, due to the trust's exemption from income tax.

(e) 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.

(f) Comparative Figures

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

When an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

(g) Trade and Other Payables

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

(h) Critical accounting estimates and judgments

The responsible persons of the trustee company evaluate estimates and judgments incorporated into the financial statements 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 trust.

Key Estimates

There are no critical accounting estimates and judgements incorporated into the financial statements.

INGRAINED FOUNDATION LIMITED ABN 24 602 236 461
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Note 1 Summary of Significant Accounting Policies

(k) Economic Dependence

Ingrained Foundation Limited is reliant on a combination of donor support and returns generated from its investment portfolio to support current activities.

(l) Change in Accounting Policy

No change in accounting policy occurred during the financial year.

Note 2 Revenue and Other Income

	Note	2023	2022
		\$	\$
Contribution Revenue			
— Event Income		-	823
— External Contributions		21,278	6,053,328
— Fermentum Family Contributions		348,253	308,626
— Fundraising Income		-	-
Total Contribution Revenue		<u>369,531</u>	<u>6,362,777</u>
Other Income			
— Interest Income		109,085	3,597
— Net Income Managed Investment		23,698	10,456
Total Other Income		<u>132,783</u>	<u>14,053</u>
Total Revenue and Other Income		<u><u>502,314</u></u>	<u><u>6,376,830</u></u>

Note 3 Expenses for the Year

(a) Donations Expenses

	2023	2022
	\$	\$
Donations	456,704	1,450,922
Total Donations Expenses	<u>456,704</u>	<u>1,450,922</u>

(b) Administrative Expenses

	2023	2022
	\$	\$
Depreciation	-	-
Auditor Remuneration		
— audit services	2,200	1,925
— other services	-	-
Total Auditor Remuneration	<u>2,200</u>	<u>1,925</u>
Advertising and public relations	7,687	17,600
Consultants	574	95
Professional fees	1,934	3
Wages and on costs	53,532	13,221
Total Expenses	<u>65,927</u>	<u>32,844</u>

INGRAINED FOUNDATION LIMITED ABN 24 602 236 461
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Note 4 Cash and Cash Equivalents

	Note	2023	2022
		\$	\$
CURRENT			
Cash at Bank		106,105	4,998,514
Cash on Hand		-	-
	15	<u>106,105</u>	<u>4,998,514</u>

Note 5 Trade and Other Receivables

	Note	2023	2022
		\$	\$
CURRENT			
Trade receivables		5,000	37,106
Provision for impairment	5(i)	-	-
		<u>5,000</u>	<u>37,106</u>
Other receivables		-	-
Total current trade and other receivables	15	<u>5,000</u>	<u>37,106</u>

(i) Provision for Impairment of Receivables

Current trade receivables are generally on 30 day terms. These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. These amounts have been included in other expense items. Movement in the provision for impairment of receivables is as follows:

	\$
Provision for impairment as at 1 July 2021	-
- Charge for year	-
- Written off	-
Provision for impairment as at 30 June 2022	-
- Charge for year	-
- Written off	-
Provision for impairment as at 30 June 2023	<u>-</u>

Credit risk - Trade and Other Receivables

The trust does not have any material credit risk exposure to any single receivable or group of receivables.

The following table details the trust's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the trust and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the trust.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	Gross Amount	Past due and impaired	Past due but not impaired (days overdue)				Within initial trade terms
			<30	31 – 60	61 – 90	>90	
	\$	\$	\$	\$	\$	\$	\$
2023							
Trade and term receivables	5,000	-	-	-	-	-	5,000
Other receivables	-	-	-	-	-	-	-
Total	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,000</u>

	Gross Amount	Past due and impaired	Past due but not impaired (days overdue)				Within initial trade terms
			<30	31 – 60	61 – 90	>90	
	\$	\$	\$	\$	\$	\$	\$
2022							
Trade and term receivables	37,106	-	-	-	-	-	37,106
Other receivables	-	-	-	-	-	-	-
Total	<u>37,106</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,106</u>

The trust does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.

There are no balances within trade receivables that contain assets that are not impaired and are past due. It is expected that these balances will be received when due.

INGRAINED FOUNDATION LIMITED ABN 24 602 236 461
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Note 6	Financial Assets		2023	2022
		Note	\$	\$
	CURRENT			
	Financial Assets measured at fair value through profit or loss - Listed Units	6(a) 15	5,081,851	217,327
			5,081,851	217,327
	(a)- Financial assets measured at fair value through profit or loss - listed shares comprise:			
	- Listed units		5,081,851	217,327
	Note 7			
	Trade and Other Payables			
			2023	2022
			\$	\$
	CURRENT			
	Trade creditors & accruals	7(a)	64,281	106,262
			64,281	106,262
	(a) Financial liabilities at amortised cost classified as trade and other payables			
	Trade and other payables			
	— Total Current		64,281	106,262
	— Total Non-Current		-	-
			64,281	106,262
	Less deferred income		-	-
	Less annual leave entitlements		-	-
	Financial liabilities as trade and other payables	15	64,281	106,262
			64,281	106,262
	Note 8			
	Provisions			
	CURRENT		2023	2022
	Short-term Employee Benefits		\$	\$
	Opening balance at 30 June 2022		-	-
	Additional provisions raised during year		2,308	-
	Amounts used		-	-
	Balance at 30 June 2023		2,308	-
			2,308	-
	Analysis of Total Provisions		2023	2022
			\$	\$
	Current		2,308	-
	Non-current		-	-
			2,308	-
			2,308	-

Provision for Long-term Employee Benefits

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits has been included in Note 1 to this report.

