



ANNUAL REPORT

2013



CONTENTS

Founder's Vision	2
Chairperson's Report	3
Directors' Report	4
Corporate Partners	4
Projects	6
Adelaide Homeless Project	7
Disadvantaged Youth Project	9
Uganda Project	11
Governance	15
Financial Report	18
Financial Statements	21
Notes	29
Glossary	30

MISSION

Our vision is *Unlocking Compassion to Change Our World*.

VISION

Our vision is to be a trusted partner of Australian business; delivering unique and life changing charitable projects that positively impact both the volunteers participating and those we support.

VALUES

The mission of the Foundation is - Unlocking Compassion to Change Our World – yet such a bold mission can not be achieved without an unwavering commitment to our core values:

COMPASSION

We are committed to the human quality of compassion and believe that knowledge and experience in charitable projects allows compassion to be unlocked.

PARTNERSHIPS

We are dedicated to forging strong Corporate Partnerships, to achieve the best possible outcome on projects and provide a supportive channel by which partners can make change.

SUSTAINABLE CHANGE

We believe in making long lasting improvements to the lives of the disadvantaged.

FOUNDER'S VISION



John Kain Founder

When John Kain decided to start his own legal business in 2004, he did it on the proviso that he would honour his responsibility to help others and etch in the culture of his business an ethos of philanthropy.

In 2005, The Kain C&C Charitable Foundation was established, based on the premise that team members of Kain C+C Lawyers occupy a position of privilege and with that privilege comes responsibility. Based in Adelaide, South Australia, the Foundation now works with a committed group of Corporate Partners and their people to implement charitable projects across Australia and overseas.

The Foundation has progressed a great deal since its inception; from bringing together Kain C+C team members to volunteer their time at the local soup kitchen, to 2009 where businesses other than Kain C+C Lawyers first became involved in Foundation projects, to 2011 joining The Smith Family on mentoring programs, to 2013 when the Foundation successfully completed its fourth Uganda Project, helping to build a school for orphans in the remote town of Gulu.

The Foundation's Mission is 'Unlocking Compassion to Change Our World', a purpose that cannot be achieved alone. While the Foundation provides the structure, our diverse and committed group of Corporate Partners provide the resources for change, through hands-on project work, in-kind contributions and representation on the Foundation's Board.

To John, the scope of the Foundation's projects are limitless. However, the primary focus is for the Foundation to work at unlocking compassion in those who participate on projects while aiming to transform the lives of the less fortunate.

While John continues to approach his philanthropic efforts with vigour, his direct involvement with the Foundation has reduced and the Foundation's board provides the strategic direction. While change is inevitable and the projects that are supported will evolve over time, the Foundation's commitment to its Founder's vision is unwavering.

CHAIRPERSON'S REPORT



Ray Pincombe Chairperson

The most powerful element of the Foundation is its Mission of 'Unlocking Compassion to Change Our World'. This was the wish of the founder John Kain to ensure that, as well as helping people who are disadvantaged, it is critical that those providing support are changed by their experience.

It is not just about helping people to overcome their circumstances, it is about changing the mind set of people in a more privileged position. The Foundation looks for this change in its Corporate Partnerships - and donations, while essential, are only one part of the overall approach.

There is no doubt that there has been an impact on the people involved in our projects. Those who have been to Uganda would have been touched by the circumstances of the people they assisted and the manner in which these people have been able to deal with issues that we would encounter rarely. It is a similar position for people who have provided assistance to disadvantaged students via The Smith Family programs in Adelaide. It would be surprising to find anybody who has been involved in our projects who has not been changed in some way by the experience.

When asked to describe the impact on him, Michael Richardson, Managing Director and participant in two trips to Uganda and involved in The Smith Family programs said, 'the experiences remind me just how lucky I am'. This statement encompasses the impact upon him and underpins the passion and commitment he has to the Foundation and its work. There are many other stories like this from other participants and it emphasises the value of involving the Corporate Partners and their staff in the Foundation's programs.

The above, while embracing the Founder's Mission, does not mean we undervalue the financial contribution made by our Corporate Partners and individuals. They are the means by which we are able to undertake this important work. Their financial assistance has helped us provide funding for building projects in Uganda over the last four years and helped finance the completion of an operating theatre in Uganda.

We are pleased with our involvement with Watoto in the Uganda building projects and also with UACO, as well as a number of other agencies. We are also delighted to work

with The Smith Family to assist disadvantaged students in our own country. These are programs we aim to continue in the future, while considering opportunities to develop new programs both in the local context as well as internationally.

In addition, we will be continuing to build our base of Corporate Partnerships to help increase our contribution to help those in need with both financial and developmental assistance.

I would like to thank our Corporate Partners for their support both financially and in-kind. We also thank them for allowing us to provide their staff with the opportunity to be involved in our projects (often on business time). It is in this way we can achieve our Mission.

Another thank you, is to the Board for their support and good work to help achieve the Foundation's objectives. Their assistance was invaluable. During the year, Sarah Chia completed her term as Director and I would like to highlight her significant contribution to the development of the Foundation and role as an inaugural Director and Chair. This contribution was critical to the ongoing successful operation of the Foundation.

