



ANNUAL REPORT 2018



OUR VISION

A world where businesses are generous and children realise their potential.

OUR MISSION

To create opportunities for people to improve their own lives, positively impacting communities and businesses. We exist quite simply to enrich lives.

OUR PURPOSE

The foundation is a trusted partner of Australian businesses, inspiring the corporate sector to give generously and wisely. We do this by creating two-way opportunities for children and youth to fulfil their potential and for businesses and their employees to do the same. We listen to communities and work side-by-side with them, funding unique and life changing projects that deliver positive educational and economic outcomes for children and youth.

WHAT WE BELIEVE

We believe in opportunity. We know it's possible for children to break the cycle of dependence and welfare to become enterprising members of their communities. Our work is to unleash their capacity through investment in education and economic development.

We align ourselves with those who believe that people in privileged positions have a responsibility to give back to those less fortunate, and that doing so will unlock compassion and empathy. In every act of giving there is the experience of receiving which is critical to changing the world.

Our experience has shown that collaboration is the key to positive change. We believe that bringing businesses, not-for-profits and communities together with a common goal results in sustainable, long-lasting improvements.

ROMA MITCHELL SCHOOL WORK INSPIRATIONS STUDENTS
 AT SAHMRI WITH FOUNDATION CORPORATE PARTNER
 HALPIN FINANCIAL (APRIL 2018)



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CHAIRMAN'S REPORT



I am delighted to be reporting on a year of focus and achievement for the Kain Foundation.

In a nutshell the board was keen to concentrate on two scalable projects; one being in South Australia and the other Uganda.

The reasons were simple. Concentrate our effort and our funds.

This strategy to focus on one local and one international project was informed by corporate partner and supporter feedback alike.

To that end we took a more targeted approach in F18 to local projects through Northern Opportunities. Consistent with this, we began to transition out of some local legacy projects and continued to develop and expanded framework for Northern Opportunities.

Similarly, we continued our support of Junior Landcare Projects in Uganda and completed our long-standing support of the Kkoba Community Project and the Myindo Women's Group as both projects have reached maturity.

I had the privilege to go to Uganda and witness firsthand the work of our foundation. While all projects are important the board is convinced our decision to concentrate of Junior Landcare in Uganda is right.

Junior Landcare is important and of real value at so many levels to schools, teachers, pupils, their parents, communities and their future in practical and financial terms.

During 2019 it is my intention to transition the role of Chair to our Founder John Kain. Whilst stepping down as Chair, will continue to serve as Director of the Foundation. In doing so I would like to thank the board; Jan Turbill, Mark Booth, Evan Polymeneas and John Kain. Further I am grateful for the ongoing support of our corporate partners, supporters and volunteers.

In closing I am confident we have two scalable and worthwhile projects which will benefit young men and women in South Australia and Uganda for many years to come.

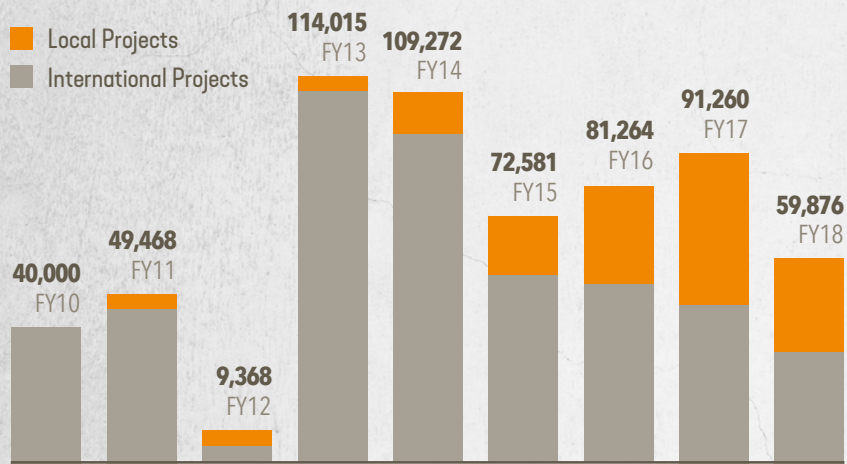
ANDREW KILLEY

THE YEAR IN REVIEW

(JULY 2017 – JUNE 2018)

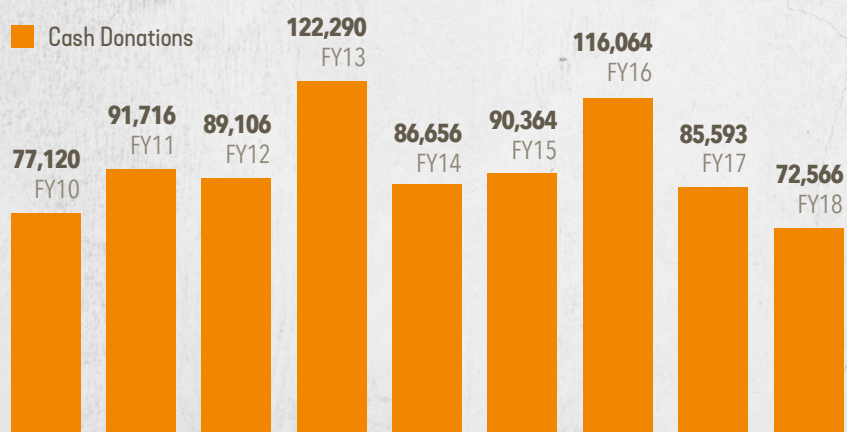
THIS WAS A YEAR OF CONSOLIDATION AND BUILDING ON SUCCESSFUL PROJECTS LAUNCHED IN THE PRIOR YEAR. WE CONTINUED TO INVEST DEEPLY IN CREATING EDUCATIONAL AND EMPLOYMENT OPPORTUNITIES FOR YOUNG PEOPLE HERE IN SOUTH AUSTRALIA AND IN RURAL COMMUNITIES IN UGANDA. WE MAINTAINED CLOSE TIES WITH LONG-TIME CORPORATE PARTNERS KAIN LAWYERS AND HALPIN FINANCIAL SERVICES AND WELCOMED NEW PARTNERS TO THE NETWORK.

