



Kara House

ANNUAL REPORT 2016-2017

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About Kara House

Kara House is part of the Victorian women's refuge service system that provides safe and secure accommodation to women and children who have experienced the effects of family violence and need to relocate for their safety.

Kara House provides short term crisis accommodation in a high security refuge as well as support to women and children residing in transitional housing, living in the community or accommodated short term in motels by Safe Steps Family Violence Response Centre.

Kara House is a Specialist Family Violence service and a member of the Eastern Specialist Family Violence Alliance (ESFVA). Kara House and the members of the ESFVA collaborate for the purposes of professional development and an improved response to clients in the eastern region.

"Specialist family violence services have expert knowledge and experience of the dynamics and impact of family violence. This knowledge uniquely positions specialist services as experts in the provision of trauma informed practice and the risk assessment of family violence victims. Using their specialist expertise in identifying risk and preparing safety plans with women, specialist family violence services work collaboratively with other services to mitigate the risk and support women and children's safety and wellbeing."

Chair Report

On behalf of the Management Committee I am pleased to present the Annual Report for Kara House Inc.

Over the last 12 months there has been a focus on fundraising to improve the refuge particularly rearrangement of the laundry to incorporate a shower and toilet and a new stackable washing machine and dryer. This was made possible by a Greater Communities Grant through the Office of the local Federal Member of Parliament and the same amount donated by the Rotary Club of Box Hill.

The Kara House Development Committee have worked extremely hard to engage with the very charitable local community who have given generously of their time and donations. We are very thankful to the Rotary Clubs in the Eastern Suburbs, the six teams from the Box Hill Institute Eastern Trail Challenge, who walked in the rain and uphill from Box Hill to Lilydale, to raise funds for Kara House, Box Hill Ladies Golf Club, Kiwanis and many individuals who have donated goods and money to our cause. We were particularly moved by a father whose daughter was a victim of family violence and gave a substantial donation and a Ham for Christmas in memory of his daughter.

The implementation of the Recommendations from the Royal Commission into Family Violence continue. There were concerns across the sector as to what this would mean for refuges, but our concerns have been alleviated and we will continue to provide crisis accommodation albeit in a very different core and cluster format. We were very relieved as clarity means our plans and fundraising can continue.

There are also plans for the establishment of 17 Support and Safety Hubs across Victoria. The concept of the hubs has been released but not finalised but specialist family violence services will play a key role. It has become evident that stand alone small refuges will need to set up strategic alliances going forward and Kara House is part of an Alliance with the Specialist Family Violence Services in the East. This includes EDVOS, Safe Futures Foundation, Woman's Liberation Halfway House and Boorndawan Willam.

As always Kara House is indebted to the staff who provide the front line services to our clients. In many cases they are exposed to situations many others are not. Ensuring Client are safe and accompanying them to hospital and court and initially, ensuring they have the very basic of necessities and then finding transitional housing and supporting them into the future.

We are extremely thankful to the Kara House Manager, Veronica Coleman. Veronica has an in-depth understanding of the Family Violence Sector and keeps abreast of all the changes. She is in tune with the needs of her staff and responds appropriately.

Finally, to my Management Committee Colleagues. A great team who give of their time and variety of high level skills to ensure the Governance of Kara House meets all obligations. Many thanks.

Margaret Morrissey

Managers' Report

The past 12 months at Kara House have been both exciting and challenging. Exciting, because we are in the midst of the Royal Commission reforms and all of the far-reaching changes to the family violence sector that the implementation of the reforms entails. Challenging, because in order to have a voice in the changing environment, we have participated in numerous meetings and consultations, as well as continuing to manage and grow Kara House.

Although Kara House is a small service, we take pride in our ability to be responsive to the needs of clients. Kara House is a specialist family violence service and although our core business is the provision of family violence support and crisis accommodation, to women and children in refuge, as a specialist service we also have the skills and knowledge to provide support and education in the community. In 2016 we received additional funding to specifically provide support to outreach clients. This has seen an increase to our staff and the ability to use our professional expertise to provide much needed family violence support to a larger number of women and children.