I would like to welcome Tegan Knight as a new Director on the Foundation Board. Tegan brings good skills and a new perspective, has prior experience in the Foundation's programs and will lead the team to Uganda for the 2013 trip in August.

On my own behalf, I would like to thank the Kain C&C Charitable Foundation for the opportunity to be Chair. It has been a wonderful experience for me as it has developed and strengthened its approach to achieving its Mission. My term as Chair will end at the 2013 AGM and I will be stepping down at that time. It has been an enjoyable time and I thank my colleagues on the Board, the Corporate Partners and all projects participants for their generosity in helping the Foundation work toward its Mission.

The coming year will be one of great expectations and achievement for the Foundation and we look forward to meeting all the challenges.

DIRECTORS' REPORT

The Foundation began as a funnel through which members of the Kain C+C Lawyers team could make financial contributions to those in need. It is now an established charitable entity, facilitating charitable work for a number of different Australian businesses (known throughout this report as Corporate Partners).

CORPORATE PARTNERS

Our committed group of Corporate Partners are the backbone of the Foundation. While the Foundation provides the structure, our Corporate Partners provide the resources for change through hands-on project work, in-kind contributions and representation on the Foundation's Board. We offer a funnel by which Corporate Partners can gain access to meaningful charitable work as well as to achieve specific social responsibility goals.

Historically the Corporate Partners have played a vital role in the Uganda Project, sending representatives from their organisations to participate in the hands on work on the ground in Uganda. In FY13, Two Hands Wines led the way by being the first Corporate Partner (other than Kain C+C Lawyers) to participate in the Disadvantaged Youth Project, hosting the Next Steps program in their winery facility in the Barossa Valley. Over the next three years, it is a goal of the Foundation, to encourage Corporate Partners to participate in all aspects of the Foundation's work in order to strengthen an ongoing culture of compassion in Australian business.

During FY13 the Corporate Partners provided:

- funding to a pre-agreed level either through their own donations or fundraising activities;
- in kind contributions;
- volunteering members of their teams to work on the Foundation's projects; and
- representation on the Foundation's Board

The Corporate Partners during FY13 were:

Kain C+C Lawyers		Adelaide based Corporate and Commercial legal business
Two Hands Wines		Boutique winery producing some of Australia's highest quality wines
KWP! Advertising		Independent Australian ad agency providing a range of communication and marketing solutions for numerous, diverse businesses in all national markets
Perks		One of Adelaide's premier mid-tier accounting firms
Blue Sky Alternative Investments		One of Australia's emerging alternative asset managers

In FY13, representatives from Perks (Corporate Partner), founded the Himalayan Children's Education Foundation and established an internal Charitable Committee. The HCEF aims to provide a pathway through education to improving the lives of people in the Himalayas. This was a significant achievement for both Perks and the Foundation, in witnessing a true 'Unlocking of Compassion' taking place. The Perks' team are now focusing their community efforts towards HCEF – well done Perks!

CORPORATE PARTNER MODEL CASE STUDY:

Two Hands Wines is a South Australian based wine producer located in the beautiful Barossa Valley just outside of Marananga. Two Hands Wines makes high quality Shiraz based wines with quality driving all decisions, from fruit and oak selection to packaging and promotion.

In 2010, Two Hands Wines joined the Foundation to help raise money for the 2010 Uganda Project. They did it by integrating fundraising the wine tasting experience for customers at the Marananga cellar door.

Cellar Door Manager Shannon Kruschel explains:

“When customers arrive at the cellar door they are taken through the Two Hands tasting process and part of that process is a \$5 tasting fee that is donated directly to the Kain C&C Charitable Foundation. We explain what the Foundation does in Uganda and where their money is going.

The feedback received from our customers has been amazing. Most are happy to pay the \$5 and the reality is many are happy to donate much more once they hear about the project and the work that the travelling party do in Uganda each year.

It really adds to our customer experience and to our brand.”

From the Foundation’s perspective, not only does the Two Hands Wines model raise a significant portion of the Foundation’s donations each year but it also exposes the Foundation to over 10,000 customers each year hearing about the projects and spreading the message of philanthropy.

The Foundation looks forward to the continuing support of its Corporate Partners through FY14 and beyond.

FUNDING PRINCIPLES

Our projects are underpinned by three fundamental funding principles:

HANDS-ON EXPERIENCE

Our charitable projects offer hands-on experiences to Corporate Partners.

BANG FOR BUCK

We invest financially in projects that actually move the needle - where financial resources can be directed to have the most impact.

SUSTAINABLE

We focus on sustainable projects that create long term change for the people we support.

A detailed report on each of the Foundation’s major projects is contained in the following section.