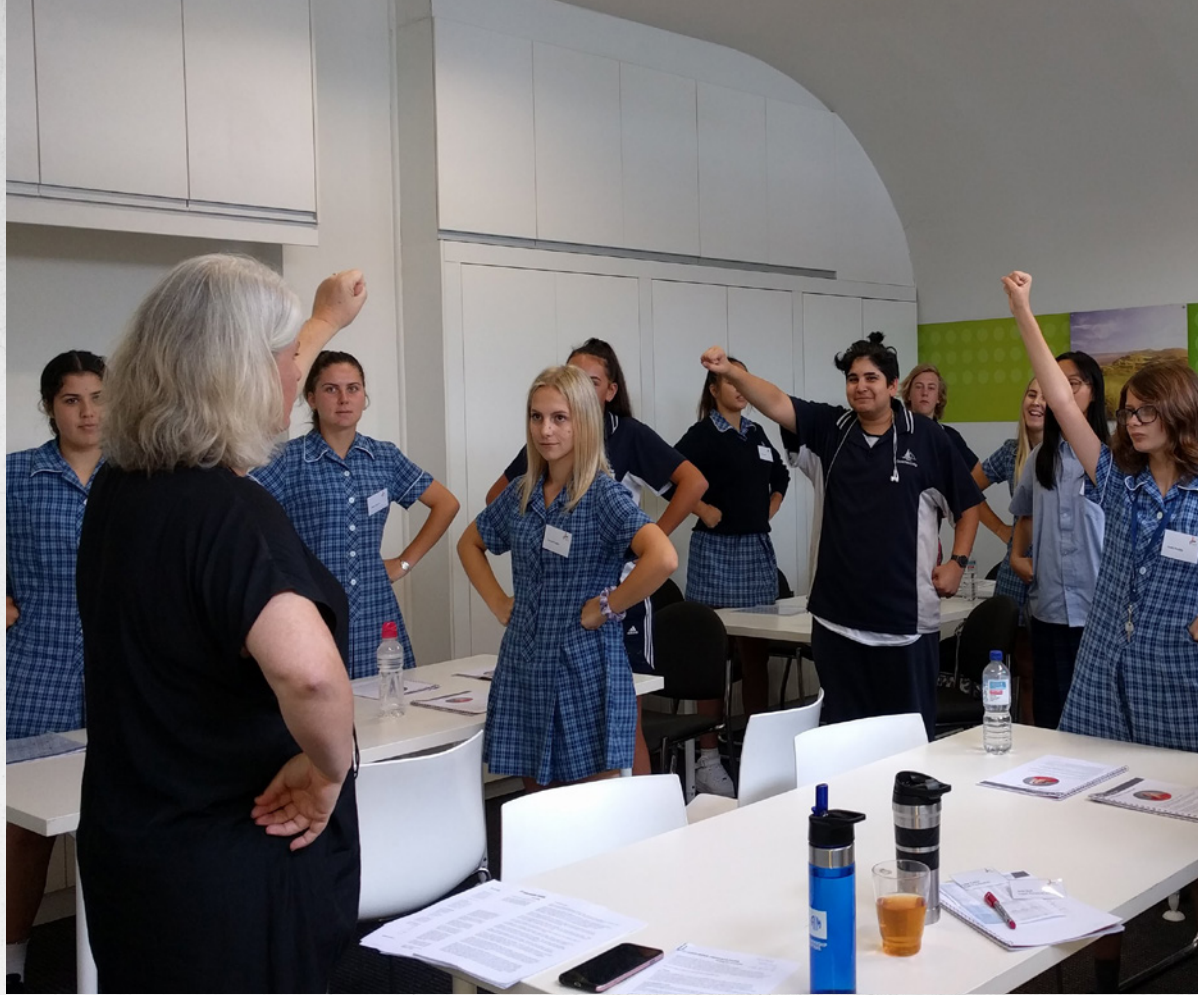
INTERNATIONAL V. LOCAL PROJECT INVESTMENT (FY10-FY18)



The decline in Project Investment in 2018 was driven by project transitions. In Uganda our deployment into Uganda Landcare opportunities commenced with 4 schools and a further 8 schools to join in coming years. In Australia, the Northern Opportunities program began operation with one year level at Salisbury High School which will expand in coming years to additional year levels.

CONTRIBUTIONS TO THE FOUNDATION (FY10-FY18)





HIGHLIGHTS FROM FY18 ARE:

- Held the 8th annual Uganda immersion trip from 5-18 August 2017, bringing the total to 55 people who have been part of this amazing experience since we first launched it in 2009
- Delivered 4 Work Inspiration workshops for 76 students from Roma Mitchell Secondary School, Salisbury and Woodville High Schools, and Ocean View College
- Delivered our final Drumbeat workshop with Hackham West R7 Primary School, a bittersweet farewell after three years of drumming and connecting with kids from this school
- Following the launch of our Northern Opportunities scholarship program in April 2017, we funded two rounds of scholarship grants to 5 students from Playford International College in October 2017 and another 10 students from Craigmore, Paralowie, Playford and Woodville schools in May 2018
- We welcomed new corporate partners blackboks/Jamshop (now The Rowdy Group), Fusion and the Adelaide Fringe-Artist Fund, joining Kain Lawyers and Halpin Financial Services.

In the second half of FY18 we began work on a new engagement and fundraising campaign, School 4 Schools www.kainfoundation.com/schools-4-schools. The premise of this campaign is to connect Australian schools (primary and secondary) with the Ugandan schools participating in our Jr. Landcare program. The hope is that teachers, students, parents and community members from Australia and Uganda will learn from each other. For those Australian schools that are interested in fundraising, we will match them as a sponsor to a Ugandan school so that more schools can participate in the Jr. Landcare program. Kain Foundation corporate partner Fusion did an amazing job of creating the campaign microsite and sign-up pack. With the platform now established, we aim to recruit Australian schools to this campaign in FY19.

STUDENTS FROM OCEAN VIEW COLLEGE PARTICIPATING IN A WORK INSPIRATIONS WORKSHOP AT SEALINK TRAVEL GROUP (FEBRUARY 2018)



FUNDING PRINCIPLES

THE FOUNDATION'S WORK IS GOVERNED BY ITS OVERARCHING FUNDING PRINCIPLES AND VALUES.



OPPORTUNITY

Create educational and economic opportunities for children, youth, employees and businesses to fulfil their potential.



CONNECTION

Encourage connection and collaboration across business, industry and community so that knowledge, expertise and resources are leveraged constructively towards a common goal.



STABILITY

Clearly define, measure and evaluate our program outcomes to create long-lasting improvements beyond the Foundation's period of support. Build stability not dependency.



EXPERIENCE

Facilitate Corporate Partners in engaging in hands-on experiences to unlock compassion and empathy.



EFFECTIVE FUNDING

Invest in effective projects where funds and resources are used efficiently and transparently for maximum benefit to all involved.



