



Building foundations
to prevent youth
homelessness

FINANCIAL REPORT 2016

FINANCIAL REPORT

TREASURER'S REPORT	3	STATEMENT OF FINANCIAL POSITION	9
FINANCIAL SNAPSHOT	4	STATEMENT OF CHANGES IN EQUITY + STATEMENT OF CASH FLOWS	10
DIRECTOR'S REPORT FOR THE YEAR ENDED 30 JUNE 2016	5	NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS	11
AUDITORS DECLARATION	6	DIRECTORS DECLARATION	18
DIRECTORS QUALIFICATIONS	7	INDEPENDENT AUDITORS REPORT	19
STATEMENT OF PROFIT OR LOSS	8		

CORPORATE INFORMATION

KIDS UNDER COVER ABN 76 604 592 013

DIRECTORS

The following directors were in office at the date of this report:

A. Coleman (Chair)
C. Radford (Vice Chair)
S. Davies
N. Popelianski
A. Tait
H. Kroger

COMPANY SECRETARY

J. Swift

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

383 Swan Street Richmond VIC 3121

BANKERS

Bank of Melbourne
530 Collins Street
Melbourne VIC 3000

AUDITORS

Pitcher Partners
15 Williams Street
Melbourne VIC 3001

TREASURER'S REPORT

Kids Under Cover experienced a steady increase in grants and donations in the 2015/16 year. The increase of \$0.5 million represents a 2% increase, with other income increasing by \$0.37 million.

Due to the growth of the Donate Your Car® program, Kids Under Cover is now paying for the administrative and operating costs of the program including transport that was previously provided on a pro bono basis. These costs totalled \$815,135 during the financial year. Even with these expenses the Donate Your Car® program continues to generate a healthy net income stream.

The decision was made to accelerate studio depreciation to be more reflective of the life span of our studios. As a result, this appears to have significantly increased the Studio Program costs in comparison to the previous financial year by \$1.35 million.

Other administration and management expenses have remained in line with the increase in revenue.

Our cash on hand increased by \$1.5 million to \$6.5 million and total net assets decreased marginally as a result of the accelerated depreciation from \$14.22 million to \$13.68 million. Maintaining a reasonable level of total funds and reserves is a conservative measure to ensure that we have sufficient safeguards in place in the event that Kids Under Cover was unable to generate future funding.

Our financial strategy continues to focus on securing and further diversifying our revenue streams to support growth of our existing programs.

We would like to thank Pitcher Partners, our auditors, who continue to be generous with providing their time and expertise.

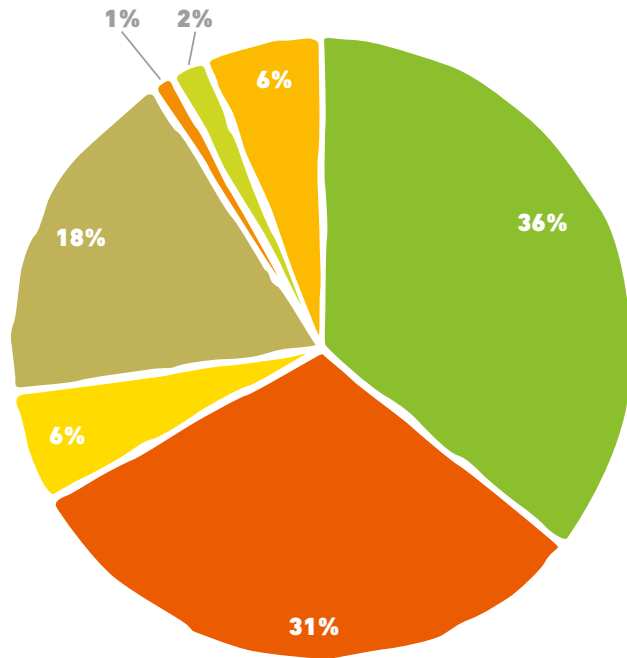


A handwritten signature in black ink that reads "Alison Tait".