PROJECTS



ADELAIDE HOMELESS PROJECT

SUMMARY

Service Partner	Hutt Street Centre
Corporate Partner	Kain C+C Lawyers
Commencement date	February 2007
Targeted towards	South Australia's 6,270 homeless people ¹
Services provided	Two hour free legal advice every Monday morning One on one computer literacy training sessions and other activities through the education program, CREATE space
Key outcomes this year	\$52k worth of free legal advice during FY13 74 hours of computer literacy training and other educational activities

NEED FOR ASSISTANCE

People who are living on the street or who are at risk of becoming homeless face many, seemingly insurmountable, legal issues every day. These issues range from housing and tenancy applications and disputes, to matters involving serious violence and abuse. To these people, legal assistance can seem like a foreign concept reserved only for those who can afford it.

OBJECTIVES

In 2007 the Foundation, in conjunction with the Welfare Rights Centre, identified the need for greater legal support for Adelaide's disenfranchised homeless community. In conjunction with Kain C+C Lawyers, the Foundation conceived the Adelaide Homeless Project. This project is based on working with Hutt Street Centre (one of Adelaide's leading frontline homeless support providers) to:

- prevent homelessness by fighting the eviction of public and private tenants; and
- reduce the marginalisation of those who are homeless or at risk of homelessness.

SERVICES PROVIDED

Every Monday morning, two lawyers from Kain C+C Lawyers conduct a free legal clinic at Hutt Street Centre, providing advice to the homeless and those at risk of becoming homeless. Since its launch in February 2007 pro bono lawyers at the Legal Clinic have provided legal advice and assistance to more than 3,500 homeless people.

Hutt Street Centre's education program, CREATE space, offers a safe learning environment to develop skills to increase opportunities for community participation, further learning and employment. Hutt Street Centre, which is a registered provider of Adult Community Education, partners with TAFE SA and the Department of Further Education, Employment, Science and Technology (DFEEST) to offer a range of programs. Each week non-legal members of the Kain C+C Lawyers team participate in these education programs.

OUTCOMES ACHIEVED

One of the Adelaide Homeless Project's success stories:

'A client presented to the Housing Legal Clinic with an issue with an interstate public trustee. Though he was the benefactor of his sister's will he was unable to obtain the proceeds. The volunteer HLC lawyers from Kain C+C contacted the Public Trustee and as a result the client received a cheque for \$49,000.'

Non-legal team members from Kain C+C Lawyers were an integral part of successes achieved by Hutt Street Centre's education program during the FY13:

- 107 people participated in 1:1 tuition and group activities;
- 110 people participated in accredited training – achieving a TAFE SA module; and
- Across Hutt Street Centre and St Vincent de Paul's education programs, 21 people achieved employment and 32 progressed to further study

CRAIG'S STORY:

'I never thought I would ever see another Certificate in my life, especially to do with education, so I am still coming to terms that I have actually achieved something academic.

Now, with a little prod here and there from Navian, well maybe a little more, I have become quite happy with myself. (And) with the help from the lawyers who come to the Hutt St Centre to volunteer their services, who helped pay the tuition costs and the Education and Training Program at Hutt St.

All this has pushed me into believing that you can achieve and reach anything you want to.

So, to everyone involved and who has helped me, I want to thank you very much.

I have obtained my Certificate III in Community Services. I am now involved with the Red Cross to further my studies and eventually aim to gain employment which will involve volunteering work and the very much welcomed help and encouragement from the Hutt Street Centre.'

Craig Richards

Long term client of the Hutt Street Centre who has received assistance from the Foundation

CHANGES TO THE ADELAIDE HOMELESS PROJECT ON 1 JULY 2013

With the Foundation's continued journey towards greater independence from Kain C+C Lawyers and a commitment to focusing solely on projects that achieve our funding principles, a decision was made by the Board to hand control of the Adelaide Homeless Project to Kain C+C Lawyers.

While the project has achieved some amazing outcomes over the years and will continue to do so going forward under the control of Kain C+C Lawyers, it is not a project consistent with the Foundation's funding principles, nor a project that can engage our other Corporate Partners.

The Foundation looks forward to seeing where Kain C+C Lawyers takes the Adelaide Homeless Project in the future.



¹ Australian Census Analytic Program: Counting the Homeless, 2011

DISADVANTAGED YOUTH PROJECT

SUMMARY

Service Partner	The Smith Family
Corporate Partners	Kain C+C Lawyers Two Hands Wines
Commencement date	March 2010
Targeted towards	Disadvantaged children and young people all the way through their education, from pre-school to tertiary studies
Programs provided	One on one online mentoring for disadvantaged students through the iTrack program, and career advice through the Next Steps program
Key outcomes this year	Six Foundation representatives participated in iTrack during FY13 Two Next Steps programs were undertaken, one held at Kain C+C Lawyers and the other at Two Hands Wines

NEED FOR ASSISTANCE

While many consider Australia to be a land of opportunity, statistics show that the gulf between the haves and have-nots in Australia has widened with the top 20% of Australian households owning 62% of Australia's total wealth and the bottom 20% sharing just 1%.² The effect of financial difficulties can have a widespread impact, particularly on children.

Because the Foundation aims to see its projects have impact beyond the immediate assistance it gives, the Foundation decided to address economic and social disadvantage in ways designed to 'break the cycle' of disadvantage, rather than provide 'handouts' as a short term solution to the problem.

