

**KARI**  
FOUNDATION



# ANNUAL REPORT 2017 - 2018





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## **Our Mission. Our Vision.**

### **KARI's aims for the future**

KARI aims to help Aboriginal families, youth and communities flourish.

### **KARI's purpose for the present**

KARI's purpose is to build strength in families and services that are available to Indigenous youth and communities.

### **KARI's Statement of Commitment to the local Community**

KARI is committed to providing quality, sustainable services to Aboriginal communities, especially in the areas of Aboriginal child protection and Aboriginal community support programs.

We will continue to seek further opportunities to expand our programs and service delivery.

We will continue to develop local partnerships with our key stakeholders to enhance our resources and service delivery.

We will endeavour to deliver all our programs in a culturally appropriate manner and promote the ideals of self-determination.

The service will conduct itself in a professional manner, and deliver programs that are of a high standard and deliver good outcomes.

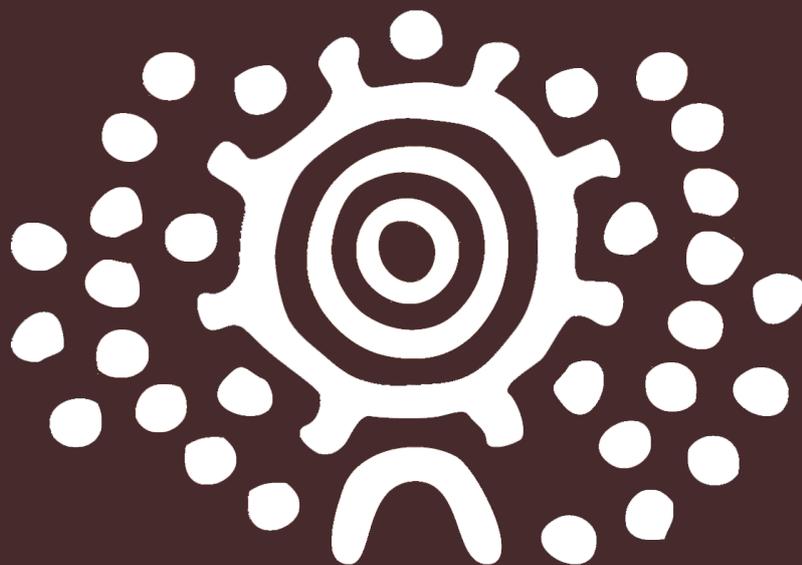
This will be achieved by adhering to quality policies and procedures, good recruitment practices, staff support, community involvement, maintaining partnerships as well as open communication.

**KARI**  
FOUNDATION



**“We are of the belief that that we have got it right in term of where we intend to focus our energies and supports in ensuring that our community continues to grow and prosper into the future”.**

**Gary Potts, KARI Chairperson**



# Chairperson Report

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This is the first of what I believe will be many KARI Foundation annual reports. This year has been most exciting in terms modelling the Foundation goals and future vision as well as its marketing and branding to the broader community and to corporate Australia.

We are of the belief that that we have got it right in terms of where we intend to focus our energies and supports in ensuring that our community continues to grow and prosper into the future.

At this stage of the Foundations development, we have already exceeded our original expectations in terms of where we were hoping to be by the end of this financial year. This has since allowed us to invest more heavily in the Foundations main pillars that include Culture, Business Enterprise, Sport and Healthy Lifestyle, Education, Family and Community, Creative and Performing Arts and Sector and Leadership.

It is here that I would like to acknowledge the great work done by our CEO Casey Ralph and Head of Branding and Marketing Cain Slater for their great vision and hard work in spearheading the Foundations journey thus far.

In closing, I would like to thank all of our key partners in both the public and private sector for their ongoing support of the KARI Foundation and in our collective vision to see Indigenous Australia grow and flourish.



Gary Potts  
Chairperson



# CEO Report

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I am pleased to announce that the KARI Foundation has gone from strength to strength in the last twelve months with all set targets greatly exceeded.

Our core focus across 2017/18 was to strengthen the brand of the KARI Foundation across the Aboriginal community, the wider community and the corporate sector. Throughout the year we launched a new website, developed many new partnerships and experienced branding opportunities that have undoubtedly positioned us in good stead for the future.

Moving forward, we have set our sights high in regards to supporting service growth and achieving positive outcomes. We look forward to securing additional partnerships that will allow us to strengthen and expand the good work we do for our community.

I want to thank Cain Slater, Head of Marketing and Partnerships, and his team for their innovation and enthusiasm. I would also like to thank our partners for their commitment to servicing and supporting Aboriginal people, families and communities – together we will make a difference.

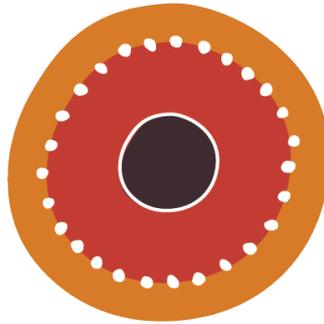
Lastly, I would like to acknowledge the support provided to me throughout the year by the KARI Board of management. The trust and faith you have in me to continue to lead KARI to success is greatly valued. In particular, I want to take the opportunity to thank KARI Founder Paul Ralph for all that he has given to KARI, the Aboriginal community and the broader community sector. You managed to turn a vision into a reality and in doing so have more than played your part in ensuring Aboriginal people, families and communities flourish. The foundations you have laid, and the wisdom you have imparted, will ensure that for many years to come we will change lives and keep culture at the forefront of everything we do.



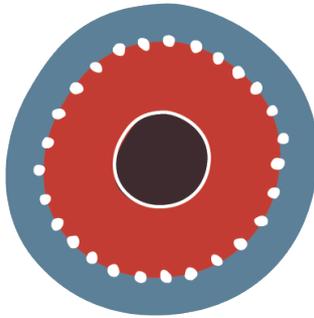
Casey Ralph  
Chief Executive Office



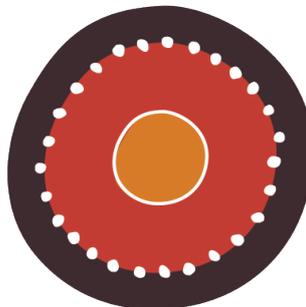
**Services  
Structure**



**KARI Board Management**



**KARI Team**



**KARI Programs**

**Networking | Funding | Program Management  
Systems and Infrastructure**

# Board of Management Profiles

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**Gary Potts**  
**Chairperson**

Gary is a Wiradjuri man from Parkes, NSW.

He has been involved in Aboriginal Affairs since 1992, and has held a number of positions that have greatly benefited the larger Indigenous community.

Gary is currently employed with the NSW Department of School Education, where he holds an important Aboriginal Specialist position.

Gary is honoured to be the Chairperson of KARI and sees the service as being a leader in the area of Aboriginal child protection and capacity building.



**Paul Ralph**  
**Director**

Paul is a founding member of KARI and was the CEO for 18 years.

Paul has spent 35 years living in Gandangara Country, which is in South West Sydney.

Since 1999, Paul has been committed to working exclusively in the Aboriginal Community sector and has found this to be the most challenging and exciting time of his professional career.

Paul is now committed to assisting his community for the remainder of his professional career.



**Anne Martin**  
**Director**

Anne is a descendant of the Yuin people south of the coast of NSW and is currently residing in the ACT.

Anne has held a range of senior public and non-government sector roles across Indigenous affairs over the last 40 years.

Anne has always placed an emphasis on the health and wellbeing of Aboriginal youth, and has been instrumental in establishing innovative education programs that operate both nationally and locally.

Anne has worked on programs in South Africa, Israel, New Zealand and Canada.



**Isabelle Phillips**  
**Director**

Isabelle Phillips is a leadership expert, founder of consultancy Mackerel Sky - Leadership Matters and co-founder of Mindfulness for the Global Village.

Isabelle has a considerable track record in Asia - PAC actively developing workplace wellness and performance via her leadership programs.

She assists leaderships to position their enterprises for success in the global vilalge.

Isabelle enjoys lecturing in Positive Psychology, Mindfulness and Leadership at the UTS Business School.



**Nicola Micallef**  
**Director**

Nicola is a descendant of the Yuin people south of the coast of NSW and is currently residing in the ACT.

Nicola has been exposed to Indigenous affairs from an early age through her grandparents involvement with managing an Aboriginal hostel in Darwin, and by her mother already being well entrenched in Indigenous affairs through Indigenous education.

Nicola has 10 years of front line experience working in customer service and administration practices with the Commonwealth Bank and is currently employed at a State public service department.



**George Villaflor**  
**Director**

Born in Queensland, George is a descendant of the Wagiman people (NT).

George moved to Queensland where he played A grade rugby league. He became involved with Land Rights in the 80's with the Alice Spring's-based National Federation of Land Councils. He was the CEO of the first Cape York Aboriginal legal service in the late 80's, and was admitted as a barrister to the Supreme Court of Queensland and the High Court.

He has worked in Aboriginal and Torres Strait Islander child care protection in NSW, QLD and currently in the ACT.



**Casey Ralph**  
**CEO - Director**

Casey is a proud Aboriginal woman with connections to the north and south coasts of NSW. She has spent the majority of her life living on Gandangara Country in South Western Sydney.

Casey started her career working in education and in 2005 transitioned to working within the community welfare sector. She is now the current CEO of both KARI Ltd and KARI Foundation Ltd.

Casey is passionate about ensuring that Aboriginal children, families and communities have every opportunity afforded to them and is committed to designing and implementing innovative programs that empower, support and enhance skill development.

# Our Values and Standards

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## Courtesy and respect

Your views and needs are important to us and in return, you can expect our respect, professionalism, objectivity and confidentiality.

You will be assisted by a polite, responsive and knowledgeable employee.

## Fairness

Our services will be objective, irrespective of the role you play in the services activities.