OUR PROJECTS: UGANDA LANDCARE OPPORTUNITIES

THE FOUNDATION HAS PARTNERED WITH UGANDA LANDCARE NETWORK ('**ULN**') TO FUND THE EXPANSION OF ITS JUNIOR LANDCARE ('**JLC**') PROGRAM THROUGH 12 PRIMARY SCHOOLS IN THE MASAKA DISTRICT OF UGANDA. THE JLC PROGRAM SEEKS TO PROMOTE ECONOMICALLY AND ENVIRONMENTALLY SUSTAINABLE LAND MANAGEMENT ('**SLM**') PRACTICES IN UGANDA. IN TURN THIS ALLOW STUDENTS AND THEIR FAMILIES TO LIFT THEMSELVES FROM SUBSISTENCE TO SURPLUS FARMING WITH CONSEQUENT EDUCATIONAL, ECONOMIC AND OTHER SOCIAL BENEFITS. THE JLC PROGRAM HAS BEEN COMMENCED IN FOUR OF THOSE 12 SCHOOLS.

70-80% of Ugandans rely on farming for all or part of their income. Over the last half a century, the productivity of individual Ugandan farms in many areas of Uganda has declined materially. Today the typical Ugandan 'smallholder' farming household survives on the equivalent of ~USD2 per day.

Many rural children walk between 1 and 3km to and from school and receive one meal per day. Such conditions are not conducive to learning. In some areas, up to 70% of children do not complete primary school, leaving school with no skills to equip them for a life beyond that into which they were born.

Through Ugandan Landcare Opportunities we seek to:

- Expand the knowledge base of children to understand SLM practices which they can apply at home – a useful skill that children can use should they return to farming after school;
- Increase the knowledge base of the local farming communities through a combination of: the children's knowledge of SLM; and the school propagating productive agricultural inputs (such as seedlings and piglets) and giving them to the child to farm at home; and
- Generate surplus food at school to allow children to be fed at school, with a more varied diet.

These outcomes seek to keep children at school longer allowing them to develop broader skills, whilst improving the economic productivity and environmental sustainability of the community.



CORPORATE PARTNERS KAIN LAWYERS, BLUE SKY & HALPIN FINANCIAL AT BULESA SCHOOL, UGANDA WITH KAIN FOUNDATION COMMERCIAL MANAGER LISA TARCA & FOUNDATION BOARD DIRECTOR EVAN POLYMENEAS UGANDA, (AUGUST 2017)

IT WAS QUITE SOBERING TO SEE THEIR SITUATION FIRSTHAND AND KNOW THE FUTURE DOESN'T LOOK BRIGHT WITHOUT SOME INTERVENTION

UGANDA TRIP

The group spent a few days with each project: Jr. Landcare and Kkoba Community Development in the Masaka District in South Western Uganda. For Jr. Landcare, we visited Bulesa School on the first day. Bulesa is one of the poorest schools in the region, many of the children do not have proper school uniforms and their parents are unable to afford the fee for meals so the children go without. While we support them informally with a donation on the day of terms worth of maize for the 350 kids, it was quite sobering to see their situation firsthand and know the future doesn't look bright without some intervention.

We visited Butale Schools on the second day, which was a stark contrast to the day before. Butale is one of the first schools where the Uganda Landcare Network implemented the Jr. Landcare project and is a model for the four schools where Kain Foundation is sponsoring the project. We toured the school site and learned of many powerful examples about how Jr. Landcare teaches agricultural concepts in an accessible and rewarding manner. We saw vertical gardens, veggies patches for each classroom, drip irrigation using plastic water bottles, tree seedling nurseries, enclosed combustion ovens (12 times more efficient than the standard practice of open fires for cooking), and piggeries that included a control group using standard local stock and techniques and a much healthier and larger group of pigs using the landcare techniques. The positive and healthy energy from the students and the teachers at Butale was striking.



UGANDA SUNSET (AUGUST 2017)

One day 3 of the trip we finally had the chance to visit a school sponsored by Kain Foundation, Kaboyo Primary School near the town on Masaka. It was clear that at the halfway point (end of year 1 out of 2), the school and community had already achieved enormous success. Their focus in the first year has been on creating a tree farm to both educate the children as well as serve as a social enterprise for the parents and community members. There are 5,000 families connected to this school community and the supply of trees cannot meet the demand. As Principal James outlined to our group, they are transforming the community from job seekers to job creators and are well on the way of changing the attitudes of people in order to change and improve habits and farming techniques. The program is showing the community how to implement sustainable, efficient and productive farming practices (as well as supplying infrastructure such as water tanks) that are enriching the communities and assisting in their development for many years to come.

The next few days of the #KFUganda2017 trip were a pivot to the Kkoba Community Development project, with stops in Kkoba and Mayindo. Kkoba is where Hopeline Organisation founder Tony Wanyoike was born (read his story in our 2016 annual report), and a place he always wanted to come back to help improve things, especially for the many orphans in this village of 500. Kkoba is was in desperate need of a new school (the old one was literally falling down around the children), but rather than get funding just for the school, Tony and business partner Leslie (from The Real Uganda) approached Kain Foundation with the idea of funding agricultural ventures in Kkoba which would create jobs, and the proceeds would be used for the community to self-fund the new school building. At the time of our visit, the core structure of the new school was built, and the team had fun throwing bricks and starting to lay the foundation for the second building for the kindergarten. We wrapped up this phase of the trip with a visit to the ladies of Mayindo Village, which was one of Tony's first projects and is still going strong with over 80 members who teach and support each other skills such as sewing, making re-usable sanitary pads, and liquid soap.



BUTALE PRIMARY SCHOOL PIGGERY, FUNDED BY THE KAIN FOUNDATION & JUNIOR LANDCARE IN 2015 (AUGUST 2017)

The remaining stops in the trip were visits to Missionaries of the Poor – a home for orphans and disabled people who have been cast out in what can be an unforgiving society in the heart of Kampala, Kids for Africa – a sports program for young people (very similar to the program shown in the book/movie “The Queen of Katwe”), and the Watoto village in Suubi. While these projects are no longer part of the Kain Foundation Uganda program, it was inspiring and educational to see the challenges each of them are facing and the unique ways they are bringing hope and positive change in their communities.

The annual Uganda experience trip occurs near the start of the fiscal year; we make funding payment and track progress for our Uganda projects throughout the entire year. By the end of FY18 we completed the final payments for both projects. In total, we funded the Kkoba Community Development project \$42KAUD over two years and \$32KAUD for the Jr. Landcare project over the same period. For the Kkoba Community project, this funding covered activities in farm development, youth apprenticeships, and family/community meetings.