This year has also seen a focus on developing partnerships with other services. Within the eastern region Kara House is a member of the Eastern Specialist Family Violence Alliance (ESFVA). The alliance is soon to commence meetings of a Women's Council of former clients, with the aim to gain their opinion and insight into our respective services and inform our future programs and direction. Outside the family violence sector, Kara House has commenced offering generalist services the opportunity to have secondary consultations to gain the risk management and safety planning expertise of a specialist service and team members are also networking with schools, counselling services and maternal and child health services.

The Royal Commission identified that family violence services need to be LGBTI inclusive. Historically Kara House has always provided an outreach service targeted at lesbian women. This year Kara House had a good response to an information stall at the Midsumma festival and we have also undertaken the How2 training; training aimed at preparing services for the Rainbow Tick accreditation.

Another focus has been the provision of wellbeing activities to the women and children in refuge. Often the stay in refuge is a round of meetings, appointments and filling out forms and women and children don't have a dedicated opportunity to relax, take stock and breath. Our wellbeing activities are focused on time out and being in the moment.

Thank you to our many donors and to the members of the Department of Health and Human Services, particularly in the eastern region, for their support of Kara House.

On behalf of the staff team I would also like to thank the members of the management committee who all have a commitment to a future without family violence for women and children and give generously of their time and knowledge to ensure quality governance for Kara House.

Finally, a big thankyou to the team- I know how hard you work, especially this year. I am extremely proud of the staff of Kara House. Not only have they continued to provide high quality support to the women and children Kara House assist, they have also worked hard to seek out partnerships and embrace opportunities whilst remaining flexible and committed to their team members and Kara House.

Veronica Coleman

Kara House Fundraising and Activities



Figure 1: Kara House supporters and Management Committee members fundraising with a Bunnings Sausage Sizzle



Figure 2: Teambuilding activity- Kara House Strategic Planning

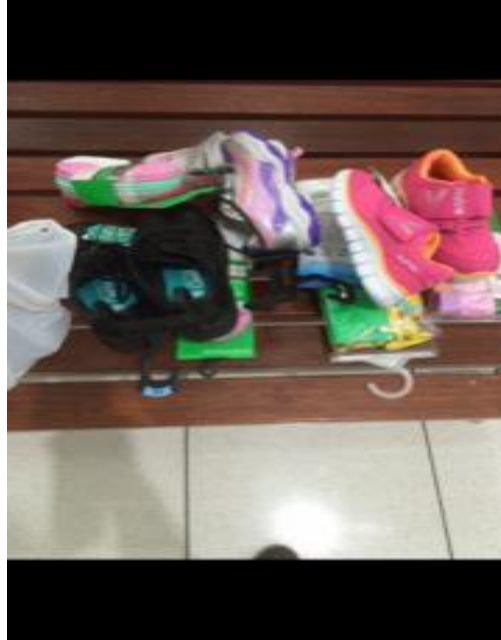


Figure 3: Kiwanis provided funding for shoes, socks, backpacks and school necessities