This is also regardless of culture, race, colour, origin, sex, religion, age, disability, political beliefs and marital or familial status.

## Clarity

We will clearly explain to you what we do, how our programs work and who to contact for further assistance.

If our information is unclear, tell us so we can make it clearer for you.

## Accessibility

We are available to serve you and talk to individuals and organisations about our programs.

Just contact us by phone, email, fax or our social media pages.

## Responsiveness

We will continue to seek your views, attempt to address your needs and take action based on them where appropriate.

If you are not satisfied with any aspect of our service, programs or initiatives, tell us so we can continue to improve.

## Advocacy

We will always endeavour to advocate on behalf of our children in care, our foster carers and Aboriginal community where appropriate and possible.

Our advocacy will ensure that Aboriginal views, concerns and feelings are heard and acknowledged.



# Community Programs Overview

## Parents and Bubs Swimming Program

The KARI Community Parents & Bubs Swimming Program is designed to offer free swimming lessons to mums and dads with Aboriginal children aged 0-3 in the South West Sydney Area.

This program has been funded by the NSW Government Department of Justice, Office of Emergency Management for a period of 3 years (2017/2020).

Participants attend weekly classes under the instruction of a professional swimming instructor. The classes are broken up to facilitate groups of five families per ½ hour session.

This allows the swim instructor to give each participant equal attention, assistance where needed and answer any concerns/queries from parents.

The objectives of this program are to teach water familiarisation, increase water safety, confidence and to set the foundation for early stages of swim skill and ability for parent and baby.

## KARI Community Grants

The KARI Community Programs Team encourages organisations to bring fresh ideas and exciting programs into the Indigenous community.

The Community Programs team works closely with successful applicants to ensure that their program will have a positive impact on the local community.

## The KARI Singers

The calibre of talented young singers continues to get bigger and better every year with the Vocal Identification Program (VIP) now evolving into a new phase in our Creative and Performing Arts Portfolio.

The KARI Singers are a select group of our finest young performers who in the last 12 months have performed in some amazing locations for a number of our Corporate Partners and friends.

The KARI Singers performed at the inaugural Australia Day lunch held at the International Convention Centre, Darling Harbour on Friday 19th January 2018 where they performed with Dami Im.

They then performed at two occasions across Australia Day on a floating stage in Sydney Harbour and on a pylon of the Sydney Harbour Bridge! Broadcast across a number of mediums, they were the epitome of professionalism and did KARI, the Community, their families and themselves proud.

In what was by far the most thrilling performance of the year, our young performers took to the stage at the 2018 State of Origin, Game 2 in Sydney on Sunday 24th June, 2018.

The KARI Singers and the Muggera Dancers joined forces to deliver an exceptional display of Aboriginal culture and excellence incorporating both traditional dance and song into the performance in front of the 82,223 people that attended.

## KARI Scholarship Program

KARI Scholarship applications for 2018 closed on Friday 1st of December 2017 with another overwhelming response from students and schools.

- Total applications: 170. There were 23 from Western Sydney and 147 applications from South Western Sydney
- Total schools: 35
- New schools: 4
- Catholic education schools: 6
- Highest applicant populations by suburb: This year, KARI had a total of 68 applicants from Campbelltown and 14 from Kingswood.

The KARI School Scholarship program is an education-based initiative that is offered to Aboriginal senior high school students across Sydney.

These scholarships provide monetary assistance to cover schooling costs.

Building upon the continued expansion of the program, was the launch of the HSBC funded KARI LEAD Program.



Parents and Bubs  
Swimming Program



KARI Singers performing on  
Australia Day



Successful KARI Community  
Grant applicants

# Community Programs Overview

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## The KARI LEAD Program

The LEAD Program is a three tiered educational program that offers financial, mentoring and leadership support to Year 11 and 12 Aboriginal students.

Participation in the program is determined through an application system.

The application allows KARI to gain a better understanding around each young person's background while also determining whether our program is a good fit.

This program has different levels to ensure Aboriginal youth get the best possible outcome, which will result in successfully achieving goals in future schooling and employment.

A KARI mentor is available to students in the program to ensure they are receiving the support they need to be successful.

The mentor will follow up with students as required throughout the program and eventually help the student achieve their personal goal in obtaining employment, future education and obtaining their HSC.

There are three workshops held across the calendar year which will focus on different themes. The key themes will be resilience, leadership and milestone mapping/goal setting.

They focus on strategies around these themes and give students the tools to succeed in their studies and future employment.

Workshops are facilitated by KARI Ambassador Beau Champion and Community Programs Coordinator Lauren Drayton who have the relevant training, experience and passion to work with kids in their communities.

The workshops are also open to parents of the students to ensure they are engaged with their children's journey and are aware of their goals.

Our first workshop was held on Wednesday 2nd May 2018 at Wests Leagues Club. Here participants were invited to an orientation and initial goal setting workshop.

This provided students the chance to interact with their peers and meet their KARI mentors.

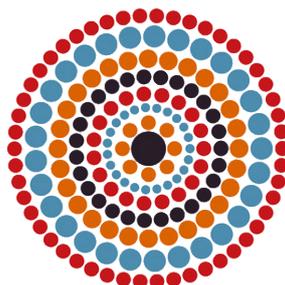
Workshop two was held on Wednesday the 4th of July 2018 and focused on the theme of Time Management and Developing an effective study plan.

We also checked in with our goal setters all of whom had achieved one or more of their term 2 goals.

Our first LEAD achievement reward day was held on Monday 9th July 2018 at the Gold Class Cinema, Macarthur Square where we treated our participants with a VIP experience viewing a new release film.

This new program continues to attract a buzz with our scholarship holders and is expected to grow from strength to strength with more students engaging each term.

We look forward to celebrating more our students and their achievements next financial year.



## The Robert and Pamela Mace Foundation

KARI would again like to acknowledge the wonderful donation it had received from the Robert and Pamela Mace Foundation.

These amazing people have left a legacy that has continued to allow so many young Indigenous students to fulfil their education aspirations.

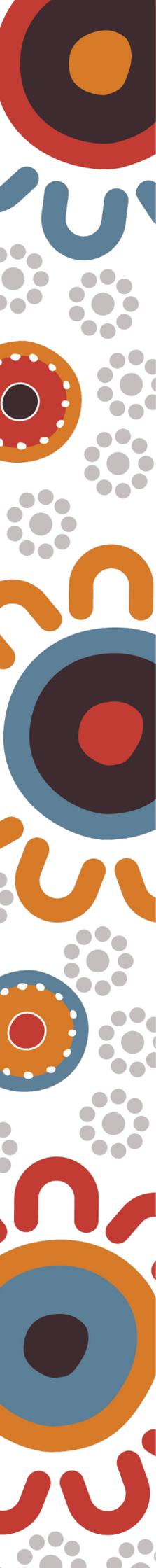
KARI Founder Paul Ralph said:

“All of these young people who have received this amazing gift from the Foundation will forever be grateful to Robert and Pamela.”



Above and below: LEAD Program





# Cultural Unit Overview

KARI's Cultural Unit continues to grow as we meet the demands of the sector and support all of our children. The unit now has seven Cultural Liaison Officers and one Cultural Unit Trainee servicing our three contracted regions.

The Cultural Unit Trainee was a child who was in the care of KARI Ltd and has progressed through our Young Leaders program and secured full time employment within the Cultural Unit; a feat we are all incredibly proud of.

The Cultural Liaison Officers continue to develop cultural care plans to ensure children and young people in the KARI Ltd OOH Program maintain their cultural connections to land and family.

They consult with family and community to ensure holistic plans are developed and implemented. This program also led a number of carer trainings to ensure our carers are well equipped culturally to support Aboriginal children and young people.

The Cultural Unit advise our other programs on specific cultural protocols.

Their holistic service delivery ensures all of our programs are aimed at developing strong and proud Aboriginal people.

## Cultural Vacation Care

During the 2017/18 financial year period the Cultural Vacation Care Programs once again proved to be successful with many of our children and young people participating in didgeridoo programs, weaving classes, Aboriginal art classes and various cultural excursions.

Acclaimed Aboriginal artist Danielle Mate facilitated an Aboriginal Art Program over vacation care. Through these workshops children and young people are exposed to art and a variety of techniques. Danielle also uses art to explore stories and share knowledge with her students.

The Didgeridoo Program enables boys within the OOH Program to learn the significance of the didgeridoo whilst building upon their cultural knowledge and understanding. The participants crafted their own Didgeridoos from bare material. Once completed, our children learn techniques for playing their very own Didgeridoos.

The Weaving Program provides girls in the OOH Program the chance to gain a greater understanding of "Women's Business" and the roles and responsibilities within the Aboriginal community.

A respected Aunty from Speaking In Colour facilitated the weaving program this year. She shared her extensive knowledge with the girls and her program was warmly received.

The excursion program allowed our young people to get three days of hands on experiences where some valuable cultural lessons were learnt in cultural practices, bush tucker and bush medicine along with native flora and fauna.

Over this three-day period we visited Featherdale Wildlife Park, Sydney Museum and Kuringai Chase National Park.



Youth enjoying cultural camps



# Cultural Unit Overview

## Cultural Camps

Our Cultural Camps once again proved themselves to be a significant and empowering cultural experience for our children and young people in Out of Home Care.

Two Cultural Camps were held during the 2017/18 financial year period.

One at Point Wolstoncroft and the other at Myuna Bay Sport and Recreation Centre.

These camps ran for three days and two nights and were attended by more than 80 children and young people in KARI's OOHHC Program aged 8-17 years.

The children were given an opportunity to be immersed in their culture and gain more cultural knowledge and understanding.

Activities on the camp included, but were not limited to, teachings from Elders on artefact and weapon making, traditional cooking, visits to significant local sites, rock engravings, camp fire yarns, making damper, scarred and ring trees and middens.