This principle underlies the Foundation's continuing partnership with The Smith Family, whose motto is 'helping disadvantaged Australian children realise their potential through education'.

OBJECTIVES

The Foundation seeks to support disadvantaged youth in South Australia in their educational pursuits – to keep them engaged and to assist them in transitioning to the workforce, through The Smith Family's 'Learning for Life' program.

SERVICES PROVIDED

During FY13 the Foundation provided funds and volunteer support to disadvantaged communities and students by:

- sponsoring one primary school child to assist with educational and related expenses;
- sponsoring four tertiary students to assist with educational and related expenses;
- providing funding for the City Impact project, a project which allows rural and regional students to accustom themselves with the Adelaide CBD;
- providing six volunteers to participate in the iTrack online mentoring program for Year 10 students, and
- facilitating two Next Steps programs for year 11 students from Wirreanda High School and Christies Beach High School.

² Australian Bureau of Statistics, Year to May 2012

OUTCOMES ACHIEVED

iTRACK ONLINE MENTORING

Three staff from Kain C+C Lawyers, Laura Rich, Michael Bett and Timothy Hall, participated in the mentoring program that concluded in September 2012 and, with James Frearson-Lea and two team members from Two Hands Wines, are also undertaking the 2013 program. iTrack aims to connect, motivate, support and inform students who are beginning to formulate their post-school plans.

We have included a selection of Year 10 participant feedback against the desired outcomes of the program:

CONNECT

"iTrack not only helped me find many different career pathways and how I can access them, but also made me feel confident in talking to adults and having conversations with them."

SUPPORT

"It was a really good experience. It was good to talk to someone who was not related to me, as they were not biased in what I should do."

MOTIVATE

"I have really enjoyed iTrack. I have a better idea of what I want to do, thanks to my mentor. I don't know how I would have done it without her."

INFORM

"I enjoyed learning new things my mentor told me, she taught me things I did not know (which was really useful). She encouraged me to be more confident, and she's one of the best mentors ever."

NEXT STEPS

Next Steps is an initiative of The Smith Family's Learning for Life program designed to help young people from disadvantaged backgrounds improve their confidence and their chances of securing a job. The program consists of a two day employment skills workshop which offers a combination of theory (information sessions) and practice (virtual job searches, mock applications and interviews) based training to high school students.

During FY13, Kain C+C Lawyers ran this program for Year 11 students from Wirreanda High School, while Two Hands Wines ran the program for students from Christies Beach High School.

"Getting to try the different styles of interviews was scary but helpful. It was good to get that experience."
(Christies Beach High School student)

THE SMITH FAMILY SHARES ITS PERSPECTIVE:

"The support that the Kain C&C Charitable Foundation give to The Smith Family is invaluable. Both the financial and human capital support that is afforded to The Smith Family, allow us to run the iTrack and Next Steps programs in SA which each year contributes to increased skills, aspirations and confidence of over 300 year 10 students. The financial component over the last three years has been the sole funding of our City Impact which takes students from both primary and secondary schools and familiarises them with the city of Adelaide (including University and TAFE campus tours)."



UGANDA PROJECT

SUMMARY

Service Partners	Watoto Childcare Ministries Uganda Australia Christian Outreach Missionaries of the Poor M-LISADA Orphanage Gateway Mercy Orphanage
Corporate Partners	Kain C+C Lawyers Two Hands Wines Perks
Commencement date	1 July 2009
Targeted towards	Uganda's 2.5 million orphans ³
Services provided	Housing and 'family' support Education Clothing, medicine and related support
Key outcomes this year	<p>Took part in a UACO walking clinic through the slums of Kampala, donated an autoclave (sterilizer) from Australia and painted the facade of the soon to be completed UACO Operating Theatre</p> <p>Assisted with and helped fund the construction of an ablutions block for a school for orphans in partnership with Watoto</p> <p>Worked with, and donated goods and funds to the mentally or physically handicapped residents of MOP</p> <p>Visited and donated goods to M-LISADA and Gateway orphanages</p>

NEED FOR ASSISTANCE

In 2012, UNICEF estimated that 2.5 million of Uganda's estimated population of 34.5 million were orphans. ⁴

These orphans often have no family, financial or medical support, survive on less than one meal a day, and do not have any education or prospects for the future. The Uganda Project aims to alleviate the problems faced by some of these orphans in a country that has been ravaged by HIV/AIDS, war and other diseases by providing opportunities to receive an education and healthcare, and to have the skills to develop their local community.

OBJECTIVES

The Uganda Project aims to transform the lives of some of these children and other disadvantaged Ugandans by providing:

- a safe and secure home environment;
- the opportunity for an improved education; and/or
- access to healthcare services

³ UNICEF, UNICEF – Uganda – Statistics <http://www.unicef.org/infobycountry/uganda_statistics.html> estimated in 2012

⁴ UNICEF, UNICEF – Uganda – Statistics <http://www.unicef.org/infobycountry/uganda_statistics.html> estimated in 2012

2012 PROJECT

In 2012 a team made up of staff from Kain C+C Lawyers, Perks and Two Hands Wines travelled to Uganda. Their first visit was to UACO, where they provided an autoclave (steriliser) to the medical clinic before going on a walking clinic in the slums around UACO.