Figure 4: Elgar Road Chiropractic generously provided toys



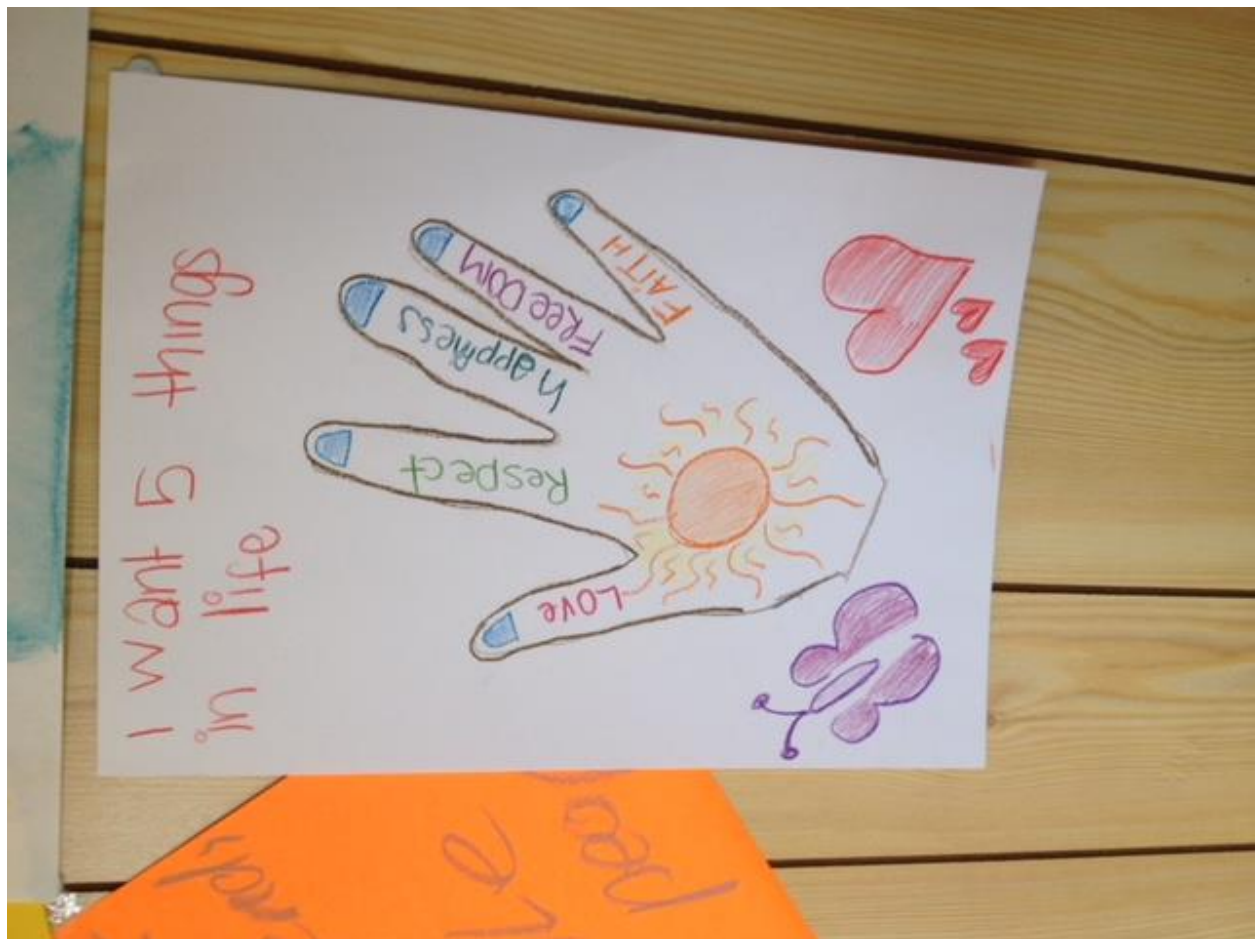
Figure 5: New children's equipment from Rotary Club of Box Hill

Kara House programs

Family Violence Support Group

Once a week, the clients residing in the refuge come together to share their experience of family violence, the impact it has had on their lives, they share their grief and anger and they share their hopes for a happier future. This group is much anticipated by the women and is facilitated by a Kara House worker, experienced and skilled in family violence and group work.

The group is held in the multipurpose room. The room is private and comfortable, allowing the women the space to either express their feelings or simply to listen to the stories of the other women. Sitting with women who have experienced family violence they realise they are not alone, that the other women in the room have an understanding of how they feel; this helps in reducing their guilt and distress and provides a sense of helping others. During the session the women learn helpful information, they discover an understanding and self-realisation they are not to blame for the violence of another person; they gain strength from each other. Finally, they share a few laughs and leave the group hopeful of being on the road to a life free of family violence.



Wellbeing



Figure 6: Client well-being activities- Still Art

By the time a woman comes into refuge she is exhausted. She is emotionally drained, she is tired, she has no energy and often feels physically unwell.

For a period of time she has been living in an atmosphere of fear, uncertainty and on edge. She is in a constant state of alertness and preparedness to protect herself and her children.

At Kara House we acknowledge the importance of wellbeing. It has usually been a long time since the women have taken time out to care for themselves, to give themselves some leisure and fun-time, so we incorporate that into their stay at Kara House.