## Young Leaders Therapeutic Camp

Our Young Leaders Therapeutic Camps were aimed at youth between the ages of 14-18 years of age.

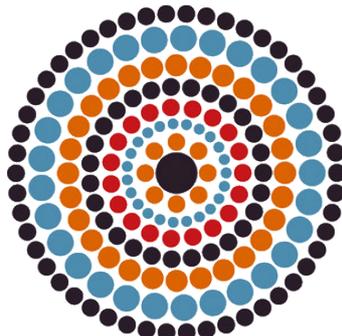
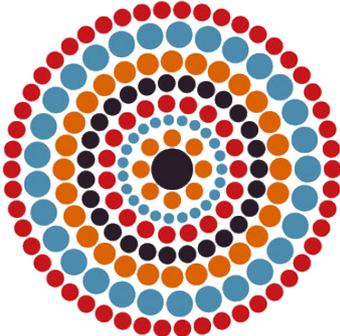
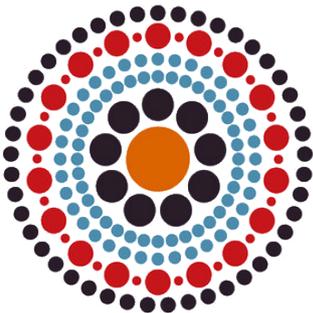
The Cultural Unit have been fortunate enough to run three male camps and one female pilot program. These camps have aimed at promoting pride in Aboriginal identity and building a positive network of Aboriginal role models.

It would be at these ages where our youth would traditionally be chosen to go through the initiation stages and the transition into adulthood.

Some of the content delivered involves expectations of the roles and responsibilities that come with adulthood along with identity, goal setting, confidence building and cultural knowledge workshops.

The Young Leaders Program also involves monthly catch ups where the Cultural Unit provide ongoing guidance and mentoring.

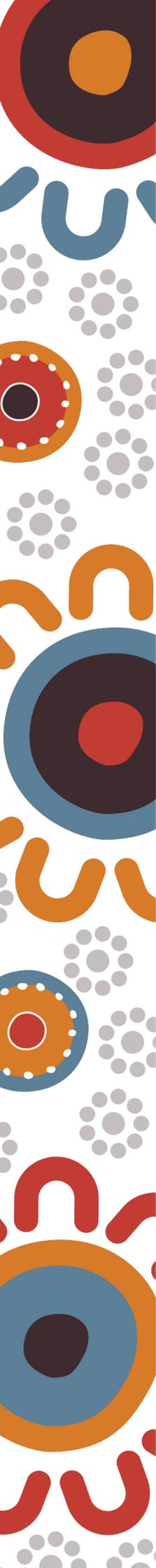
Topics covered to date have been; Cyber safety talks, talks on hygiene, talks on respect, cultural day trips, sexual health program and games of basketball between staff and Young Leaders understanding of "Women's Business" and the roles and responsibilities within the Aboriginal community.





Above and below: Youth enjoying cultural camps





# KARI Health Clinic Overview

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The KARI Clinic continued in a trend of growth and service development over the 2017/2018 financial year.

The staff based at Liverpool have settled into the new clinic facility and we have welcomed a constant stream of children, young people and their care givers through the door.

We also commenced the process of setting up a dedicated therapy space at the Penrith office as we have welcomed a full time psychologist to the Penrith team. This year we saw staffing growth in the team and now have 9 clinicians working in the clinic service across the three offices.

We continue to offer Psychology, Occupational Therapy, Speech Pathology and Child and Family Nursing services and will be looking to bring on new health clinicians in the upcoming financial year to further increase and diversify services available to our community.

In 2017 we reached a milestone of 100 children in KARI's OOHC service having participated in the Transition to School (T2S) program since its commencement in 2009.

The program continues to be reviewed and adapted to meet the needs of the children attending and in line with current evidence of key skills required for school readiness.

T2S program is specifically designed to enhance the skills of children with delays in key developmental areas such as communication and fine motor while providing preventative early literacy enhancement to children with age appropriate development.

The aim is to set all the children up to be successful learners in the classroom and build enduring peer relationships.

Our psychologists continue in their commitment to capacity build and support carers who care for children with complex behavioural and emotional needs from a basis of trauma and building secure attachments.

This includes upskilling existing, new and prospective carers on the impacts of trauma on childhood behaviour and development, what techniques can be used with children in challenging moments and what important role they play in a child in OOHC's growth and recovery.

## Supporting Brighter Futures

In this financial year, occupational therapy and speech pathology expanded their service delivery to provide assessment and therapy services to all children in KARI's Brighter Futures program.

The clinicians are working with Family Support Officers to provide both preventative and therapeutic supports to ensure the children in the program receive access to appropriate and timely developmental health services.

Further to this occupational therapy and speech pathology have also expanded to welcome paediatric clients from the community who may require assessment or therapy.

KARI's partnership with South Western Sydney Local Health District continues to create pathways into accessing paediatrician consultations through our multi-disciplinary assessment clinic (KAMAC), dental checks and dietitian advice for children and young people in the OOHC and Brighter Futures programs.

Towards the end of the financial year our partnership was further expanded to create a pathway for children in our service to access more timely developmental diagnostic assessments if required through a dedicated monthly clinic with a specialist paediatrician.

We are looking forward to seeing this develop over the next 12 months.

## Community Playgroup

The clinic continues to also partner with KARI's Community Programs team in the delivery of the Community Playgroup.

This service allows our clinicians to work in both a preventative and therapeutic capacity with children under the age of 5 years and their parents to assist in building skills across key developmental domains such as cognition, communication, fine motor and gross motor.

The playgroup is designed to be a soft entry point for families who have difficulty engaging with mainstream services and is also a really fun, non-threatening and functional way of monitoring children's developmental progress and provide parents with support and strategies to enhance their child's development.

The clinic had the opportunity to present the service and outcomes of our contributions to Aboriginal childhood health and wellbeing at the SNAICC conference held in Canberra in September 2017.

It was an invaluable opportunity for members of our team to attend, learn about the progress in securing the rights of Aboriginal children and also share with delegates from across the country our work at KARI in our presentation entitled 'Developmental Health and Wellbeing of Urban Aboriginal Children: KARI's Clinic'.



Community Playgroup



# Marketing and Partnerships Overview

## Our Team

Over the past year, KARI's team has increased in order to support the growth of the KARI Foundation.

To ensure our programs remain sustainable and showcase measured growth, new team members with expertise in leadership, management, culture, health, content production and program delivery have been added.

KARI Foundation have also taken on a range of ambassadors that promote the Foundation's positive work as well as promoting the excellence of Indigenous Australians nationwide.

## Foundation Ambassadors

### Ray Hadley, OAM

Ray Hadley works tirelessly to bring his listeners an informative and entertaining Morning Show from Monday to Friday. He has rated number one in Sydney since 2004, and is now heard every weekday morning on 4BC in Brisbane and dozens of network stations right across Australia. On Saturdays, during the NRL season, his Continuous Call Team remains unbeaten since 1992, and has continued to dominate the ratings since joining 2GB in 2002.

Ray has won 30 Australian Commercial Radio Awards (ACRAs), recognising everything from his sports presenting skills – including NRL Grand Finals and the Olympics to his ongoing success commenting on news and current on news and current affairs to a national audience.

In 2017 he was inducted to the ACRA Hall of Fame. Ray is the most awarded broadcaster in the history of the ACRAs.

### Laurie Daley

Laurie Daley officially signed with KARI as a Community Ambassador.

Laurie Daley will not only help promote the Foundation's positive work, he will also promote Indigenous excellence at a national level.

Laurie's values and behaviour align with everything that KARI Ltd and the KARI Foundation stand for.

He demonstrated this throughout his rugby league career, which has continued in his career in the media and coaching following his retirement.

### Beau Champion

Beau Champion played for the South Sydney Rabbitohs as well as the Parramatta Eels. He is also a proud Aboriginal man who's committed to giving back to the community through his position as a role model.

He strives to be a positive influence and help young people tackle tough times not too dissimilar to those he's experienced in his own life.

After becoming a KARI Ambassador in 2015, Beau hopes to make a real change by working alongside the Community Programs team as a mentor for KARI Scholarship holders in years 11 and 12.

### Brent Kite

Brent was first introduced to KARI when he was playing for the Penrith Panthers and KARI was heavily involved in the clubs Indigenous Round.

After hearing a speech by KARI's Founder Paul Ralph around the importance and meaning of the NRL Close the Gap round, Brent became inspired in the work that KARI did.

His personal vision is "to empower young people to fulfil their potential", working alongside KARI's community programs team as a mentor for KARI scholarship holders, allows him to work on this, which he finds extremely rewarding.

"From the very first time I attended the KARI offices, I knew it was an organisation I had to support.

In my opinion, Family and Community Services should the KARI model across the state.

This is for one reason. It works!"

- Ray Hadley, OAM

KARI Ambassador  
Ray Hadley, OAM



# FESTIVAL OF INDIGENOUS RUGBY LEAGUE



KARI Founder Paul Ralph, CEO  
Casey Ralph and Laurie Daley



KARI Ambassador  
Beau Champion



# Foundation Events

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## Australia Day Lunch and Day plus Corporate Club Australia

KARI started 2018 with strengthening our Corporate Club Australia partnership as KARI participated in the Australia Day Program for 2018.

This included the Australia Day Lunch, which was held at the International Convention Centre.

KARI played an integral role in the celebrations and was honoured to showcase the world's oldest surviving culture.

KARI was the first and only Indigenous organisation to participate in the Australia Day Program as an official Community Partner.

We are honoured to have played such a significant role in the program.

The KARI Singers completed the day by performing Djapana at the Australia Day Concert at the Sydney Opera House in front of thousands of people.