INGRAINED FOUNDATION LIMITED ABN 24 602 236 461
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Note 9	Capital and Leasing Commitments		2023	2022
			\$	\$
	(a) Operating Lease Commitments			
	There are no non-cancellable operating leases contracted for but not capitalised in the financial statements			
	(b) Future Commitments for Donations			
	Details of future commitments for donations include the following:			
	Donations due within 12 months		-	-
	Donations due in 1-2 years		-	-
	Donations due within 2-3 years		-	-
	Donations due in greater than 3 years		-	-
			-	-

Note 10 **Contingent Liabilities and Assets**

The responsible persons are not aware of any contingent assets or liabilities at the date of signing this report.

INGRAINED FOUNDATION LIMITED ABN 24 602 236 461
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Note 11 Events After the Reporting Period

There has been no matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the trust's operations in future financial years, the results of those operations or the trust's state of affairs in future financial years.

Note 12 Key Management Personnel Compensation

Any person(s) having the authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any responsible person (whether executive or otherwise) of that entity, is considered key management personnel (KMP).

	Short-term benefits	Post employment benefits	Other long-term benefits	Total
2022	\$	\$	\$	\$
Total compensation	13,221	-	-	13,221
2023				
Total compensation	53,532	-	-	53,532

Note 13 Related Party Transactions

Related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.

Transactions between related parties are on normal terms and conditions no more favourable than those available to other parties unless otherwise stated.

During the year, the corporate sponsor of the Foundation donated \$348,253 (2022: \$308,626).

Note 14 Cash Flow Information

	Note	2023 \$	2022 \$
(a) Reconciliation of cash			
Cash at bank		106,105	4,998,514
Financial assets - at amortised cost		-	-
	4	<u>106,105</u>	<u>4,998,514</u>
(b) Reconciliation of cash flow from operations with profit after income tax			
Profit (loss) after income tax		(20,318)	4,893,064
Change in assets and liabilities			
(Increase)/decrease in trade and other receivables		32,106	6,328
Increase/(decrease) in trade and other payables		(41,982)	(210,195)
Increase/ (decrease) in provisions		2,308	-
		<u>(27,886)</u>	<u>4,689,197</u>

INGRAINED FOUNDATION LIMITED ABN 24 602 236 461
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Note 15 Financial Risk Management

The trust's financial instruments consist mainly of deposits with banks, accounts receivable, financial assets at amortised cost and payables.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2023 \$	2022 \$
Financial Assets			
Cash and cash equivalents	4	106,105	4,998,514
Receivables	5	5,000	37,106
Financial assets - at amortised cost			
— Term Deposits	6	-	-
Financial assets - fair value through profit or loss			
— Shares in listed units (at valuation)	6	5,081,851	217,327
Total Financial Assets		<u>5,192,956</u>	<u>5,252,947</u>
Financial Liabilities			
Financial liabilities at amortised cost			
— Trade and other payables	7	64,281	106,262
Total Financial Liabilities		<u>64,281</u>	<u>106,262</u>

Financial Risk Management Policies

The Board's overall risk management strategy seeks to assist the trust in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board. These include the credit risk policies and future cash flow requirements.

Note 16 Entity Details

The registered office of the entity is:
 Ingrained Foundation Limited
 96 - 100 Centennial Circuit
 BYRON BAY NSW 2481

Note 17 Segment Information

The Foundation operates within one business and geographical segment, being in the operation of a Foundation in Australia.

INGRAINED FOUNDATION LIMITED ABN 24 602 236 461
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

18 Information Furnished under the Charitable Fundraising Act 1991

(a) Details of aggregate gross income and expenditure from fundraising

<u>Proceeds from Fundraising Appeals</u>	2023 \$	2022 \$
Gross income (net of administrative expenses donation)	369,531	6,361,954
Fundraising event income	-	823
Gross proceeds from fundraising appeals	<u>369,531</u>	<u>6,361,954</u>
 <u>Direct Costs of Fundraising Appeals</u>		
Gross direct costs of fundraising appeals	7,687	17,600
Net surplus from fundraising appeals	<u>361,844</u>	<u>6,344,354</u>
 (b) Statement showing how funds received are applied for charitable purposes		
Net surplus from fundraising appeals	361,844	6,344,354
Applied for charitable purpose as follows:		
Distributions for research	(456,704)	(1,450,922)
Net transfer to retained earnings for future use	<u>(94,860)</u>	<u>4,893,432</u>
 (c) Comparison by monetary figures and percentages		
Gross proceeds from fundraising appeals	369,531	6,361,954
Gross direct costs of fundraising appeals	7,687	17,600
Direct costs as a % of gross proceeds of fundraising	2%	0%
Net surplus from fundraising appeals	361,844	6,344,354
Net surplus from fundraising appeals as a % of gross proceeds from fundraising	98%	100%
Cost of funds applied for charitable purposes	(456,704)	(1,450,922)
Cost of funds applied for charitable purposes as a % of total fundraising income	124%	23%

(d) Fundraising appeals

All funds raised by the organisation were applied towards its objectives.