The Kara House worker responsible for the wellbeing portfolio has a skilled and experienced background in arts. Once a fortnight she will organise a group activity for the clients in the refuge. During this time there is no talk about family violence or their case plan, no talk about housing and court appointments.

Activities are varied – painting, walking to the park, flower arranging, op-shopping, making a terrarium, healthy food cooking – the worker's list is endless.

The Wellbeing Group is anticipated and well attended – lots of laughs, lots of creativity, lots of chat and lots of mess, enjoyed by both clients and the workers.



Figure 7: Kara House staff member- client well-being activity Terrariums

Client Feedback

'Court support, that was real biggie for me.'

'My worker gave me the support I needed; she was an angel.'

'I have nothing but good things to say; my worker was amazing.'

'Kara House gave me a roof over my head and assistance in re-setting up my life after family violence.'

'I like being at the refuge because it is better than being homeless.' (Jasmine – age 12yo)

'Was good for me and the kids; brought us happiness and a great time.' (Terrarium Garden activity)

'From someone who first arrived emotionally drained and overwhelmed to where I am now is amazing.'

'I like being in refuge with other kids.' (Bianca – 7yo)

'This is only the beginning for me in creating a beautiful life and I am so pleased you were a part of it'.

Client Story

Wendy and her son, James were referred to Kara House for family violence crisis accommodation and support.

Wendy's husband, and the perpetrator of her violence was her childhood sweetheart; they met at school. They were married for 27 years, and for most of that time Wendy was abused. The family violence ranged from verbal and emotional abuse through to isolation, IT stalking and choking. He intimidated their son to manipulate Wendy. He threatened her that if she left, she would never see James again. So she stayed. Wendy's husband was a well-known member of the community; he was well known to the media and the police, and was eventually arrested, charged and incarcerated following another vicious attack on Wendy. Wendy and James left their home and entered Kara House. She was exhausted, fearful and defeated. Immediately plans were put in place to address James' needs which included completing an assessment, enrolling him into a new school and referring him to counselling, equine therapy and a children's family violence support group.

An intensive safety plan was created with Wendy to include setting up a new bank account, car registration and Medicare Card with an alias name, changing regular appointments and transport routes redirecting her mail through a post office box and addressing IT safety – GPS, mobile phone, laptop and Facebook. We discussed Wendy's family, with whom she is very close, and keeping them safe, as well as putting a plan in place for her to meet with them.

Wendy was provided with information and support for accessing medical services, including counselling, legal support regarding her house and property settlement and liaising with Wendy's legal service and the Court for remote access. There is regular liaison with police. Brokerage was accessed to pay for outstanding utility bills, then her name was removed from the utility companies. Wendy has been linked with a local housing service and victims of crime.

Wendy has now been removed to another location. Kara House continues to work with her and to liaise with the services who remain involved with Wendy and James.

Although Wendy still has a way to go, she is now feeling confident and optimistic in moving forward into a happier and positive life with James.

Children

Children are often the forgotten entity when it comes to family violence. We often hear the words, 'they were not in the room when he was hitting me' or 'they only heard the shouting, they didn't see the actual abuse'.

Research tells us that children who live in homes where there is family violence grow up in an environment that is unpredictable, filled with pressure and anxiety and dominated by fear. Children who are exposed to family violence exhibit emotional and psychological and behavioural consequences. They worry about the future and they try to predict when the violence might occur again. They prepare to try and protect themselves their siblings and their mother. Children who grow up surrounded by family violence have no time for fun, they have no anticipated excitement in their lives, there is no down time.

Coming into refuge can be a confusing time for the children; an unfamiliar house, living with people they don't know, away from their school, family and friends. Children are welcomed into Kara House. At intake they are given a gift, and along with their mum are introduced to the Kara House Children's Resource Worker. They are shown around the refuge, the playroom and the outdoor play area. They are introduced to the other children.



Within a week of intake, the children's worker will meet with mum and the child and complete the child's assessment. She will ask mum about the child's medical/MCHN needs, and school requirements. If the child is old enough, and with mum's permission the children's worker will chat with the child about their feelings about leaving home and dad, about leaving school and their sport's team. The children's worker will answer the myriad of questions asked.