## KARI NAIDOC 2017 Lunch

On Wednesday 5th July we hosted the third annual KARI NAIDOC Luncheon.

This year's event was a sell-out, with 120 guests joining us at the Museum of Contemporary Arts.

The theme of NAIDOC for 2017 was Our Languages Matter. It was a celebration of culture as soon as guests walked through the door.

## 2018 Yabun Event

KARI's commitment to supporting Aboriginal communities continued as a major community sponsor of the 2018 Yabun Festival.

This is the largest one-day gathering that recognises Aboriginal and Torres Strait Islander cultures within Australia.

It's held on the 26th of January upon the traditional lands of the Gadigal people in Sydney.

The KARI Corroboree ground was an excellent success with traditional dance, song and performers celebrating culture throughout the day.

## Partner Thank You Event

KARI Foundation held our annual corporate partner thank you event in 2017, which was a celebration of the inspiring work and successes achieved by the KARI Foundation over the last year.

The successes would not have been possible without our amazing partners and supporters who joined KARI so we could say thank you.

There were a variety of awards held on the night which honoured our partners.

- The Partner of the Year Award was given to Property Industry Foundation for their commitment in supporting KARI through ongoing collaboration and outstanding pro-bono support.

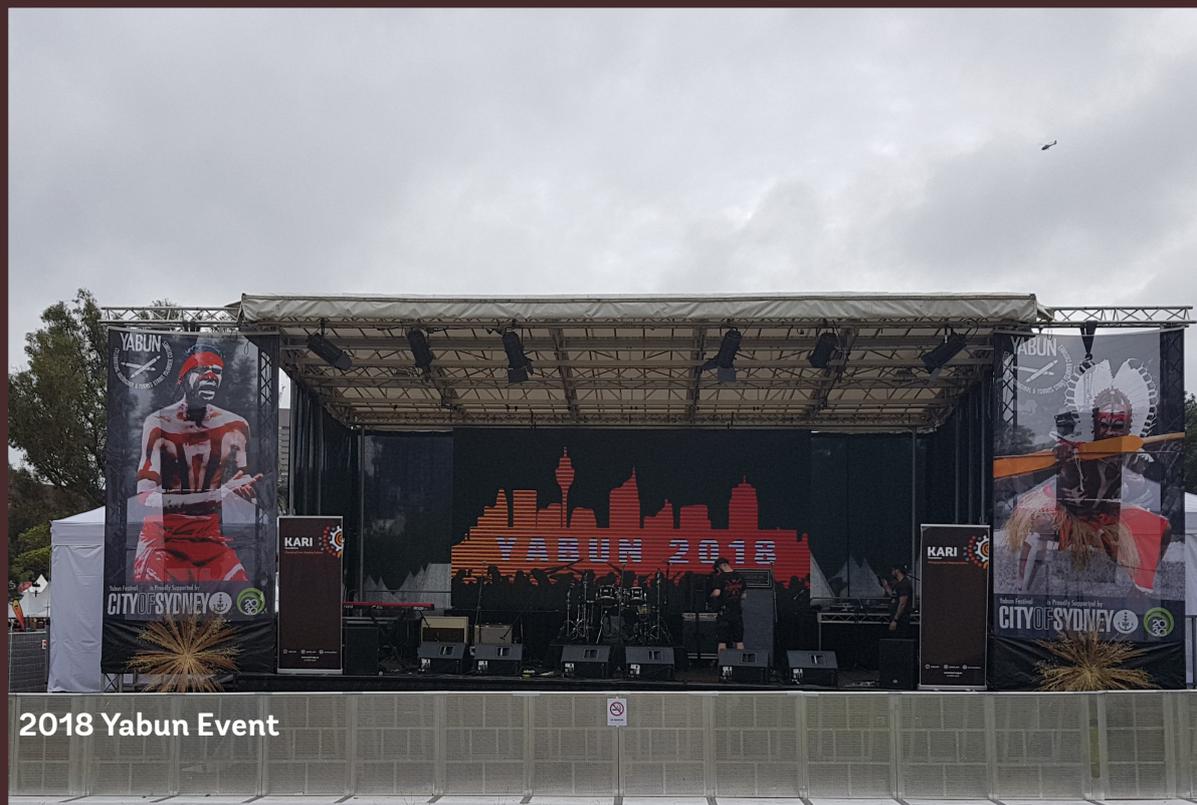
- The Commitment to Positive Community Change Award was awarded to Corporate Club Australia for consistently showcasing Aboriginal culture and arts to Sydney and Australia's corporate network.
- The KARI Appreciation Award was awarded to Minter Ellison for helping KARI to reach its full potential through pro bono work and support.
- The Commitment to Indigenous Advancement Award was awarded to ISPT for supporting Indigenous education and early intervention initiatives. It is because of this support that the KARI Scholarship Program was expanded to Western Sydney.
- The KARI Champion Award was awarded to Hannah More for being an outstanding KARI Supporter and running the New York Marathon to fundraise for KARI.

## Sydney Airport Harmony Day

KARI staff and singers celebrated Harmony Day with staff from Sydney Airport Corporation. Harmony Day is about inclusiveness, respect and belonging for all Australians. This is regardless of cultural or linguistic background as we are united by a set of core Australian values. As Harmony Day is a day to celebrate multiculturalism, KARI was grateful to be invited to participate and represent Australia's first people.



KARI Singers on Australia Day



2018 Yabun Event



KARI Partner Thank You Event

# Foundation Initiatives

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## KARI Leadership

The KARI Leadership Program is designed to assist high level Aboriginal or non-Aboriginal people who work across Aboriginal programs to achieve any personal or professional goals that they might have.

Paul Ralph, Founder of KARI says,

“By sharing the very latest knowledge, tools and practices in leadership with Aboriginal leaders from all sectors, we’re supporting them on their path. They’ll have the added guidance of a trusted cohort to walk beside them on the journey.”

This year KARI’s Leadership course was attended by exceptional business and community leaders, such as:

- George Rose
- Matt Rose
- Melissa Tonga
- Roy Ah See
- Dean Widders
- Adam Mcewen
- Gary Ella
- Shantelle Thompson
- Cain Slater
- Jodie Choolburra
- Shane Hamilton

## PIF House and KARI land purchase

KARI Foundation has purchased a block of Land in Macquarie Park which will be the site of the KARI leaving care house being constructed by the Property Industry Foundation.

This land purchase is a first for KARI and will be an asset which will have a positive impact on our young people leaving care.

PIF also packed and donated 100 Christmas hampers with groceries for KARI to support local families in need during the festive season of 2017.

## Sydney Girls High School

During 2018 the Sydney Girls High School chose KARI as their nominated charity for 2018.

SGHS are raising funds in order for KARI to continue to deliver even more programs for the Indigenous community and presented the Sydney Girls High School principal with a framed Indigenous artwork to show appreciation.

Ela Curic, the Community Service Prefect at SGHS, reached out to KARI to inform us of their generosity.

“We are very impressed with the work KARI does throughout the local community.

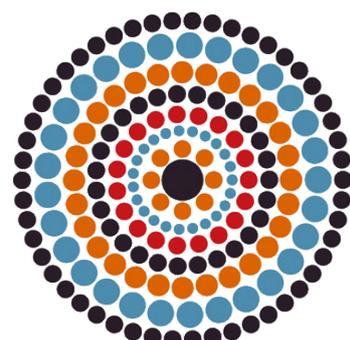
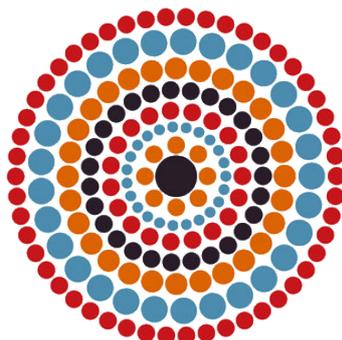
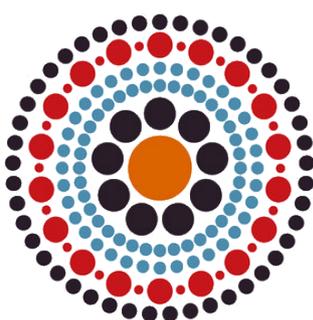
SGHS are very happy to have chosen them this year as our charity.

We hope that together we can bring about change within the community and inform people on the amazing work KARI do.”

## Illawarra Men’s Group Sponsorship

KARI has been a main sponsor for this important group for over the past ten years. The Men’s group play an important role in their community by offering services and programs to the local Indigenous community.

Not only does the Men’s group offer services to local men and Elders, the group also is committed to supporting local youth and a community in need. KARI is proud to support and sponsor such an important group.





KARI Leadership Program



Sydney Girls High School



Illawarra Men's Group

# Marketing and Partnerships Overview

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## NRL Festival of Indigenous Rugby League

KARI supported the 2018 National Rugby League Festival of Indigenous Rugby League.

Over the course of a week, over 8,000 people were brought together to celebrate Indigenous culture as well as strengthen community ties and showcase the excellence of both first nations rugby league.

## NSW Blues

KARI was honoured to be the first Indigenous Community Partner on a State of Origin jersey for 2018.

Our partnership with the NSWRL is a strong statement of the impact KARI has on Indigenous community and how working together can inspire and deliver positive change.

KARI's executive team were invited to participate in all three NSW State of Origin matches and celebrate the NSW Blues victory with KARI proudly on the chest of each player.

A highlight from game two at ANZ stadium was having the KARI Singers perform pre-game.

KARI continued our partnership with the NSWRL under 16's Indigenous team who played pre-game at the NRL Charity Shield in Mudgee.

## Sydney Roosters Partnership

KARI formed a community partnership with the Sydney Roosters Rugby League Club which included the first ever Women's National Rugby League Premiership season.

The WNRL provides a pathway from Tasha Gale for young women to showcase their skills and passion for rugby league.