Alison Tait

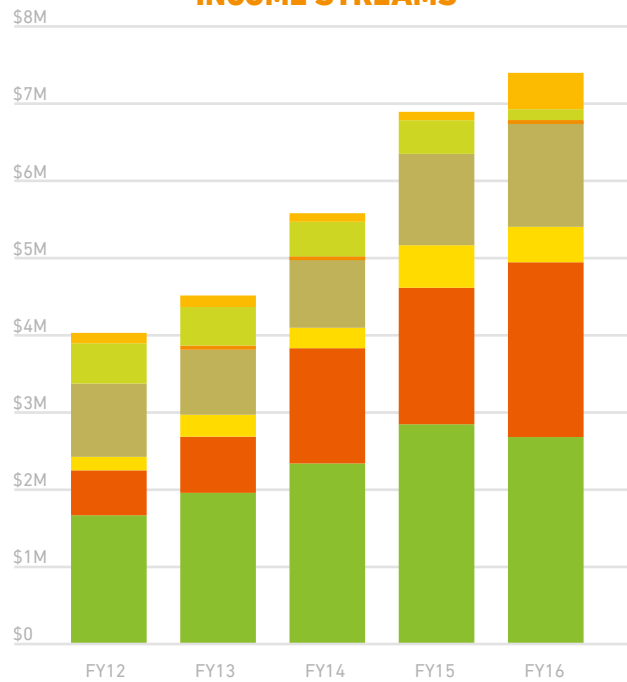
FINANCIAL SNAPSHOT

FUNDING BREAKDOWN 2015/16



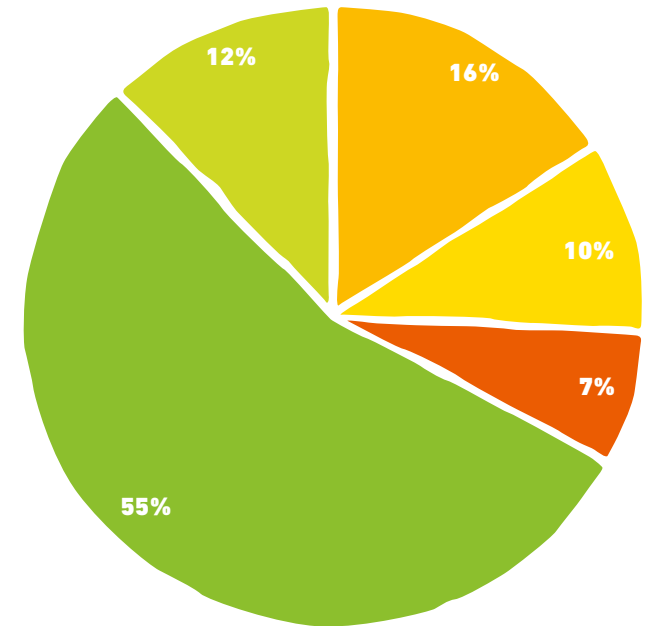
- GOVERNMENT FUNDING
- CORPORATE DONORS
- INDIVIDUAL DONORS
- PHILANTHROPIC TRUSTS AND FOUNDATIONS
- EVENTS AND COMMUNITY FUNDRAISING
- INVESTMENTS/SALE OF ASSETS
- BEQUESTS

INCOME STREAMS



- GOVERNMENT FUNDING
- CORPORATE DONORS
- INDIVIDUAL DONORS
- PHILANTHROPIC TRUSTS AND FOUNDATIONS
- EVENTS AND COMMUNITY FUNDRAISING
- INVESTMENTS/SALE OF ASSETS
- BEQUESTS

WHERE WE INVESTED 2015/16



- STUDIO PROGRAM
- SCHOLARSHIP PROGRAM
- DONATE YOUR CAR®
- GENERAL MARKETING AND FUNDRAISING
- ADMINISTRATION

DIRECTORS' REPORT

The directors present their report together with the financial report of Kids Under Cover for the year ended 30 June 2016 and auditor's report thereon.