At a later time, the children's worker will make another appointment with mum and discuss the impact of family violence on the children. She will explain how family violence affects a child according to the child's stage of development. She will advise mum how this may manifest in the child's behaviour and what to look for. Mum may say to the children's worker she has seen some of these signs already. The children's worker will provide emotional support, advice, information and strategies; she may suggest referrals.

During the resident's meeting, the children's worker will organise an activity with the children – board games, card-making, water-play which includes talking about feelings, going to a new school and so on.

Activities are organised for school holidays, a calendar of free children's activities in the local area is provided and vouchers for the cinema and aquarena.

Partnerships

Education

This year as part of the Royal Commission recommendations a workforce survey was undertaken. The purpose of the survey was to determine the level of satisfaction of workers in the sector but also their qualifications and future plans. Kara House believes we have a responsibility to contribute to the development of well trained and effective workers coming into the sector. This is more than just qualifications; exposure to the reality of work and providing support to clients, is crucial to the provision of a quality service and the maintenance of staff wellbeing. Kara House provides placement to a number of students each year and also visits educational organisations to directly assist with training and talk about what it means to be a worker in the sector.

Chisholm Institute of TAFE would once again like to extend their gratitude to Kara House for the support given to students undertaking the Diploma of Community Services throughout 2017. Three students have completed their second year placement at Kara House this year, which amounts to 840 contact hours of supervision at the organisation. Another student has just been signed up and is due to start her placement in November. Placement is a mandatory component of the diploma, and also an integral part of preparing students for work within the sector. It offers applied work experience, familiarity with the sector, networking opportunities and, crucially, a platform for students to link theory with practice. In 2017, Chisholm were also pleased to welcome Veronica Coleman, the manager of Kara House, as a guest speaker at the Dandenong campus. Veronica's willingness to share her knowledge, and support of the placement program, has been very much appreciated. Similarly, the direct supervision offered by Jen Roberts, and the Kara House team as a whole, has been vital to the success of the program. This success is reflected in the high number of former students who, having undertaken placement at Kara House, have since gained employment within the community service and family violence sectors. Chisholm Institute of TAFE looks forward to this mutually beneficial relationship continuing into 2018 and beyond.

Dr Ilsa Evans

Group Coordinator

Department of Community Services

Acknowledgements

The management and staff of Kara House gratefully acknowledge the variety of support we receive. Some of our donors and partners are long term relationships and some are new. This year the support we received has ranged from small donations of toiletries, new designer clothing and brand-new toys, through to substantial monetary donations. We are indebted to all of our supporters; through your generosity we are able to provide additional assistance to our clients. We also acknowledge the value of the partnerships and relationships we have with other services in the eastern region and the broader welfare sector. We value your expertise and knowledge and look forward to continuing and building on our relationships.

<i>Alannah and Madeleine Foundation</i>	<i>Boorndawan Willam Aboriginal Healing Service</i>
<i>Bounce</i>	<i>Box Hill Golf Club Ladies Charity Committee</i>
<i>Box Hill Community Information Service</i>	
<i>Box Hill Institute</i>	<i>Cable Melbourne</i>
<i>Carrington Health</i>	<i>Connecting Up</i>
<i>Community Correctional Services Box Hill</i>	<i>Community Housing Limited</i>
<i>Department of Health and Human Services</i>	<i>Department of Justice</i>
<i>Don Martin and Partners</i>	<i>Domestic Violence Resource Centre</i>
<i>Domestic Violence Victoria</i>	<i>EACH</i>
<i>Eastern Emergency Relief</i>	<i>Edvos</i>
<i>Eastern Legal</i>	<i>Elgar Road Chiropractic</i>
<i>Halal Foodbank</i>	<i>Haven Home Safe</i>
<i>Intouch</i>	<i>Impact for Women</i>
<i>Jeanette Elkner</i>	<i>Karen Millot</i>
<i>Kiwanis</i>	<i>Migrant Information Centre</i>
<i>Nappy Collective</i>	<i>Neami</i>
<i>Rotary Club of Box Hill</i>	<i>Rotary Club of Mont Albert and Surrey Hills</i>
<i>Rotary Club of Balwyn</i>	<i>Wesley Resilient Kids program</i>
<i>Safe Futures Foundation</i>	<i>Safe Steps Family Violence Response Centre</i>
<i>Salvocare</i>	<i>Shamrock Crafts</i>
<i>St Kilda Mums</i>	<i>Tracey Hart</i>
<i>View Clubs of Ferntree Gully and Mount Waverley</i>	
<i>Wesley College</i>	<i>Women's Housing Limited</i>
<i>Women's Liberation Halfway House</i>	<i>Zonta Club of Mount Waverley</i>