KARI are the major sponsors for the Rooster's Tasha Gale Cup side, The Sydney Rooster's Indigenous Academy.

The Sydney Roosters community partnership has built throughout 2018 both on and off the field with KARI placed on the Roosters Indigenous Round jersey and co-developed community programs which will be delivered during the next 12 months.

## Rabbitohs Indigenous Round / Souths Cares

KARI Foundation has partnered with the South Sydney Rabbitohs as match day partners for the Indigenous round.

The partnership also allowed over 300 of KARI's Indigenous youth and their families to attend the Rabbitohs match and see them triumph over the Dragons with a 24-10 win.

Souths Cares once again delivered the Rabbitohs KARI Well-being program to 7,300 primary school children.

## Koori Knockout 2017

KARI supported a variety of teams who played in the 2017 Koori Knockout.

The 2017 NSW Aboriginal Rugby League Knockout ran for four days over the October long weekend at Leichhardt Oval, kicking off on Friday 29 September.

KARI is proud to be an official sponsor for the following teams:

- Albury-Wodonga Munyaa's
- Blacktown Western Warriors
- Kempsey Sharks
- La Perouse Panthers
- Riverina Sista's
- Taree Biripi Sharks
- Barwon Swans
- Central Coast United
- Cultural Brothers
- Toomelah Descendants
- Nanima Common Connection
- Combined Countries
- South West Metro Waratahs



KARI on the NSW Blues  
State of Origin Jersey



KARI and  
the Sydney  
Roosters  
Partnership



Souths Cares Initiative

# Marketing and Partnerships Overview

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## J.C CAFFYN Plate - Indigenous Drivers Series

KARI Foundation has again showcased Aboriginal excellence in racing through a partnership with Club Menangle.

This partnership allowed the J.C CAFFYN Plate - Indigenous Driver Series to expand to three heats and four different NSW locations.

With the expansion to different locations throughout NSW, this allows Indigenous drivers from regional NSW the opportunity to race and showcase their culture through Harness Racing.

## Lloyd McDermott Rugby Union Development Team

KARI's partnership with Lloyd McDermott Rugby Development team and Ella 7's Rugby Union Competition continues to be a pathway for Indigenous youth into elite rugby union programs.

KARI's sponsorship assists many communities to participate in the Rugby Union Competitions.

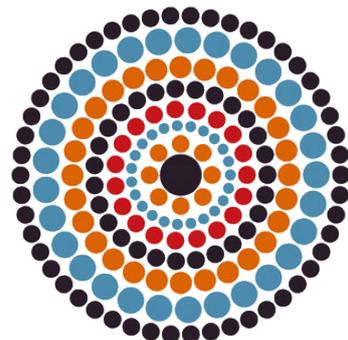
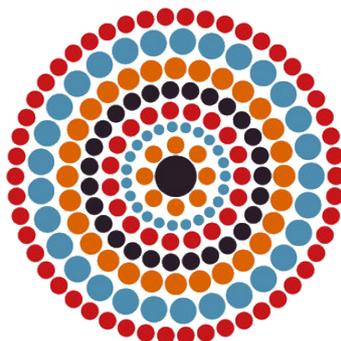
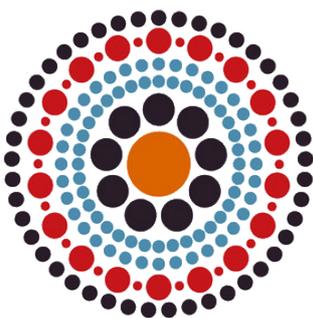
## Ella Seven's Rugby Union Tournament

KARI were once again the main sponsor for this year's Ella Sevens rugby union tournament held in Coffs Harbour. As expected, the event drew a large representation of teams from so many communities across the State. It was also good to see so many women and youth teams participate over the three-day carnival. KARI would like to acknowledge the great work done by Rod Willey and his team for making this event so successful.

## Professional Bull Riding Australia World Cup

KARI and the Vocal Identification Program (VIP) singers were invited to perform the National Anthem in Dharawal language at the PBR Australia World Cup.

This was the perfect opportunity to showcase Aboriginal excellence.





2017 Indigenous Driver Series



KARI Singers meet a professional Bull Rider



Ella Seven's Tournament

# Marketing and Partnerships Overview

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## KARI Music and Singing Program

The Campbelltown, Liverpool and Bankstown areas have been bursting with creative energy this year as we continued the Music and Singing program.

The popularity of this program is evident with more students returning from previous years many of whom are improving at an accelerated rate.

All students participating in the program receive free vocal and/or guitar lessons by consultants well known in the music industry. This program continues to reach new heights with even more new participants accessing the program.

We are also seeing a continuing trend with participants of this program applying to the Vocal Identification Program (VIP).

## Vocal Identification Program (VIP)

In partnership with the NSW Department of Education and Communities, the VIP Program aims to identify young, talented singers from the local South West Sydney area and provide them with performance workshops with the aim of performing in front of a live crowd.

Each year the students participate in a showcase concert to mark the end of the program.

The 2017 concert was held on Thursday 10th August and was attended by family and friends of the students, special guests including The Honourable David Hurley, Governor of New South Wales and Mrs Linda Hurley, as well as partnering organisations and teachers and staff from the students' respective schools.

There was a great turnout with approximately 240 guests present on the night. A total of 24 students performed at the concert. Each student performed a solo item and also participated in a number of group performances.

A highlight from the night was a performance by a small group of students performing 'Ngarra Burra Ferra' from the film The Sapphires, which led to a rendition of 'You Are My Sunshine'.

This part of the evening was dedicated to special guest Mrs Hurley who has engaged with our students and is a great supporter of VIP.

The concert concluded with a group finale of 'World Turning', which received a standing ovation.

## Partnership Programs

The KARI Community Programs Team encourages individuals and organisations to bring forward fresh and exciting programs and initiatives to better their community.

This ensures that our programs are community led and are reflective of community needs.

In order to ascertain this need the Community Programs Team undertakes a process of engaging with the applicant and assessing the proposed program initiative.

This ensures that all KARI Community Programs are carefully targeted outcome based initiatives.

In 2017/18 KARI supported a range of community-led initiatives. These included:

- Campbelltown Police Area Commands Debutante Ball event
- Mil-Pra Awards 2017
- Indigenous Art Awards



**KARI VIP perform at Optus Partnership**



**KARI VIP performance**



**KARI VIP perform for the Governor of NSW**

# Marketing and Partnerships Overview

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## Optus

KARI Foundation's partnership with Optus delivers a variety of programs for youth.

These programs include:

- A new scholarship program for students in year 10
- One on one mentoring provided by Optus staff
- Career Choice days, which allow the youth attending to further explore their options careerwise
- Pathways to employment through Optus and further opportunities for casual work during busy periods
- Personal brand awareness, which allows our young people to build their personal skills and prepare for the future.

## WestConnex

KARI Foundation and WestConnex have partnered to establish the WestConnex Indigenous Driver Program.

This program aims to empower Indigenous youth to obtain their provisional licence as well as become safe and confident drivers. Obtaining their licence will provide our youth with opportunities to gain employment and education.

Dennis Cliche, CEO of Sydney Motorway Corporation stated:

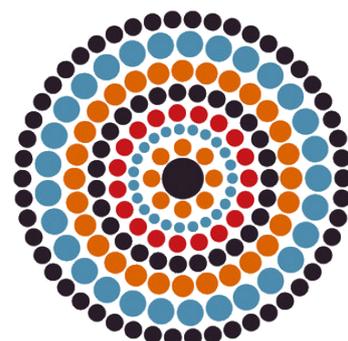
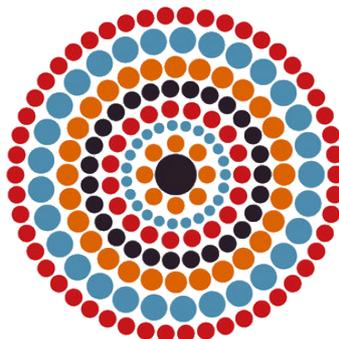
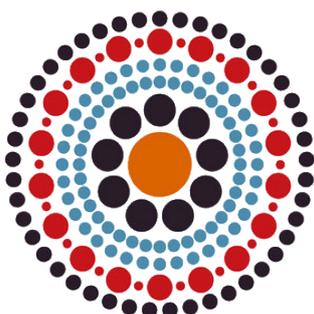
"So, we're working with KARI to ensure that Indigenous youth have an opportunity to get a drivers' licence so they're much more employable, they're much more mobile and they have an ability to take control of their lives."

## Minter Ellison

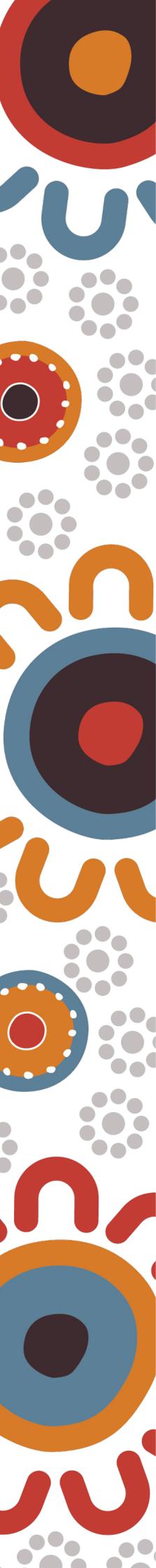
As the partnership with Minter Ellison reaches its eighth year, the assistance provided to KARI on a range of issues that go to the heart of KARI's work in protecting vulnerable children from Minter Ellison is invaluable.

Paul Ralph, KARI's Founder, has said:

"I would like to acknowledge the great support that has been given to us by Minter Ellison, for without their guidance and expertise, these significant changes within the community would have been much more difficult to achieve".