DIRECTORS NAMES

The names of the directors in office at any time during or since the end of the year are:

DIRECTORS	BOARD MEETINGS ELIGIBLE TO ATTEND	NUMBER ATTENDED
Andy Coleman	5	3
Colin Radford	5	5
Nathaniel Popelianski	5	5
Alison Tait	5	5
Helen Kroger	5	2
Sarah Davies	5	4
Jeff Jones (Resigned 12/11/2015)	1	1
Janet Berriman (Resigned 16/06/2016)	5	3

All directors have been in office since the start of the year to the date of this report.

RESULTS

The deficit of the company for the year amounted to \$547,483.

REVIEW OF OPERATIONS

The company continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the company's state of affairs that occurred during the financial year, other than those referred to elsewhere in this report.

PRINCIPAL ACTIVITIES

The principal activities of the company during the year were:

- Fundraising through gifts, donations, government and philanthropic grants, appeals, events and regular giving programs,
- Construction of one and two bedroom studios,
- Provision of scholarships

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

SHORT-TERM AND LONG-TERM OBJECTIVES AND STRATEGIES

The Company's short and long term objective is to prevent youth homelessness.

The Company's strategies to achieve this objective include:

- constructing purpose built demountable studios for homeless and at-risk young people
- providing scholarships for education or job training

In doing this we seek to keep families together, keep young people engaged in education and connected with their community.

PERFORMANCE MEASURES

To evaluate the efficiency and effectiveness of the organisations programmatic activities a Monitoring & Evaluation framework is in place. The annual evaluation report can be found in the annual report.

AFTER BALANCE DATE EVENTS

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years

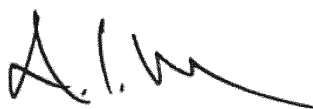
MEMBERS GUARANTEE

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute to a maximum of \$1 each towards meeting any outstanding and obligations of the company. At 30 June 2016 the number of members was 6. The combined total amount that members of the company are liable to contribute if the company is wound up is \$6.

AUDITORS INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration under Division 60 of the Australian Charities and Not-for-profits Commissions Act 2012 in relation to the audit appears on page 40 and forms part of the Directors' report for the year ended 30 June 2016.

Signed on behalf of the board of directors.



Andrew Coleman

Director

Date: 02 November 2016



Alison Tait

Director, Treasurer

AUDITOR'S DECLARATION

KIDS UNDER COVER
ABN 76 604 592 013



AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF KIDS UNDER COVER

In relation to the independent audit for the year ended 30 June 2016, to the best of my knowledge and belief there have been no contraventions of any applicable code of professional conduct.

M.J. HARRISON

Partner

PITCHER PARTNERS

MELBOURNE

Date: 3/11/2016

DIRECTORS QUALIFICATIONS, EXPERIENCE AND SPECIAL RESPONSIBILITIES

NAME	QUALIFICATIONS AND EXPERIENCE	SPECIAL RESPONSIBILITIES
Andy Coleman	Operations & Supply Chain Director at Coles Supermarkets Australia. Andy is a Chartered Management Accountant and holds an Economics Degree from Nottingham. With over 20 years' experience in retail, Andy has held various Director roles in both finance and operations in the UK before arriving in Australia.	Board Chair
Colin Radford	Chief Executive Officer at Victorian Managed Insurance Authority. Colin is a public sector specialist with more than 25 years working in and with government. Experience includes senior executive roles at ShineWing Australia and Deloitte Australia. Colin is currently a Director of the TAC, the Chair of Defence Reserves Support Council (Victoria) and a Fellow of the Williamson Community Leadership Program.	Board Vice Chair
Sarah Davies	Chief Executive Officer of Philanthropy Australia and Board Member of the Centre for Social Impact. Sarah has an extensive background in the tertiary education sector and is a graduate of the Australian Institute of Company Directors and a Williams Fellow.	Remuneration Committee Chair
Nathaniel Popelianski	Partner at Corrs Chambers Westgarth, Nathaniel specialises in property law, has a Bachelor of Commerce, a Bachelor of Laws, has been in practice since 1997 and is national practice group leader of the Property & Infrastructure Practice.	Governance Committee Chair
Alison Tait	Partner at PwC. Alison holds a Bachelor of Commerce, is a member of the Institute of Chartered Accountants and has over 15 years' experience working with ASX listed companies and large multinationals.	Audit and Risk Committee Chair Treasurer
Helen Kroger	Currently providing corporate advisory services to Australian business and is a Senior Counsel with Civic Creative. Helen has an extensive background in the philanthropic, small business, education and corporate sectors.	