Kara House Inc
ABN 20 305 139 734

Financial Statements
For the year ended 30 June 2017

Kara House Inc
ABN 20 305 139 734

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Kara House Inc
ABN 20 305 139 734
Committee's Report
For the year ended 30 June 2017

Your committee members submit the financial accounts of the Kara House Inc for the financial year ended 30 June 2017.

Committee Members

The names of committee members at the date of this report are:

Margaret Morrissey
Veronica Coleman
Maureen Breen
Chloe Brayne
Catherine Lockstone
Melinda Harrison
Jyoti Wardhen
Susan Smith

Principal Activities

The principal activities of the association during the financial year were: A family violence service providing crisis supported accommodation to women and children.

Significant Changes

No significant change in the nature of these activities occurred during the year.

Operating Result

The profit from ordinary activities after providing for income tax amounted to	Year ended	Year ended
	30 June 2017	30 June 2016
	\$	\$
	94,063	(15,706)

Signed in accordance with a resolution of the Members of the Committee on:

Margaret Morrissey

Veronica Coleman

The accompanying notes form part of these financial statements.

Kara House Inc
ABN 20 305 139 734
Income and Expenditure Statement
For the year ended 30 June 2017

	2017 \$	2016 \$
Income		
Interest received	4,602	4,009
Other income	4,675	5,501
Donations	50,805	5,552
Grants Received - DHS		
- DHS - Crisis Supported Fund	539,446	512,223
- DHS - Housing Establishment Fund	16,184	15,709
- NPAH - Sector Capacity	15,186	14,772
- NPAH - A Place to Call home	61,372	59,339
- Transition Support	254,381	6,498
	886,569	608,541
Grants carried forward	(90,000)	-
Profit on sale of property, plant, equip	550	(740)
Total income	857,200	622,863
Expenses		
Audit fees	1,794	1,750
Bank Fees And Charges	-	50
Client Expenses	2,793	5,163
Continuous Quality Improvement	8,725	9,334
Depreciation	22,305	12,958
Donations	3,689	5,508
Governance & Management	1,830	1,110
Human Resources	6,260	10,655
Holiday pay	9,677	23,575
Housing Establishment Fund	24,415	9,450
Long service leave	7,053	6,940
Motor Vehicle Expenses	12,266	10,707
Network & Partnerships	4,097	3,962
Office Expenses	41,456	36,204
Rent	28,523	27,558
Refuge Expenses	42,844	23,326
Risk Management & OHS	700	774
Sick Leave	18,056	13,417
Superannuation	43,573	36,304

The accompanying notes form part of these financial statements.

Kara House Inc
ABN 20 305 139 734
Income and Expenditure Statement
For the year ended 30 June 2017

	2017	2016
	\$	\$
Worksafe Injury Insurance	14,383	12,156
Wages & Salaries	468,696	387,668
Total expenses	763,137	638,569
Surplus from ordinary activities before income tax	94,063	(15,706)
Income tax revenue relating to ordinary activities	-	-
Net surplus attributable to the association	94,063	(15,706)
Total changes in equity of the association	94,063	(15,706)
 Opening retained surplus	 189,977	 205,683
Net surplus attributable to the association	94,063	(15,706)
Closing retained surplus	284,040	189,977

The accompanying notes form part of these financial statements.