**KARI**  
FOUNDATION



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**KARI Foundation Ltd**

**ABN: 11 618 913 563**

**Annual Financial Report  
(Reduced Disclosure Requirements)**

**For the period 4 May 2017 to 30 June 2018**

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## Directors' Report

### For the period ended 30 June 2018

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The Directors of KARI Foundation Ltd present their Report together with the financial statements of the Company, being KARI Foundation Ltd, for the period ended 30 June 2018 and the Independent Audit Report thereon.

#### Directors' details

The following persons were Directors of KARI Foundation Ltd during or since the end of the financial period.

---

Mr Gary Potts - Chairperson  
Director since 2009

Ms Anne Martin - Non-Executive Director  
Director since 2012

Gary has been involved in Aboriginal Affairs since 1992, and has held a number of positions on several boards and committees in the Campbelltown/Liverpool areas. Anne has held a range of senior public and non-government sector roles across Indigenous affairs, including within the higher education sector.

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Ms Isabelle Phillips - Non-Executive Director  
Director since 2009

Mr George Villaflor - Non-Executive Director  
Director since 2012

Isabelle is the founder and Managing Director of Mackerel Sky – Leadership Matters. She has an undergraduate degree in adult education majoring in human resource development, post graduate studies in linguistics, and is completing a PhD bringing together the fields of positive psychology and leadership. George was the CEO of the first Cape York Aboriginal legal service in the late 1980s and has worked in Aboriginal and Torres Strait Islander child care protection in New South Wales, Queensland and the Australian Capital Territory.

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Ms Nicola Micallef - Non-Executive Director  
Director since 2014

Mr Paul Ralph - Chief Executive Officer to 30 September 2017 -  
Company Secretary  
Director since 1999

Nicola has been exposed to Indigenous affairs from an early age. Nicola has 10 years of frontline experience working in customer service and administration practices with the Commonwealth Bank. Nicola is now employed in a State public service department. Paul is a founding member of KARI and the CEO until 30 September 2017. Paul has experience across a number of important Aboriginal portfolios specific to employment outcomes, housing, education and human services.

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Ms Casey Ralph - Chief Executive Officer since 1 October 2017  
Director since September 2017

Casey has worked in the community services sector for 13 years and has previous education sector experience. Casey has worked in a variety of roles with KARI and is excited to use this vast experience in the CEO role.

# Directors' Report

## For the period ended 30 June 2018

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### Company Secretary

Paul Ralph is the Company Secretary. He has vast experience across a number of Aboriginal portfolios. Paul has been Company Secretary of KARI Foundation Ltd for 1 year.

### Principal activities

The principal activities of the company during the period were to provide clinical, cultural and management services, and to provide the community with holistic programs and services centred on education, healthy lifestyles and community strengthening.

There have been no significant changes in the nature of these activities during the period.

### Short-term objectives

The Company's short-term objectives are to:

- ensure the Aboriginal community has access to quality cultural programs and initiatives.
- ensure the Aboriginal community has access to quality, holistic services inclusive of clinical and community programs.
- empower the Aboriginal community through education and community strengthening programs.
- assist the corporate community to meet their social responsibility objectives.
- use KARI community and corporate trust to showcase the success and excellence of Aboriginal people and communities.

### Long-term objectives

The Company's long-term objectives are to:

- assist Aboriginal families, youth and communities to flourish.
- be sustainable and strive for continuous improvement so as to offer the best possible outcomes for the Aboriginal community.

### Strategy for achieving short and long-term objectives

To achieve these objectives, the Company had adopted the following strategies:

- the entity strives to attract and retain quality staff and partners who are committed to working with Aboriginal people in need. The organisation believes that attracting and retaining quality staff and partners will assist with the success of the organisation in both the short and long-term.
- staff and partners are committed to creating new, and maintaining existing, programs in support of Aboriginal people. Committed staff and partners allow the organisation the ability to engage in continuous improvement.
- the organisation's staff and partners strive to meet consistent standards of best practice and provide clear expectations of professional accountabilities and responsibilities to all stakeholders. This is evidenced by the performance of staff and partners who are being assessed based on these accountabilities, and ensures all staff are operating in the best interests of Aboriginal communities and the Company.

# Directors' Report

## For the period ended 30 June 2018

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### Directors' meetings

The number of meetings of directors held during the period, and the number of meetings attended by each Director, are as follows:

Director	A	B
Gary Potts	8	8
Anne Martin	8	8
Isabelle Phillips	8	7
George Villafor	8	4
Nicola Micallef	8	6
Paul Ralph	8	7
Casey Ralph	7	7

Where:

- Column A is the number of meetings the Director was entitled to attend.
- Column B is the number of meetings the Director attended.

### Contribution in winding up

The Company is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$2 each towards meeting any outstanding obligations of the entity. At 30 June 2018, the total amount that members of the Company are liable to contribute if the Company wound up is \$14.

### Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under s.60-40 of the Australian Charities and Not-for-profits Commission Act 2012 is included in page 4 of this financial report and forms part of the Directors' Report.

Signed in accordance with a resolution of the Board of Directors.



Gary Potts  
Director

30 October 2018

## Auditor's Independence Declaration To the Directors of KARI Foundation Ltd.

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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 KARI Foundation Ltd for the period ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements of 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.

MOSAIC AUDIT & CONSULTING



Vanessa Patricio  
Principal

Dated this 30th day of October 2018  
Sydney, NSW



Vanessa Patricio  
Principal  
Level 26  
44 Market Street  
Sydney NSW 2000

## Statement of Profit or Loss and Other Comprehensive Income

### For the period ended 30 June 2018

	Notes	2018 \$
Revenue	4	15,360,526
Other income	4	42,522
Change in inventories		(22,150)
Contingencies		(3,177,661)
Employee benefits expense	12.1	(2,276,560)
Rental expense		(776,611)
Community program expense		(370,695)
Advertising expense		(216,431)
Motor vehicles expense		(198,676)
Information technology expense		(169,929)
Depreciation expense		(65,948)
Loss on sale of property, plant and equipment		(23,428)
Other expenses		(668,321)
Surplus / (deficit) before income tax		7,436,638
Income tax expense	3.10	-
Surplus / (deficit) for the period		7,436,638
Other comprehensive income		-
Total comprehensive income / (loss) for the period		7,436,638

This statement should be read in conjunction with the notes to the financial statements.

## Statement of Financial Position

### As at 30 June 2018

	Notes	2018 \$
<b>Assets</b>		
Current		
Cash and cash equivalents	5	4,310,371
Trade and other receivables	6	2,341,166
Inventories	8	22,150
Other assets	10	137,387
<b>Current assets</b>		<b>6,811,074</b>
Non-current		
Property, plant and equipment	9	554,819
Other assets	10	1,975,000
<b>Non-current assets</b>		<b>2,529,819</b>
<b>Total assets</b>		<b>9,340,893</b>
<b>Liabilities</b>		
Current		
Trade and other payables	11	1,493,438
Provisions	12.2	243,904
Other liabilities	13	147,065
<b>Current liabilities</b>		<b>1,884,407</b>
Non-current		
Provisions	12.2	19,848
<b>Non-current liabilities</b>		<b>19,848</b>
<b>Total liabilities</b>		<b>1,904,255</b>
<b>Net assets</b>		<b>7,436,638</b>
<b>Equity</b>		
Retained earnings		7,436,638
<b>Total equity</b>		<b>7,436,638</b>

This statement should be read in conjunction with the notes to the financial statements.

## Statement of Changes in Equity For the period ended 30 June 2018

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	Notes	Retained Earnings \$	Total Equity \$
Balance at May 4 2017		-	-
Profit for the period		7,436,638	7,436,638
Other comprehensive income		-	
Total comprehensive income for the period		7,436,638	7,436,638
Balance at 30 June 2018		7,436,638	7,436,638

This statement should be read in conjunction with the notes to the financial statements.

## Statement of Cash Flows

### For the period ended 30 June 2018

	Notes	2018 \$
Operating activities		
Receipts from:		
• fee for service		8,767,874
• government grants		72,365
• corporate donors and grants		4,868,560
• interest income		4,906
• other income		42,522
Payments to clients, suppliers and employees		(9,309,616)
Net cash provided by operating activities		4,446,611
Investing activities		
Purchase of property, plant and equipment		(179,058)
Proceeds from disposals of property, plant and equipment		42,818
Net cash provided by / (used in) investing activities		(136,240)
Financing activities		
Proceeds from bank loans		-
Repayment of bank loans		-
Net cash from / (used in) financing activities		-
Net change in cash and cash equivalents		4,310,371
Cash and cash equivalents, beginning of period		-
Cash and cash equivalents, end of period	5	4,310,371

This statement should be read in conjunction with the notes to the financial statements.

# Notes to the Financial Statements

## For the period ended 30 June 2018

---

### 1 General information and statement of compliance

The financial report includes the financial statements and notes of KARI Foundation Ltd (the Company). KARI Foundation Ltd was registered as a company limited by guarantee on 4 May 2017.

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Act 2012. KARI Foundation Ltd is a not-for-profit entity for the purpose of preparing the financial statements.

The financial statements for the period ended 30 June 2018 were approved and authorised for issue by the Board of Directors on 30 October 2018.

### 2 Changes in accounting policies

#### 2.1 New and revised standards that are effective for these financial statements

A number of new and revised standards became effective for the first time to annual periods beginning on or after 1 July 2017. Information on the more significant standard(s) is presented below.

AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107

AASB 2016-2 amends AASB 107 Statement of Cash Flows to require entities preparing financial statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

AASB 2016-2 is applicable to annual reporting periods beginning on or after 1 January 2017.