The group then spent several days helping to build a toilet block at the Watoto orphanage, interrupted only by a day of painting at UACO, whose work is inspiring. Dr Edward Ssembatya started the program and has, through force of will, made it a success, developing a great team around him of doctors, social workers, teachers, nurses, who help out with Uganda's poor.

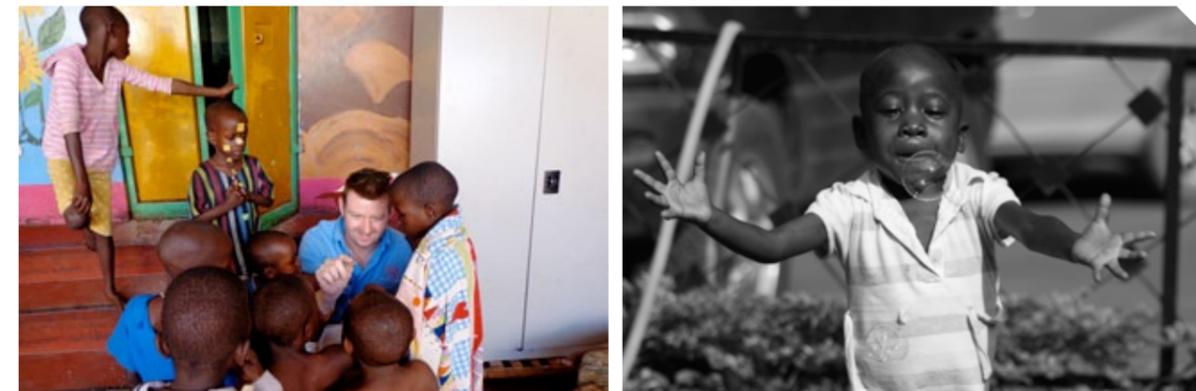


After finishing work on the toilet block at Watoto, the team visited the house built by the 2009 Uganda Project team where nine children live with their surrogate mother.

The following day the group visited Missionaries of the Poor, who work with the people that nobody else will, including orphans, those with physical and mental disabilities and the very old.

There the team helped with tasks such as washing, drying and clothing the disabled men, teaching the kids at the school and washing out the clothes and sheets while Lil Ellis (who is a doctor) saw patients at the in-house clinic. This was followed by a visit of the local slums.

The team's time in Uganda concluded with visits to Gateway to donate goods and M-LISADA Orphanage where they helped paint one of the dormitories.





‘WE TALK IN AUSTRALIA OF HAVING A SAFETY NET; IN UGANDA TO BE AN ORPHAN IS FREE FALLING WITHOUT A PARACHUTE.’

Q & A WITH JUSTIN COURTNEY (UGANDA PROJECT 2012 TEAM MEMBER)

Q. WHY DID YOU DECIDE TO TAKE PART IN THE 2012 UGANDA TRIP?

A. This was a big commitment for me. It came with significant challenges, like having to leave my family without support, but I felt that I couldn't encourage others to support the work of the Foundation without having experienced the project myself.

Q. WHY DO YOU SEE A NEED FOR US TO RUN A PROJECT IN UGANDA?

A. Poverty. It is one thing to see extreme poverty, quite another to knock on the door and be invited in. You soon realise that the single story you are seeing is being replicated endlessly.

Q. HOW DID YOU GO WORKING ON THE GROUND?

A. For me, it was a unique experience. The level of poverty is something that you just cannot prepare yourself for. We talk in Australia of having a safety net; in Uganda to be an orphan is free falling without a parachute.

Q. WHAT HAVE YOU TAKEN AWAY FROM THIS EXPERIENCE?

A. For all their hardships, the people of Uganda are fantastic....Uganda is a country with endless problems, it also has endless potential. Something that we talk of at work is leaving some place, or someone, the better for having been there.

In a very small way I would like to think we have left Uganda a slightly better place for having been there. It was my very great privilege to visit.



GOVERNANCE

STRUCTURE

The Foundation was established in 2005 as a trust. Kain C+C Charities Pty Limited ACN 115 024 309 is the trustee of the Foundation.

The Foundation is a public ancillary fund and has been endorsed by the Australian Taxation Office as a deductible gift recipient. All donations to the Foundation are tax deductible.

BOARD

Kain C+C Lawyers Pty Limited ACN 137 053 395 is the sole shareholder of Kain C+C Charities Pty Limited and has appointed a board of four directors in accordance with the Foundation's governance policies and the Australian Taxation Office's requirements for public ancillary funds.



Ray Pincombe
Independent Chairman

Since his appointment as a director in April 2010, Ray has been the Chair of the Board.

Ray brings a wealth of experience from his roles as CEO in local government and as the National President of Local Government Managers Australia.