#KFUGANDA2017 COHORT VISIT THE LADIES OF MAYINDO VILLAGE SET UP BY TONY WANYOIKE (AUGUST 2017)

Key outcomes achieved by the Kkoba Community project in the two years of our partnership were:

- 30 long-term jobs created in the community in farm development and food trading
- 91 youth apprenticeships in fields such as hairdressing, tailoring, carpentry, and boda boda repair
- New businesses in Kkoba created by youth apprentice graduates
- 423 people (150 youth, 273 adults) were directly involved and benefited from this project’s activities, another 3,300 were indirect beneficiaries in the community
- New school construction was funded by the proceeds of the farm development and food trading enterprises – the buildings were nearing completion as of the end of this fiscal year

Key outcomes achieved by the Jr. Landcare project in the two years of our partnership were:

- The curriculum covering student training in agricultural and water conservation techniques was rolled out to four rural Ugandan schools: Kaboyo, Kyassaonko, Lubanda and Happyhours
- Tree nurseries, piggery units and rainwater tanks were setup in all four schools
- 1792 people (1342 children, 450 adults) were directly involved and benefited from this project’s activities
- Parent’s attitudes have changed in these communities – where they used to believe that agricultural practice is punishment, they now appreciate the relevance of agricultural techniques to improving their quality of life and the importance of cultivating tree seedlings in order to turn around the trees shortages due to drought and cutting of trees for fuel



OCEAN VIEW COLLEGE STUDENTS AT SEALINK TRAVEL GROUP WITH CORPORATE PARTNER KAIN LAWYERS DURING A WORK INSPIRATIONS WORKSHOP (FEBRUARY 2018)

OUR PROJECTS: LOCAL

WE CONSOLIDATED OUR LOCAL PROJECTS IN FY18, WINDING DOWN LEGACY PROJECTS SUCH AS HABITAT FOR HUMANITY AND DRUMBEAT AND CONCENTRATING ON CORE YOUTH EDUCATION AND TRAINING PROGRAMS – NORTHERN OPPORTUNITIES SCHOLARSHIPS AND WORK INSPIRATION WORKSHOPS.

We completed our last Drumbeat workshop in Term 2 2018 at Hackham West Primary School where we've been doing Drumbeat workshops for the past two years. We originally started the Drumbeat program in 2015 with community partner Re-Engage Youth Services. In 2017, Re-Engage changed their service offerings and stopped supporting the Drumbeat program. By that time, several staff at Hackham West had trained as Drumbeat facilitators and they were keen to keep the program running themselves, however, they needed financial support to purchase their own Djembe drums. We worked with another service provider, Schools Plus which allows funds such as Kain Foundation which are restricted in donations to only DGR Type-1 organisations to donate for a school-based project and they in-turn get the funds to the schools and assist them with project evaluation. While saying farewell to this program was hard as it has been a favorite with many of our corporate partner volunteers, we felt good knowing we'd been part of connecting with many kids over the years, and had helped this school continue the program on their own.

WE FELT GOOD KNOWING WE'D BEEN PART OF CONNECTING WITH MANY KIDS OVER THE YEARS, AND HAD HELPED THIS SCHOOL CONTINUE THE PROGRAM ON THEIR OWN.



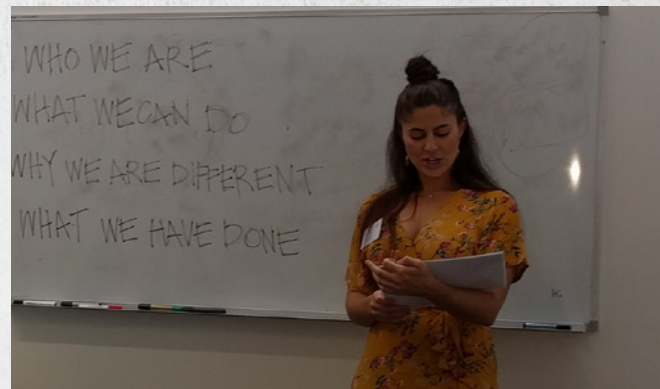
KAIN LAWYERS' STEFAN HARRIS & JO HO WITH FOUNDATION COMMERCIAL MANAGER LISA TARCA AT THE SMITH FAMILY'S CHRISTMAS APPEAL (DECEMBER 2017)

SMITH FAMILY

Our Work Inspiration workshops conducted in partnership with The Smith Family continue to go from strength to strength. Our corporate partner volunteers delivered four Work Inspiration workshops for 76 students from Roma Mitchell Secondary School, Salisbury and Woodville High Schools, and Ocean View College in this fiscal year. Two of the most notable workshops were the February 2018 workshop with Ocean View College and the May 2018 workshop with Woodville High School. The February workshop was our first collaborative effort by corporate partners from Kain Lawyers, Halpin Financial Services, The Rowdy Group and with office tour and speakers from Sealink, long-time client of Kain Lawyers. The May workshop was specifically designed by Kain Lawyers for 22 students from Year 11 legal studies course at Woodville High School and included a visit to the district court and a mock trial. Both students and corporate volunteers were incredibly engaged and eager to share why they enjoy (or hope to) work in the legal profession.



CORPORATE PARTNERS HALPIN FINANCIAL (MARCH 2018)



KAIN LAWYERS' GRACE LYNG HOSTING A WORK INSPIRATIONS WORKSHOP (FEBRUARY 2018)



NORTHERN OPPORTUNITIES

After planning and announcing our new Northern Opportunities program in April 2017, FY18 was the first year to make it operational. We work closely with Youth Opportunities to design a scholarship program for young people – generally Year 11 or Year 12, who have graduated from the Youth Opps 10-week Personal Leadership Program (PLP) and are seeking financial assistance and other support to continue progress on personal and career goals they set during PLP. We funded 15 Northern Opportunities student scholarships in FY18, with each student receiving \$1K of support in the form of a laptop, tutoring, or in some cases, bespoke awards such as photographic equipment. As our model of giving back includes direct involvement from corporate volunteers, we worked with Youth Opportunities to identify three scholarship students who were interested in careers related to fields where our corporate partners excel. We had two legal studies scholarship students who we matched up with Kain Lawyers volunteers to serve as mentors, meeting throughout the term to discuss how the students might best prepare themselves for a legal career. We also matched a scholarship student interested in a career in performing arts with the staff at Fringe Festival so that the student worked in their office for a week to learn more about the behind the scenes action. Both of these experiences served as learning opportunities for the Foundation. We are continuing to innovate and improve our Northern Opportunities program in order to build stronger connections between volunteers and students and deliver lifelong positive impact on the students’ employment pathways.