INGRAINED FOUNDATION LIMITED ABN: 24 602 236 461
DECLARATION BY BOARD OF FUNDRAISING APPEALS

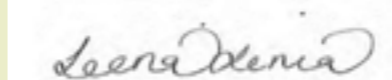
I Chris Pensabene and Leena Di Lernia, being Responsible Persons of Ingrained Foundation Limited, state that in my opinion:

- (i) The financial statements give a true and fair view of all income and expenditure of Ingrained Foundation Limited with respect to fundraising appeals;
- (ii) The statement of financial position gives a true and fair view of the state of affairs with respect to fundraising appeals;
- (iii) the provisions of the Charitable Fundraising Act 1991 and Regulations under that Act and the conditions attached to the authority have been complied with; and
- (iv) the internal controls exercised by the Ingrained Foundation Limited are appropriate and effective in accounting for all income received.

This declaration is made in accordance with a resolution of the Board of Responsible Persons of the company.



Christopher Pensabene
Responsible Person - Ingrained Foundation Limited



Leena Di Lernia
Responsible Person - Ingrained Foundation Limited

Signed at Sydney
24th November 2023

**INGRAINED FOUNDATION LIMITED ABN: 24 602 236 461
RESPONSIBLE PERSONS' OF THE COMPANY DECLARATION**

In accordance with a resolution of the Responsible Persons of Ingrained Foundation Limited, we state

that: In the opinion of the Responsible Persons of the Company:

(a) the financial statements and notes of the trust are in accordance with the *Charitable Fundraising Act 1991* and *Australian Charities and Not-for-profit Commission Act 2012* including:

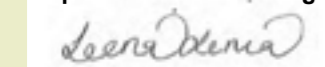
- (i) Giving a true and fair view of the trust's financial position as at 30 June 2023 and of its performance for the year ended on that date;
- (ii) Complying with Australian Accounting Standards - Simplified Disclosure, and the *Australian Charities and Not-for-profit Commission Regulation 2013* :

(b) in the responsible persons' of the company's 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* .



Christopher Pensabene
Responsible Person - Ingrained Foundation Limited



Leena Di Lernia
Responsible Person - Ingrained Foundation Limited

Signed at Sydney
24th November 2023

**INGRAINED FOUNDATION LIMITED ABN 24 602 236 461
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
INGRAINED FOUNDATION LIMITED**

Opinion

We have audited the financial report of Ingrained Foundation Limited which comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

- a) In my opinion the financial report of Ingrained Foundation Limited has been prepared in accordance with Division 60 of the Australian Charities and Not-for-profit Commission Act 2012, including:
 - i) giving a true and fair view of the company's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
 - ii) complying with Australian Accounting Standards- Simplified Disclosure and Division 60 of the Australian Charities and Not-for-profit Commission Regulation 2013.
- b) The accounts and associated records have been properly kept during the year in accordance with the Charitable Fundraising Act 1991 and the regulations.
- b) Money received as a result of fundraising appeals conducted during the year ended 30 June 2023 has been properly accounted for and applied in accordance with the Charitable Fundraising Act 1991 and the regulations.

Basis for my Opinion

I conducted our my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the Fund in accordance with the ethical requirements of the Corporations Act 2001 and Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants(the Code) that is relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I confirm that the independence declaration required by Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, which has been given to these charged with governance, would be in the same terms if given as at the time of the auditor's report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion..

Responsibilities of Responsible Persons' of the Trustee Company

The responsible persons' of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosure Requirements and the Australian Charities and Not-for-profit Commission Act 2012 and for such internal control as the responsible persons' determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the responsible persons' of the company are responsible for assessing the company'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 responsible persons' of the company either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Report

My 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 my 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, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

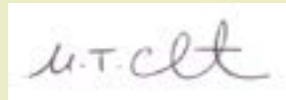
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material 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.
- 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 the trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by responsible persons' of the trustee company.

- Conclude on the appropriateness of the responsible persons' of the company 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 the company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in our my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the company 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.

I 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 I identify during my audit.

I also provide the Responsible Persons' of the company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may be reasonably be thought to bear on our independence, and where applicable, related safeguards.

Name of Firm: **MF Partners Chartered Accountants**



Name of Partner: **Mark Charter**

Address: **Level 1, 95 Tamar Street, BALLINA NSW 2478.**

Dated this 24th November 2023.

To find out more, support or get in touch, contact us at
hello@ingrainedfoundation.com.au

WWW.INGRAINEDFOUNDATION.COM.AU