Kara House Inc
ABN 20 305 139 734
Balance Sheet as at 30 June 2017

	Note	2017 \$	2016 \$
Assets			
Current Assets			
Cash assets	<u>2</u>	139,237	114,366
Other	<u>3</u>	304,405	141,429
Total Current Assets		443,641	255,796
Non-Current Assets			
Property, plant and equipment	<u>4</u>	119,839	88,920
Total Non-Current Assets		119,839	88,920
Total Assets		563,481	344,716
Liabilities			
Current Liabilities			
Payables	<u>5</u>	10,527	15,467
Current tax liabilities	<u>6</u>	15,245	10,390
Provisions	<u>7</u>	136,302	108,568
Other	<u>8</u>	90,000	-
Total Current Liabilities		252,073	134,425
Non-Current Liabilities			
Provisions	<u>7</u>	27,367	20,314
Total Non-Current Liabilities		27,367	20,314
Total Liabilities		279,440	154,739
Net Assets		284,040	189,977
Members' Funds			
Retained surplus		284,040	189,977
Total Members' Funds		284,040	189,977

The accompanying notes form part of these financial statements.

Kara House Inc
ABN 20 305 139 734
Statement of Cash Flows
For the year ended 30 June 2017

	2017 \$	2016 \$
Cash Flow From Operating Activities		
Receipts from grants and others	852,048	619,594
Payments to Suppliers and employees	(616,130)	(573,588)
Interest received	4,602	4,009
Net cash provided by (used in) operating activities (note 2)	<u>240,520</u>	<u>50,015</u>
Cash Flow From Investing Activities		
Payment for:		
Payments for property, plant and equipment	(53,224)	(33,466)
Proceeds from disposal of:		
Proceeds from sale of property	550	10,500
Net cash provided by (used in) investing activities	<u>(52,674)</u>	<u>(21,966)</u>
Net increase (decrease) in cash held	187,846	28,049
Cash at the beginning of the year	<u>251,391</u>	<u>223,342</u>
Cash at the end of the year (note 1)	<u><u>439,237</u></u>	<u><u>251,391</u></u>

The accompanying notes form part of these financial statements.

Kara House Inc
ABN 20 305 139 734
Statement of Cash Flows
For the year ended 30 June 2017

2017

2016

Note 1. Reconciliation Of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Cash At Bank - General Account	2,150	2,735
Community Solutions Cash Reserve	111,462	105,642
Donation Account	24,987	5,452
Service Deposit	238	138
Petty Cash	400	400
Short term deposits	300,000	137,024
	439,237	251,391
	439,237	251,391

Note 2. Reconciliation Of Net Cash Provided By/Used In Operating Activities To Net Profit

Operating surplus (deficit) after tax	94,063	(15,706)
Depreciation	22,305	12,958
(Deficit) / surplus on sale of property, plant & equipment	(550)	740
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:		
Increase (decrease) in other creditors	85,060	4,958
Increase (decrease) in employee entitlements	34,786	43,932
Increase (decrease) in sundry provisions	4,855	3,133
Net cash provided by operating activities	240,520	50,015
	240,520	50,015

The accompanying notes form part of these financial statements.

Kara House Inc
ABN 20 305 139 734
Notes to the Financial Statements
For the year ended 30 June 2017

Note 1: Summary of Significant Accounting Policies

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Australian Charities and Not-for-profits Commission Act 2012. The committee has determined that the association is not a reporting entity.

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

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

(a) Property, Plant and Equipment (PPE)

Leasehold improvements and office equipment are carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all PPE is depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use.

Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

(b) Impairment of Assets

At the end of each reporting period, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

(c) Employee Benefits

Provision is made for the association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the amounts expected to be paid when the liability is settled.

(d) Cash and Cash Equivalents

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

(e) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Kara House Inc
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Notes to the Financial Statements
For the year ended 30 June 2017

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Grant and donation income is recognised when the entity obtains control over the funds, which is generally at the time of receipt.

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

(f) Goods and Services Tax (GST)

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

(g) Trade and Other Payables

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

(h) Income Tax

The association is a Public Benevolent Institution and is exempt from Australian Income Tax. It is endorsed as a Deductible Gift Recipient and donations of \$2 or more are tax deductible.