YOUTH OPPORTUNITIES SCHOLARSHIP COHORT #2 (APRIL 2018)





ROMA MITCHELL SCHOOL WORK INSPIRATIONS STUDENTS AT CORPORATE PARTNER KAIN LAWYERS' OFFICE (FEBRUARY 2018)

CORPORATE PARTNERS

WE SPEAK ABOUT OUR NETWORK OF CORPORATE PARTNERS BEING LIKE-MINDED, GENEROUS BUSINESSES. OUR LASTING IMPRESSION FROM WORKING SIDE-BY-SIDE WITH YOU, OUR CORPORATE PARTNERS, IS OF INDIVIDUALS WHO CARE DEEPLY FOR THEIR COMMUNITIES AND ABOUT CREATING OPPORTUNITIES FOR CHILDREN. MOST OF YOU INVEST YOUR OWN MONEY AND TIME, AND WHEN THIS INVESTMENT IS MATCHED BY YOUR BUSINESS, IT HAS THE COMPOUNDING EFFECT TO CREATE LONG-LASTING CHANGES IN BOTH THE LIVES OF CHILDREN AND OURSELVES.

The Foundation had six Corporate Partners in FY18 who collectively contributed \$72.6K in cash and in-kind contributions valued at \$70.3K.

During FY18 our Corporate Partners provided:

- Funding to a pre-agreed level either through their own donations or fundraising activities;
- In-kind contributions including video production and a campaign website;
- Volunteers to participate in the Foundation's projects; and
- Representation on the Foundation Board.

OUR CORPORATE PARTNERS IN FY18 WERE:

Kain Lawyers

An innovative legal consulting business based in Adelaide. Founding partner and key cog of the machine. Best in practice workplace giving program with 100% participation, matching employee financial contributions dollar for dollar.

Blue Sky Alternative Investments

Australia's first and only listed diversified emerging alternative asset manager.

Halpin Financial Services

One of South Australia's longest established Financial Planning practices providing quality financial advice since 1972.

Blackbocks/Jamshop (now The Rowdy Group)

A full service agency offering its clients marketing, advertising, strategy, creative, production and digital.

Fusion

An award-winning digital innovation agency who connects people to brands by creating experiences that people love.

Adelaide Fringe Artist Fund

The Adelaide Fringe Artist Fund provides financial assistance to Australian artists registering their work in Adelaide Fringe, and to help disadvantaged groups experience Fringe shows.



If your company is interested in learning more about joining our corporate partner network, please contact us at info@kainfoundation.com. We're also happy to share tips with any company interested in setting up their own workplace giving and volunteering programs, so please reach out.

KAIN
LAWYERS

Opportunity. Opportunity. Opportunity.

BlueSky
Alternative Thinking

HALPIN

FINANCIAL SERVICES

**The
Rowdy
Group**

Fusion

**ADELAIDE
FRINGE ARTIST
FUND**

COMMUNITY PARTNERS

The Foundation works with a trusted group of not-for-profit and community-based organisations to implement and deliver great projects. The Foundation draws on the knowledge and experience of Community Partners to guide project work while providing access for Community Partners to corporate volunteer and financial support. The Foundation encourages collaborative partnerships across business, community and the philanthropic sectors so that knowledge, expertise and resources are leveraged constructively towards a common goal.

OUR COMMUNITY PARTNERS IN FY18 WERE:



the real uganda



HOPE LINE
Organisation



Uganda Landcare Network



EdmundRice
FOUNDATION

Schools Plus 



everyone's family

YOUTH
OPPORTUNITIES 

The Real Uganda

A registered non-profit, non-governmental organization (NGO) operating totally in Uganda since January 2005. Places about 70 volunteers on Uganda-based projects each year, The Real Uganda is co-managing the Kkoba Community project.

Hopeline Organisation

A community based organisation in Central Uganda, working to bring hope to abandoned, at-risk women and children in and around rural Buikwe District. Empowering the vulnerable both economically and socially, giving them the chance to dream again. Co-managing the Kkoba Community project.

Uganda Landcare Network

An association of individuals and institutions committed to the principles, philosophy and practice of Landcare in Uganda, built on the global successes of Landcare including Australia where it was launched close to 30 years ago. Project manager for the Junior Landcare project in Lwengo, Uganda.

Edmund Rice Foundation (Australia)

An international aid organisation which supports sustainable health, education and community projects in developing countries and projects for marginalised and disadvantaged groups in Australia. Formed alliance with Kain Foundation to help us better monitor and evaluate our Uganda projects.

Australian Schools Plus

Founded in 2013 after several reports and not-for-profit leaders pointed to the many potential benefits of increasing philanthropy in the Australian education system. Schools Plus exists to improve the education outcomes of Australian students in need by increasing schools' access to philanthropy.

The Smith Family

Helping disadvantaged children get the most out of their education outside the classroom. Offering advice and guidance for young people around transitioning from school to the workforce.

Youth Opportunities

Empowers young people to overcome challenges now and in their future by training them on how to be happy, communicate more effectively, build their confidence and improve wellbeing, set goals and increase motivation.

GOVERNANCE

Structure

The Foundation was established in 2005 as a trust (ABN 63 425 376 446). Kain Charities Pty Limited (ACN 115 024 309) is the trustee of the Foundation. The Foundation is a Public Ancillary Fund that has been endorsed by the Australian Taxation Office as a Deductible Gift Recipient, and as a registered charity with the Australian Charities and Not-for-Profits Commission. Monetary donations of \$2 or more to the Foundation are tax deductible.

Board

Kain Lawyers Pty Limited (ACN 137 053 395) is the sole shareholder of Kain Charities Pty Limited and has appointed a board of directors in accordance with the Foundation's governance policies and the Australian Taxation Office's requirements for public ancillary funds. Sitting underneath the Board are resources provided by Kain Lawyers and other Corporate Partners to support the operations of the Foundation.

MEET OUR BOARD



ANDREW KILLEY, CHAIR

4 MEETINGS HELD WHILE DIRECTOR, 3 ATTENDED

Andrew Killey was appointed Chair in December 2015. He brings a wealth of experience, serving as director on many arts, sports and charitable boards as well as working for over 40 years in the advertising and marketing industry.



MARK BOOTH, DIRECTOR

4 MEETINGS HELD WHILE DIRECTOR, 4 ATTENDED

Mark joined the Board in December 2015. Mark has an extensive background in senior management in the public and private sectors and holds positions on a number of public and private sector boards and committees. Mark is a Director of BRM Holdich, a Chartered Accounting and Commercial Advisory practice based in Adelaide.