Michael Richardson
Managing Director

Michael was appointed Managing Director of the Foundation in February 2012. He is a Chartered Accountant and has the role of Chief Operating Officer at Kain C+C Lawyers.

Michael plays an active role in the day to day operations of the Foundation and is responsible for the Foundation achieving its strategic objectives



Sarah Chia
Director

Sarah was the Chair of the Board until April 2010 and as a Director of the Foundation since its establishment. She is a lawyer and a team member of Kain C+C Lawyers.

She was a member of the team which travelled to Uganda in August 2009 and again in 2011 as part of the Foundation's Uganda Project. Sarah's term as Director concluded at the AGM held in March 2013.



Phil Kightley
Director

Phil joined the Board of the Foundation in June 2012.

Trained as a Chartered Accountant in England, Phil has expanded his skill set by working in a number of roles around the world including his current position of General Manager at Two Hands Wines which he has held since 2009.



Tegan Knight
Director

Tegan was appointed as Director of the Foundation Board at the 2013 AGM. She is a lawyer and team member of Kain C+C Lawyers, and travelled to Uganda in August 2011 as part of the Foundation's Uganda Project team.

The Board composition complies with the Australian Taxation Office's requirements for public ancillary funds and the Foundation's policies.

Each Director serves a term of three years as illustrated in the table below:

Board member	Position	Expiry date
Sarah Chia	Director	AGM following 30 June 2012
Ray Pincombe	Chairman	AGM following 30 June 2013
Michael Richardson	Managing Director	AGM following 30 June 2014
Phil Kightley	Director	AGM following 30 June 2015
Tegan Knight	Director	AGM following 30 June 2016

MEETINGS

Between 1 July 2012 and 30 June 2013 Board attendances were as follows:

Director	Number of meetings held while a director	Number of meetings attended
Ray Pincombe	6	6
Michael Richardson	6	6
Sarah Chia	5	4
Phil Kightley	6	6
Tegan Knight	1	1

GOVERNANCE

The Foundation is governed by a Board that consists of three directors and one independent chairperson. Sitting underneath the Board are resources provided by Kain C+C Lawyers and other Corporate Partners to support the operations of the Foundation. The Foundation is committed to observing a demonstrably high standard of corporate governance.



FINANCIAL REPORT

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As pre-empted in the 2012 Annual Report, the Foundation was able to significantly increase the percentage of donated funds spent on active projects during FY13.

Our Corporate Partners invest significant time and financial resources into the Foundation and it is the Board's view that it is extremely important that the Foundation directs these resources into helping those less fortunate in our community. The Foundation is acutely aware of the great trust bestowed upon it by our Corporate Partners. To honour that trust the Foundation is committed to:

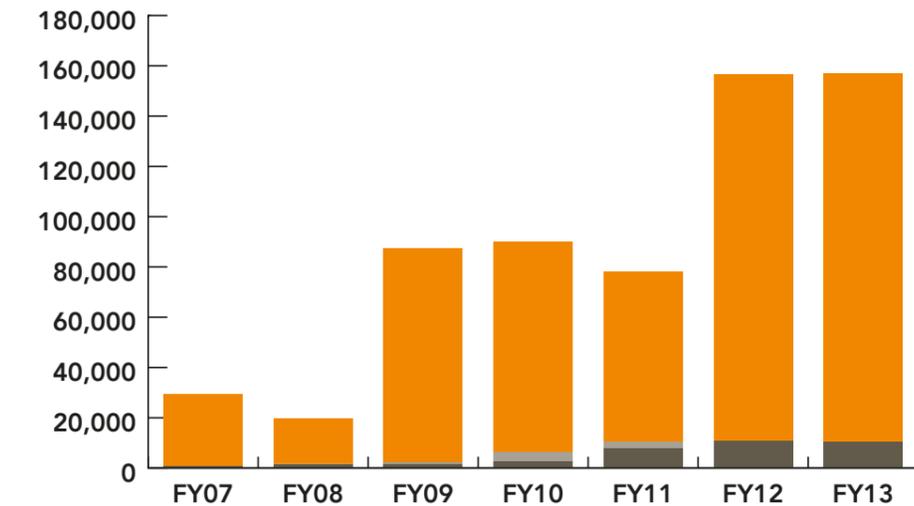
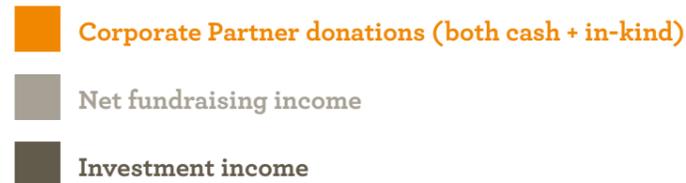
- ensuring that administration costs do not exceed an expense ratio of 5% of contributions received; and
- transparent disclosure of all administration costs.

Through these commitments the Foundation ensures that the money contributed by its Corporate Partners is applied to its projects and not wasted on administration cost. In FY13 just 1.1% of funds raised were spent on administration expenses (4.2% in FY12).