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2016

	NOTE	2016 \$	2015 \$
REVENUE AND OTHER INCOME			
Government funding	2	2,678,737	2,844,809
FUNDRAISING			
Donations and gifts	2	4,087,046	3,508,948
Bequests	2	26,600	-
Events	2	141,152	428,616
OTHER INCOME			
Membership income	2	-	(2,964)
Sale of goods	2	-	10,693
Net gain on disposal of non-current assets	2	402,651	-
Investment income	2	68,833	109,107
	2	7,405,019	6,899,209
EXPENSES			
Marketing and fundraising costs			
General marketing and fundraising		(1,243,562)	(1,552,703)
Donate Your Car®		(815,135)	(199,585)
Scholarship program costs		(541,177)	(523,444)
Housing program costs		(4,405,360)	(2,939,843)
Mentor program costs		-	(81,171)
Management and administration costs		(947,268)	(809,316)
		(7,952,502)	(6,106,062)
SURPLUS/(DEFICIT) FROM OPERATIONS		(547,483)	793,147

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

	NOTE	2016 \$	2015 \$
CURRENT ASSETS			
Cash and cash equivalents	4	6,586,619	5,067,605
Receivables	5	399,086	422,157
Other assets	6	29,971	294,954
TOTAL CURRENT ASSETS		7,015,676	5,784,716
NON-CURRENT ASSETS			
Property, plant and equipment	7	8,158,001	9,522,069
TOTAL NON-CURRENT ASSETS		8,158,001	9,522,069
TOTAL ASSETS		15,173,677	15,306,785
CURRENT LIABILITIES			
Payables	8	1,003,549	603,176
Provisions	9	143,110	276,737
Other liabilities	10	232,356	153,611
TOTAL CURRENT LIABILITIES		1,379,015	1,033,524
NON-CURRENT LIABILITIES			
Provisions	9	118,220	49,336
TOTAL NON-CURRENT LIABILITIES		118,220	49,336
TOTAL LIABILITIES		1,497,235	1,082,860
NET ASSETS		13,676,442	14,223,925
EQUITY			
Reserves	11	1,526,053	1,316,846
General funds		12,150,389	12,907,079
TOTAL EQUITY		13,676,442	14,223,925

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2016

	RESERVES \$	GENERAL FUNDS \$	TOTAL EQUITY \$
BALANCE AS AT 1 JULY 2014	1,146,877	12,323,139	13,470,016
Surplus for the year	-	793,147	793,147
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	793,147	793,147
Transfers	169,969	(209,207)	(39,238)
Total transactions with owners in their capacity as owners	-	-	-
BALANCE AS AT 1 JULY 2015	1,316,846	12,907,079	14,223,925
Deficit for the year	-	(547,483)	(547,483)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	(547,483)	(547,483)
Transfers	209,207	(209,207)	-
BALANCE AS AT 30 JUNE 2016	1,526,053	12,150,389	13,676,442

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2016

NOTE	2016 \$	2015 \$
CASH FLOW FROM OPERATING ACTIVITIES		
Grants and donations received	7,574,647	7,250,606
Payments to suppliers and employees	(3,814,905)	(4,119,312)
Interest received	68,833	109,107
Scholarships paid	(492,596)	(382,467)
NET CASH PROVIDED BY OPERATING ACTIVITIES	3,335,979	2,857,934
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	421,999	3,636
Payment for property, plant and equipment	(2,238,964)	(2,155,685)
NET CASH PROVIDED BY / (USED IN) INVESTING ACTIVITIES	(1,816,965)	(2,152,049)
RECONCILIATION OF CASH		
Cash at beginning of the financial year	5,067,605	4,361,720
Net increase in cash held	1,519,014	705,885
CASH AT END OF FINANCIAL YEAR	6,586,619	5,067,605

The accompanying notes form part of these financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, Interpretations and other applicable authoritative pronouncements of the *Australian Accounting Standards Board* and the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial report was approved by the directors as at the date of the directors' report.