JOHN KAIN, DIRECTOR

4 MEETINGS HELD WHILE DIRECTOR, 4 ATTENDED

John re-joined the Board in December 2015. As the name suggests, John is the Founder of the Foundation as well as the Adelaide-based legal firm Kain Lawyers. Since 1990 he has developed an enviable reputation in consistently being named one of South Australia's leading corporate lawyers. John initiated the Uganda Project in 2009, which is now in its tenth year.



JAN TURBILL, DIRECTOR

4 MEETINGS HELD WHILE DIRECTOR, 4 ATTENDED

Jan joined the Board in October 2016. Jan is the founder and Managing Director of Intuito, a market research business. Jan is a marketing practitioner with 30 years' experience in marketing and market research in the Adelaide market. Jan is a full member of the Australian Market and Social Research Society (AMSRS), and also serves on the board of the Adelaide Fringe Festival.



EVAN POLYMENEAS, DIRECTOR

3 MEETINGS HELD WHILE DIRECTOR, 2 ATTENDED

Evan joined the Board in November 2017. Evan has been a teacher in South Australia for 24 years, the last 14 years he's specialized in Humanities at Salisbury High School. We first met Evan when he participated in one of our Work Inspiration workshops with his students in late 2016. He then joined us for our August 2017 Uganda trip. In addition to his work as a teacher, Evan volunteers for The Barefoot Initiative – a grassroots community development project working with the Afar people in Ethiopia.



FINANCIAL REPORT

OUR CORPORATE PARTNERS INVEST SIGNIFICANT TIME AND FINANCIAL RESOURCES INTO THE FOUNDATION. THE FOUNDATION IS ACUTELY AWARE OF THE GREAT TRUST BESTOWED BY OUR CORPORATE PARTNERS TO ENSURE THAT THEIR FINANCIAL RESOURCES ARE DIRECTED TO MAXIMISE IMPACT WHEN CREATING OPPORTUNITIES FOR CHILDREN AND YOUTH IN NEED.

We first shared the shift in the Foundation's policy towards tracking and reporting administrative expenses in FY16. In the first decade of the Foundation's history the Board aimed to keep administration costs to a minimum with an expense ratio target not to exceed 5% of contributions received. After a review of best practice for other NGO's operating locally and internationally, along with a strategic realignment of the Foundation, the Board agreed to an expense target of no more than 20%.

In FY18, the Foundation's expenses were 19.02% of funds raised and 30% of funds distributed. The increased expense percentage (while still under the 20% target) can be attributed to a focus on events and subsequent marketing which will, in time, drive an increase in corporate partners who are an essential resource to the Foundation.

Funds collected in FY18 increased from FY17 by 4% however, funds distributed in FY18 decreased from previous years due to the board's decision to lower financial requirements in the earlier years of the transition to our Northern Opportunities and Ugandan Landcare Opportunities projects.

During FY18, the Foundation invested \$32k in our Uganda projects, and \$27.7k on local projects. The local program contributions were:

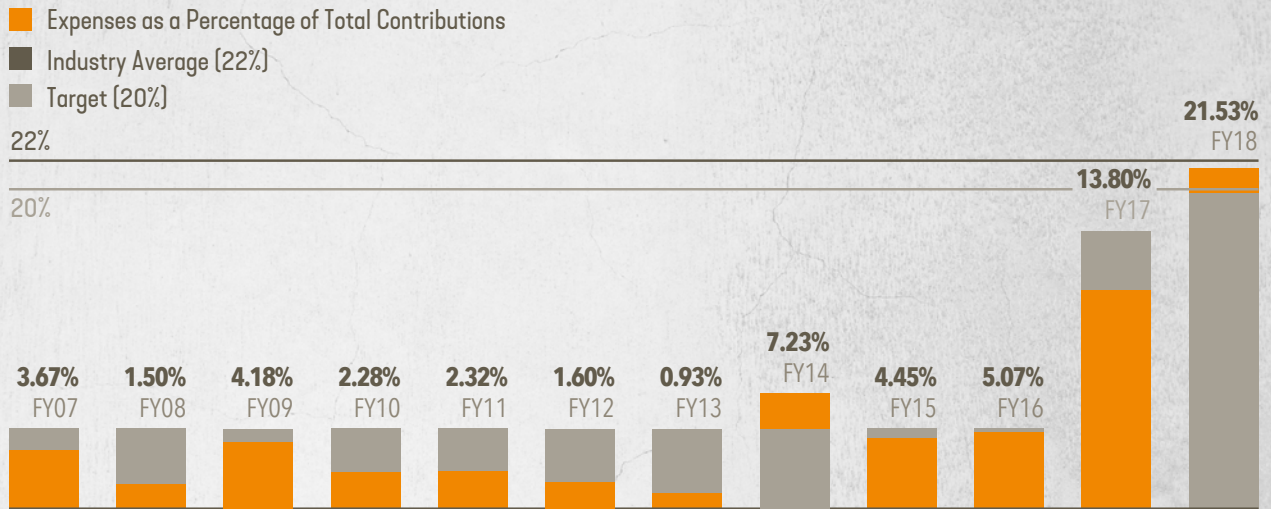
- \$15k to the Smith Family's Work Inspirations Program
- \$10k to Youth Opportunities for the Northern Opportunities Program
- \$2.5k to Schools Plus program

WHERE DOES THE MONEY COME FROM?

The Foundation's principle source of funding is donations from Corporate Partners (both cash and in-kind support).