During the year the Foundation contributed \$45k to the building of an ablutions block in Kampala's Watoto Suubi Village and \$64k towards the completion of the UACO hospital theatre. The Foundation also made smaller financial contributions to the Hutt Street Centre and to The Smith Family.

WHERE DOES THE MONEY COME FROM?

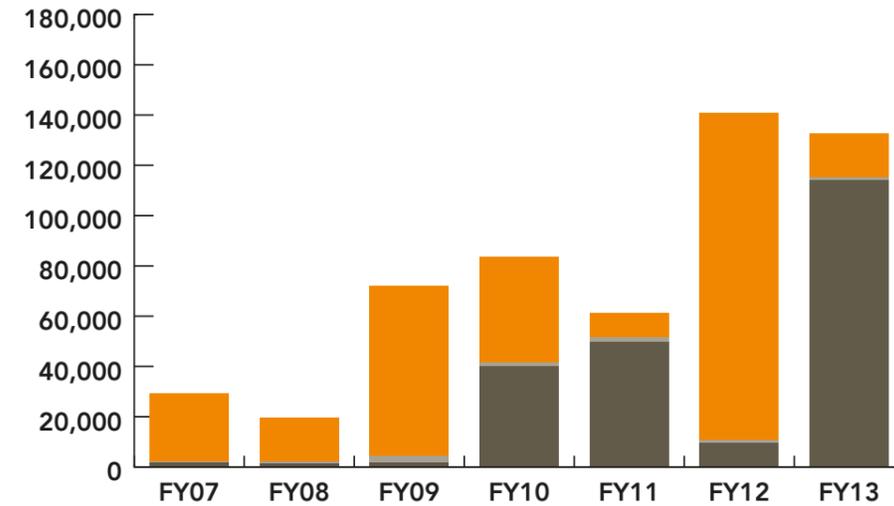
The Foundation's principal source of funding is donations from Corporate Partners (both cash and in-kind support). The chart below shows the sources of income from FY07 to FY13.



Note to chart: On 1 July 2011, the Foundation received a \$41,273 donation from Two Hands Wines attributable to the FY11 financial year (meaning that effectively FY11 donations shown in the chart are \$41K understated and FY12 donations are \$41K overstated).

WHERE DOES THE MONEY GO?

Funds raised are either directed into existing projects, retained in the Foundation or used to pay expenses.



EXPLANATORY NOTE TO CHART

The Foundation makes a difference to the lives of the disadvantaged both through financial contributions and providing hands-on support. Without attempting to place a dollar value on the hands-on contributions made by our Corporate Partners, the non-financial contributions to the Foundation's projects, far outweighs the financial contribution.

The chart above shows where donations received have been directed. It should be noted that FY12 was an unusually low year for money donated to projects. This was mainly due to a timing difference whereby \$45k of funding for the August 2012 Uganda Project was not paid until July 2012 where in previous years funding for the Uganda Project was required months in advance thus falling into the previous financial year.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

CONTENTS

Income Statement	22
Statement of Financial Position	22
Notes to the Financial Statements	23
Trustee Declaration	24
Independent Audit Report	25
Disclaimer	27
Profit and Loss Account	28

INCOME STATEMENT

	2013	2012
	\$	\$
Revenue	122,291	132,628
Other income	10,442	10,827
Donations	(114,015)	(9,368)
Other expenses	(1,238)	(1,429)
Surplus before income tax	17,480	132,658
Surplus after income tax	17,480	132,658

STATEMENT OF FINANCIAL POSITION

		2013	2012
	Note	\$	\$
Assets			
Current assets			
Cash and cash equivalents	2	310,412	292,932
Total current assets		310,412	292,932
Total assets		310,412	292,932
Net assets		310,412	292,932
Equity			
Settled sum		10	10
Retained earnings	3	310,402	292,922
Total equity		310,412	292,932

NOTES TO THE FINANCIAL STATEMENTS

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the foundation's constitution and the Public Ancillary Fund Guidelines 2011. The trustee has determined that the foundation is not a reporting entity.

The financial report has been prepared on a cash basis.

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

(b) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(c) Revenue and Other Income

Revenue is measured at the fair value of the consideration received.

Interest revenue is recognised when received.

All dividends received are recognised as revenue when the dividend has been received.

2 CASH AND CASH EQUIVALENTS

	2013	2012
	\$	\$
Cash on hand	10	10
Cash at bank	110,402	142,922
Short term bank deposits	200,000	150,000
	310,412	292,932

3 RETAINED EARNINGS

	2013	2012
	\$	\$
Retained earnings at the beginning of the financial year	292,922	160,264
Surplus for the year	17,480	132,658
Retained earnings at end of the financial year	310,402	292,922

TRUSTEE DECLARATION

4 TRUST DETAILS

The registered office and principal place of business of the foundation is 315 Wakefield Street, Adelaide SA 5000.

The trustee declares that the foundation is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The trustee declares that:

1. The financial statements and notes, as set out pages 21 to 23, present fairly the foundation's financial position as at 30 June 2013 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
2. In the trustee's opinion, there are reasonable grounds to believe that the foundation will be able to pay its debts as and when they become due and payable.
3. In the trustee's opinion the foundation has complied with the Public Ancillary Fund Guidelines 2011.