The financial report is for the entity Kids Under Cover as an individual entity. Kids Under Cover is a company limited by guarantee, incorporated and domiciled in Australia. Kids Under Cover is a not-for-profit entity for the purpose of preparing the financial statements.

The following is a summary of the material accounting policies adopted by the company in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(A) BASIS OF PREPARATION OF THE FINANCIAL REPORT

Historical Cost Convention

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. Cost is based on the fair values of the consideration given in exchange for assets.

(B) INCOME TAX

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

(C) REVENUE

Investment income

Investment income comprises of interest revenue and is recognised when it accrues.

In-kind donations

Goods and services donated to the company are included at fair value to the company where this can be quantified. No amounts are included in the financial statements for services donated by volunteers. Goods donated for resale, raffle and auction are included as income when they are sold.

Asset sales

The gain or loss on disposal of all non-current assets is determined as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposals. All revenue is measured net of the amount of Goods and Services Tax (GST).

(D) CONTRIBUTIONS – GOVERNMENT GRANTS AND DONATIONS

A non-reciprocal contribution or grant is recognised when the entity obtains control of the contribution or grant and it is probable that the economic benefits will flow to the entity, and the amount of the contribution or grant can be measured reliably.

If conditions attached to the contribution or grant that must be satisfied before the entity is eligible to receive the contribution, recognition of contribution or income is deferred until those conditions are met.

A non-reciprocal donation is recognised when the right to receive a donation has been established.

When the entity receives grants but is obliged to give directly approximately equal value to the contributor, recognition of grant income will be deferred until the delivery of service.

(E) PROPERTY, PLANT AND EQUIPMENT

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

Any property, plant or equipment donated to the company or acquired for nominal cost is recognised at fair value at the date the company obtains control of the assets.

Plant and equipment

Plant and equipment is measured on the cost basis.

Houses

Houses are carried at deemed cost less, where applicable, any accumulated depreciation.

The land on which the houses are situated is utilised under a long term lease from the government and is not owned by the company.

Studios

Studios are carried at deemed cost less accumulated depreciation.

Studios funded by Department of Health and Human Services – Children Youth & Families (CYF) remain in CYF's possession for 15 years and the company must manage the studios for that time. The company has a duty of stewardship to manage, control and, where necessary, relocate the studios. Title to the studios is transferred over the 15 year period.

Studios funded by other sources, including Department of Health and Human Services – Office of Housing (OOH), are property of the company.

Plant and equipment

Plant and equipment is carried at cost less accumulated depreciation and any accumulated impairment losses.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(E) PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Depreciation

Items of property, plant and equipment (other than land) are depreciated over their useful lives to the company commencing from when the asset is held ready for use. Depreciation is calculated on a straight line and diminishing value basis over the expected economic lives as follows:

CLASS OF FIXED ASSET	DEPRECIATION RATES	DEPRECIATION BASIS
Houses at cost	5	Straight line
Studios at cost	25	Straight line
Leasehold improvements at cost	33	Straight line
Motor vehicles at cost	25	Diminishing value
Office fittings and equipment	5-40	Diminishing value

(F) IMPAIRMENT

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Comprehensive Income.

Depreciated replacement costs is used to determine value in use. Depreciated replacement costs is the current replacement cost of an asset less, where applicable, accumulated depreciation to date, calculated on the basis of such cost.

(G) EMPLOYEE BENEFITS

(i) Short-term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave, and any other employee benefits expected to be settled wholly before twelve months after the end of the annual reporting period are measured at the (undiscounted) amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables in the statement of financial position.

(ii) Long-term employee benefit obligations

The provision for other long-term employee benefits, including obligations for long service leave and annual leave, which are not expected to be settled wholly before twelve months after the end of the reporting period, are measured at the present value of the estimated future cash outflow to be made in respect of the services provided by employees up to the reporting date. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee turnover, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the change occurs.