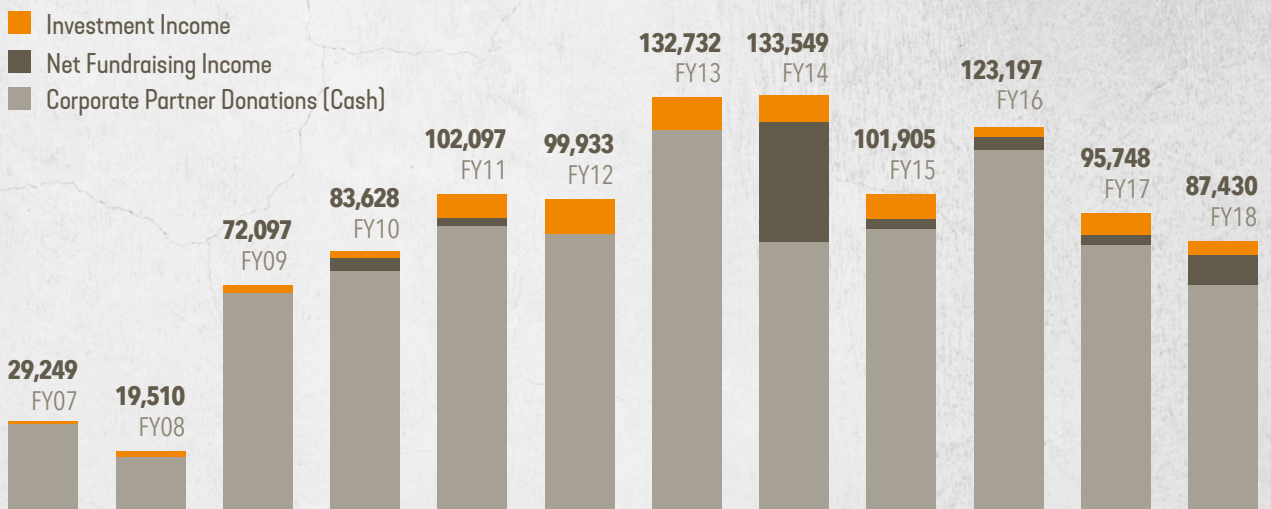
The chart below shows admin expenses as a total % of funds raised since inception:

EXPENSES AS A PERCENTAGE OF TOTAL CONTRIBUTIONS
(FY07-FY18)



The chart below shows income by source since inception:

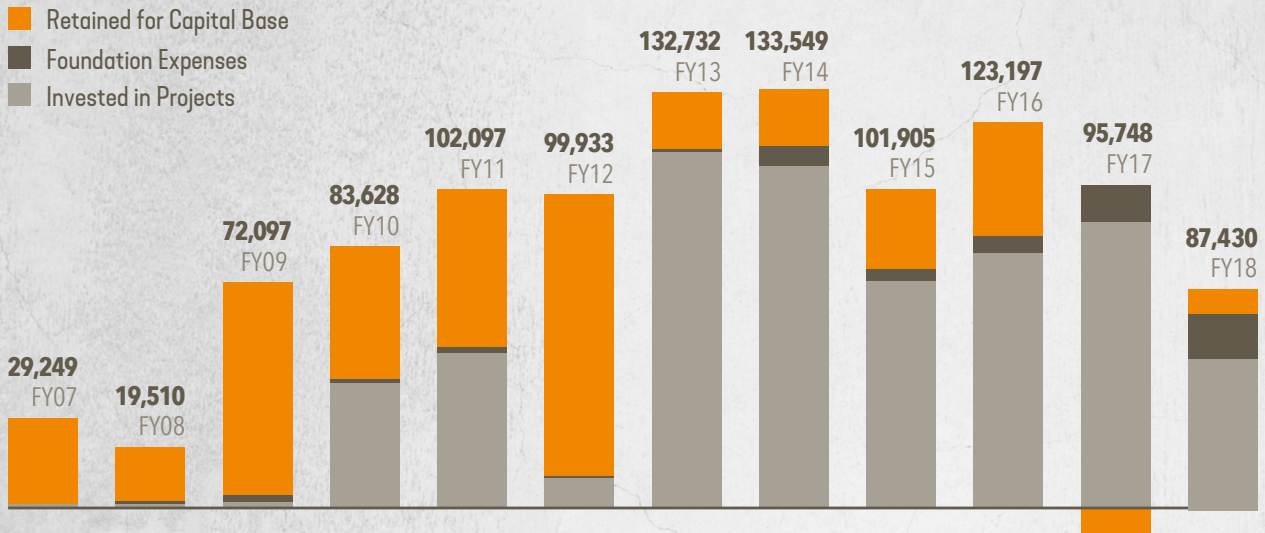
INCOME BY SOURCE
(FY07-FY18)



WHERE DOES THE MONEY GO?

The chart below shows Projects, Expenses and retained income since inception

WHERE OUR CASH DONATIONS GO (FY07-FY18)



Funds raised are either invested in projects, used to pay expenses, or retained by the Foundation. The Foundation categorises its use of funds in four ways:

- As an investment in projects within 12 months of funds being raised. The Foundation typically invests at least 65% of the cash donations it receives directly into projects in the same year that the funds are collected.
- As an investment in long-term multi-year projects where funds are invested more than 12 months after the funds were raised.
- To meet operational expenses.
- Retained as permanent capital to generate income to meet future project commitments and expenses.

CASH CONTRIBUTION (FY18)



SUMMARISED FINANCIALS

INCOME STATEMENT

FOR THE YEAR ENDING 30 JUNE 2018

| | 2018 \$ | 2017 \$ |
|--|--------------|-----------------|
| Revenue | 82,190 | 78,976 |
| Other income | 5,240 | 6,772 |
| Donations | (59,741) | (91,259) |
| Other expenses | (17,834) | (12,280) |
| (DEFICIT) / SURPLUS BEFORE INCOME TAX | 9,855 | (17,791) |
| Income tax expense | - | - |
| (DEFICIT) / SURPLUS AFTER INCOME TAX | 9,855 | (17,791) |

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDING 30 JUNE 2018

| | 2018 \$ | 2017 \$ |
|-----------------------------|----------------|----------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents | 382,179 | 372,449 |
| Other assets | 4,315 | 4,190 |
| TOTAL CURRENT ASSETS | 386,494 | 376,639 |
| TOTAL ASSETS | 386,494 | 376,639 |
| NET ASSETS | 386,494 | 376,639 |
| | | |
| EQUITY | | |
| Settled sum | 10 | 10 |
| Retained Earnings | 386,484 | 376,629 |
| TOTAL EQUITY | 386,494 | 376,639 |

These statements should be read in conjunction with the accompanying notes and independent auditors report which can be found in the full version of our Annual Financial Report for the year ended 30 June 2018 on our website.

CASH AND CASH EQUIVALENTS

FOR THE YEAR ENDING 30 JUNE 2018

| | 2018 \$ | 2017 \$ |
|--|----------------|----------------|
| Cash on hand | 10 | 10 |
| Cash at bank | 169,585 | 164,277 |
| Short-term bank deposits | 212,584 | 208,162 |
| TOTAL CASH AND CASH EQUIVALENTS | 382,179 | 372,449 |

RETAINED EARNINGS

FOR THE YEAR ENDING 30 JUNE 2018

| | 2018 \$ | 2017 \$ |
|--|----------------|----------------|
| Retained earnings at the beginning of the financial year | 376,629 | 394,420 |
| (Deficit) / surplus for the year | 9,855 | (17,791) |
| RETAINED EARNINGS AT END OF THE FINANCIAL YEAR | 386,484 | 376,629 |

These statements should be read in conjunction with the accompanying notes and independent auditors report which can be found in the full version of our Annual Financial Report for the year ended 30 June 2018 on our website.