This declaration is made in accordance with a resolution of the trustees.

Trustee

Dated this 5th of October 2013

INDEPENDENT AUDIT REPORT TO THE TRUSTEE OF KAIN C&C CHARITABLE FOUNDATION

PART A: FINANCIAL REPORT

We have audited the accompanying financial report, being a special purpose financial report, of Kain C&C Charitable Foundation (the foundation), which comprises the statement of financial position as at 30 June 2013, and the income statement for the year then ended, a summary of significant accounting policies, other explanatory notes and the trustee declaration.

TRUSTEE'S RESPONSIBILITY FOR THE FINANCIAL REPORT

The trustee of the foundation is responsible for the preparation of the financial report and has determined that the basis of accounting described in Note 1 is appropriate to meet the financial requirements of the foundation's constitution and the Public Ancillary Fund Guidelines 2011. The trustee's responsibility also includes such internal control as the trustee determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the trustee, as well as evaluating the overall presentation of the financial report.

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

OPINION

In our opinion, the financial report presents fairly, in all material respects, the financial position of Kain C&C Charitable Foundation as of 30 June 2013 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements, the requirements of the foundation's constitution and the Public Ancillary Fund Guidelines 2011.

BASIS OF ACCOUNTING AND RESTRICTION ON DISTRIBUTION

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial report has been prepared to assist Kain C&C Charitable Foundation to meet the requirements of the foundation's constitution and the Public Ancillary Fund Guidelines 2011. As a result, the financial report may not be suitable for another purpose.

PART B: COMPLIANCE

TRUSTEE'S RESPONSIBILITY FOR COMPLIANCE

The trustee is responsible for complying with the requirements of the Public Ancillary Fund Guidelines 2011.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the trustee's compliance, based on the compliance engagement. Our audit has been conducted in accordance with applicable Standards on Assurance Engagements to provide reasonable assurance that the trustees of the foundation complied, in all material respects, with the Public Ancillary Fund Guidelines 2011.

Our procedures included examination, on a test basis, of evidence supporting compliance with the Public Ancillary Fund Guidelines 2011. These tests have not been performed continuously throughout the year and were not designed to detect all instances of non compliance.

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

OPINION

In our opinion, the trustee of the foundation has complied, in all material respects, with the Public Ancillary Fund Guidelines 2011 for the year ended 30 June 2013.

PERKS AUDIT & ASSURANCE
180 Greenhill Road
Parkside
South Australia 5063

PETER J HILL
Director
Registered Company Auditor

Dated this 5th of October 2013

DISCLAIMER

The additional financial data presented on page 28 is in accordance with the books and records of the foundation which have been subjected to the auditing procedures applied in our audit for the year ended 30 June 2013. It will be appreciated that our audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Kain C&C Charitable Foundation) in respect of such data, including any errors of omissions therein however caused.

PERKS AUDIT & ASSURANCE
180 Greenhill Road
Parkside
South Australia 5063

PETER J HILL
Director
Registered Company Auditor

Dated this 5th of October 2013

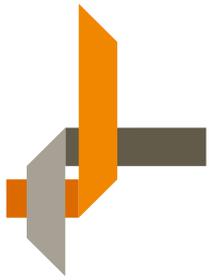
PROFIT AND LOSS ACCOUNT

	2013	2012
	\$	\$
Income		
Team contributions	33,260	28,046
Other contributions	33,956	88,661
KCCL contributions	23,075	15,922
Interest income	10,442	10,827
UACO Australia Committee	32,000	-
Total income	132,733	143,456
Less: Expenses		
Donations	114,015	9,368
Accounting fees	710	660
Bank charges	486	519
Company fees	42	41
Training	-	210
Total Expenses	115,253	10,798
Operating surplus	17,480	132,658

NOTES

GLOSSARY

TERM	MEANING
AGM	Annual General Meeting
Corporate Partner	Businesses who support the Foundation: Kain C+C Lawyers Two Hands Wines kwp! Perks Blue Sky Alternative Investments P&R Electrical Wholesalers
Foundation	Kain C+C Charitable Foundation Pty Limited as trustee of the Kain C+C Charitable Foundation ABN 63 425 376 446
FYXX	The financial year ending 30 June 20XX
Gateway	Gateway Mercy Orphanage
HCEF	Himalayan Children's Education Foundation
K	Thousands
Kain C+C Lawyers	Kain C+C Lawyers Pty Limited ACN 137 053 385
KCCL	Kain C+C Lawyers Pty Limited ACN 137 053 385
Mission	Unlocking Compassion to Change Our World
M-LISADA	M-LISADA Orphanage
MOP	Missionaries of the Poor
Service Partner	An organisation that the Foundation works with to help achieve its Mission
TSF	The Smith Family
UACO	Uganda Australia Christian Outreach
Watoto	Watoto Childcare Ministries



KAIN C+C
CHARITABLE
FOUNDATION

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