Kara House Inc
ABN 20 305 139 734
Notes to the Financial Statements
For the year ended 30 June 2017

2017

2016

Note 2: Cash assets

Bank accounts:

- Cash At Bank - General Account	2,150	2,735
- Community Solutions Cash Reserve	111,462	105,642
- Donation Account	24,987	5,452
- Service Deposit	238	138

Other cash items:

- Petty Cash	400	400
	<u>139,237</u>	<u>114,366</u>

Note 3: Other Assets

Current

Short term deposits	300,000	137,024
Other	4,405	4,405
	<u>304,405</u>	<u>141,429</u>

Kara House Inc
ABN 20 305 139 734
Notes to the Financial Statements
For the year ended 30 June 2017

2017

2016

Note 4: Property, Plant and Equipment

Buildings:

- At cost	5,088	3,812
- Less: Accumulated depreciation	(1,553)	(684)
	<u>3,535</u>	<u>3,128</u>

Plant and equipment:

- At cost	72,342	37,838
- Less: Accumulated depreciation	(22,765)	(9,247)
	<u>49,577</u>	<u>28,591</u>

Motor vehicles:

- At cost	80,790	63,346
- Less: Accumulated depreciation	(14,063)	(6,144)
	<u>66,727</u>	<u>57,202</u>
	<u>119,839</u>	<u>88,920</u>

Note 5: Payables

Unsecured:

- Other creditors	10,527	15,467
	<u>10,527</u>	<u>15,467</u>
	<u>10,527</u>	<u>15,467</u>

Note 6: Tax Liabilities

Current

GST payable	23,479	16,168
Input tax credit	(8,234)	(5,778)
	<u>15,245</u>	<u>10,390</u>

Kara House Inc
ABN 20 305 139 734
Notes to the Financial Statements
For the year ended 30 June 2017

	2017	2016
Note 7: Provisions		
Current		
Employee entitlements*	136,302	108,568
	<u>136,302</u>	<u>108,568</u>
Non Current		
Employee entitlements*	27,367	20,314
	<u>27,367</u>	<u>20,314</u>
* Aggregate employee entitlements liability	163,668	128,882

There were 10 employees at the end of the year

Note 8: Other Liabilities

Current		
Grants In Advance	90,000	-
	<u>90,000</u>	<u>-</u>

Note 9: Capital and Leasing Commitments

Operating lease expenditure contracted for at balance date that is not cancellable and is not provided for in the accounts:

Payable:

No later than one year	29,415	28,420
Later than one year but not later than two years	30,445	29,415
Later than two years but not later than 5 years	15,530	45,975
	<u>75,390</u>	<u>103,810</u>

Kara House Inc
ABN 20 305 139 734
Statement by Members of the Committee
For the year ended 30 June 2017

The Committee has determined that the association 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.

In the opinion of the Committee the Income and Expenditure Statement, Statement of Financial Position, and Notes to the Financial Statements:

- 1. Presents fairly the financial position of Kara House Inc as at 30 June 2017 and its performance for the year ended on that date.**
- 2. At the date of this statement, there are reasonable grounds to believe that the association will be able to pay its debts as and when they fall due.**

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

Margaret Morrissey
Chairperson

Veroncia Coleman
Secretary

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Kara House Inc (the association), which comprises the Statement by Members of the Committee, Income and Expenditure Statement, Balance Sheet as at 30 June 2017, a summary of significant accounting policies and the certification by members of the committee on the annual statements giving a true and fair view of the financial position and performance of the association.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the association as at 30 June 2017 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 Australian Charities and Not-for-profits Commission Act 2012.

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 association 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 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 association to meet the requirements of Australian Charities and Not-for-profits Commission Act 2012. 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 Committee for the Financial Report

The committee is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the Associations Incorporation Reform Act 2012 and for such internal control as the committee determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

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

Director:
A.R Ager CA, BEc
Registered Company Auditor
Registered SMSF Auditor

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Authorised Audit Company
No. 453122

Kara House Inc
ABN 20 305 139 734
Independent Auditor's Report to the Members

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 the 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 this financial report.

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

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

Signed on :

ASSUR PTY LTD
Authorised Auditor Company Number: 453122
Chartered Accountants

Anthony Robert Ager
Director - Audit & Assurance
Chartered Accountant

Kara House Inc

ABN: 20 305 139 734

Postal address: P.O Box 308 Burwood, 3125

Phone: 1800 900 520

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Hours: Mon- Fri 9.00am-5.00pm



Kara House acknowledges the support of the Victorian Government