AASB 2016-4 Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash Generating Specialised Assets of Not-for-Profit Entities

This Standard amends AASB 136 Impairment of Assets to:

- remove references to depreciated replacement cost as a measure of value in use for not-for-profit entities; and
- clarify that the recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 Fair Value Measurement, with the consequence that:
  - AASB 136 does not apply to such assets that are regularly revalued to fair value under the revaluation model in AASB 116 Property, Plant and Equipment and AASB 138 Intangible Assets; and
  - AASB 136 applies to such assets accounted for under the cost model in AASB 116 and AASB 138

AASB 2016-4 is applicable to annual reporting periods beginning on or after 1 January 2017.

The adoption of these standards has not had a material impact on the Company.

# Notes to the Financial Statements

## For the period ended 30 June 2018

---

### 3 Summary of accounting policies

#### 3.1 Overall considerations

The significant accounting policies that have been used in the preparation of these financial statements are summarised below.

The financial statements have been prepared using the measurement bases specified by Australian Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

#### 3.2 Revenue

Revenue comprises revenue from government and corporate grants, and fundraising activities. Revenue from major products and services is shown in Note 4.

Revenue is measured by reference to the fair value of consideration received or receivable by the Company for goods supplied and services provided, excluding sales taxes, rebates, and trade discounts.

Revenue is recognised when the amount of revenue can be measured reliably, collection is probable, the costs incurred or to be incurred can be measured reliably, and when the criteria for each of the Company's different activities have been met. Details of the activity-specific recognition criteria are described below.

##### Government grants

A number of the Company's programs are supported by grants received from the federal, state and local governments.

If conditions are attached to a grant which must be satisfied before the Company is eligible to receive the contribution, recognition of the grant as revenue is deferred until those conditions are satisfied.

Where a grant is received on the condition that specified services are delivered, to the grantor, this is considered a reciprocal transaction. Revenue is recognised as services are performed and at period-end until the service is delivered.

Revenue from a non-reciprocal grant that is not subject to conditions is recognised when the Company obtains control of the funds, economic benefits are probable and the amount can be measured reliably. Where a grant may be required to be repaid if certain conditions are not satisfied, a liability is recognised at period end to the extent that conditions remain unsatisfied.

##### Corporate grants

A number of the Company's programs are supported by grants received from corporate organisations.

If conditions are attached to a grant which must be satisfied before the Company is eligible to receive the contribution, recognition of the grant as revenue is deferred until those conditions are satisfied.

Where a grant is received on the condition that specified services are delivered, to the grantor, this is considered a reciprocal transaction. Revenue is recognised as services are performed and at period-end until the service is delivered.

# Notes to the Financial Statements

## For the period ended 30 June 2018

---

### 3 Summary of accounting policies (continued)

#### 3.2 Revenue (continued)

##### Corporate grants

Revenue from a non-reciprocal grant that is not subject to conditions is recognised when the Company obtains control of the funds, economic benefits are probable and the amount can be measured reliably. Where a grant may be required to be repaid if certain conditions are not satisfied, a liability is recognised at period end to the extent that conditions remain unsatisfied.

##### Donations

Donations collected, including cash and goods for resale, are recognised as revenue when the Company gains control, economic benefits are probable and the amount of the donation can be measured reliably.

##### Interest income

Interest income is recognised on an accrual basis using the effective interest method.

#### 3.3 Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

#### 3.4 Property, plant and equipment

##### Property, plant and other Equipment

Property, plant and other equipment (comprising motor vehicles, office equipment, computer equipment and leasehold improvements) are initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Company's management.

Property, plant and other equipment are subsequently measured using the cost model, cost less subsequent depreciation and impairment losses.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of buildings, plant and other equipment. The following useful lives are applied:

- leasehold improvements: life of lease
- computer equipment: 2.5-5 years
- motor vehicles: 8 years
- office equipment: 3-20 years

In the case of leasehold property, expected useful lives are determined by reference to comparable owned assets or over the term of the lease, if shorter.

## Notes to the Financial Statements For the period ended 30 June 2018

---

### 3 Summary of accounting policies (continued)

#### 3.4 Property, plant and equipment (continued)

Property, plant and other Equipment

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

#### 3.5 Leases

Operating leases

Where the Company is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

#### 3.6 Impairment testing of property, plant and equipment

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Company at which management monitors goodwill.

Cash-generating units to which goodwill has been allocated (determined by the Company's management as equivalent to its operating segments) are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risks factors.

# Notes to the Financial Statements

## For the period ended 30 June 2018

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### 3 Summary of accounting policies (continued)

#### 3.6 Impairment testing of property, plant and equipment (continued)

Where the future economic benefits of an asset are not primarily dependent on the asset's ability to generate net cash inflows and where 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 the asset.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount.

#### 3.7 Financial instruments

Recognition, initial measurement and de-recognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are initially measured at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

#### 3.8 Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- loans and receivables
- financial assets at Fair Value Through Profit or Loss (FVTPL)
- Held-To-Maturity (HTM) investments
- Available-For-Sale (AFS) financial assets

The category determines subsequent measurement and whether any resulting income and expense is recognised in profit or loss or in other comprehensive income.

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs or finance income, except for impairment of trade receivables which is presented within other expenses.

## Notes to the Financial Statements For the period ended 30 June 2018

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### 3 Summary of accounting policies (continued)

#### 3.8 Classification and subsequent measurement of financial assets (continued)

##### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Company's trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

##### Financial assets at fair value through profit or loss (FVTPL)

Financial assets at FVTPL include financial assets that are either classified as held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

##### Held-to-maturity (HTM) investments

HTM investments are non-derivative financial assets with fixed or determinable payments and fixed maturity other than loans and receivables. Investments are classified as HTM if the company has the intention and ability to hold them until maturity. The Company currently holds long-term deposits designated into this category.

HTM investments are measured subsequently at amortised cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognised in profit or loss.

# Notes to the Financial Statements

## For the period ended 30 June 2018

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### 3 Summary of accounting policies (continued)

#### 3.8 Classification and subsequent measurement of financial assets (continued)

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

Available-for-sale (AFS) financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The Company's AFS financial assets include listed securities.

All Available-for-sale (AFS) financial assets are measured at fair value. Gains and losses are recognised in other comprehensive income and reported within the AFS reserve within equity, except for impairment losses and foreign exchange differences on monetary assets, which are recognised in profit or loss. When the asset is disposed of or is determined to be impaired the cumulative gain or loss recognised in other comprehensive income is reclassified from the equity reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income. Interest calculated using the effective interest method and dividends are recognised in profit or loss within 'revenue' (see Note 3.2).

Reversals of impairment losses for AFS debt securities are recognised in profit or loss if the reversal can be objectively related to an event occurring after the impairment loss was recognised. For AFS equity investments impairment reversals are not recognised in profit or loss and any subsequent increase in fair value is recognised in other comprehensive income.

##### Classification and subsequent measurement of financial liabilities

The Company's financial liabilities include borrowings and trade and other payable.

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at fair value through profit or loss (FVTPL), that are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

#### 3.9 Inventories

Inventories comprise goods for distribution at no or nominal consideration as part of the Company's charitable activities. Inventories may be purchased or received by way of donation.

##### Goods for resale

Inventories of goods for resale are valued at the lower of cost and net realisable value. No value is ascribed to goods for resale that have been donated to the Company where fair value cannot be reliably determined. Net realisable value is the estimated selling price in the ordinary course of business, less any applicable selling expenses.

## Notes to the Financial Statements For the period ended 30 June 2018

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### **3 Summary of accounting policies (continued)**

#### **3.9 Inventories (continued)**

Goods held for distribution

Donated goods and goods purchased for nominal consideration held for distribution are initially recognised at their current replacement cost at date of acquisition. Inventories of goods purchased and held for distribution are initially recognised at costs. The cost of bringing each product to its present location and condition is determined on a first-in, first-out basis.

#### **3.10 Income taxes**

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

#### **3.11 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

## Notes to the Financial Statements For the period ended 30 June 2018

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### 3 Summary of accounting policies (continued)

#### 3.12 Employee benefits

##### Short-term employee benefits

Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service.

Examples of such benefits include wages and salaries, non-monetary benefits and accumulating sick leave. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

##### Other long-term employee benefits

The Company's liabilities for annual leave and long service leave are included in other long-term benefits as they are not expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. They are measured at the present value of the expected future payments to be made to employees. The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the timing of the estimated future cash outflows. Any re-measurements arising from experience adjustments and changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The Company presents employee benefit obligations as current liabilities in the statement of financial position if the Company does not have an unconditional right to defer settlement for at least twelve (12) months after the reporting period, irrespective of when the actual settlement is expected to take place.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

##### Post-employment Benefits Plan

The Company provides post-employment benefits through defined contribution plans.

##### Defined Contribution Plans

The Company pays fixed contributions into independent entities for individual employees. The Company has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the period that relevant employee services are received.

## Notes to the Financial Statements For the period ended 30 June 2018

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### 3 Summary of accounting policies (continued)

#### 3.13 Provisions, contingent liabilities and contingent assets

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised.

#### 3.14 Deferred income

The liability for deferred income is the unutilised amounts of grants received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided or the conditions usually fulfilled within twelve (12) months of receipt of the grant. Where the amount received is in respect of services to be provided over a period that exceeds twelve (12) months after the reporting date or the conditions will only be satisfied more than twelve (12) months after the reporting date, the liability is discounted and presented as non-current.

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

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of 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.

## Notes to the Financial Statements For the period ended 30 June 2018

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### 3 Summary of accounting policies (continued)

#### 3.16 Economic dependence

The Company is dependent upon the ongoing receipt of Federal and State Government grants and community and corporate donations to ensure the ongoing continuance of its programs. At the date of this report management has no reason to believe that this financial support will not continue.