Other long-term employee benefit obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur. All other long-term employee benefit obligations are presented as non-current liabilities in the statement of financial position.

(H) LEASES

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

(I) GOODS AND SERVICES TAX (GST)

Revenues, expenses and purchased 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 statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(J) COMPARATIVES

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

(K) ECONOMIC DEPENDENCY

The company is dependent upon the ongoing receipt of grants and donations to ensure the continuance of its housing and scholarship programs.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	2016 \$	2015 \$
NOTE 2: REVENUE AND OTHER INCOME		
Government funding	2,678,737	2,844,809
DONATIONS AND GIFTS		
Individual donors	2,268,202	1,771,099
Corporate donors	459,728	552,324
Philanthropic trusts and foundations	1,359,116	1,185,525
Bequest	26,600	-
EVENTS		
Sales of tickets	-	108,600
Raffles and auctions	75,707	260,109
Sponsorships	65,445	70,600
Membership fees	-	(2,964)
OTHER INCOME		
Investment income	68,833	109,107
Net gain on disposal of non-current assets	402,651	-
REVENUE AND OTHER INCOME	7,405,019	6,899,209

NOTE 3: SURPLUS/(DEFICIT) FROM OPERATIONS

Surplus/(Deficit) has been determined after:

EXPENSES:

Depreciation and amortisation	2,981,454	1,635,779
Loss on disposal of property plant and equipment	34,222	8,071
Loss on relocation	223,315	207,666
Provision for relocation	98,037	130,873
Employee benefits	1,439,377	1,414,199
Movement in employee benefits provisions	(1,463)	(3,215)
Operating lease expenses	144,347	41,911

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016 (CONTINUED)

	2016 \$	2015 \$
NOTE 4: CASH AND CASH EQUIVALENTS		
Cash on hand	226	220
Cash at bank	6,586,393	5,052,385
Security deposit	-	15,000
	6,586,619	5,067,605
NOTE 5: RECEIVABLES		
Current		
Trade debtors	96,800	88,644
Sundry debtors	81,183	222,549
GST receivable	221,103	110,964
	399,086	422,157
NOTE 6: OTHER ASSETS		
Prepayments	29,971	294,954
NOTE 7: PROPERTY, PLANT AND EQUIPMENT		
HOUSES		
At cost	1,456,073	2,036,073
Accumulated depreciation	(1,031,842)	(1,343,038)
	424,231	693,035
STUDIOS		
At cost	15,661,512	14,084,920
Accumulated depreciation	(7,991,795)	(5,376,122)
	7,669,717	8,708,798
LEASEHOLD IMPROVEMENTS		
At cost	4,620	-
Accumulated depreciation	(1,296)	-
	3,324	-
Total land and buildings	8,097,272	9,401,833

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016 (CONTINUED)

	2016 \$	2015 \$
PLANT AND EQUIPMENT		
Motor vehicles at cost	59,603	59,603
Accumulated depreciation	(37,515)	(30,153)
	22,088	29,450
Office fittings and equipment	62,226	194,132
Accumulated depreciation	(23,585)	(103,346)
	38,641	90,786
Total plant and equipment	60,729	120,236
TOTAL PROPERTY, PLANT AND EQUIPMENT	8,158,001	9,522,069
(A) RECONCILIATIONS		
Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year		
<i>Houses</i>		
Opening carrying amount	693,035	794,839
Disposals	(174,211)	-
Depreciation expense	(94,593)	(101,804)
CLOSING CARRYING AMOUNT	424,231	693,035
<i>Studios</i>		
Opening carrying amount	8,708,798	8,890,910
Additions	2,216,569	2,070,768
Disposals and relocation write down	(404,613)	(753,740)
Depreciation expense	(2,851,037)	(1,499,140)
CLOSING CARRYING AMOUNT	7,669,717	8,708,798
<i>Leasehold improvements</i>		
Opening carrying amount	-	-
Additions	4,620	-
Depreciation expense	(1,296)	-
CLOSING CARRYING AMOUNT	3,324	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016 (CONTINUED)