Kain Foundation

ABN 63 425 376 446

Financial Statements

For the Year Ended 30 June 2018

Kain Foundation

ABN 63 425 376 446

For the Year Ended 30 June 2018

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Kain Foundation

ABN 63 425 376 446

Income Statement

For the Year Ended 30 June 2018

| | 2018 | 2017 |
|--|--------------|-----------------|
| | \$ | \$ |
| Revenue | 82,190 | 78,976 |
| Other income | 5,240 | 6,772 |
| Donations | (59,741) | (91,259) |
| Other expenses | (17,834) | (12,280) |
| Surplus / (deficit) before income tax | 9,855 | (17,791) |
| Income tax expense | - | - |
| Surplus / (deficit) after income tax | 9,855 | (17,791) |

The accompanying notes form part of these financial statements.

Kain Foundation

ABN 63 425 376 446

Statement of Financial Position

As at 30 June 2018

| | Note | 2018 \$ | 2017 \$ |
|-----------------------------|------|----------------|----------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 2 | 382,179 | 372,449 |
| Other assets | | 4,315 | 4,190 |
| TOTAL CURRENT ASSETS | | 386,494 | 376,639 |
| TOTAL ASSETS | | 386,494 | 376,639 |
| NET ASSETS | | 386,494 | 376,639 |
| EQUITY | | | |
| Settled sum | | 10 | 10 |
| Retained Earnings | 3 | 386,484 | 376,629 |
| TOTAL EQUITY | | 386,494 | 376,639 |

The accompanying notes form part of these financial statements.

Kain Foundation

ABN 63 425 376 446

Notes to the Financial Statements

For the Year Ended 30 June 2018

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 foundations'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.

2 Cash and Cash Equivalents

| | 2018 | 2017 |
|--|----------------|----------------|
| | \$ | \$ |
| Cash on hand | 10 | 10 |
| Cash at bank | 169,585 | 164,277 |
| Short-term bank deposits | 212,584 | 208,162 |
| Total cash and cash equivalents | 382,179 | 372,449 |

Kain Foundation

ABN 63 425 376 446

Notes to the Financial Statements

For the Year Ended 30 June 2018

3 Retained Earnings

| | 2018 | 2017 |
|--|----------------|----------------|
| | \$ | \$ |
| Retained earnings at the beginning of the financial year | 376,629 | 394,420 |
| Surplus / (deficit) for the year | 9,855 | (17,791) |
| Retained earnings at end of the financial year | 386,484 | 376,629 |

4 Trust Details

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

Kain Foundation

ABN 63 425 376 446

Trustee Declaration

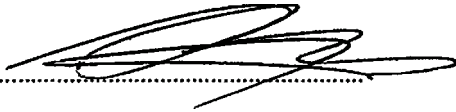
The trustee declares that the foundation is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The trustee declares that:

1. The financial statements and notes, as set out on pages 1 to 4, present fairly the foundation's financial position as at 30 June 2018 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 trustee.

Trustee



Dated this ~~19th~~ day of October 2018

Kain Foundation

ABN 63 425 376 446

Independent Auditor's Report to the trustee of Kain Foundation

Part A: Financial Report

Opinion

We have audited the accompanying financial report, being a special purpose financial report of Kain Foundation (the foundation), which comprises the statement of financial position as at 30 June 2018 and the income statement for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and Trustee Declaration.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of Kain Foundation as at 30 June 2018 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements and the requirements of the *Public Ancillary Fund Guidelines 2011*.

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 foundation in accordance with 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 ethical responsibilities in accordance with the Code.

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

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the foundation to meet the requirements of its Trust Deed and the *Public Ancillary Fund Guidelines 2011*. As a result, the financial report may not be suitable for another purpose.

Our opinion is not modified in respect of this matter.

Responsibilities of the Trustee for the Financial Report

The Trustee is responsible for the preparation and fair presentation of the financial report and has determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Trust Deed 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 and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Trustee is responsible for assessing the the foundation'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 Trustee either intends to liquidate the foundation or to cease operations, or has no realistic alternative but to do so.

Kain Foundation

ABN 63 425 376 446

Independent Auditor's Report to the trustee of Kain Foundation

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee.
- Conclude on the appropriateness of the Trustee's 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 foundation'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 foundation 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 the Trustee 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.

Kain Foundation

ABN 63 425 376 446

Independent Auditor's Report to the trustee of Kain Foundation

Part B: Compliance

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 2018.

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 Trustee of the foundation complied, in all material respects, with the *Public Ancillary Fund Guidelines 2011*.

Our procedures included examinations, on a test basis, of evidence of 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.



PERKS AUDIT PTY LTD
180 Greenhill Road
Parkside
South Australia 5063



PETER J HILL
Director
Registered Company Auditor
Dated this 22nd day of October 2018

Kain Foundation

ABN 63 425 376 446

Disclaimer

For the Year Ended 30 June 2018

The additional financial data presented on page 10 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 2018. 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 Foundation) in respect of such data, including any errors of omissions therein however caused.



PERKS AUDIT PTY LTD

180 Greenhill Road

Parkside

South Australia 5063



PETER J HILL

Director

Registered Company Auditor

Dated this 22nd day of October 2018

Kain Foundation

ABN 63 425 376 446

For the Year Ended 30 June 2018

Profit and Loss Account

| | 2018 | 2017 |
|--------------------------------------|---------------|-----------------|
| | \$ | \$ |
| Income | | |
| Corporate partner contributions | 82,190 | 78,976 |
| Investment income | 5,240 | 6,772 |
| Total income | 87,430 | 85,748 |
| Less: Expenses | | |
| Donations | 59,741 | 91,259 |
| Marketing and communications | 5,897 | 2,521 |
| Insurance | 4,190 | 3,886 |
| Events | 3,673 | - |
| Travel | 1,875 | 4,501 |
| Accounting fees | 880 | 880 |
| Sundry expenses | 618 | - |
| Website and software expenses | 403 | - |
| Bank charges | 298 | 446 |
| Company fees | - | 46 |
| Total Expenses | 77,575 | 103,539 |
| Operating surplus / (deficit) | 9,855 | (17,791) |



Kain Foundation Pty Limited is a public ancillary fund endorsed as a Deductible Gift Recipient with the Australian Tax Office, and as a registered charity with the Australian Charities and Not-for-Profits Commission. Monetary gifts of \$2 or more are tax deductible.

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