#### 3.17 Significant management judgement in applying accounting policies

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

##### Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

##### Impairment

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

##### Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

##### Inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

##### Long service leave

The liability for long service leave is recognised and measured at the present value of the estimated cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

## Notes to the Financial Statements For the period ended 30 June 2018

### 4 Revenue

The Company's revenue may be analysed as follows for each major service category:

	2018 \$
Revenue	
Fee for service	10,002,798
Fundraising:	
• government grants	71,028
• unspent government grants	(5,766)
• corporate donors and grants	5,428,859
• unspent corporate donors and grants	(141,299)
Investment income:	
• interest	4,906
	15,360,526
Other income	42,522

### 5 Cash and cash equivalents

Cash and cash equivalents consist of the following:

	2018 \$
Cash on hand	4,000
Cash at bank	4,306,371
	4,310,371

#### 5.1 Reconciliation of cash

Cash at the end of financial period as shown in the statement of cash flows is reconciled in the statement of financial position as follows:

	2018 \$
Cash and cash equivalents	4,310,371

## Notes to the Financial Statements

### For the period ended 30 June 2018

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#### 6 Trade and other receivables

	2018 \$
Current	
• trade receivables	95,565
• trade receivables - KARI Ltd	2,235,204
• other receivables	10,397
Total trade and other receivables	2,341,166

#### 7 Financial assets and liabilities

##### 7.1 Categories of financial assets and liabilities

The carrying amounts presented in the statement of financial position relate to the following categories of assets and liabilities:

	Notes	2018 \$
Financial assets		
Cash and cash equivalents	5	4,310,371
Receivables:		
Current		
• trade and other receivables	6	2,341,166
Financial liabilities		42,522
Financial liabilities measured at amortised cost:		
Current:		
• trade and other payables	11	1,493,438

See Note 3.7 for a description of the accounting policies for each category of financial instruments. Information relating to fair values are presented in the related notes.

## Notes to the Financial Statements For the period ended 30 June 2018

### 8 Inventories

Inventories consist of the following:

	2018 \$
At cost:	
• inventory	22,150

### 9 Property, plant and equipment

Details of the Company's property, plant and equipment and their carrying amount are as follows:

	Motor Vehicles	Office Equipment	Computer Equipment	Leasehold Improvements	Total
	\$	\$	\$	\$	\$
Gross carrying amount					
Balance May 4 2017	-	-	-	-	-
Additions	352,176	104,113	122,328	166,487	745,104
Disposals	(133,753)	-	-	-	(133,753)
Balance June 30 2018	218,423	104,113	122,328	166,487	611,351
Depreciation					
Balance 4 May 2017	-	-	-	-	-
Disposals	(9,416)	-	-	-	(9,416)
Depreciation	17,229	5,733	9,490	33,496	65,948
Balance 30 June 2018	7,813	5,733	9,490	33,496	56,532
Carrying Amount 30 June 2018	210,610	98,380	112,838	132,991	554,819

All depreciation charges (or reversals if any) are included within 'depreciation'.

## Notes to the Financial Statements For the period ended 30 June 2018

### 10 Other assets

Other assets consist of the following:

	2018 \$
Non-Current	
Deferred asset	1,975,000
Current	
Bonds	74,444
Prepayments	62,943
	137,387

### 11 Trade and other payables

Trade and other payables recognised consist of the following:

	2018 \$
Current	
• trade payables	217,421
• trade payables - KARI Ltd	802,535
• other creditors and accruals	473,482
Total trade and other payables	1,493,438

All above liabilities are short term. The carrying values are considered to be a reasonable approximation of fair value.

### 12 Employee Remuneration

#### 12.1 Employee benefits expense

Expenses recognised for employee benefits are as follows:

	2018 \$
Wages, salaries	1,924,641
Workers compensation insurance	67,379
Superannuation	257,780
Employee benefit provisions	26,760
Employee benefits expense	2,276,560

## Notes to the Financial Statements

### For the period ended 30 June 2018

#### 12 Employee Remuneration (continued)

##### 12.2 Employee benefits

The liabilities recognised for employee benefits consist of the following amounts:

	2018 \$
Non-current	
• long service leave	19,848
Current	
• annual leave	111,196
• long service leave	132,708
	243,904

#### 13 Other liabilities

Other liabilities can be summarised as follows:

	2018 \$
Deferred income	147,065
Other liabilities - current	147,065

Deferred income consists of government and corporate grants received in advance for services to be rendered by the Company. Deferred income is amortised over the life of the contract.

#### 14 Auditor remuneration

	2018 \$
Audit and review of financial statements	
• auditors of KARI Foundation Ltd Mosaic Audit and Consulting	17,000
Other services	
• auditors of KARI Foundation Ltd Mosaic Audit and Consulting	4,800
Total auditor's remuneration	21,800

## Notes to the Financial Statements For the period ended 30 June 2018

### 15 Reconciliation of cash flows from operating activities

	2018 \$
Cash flows from operating activities	
Net surplus/(deficit) for the period	7,436,638
Non-cash flows in operating surplus/(deficit):	
• depreciation	65,948
• donated property plant and equipment	(470,501)
• loss/(profit) on sales of property, plant and equipment	23,428
Net changes in working capital:	
• change in inventory	(22,150)
• change in receivables	(2,341,166)
• change in other assets	(2,112,388)
• change in trade and other payables	1,455,985
• change in other liabilities	147,065
• change in provisions	263,752
Net cash from operating activities	4,446,611

### 16 Related party transactions

The Company's related parties include its key management personnel, related entities and related contractors as described below.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

#### 16.1 Transactions with director-related entities

The directors of KARI Foundation Ltd are also the directors of KARI Ltd. KARI Foundation Ltd have provided clinical, cultural and management services to KARI Ltd for the period ended 30 June 2018. During the period, income totalling \$13,786,800 was received from KARI Ltd. In addition, a donation totalling \$5,112,857 was received from KARI Ltd comprising cash and property, plant and equipment. The transactions were based on normal market rates conducted on "arm's length" terms. A net amount of \$1,432,669 was receivable from a director-related entity at 30 June 2018.

## Notes to the Financial Statements

### For the period ended 30 June 2018

#### 16 Related part transactions (continued)

##### 16.2 Transactions with key management personnel

Key management of the Company are the executive members of KARI Foundation Ltd Board of Directors and members of the Company. Key management personnel remuneration includes the following expenses:

	2018 \$
Total key management personnel remuneration	874,756

The Company used cleaning services of a close member of the key management personnel. The amounts billed were based on normal market rates and amounted to \$74,373.

The Company used music consulting services of a close member of the key management personnel. The amounts billed were based on normal market rates and amounted to \$25,800.

The Company used the consulting services of a close member of the key management personnel. The amounts billed were charged below commercial value and considered favourable to the Company and amounted to \$4,800.

The Company paid for insurance for a member of key management personnel, amounting to \$1,616.

#### 17 Contingent liabilities

A contingent liability exists for a secured bank guarantee of \$100,000 in favour of the Company's business credit card facility.

#### 18 Leases

##### 18.1 Operating Leases as lessee

The Company's future minimum operating lease payments are as follows:

	Minimum lease payments due			Total
	Within 1 year	1 to 5 years	After 5 years	
	\$	\$	\$	
30 June 2018	966,906	3,476,919	-	4,443,825

Lease expense during the period amount to \$989,504 representing the minimum lease payments.

The property lease commitments are non-cancellable operating lease terms of between one (1) and five (5) years. Increases in lease commitments may occur in line with CPI or market rent reviews in accordance with the agreements.

## Notes to the Financial Statements For the period ended 30 June 2018

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### **19 Post-reporting date events**

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

### **20 Member's guarantee**

The company is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum \$2 each towards meeting any outstanding obligations of the entity. At 30 June 2018, the total amount that the members of the Company are liable to contribute if the Company wound up is \$14.

## Director's Declaration

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- 1 In the opinion of the Directors of KARI Foundation Ltd:
  - a. The financial statements and notes of KARI Foundation Ltd are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:
    - i. Giving a true and fair view of its financial position as at 30 June 2018 and of its performance for the financial period ended on that date; and
    - ii. Complying with Australian Accounting Standards – Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the Australian Charities and Not-for-profits Commission Regulation 2013; and
  - b. There are reasonable grounds to believe that KARI Foundation Ltd will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors.



Director  
Gary Potts

Dated the 30th day of October 2018

# Independent Auditors Report To the Members of KARI Foundation Ltd

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## Report on the Audit of the Financial Report

### Opinion

We have audited the financial report of KARI Foundation Ltd, being a general purpose financial report, which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and notes to the financial statements including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the financial report of KARI Foundation Ltd has been prepared in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2018 and of its financial performance for the period then ended; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

### Basis for 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 the Company in accordance with the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 and the 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 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.

### Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report of KARI Foundation Ltd for the period ended 30 June 2018 included on the KARI Foundation Ltd website. The Company's Directors are responsible for the integrity of the KARI Foundation Ltd's website. We have not been engaged to report on the integrity of the KARI Foundation Ltd's website. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may be hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this website.

### Information Other than the Financial Report and Auditor's Report Thereon

Those charged with governance are responsible for the other information. The other information comprises the information included in the Company's annual report for the period ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

## Independent Auditors Report To the Members of KARI Foundation Ltd

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If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the Directors 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 Directors 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 Company'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 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 misstatements, 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors 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 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 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.

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.

## Independent Auditors Report To the Members of KARI Foundation Ltd

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Auditor's Responsibilities for the Audit of the Financial Report (continued)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of section 60-45(3)(b) of the Australian Charities and Not-for-profits Commission Act 2012 we are required to describe any deficiency, failure or shortcoming in respect of the matters referred to in paragraph 60-30(3)(b), (c) or (d) of the Australian Charities and Not-for-profits Commission Act 2012. We have nothing to report in this regard.

MOSAIC AUDIT & CONSULTING



Vanessa Patricio  
Principal  
Registered Company Auditor # 333315

Dated this 30th day of October 2018  
Sydney, NSW



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Principal  
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