	2016 \$	2015 \$
<i>Motor vehicles</i>		
Opening carrying amount	29,450	43,548
Disposals	-	(4,199)
Depreciation expense	(7,362)	(9,899)
CLOSING CARRYING AMOUNT	22,088	29,450
<i>Office fittings and equipment</i>		
Opening carrying amount	90,786	38,876
Additions	17,775	84,917
Disposals	(42,754)	(8,071)
Depreciation expense	(27,166)	(24,936)
CLOSING CARRYING AMOUNT	38,641	90,786
NOTE 8: PAYABLES		
CURRENT		
Trade creditors	630,811	386,271
Sundry creditors and accruals	372,738	216,905
	1,003,549	603,176
NOTE 9: PROVISIONS		
CURRENT		
Employee benefits (a)	95,910	123,137
Provision for make good	-	50,000
Scholarships	47,200	103,600
	143,110	276,737
NON-CURRENT		
Employee benefits (a)	2,720	8,836
Scholarships	115,500	40,500
	118,220	49,336
(a) Aggregate employee benefits liability	98,630	131,973

	2016 \$	2015 \$
NOTE 10: OTHER LIABILITIES		
Grants received in advance	232,356	153,611
NOTE 11: RESERVES		
Housing program reserve	851,425	597,059
Scholarship program reserve	464,634	510,351
Scholarship endowment reserve	209,994	209,436
	1,526,053	1,316,846

HOUSING PROGRAM RESERVE

The housing program reserve has been established to record funds raised by donation to the company for use in its housing program.

SCHOLARSHIP PROGRAM RESERVE

The scholarship program reserve has been established to record funds raised by donation to the company for use in its scholarship program.

SCHOLARSHIP ENDOWMENT RESERVE

The scholarship endowment reserve was established from funds received from the Estate of Cecelia Murnane. These funds are held in perpetuity with 80% of the income relating to these funds being used to pay scholarships and the balance retained to increase the fund.

	2016 \$	2015 \$
NOTE 12: KEY MANAGEMENT PERSONNEL COMPENSATION		
Compensation received by Key Management Personnel of the company		
- short-term employee benefits	530,259	522,842
- post-employment benefits	46,703	45,460
	576,962	568,302

The above remuneration for KMPs relates to 4 full time equivalents.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016 (CONTINUED)**NOTE 13: RELATED PARTY TRANSACTIONS****(A) DIRECTORS**

Directors of the Company in office during the year are disclosed in the directors' report that accompanies these financial statements.

(B) DIRECTORS' COMPENSATION

The directors act in an honorary capacity and receive no compensation for their services.

(C) TRANSACTIONS WITH DIRECTOR-RELATED ENTITIES

There were no transactions with directors or director related entities during the financial year and no amounts payable or receivable from directors or director related entities at the reporting date.

	2016	2015
	\$	\$

NOTE 14: CAPITAL AND LEASING COMMITMENTS**(A) OPERATING LEASE COMMITMENTS**

The Company has entered into a commercial lease for the head office premises. Future minimum rentals payable under non-cancellable operating leases as at the reporting date:

Payable

- not later than one year	145,000	144,347
- later than one year and not later than five years	162,877	302,083
	307,877	446,430

NOTE 15: MEMBERS' GUARANTEE

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute to a maximum of \$1 each towards meeting any outstanding obligations of the company. At 30 June 2016 the number of members was 6. The combined total amount that members of the company are liable to contribute if the company is wound up is \$6.

NOTE 16: COMPANY DETAILS

The Registered Office of the company is:
Kids Under Cover
383 Swan Street,
RICHMOND VIC 3121

DIRECTOR'S DECLARATION



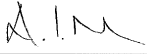
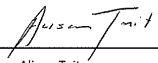
KIDS UNDER COVER
ABN 76 604 592 013

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 6 - 19 presents fairly the company's financial position as at 30 June 2016 and performance for the year ended on that date of the company in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and other mandatory professional reporting requirements;
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Director:  Director: 
Andy Coleman Alison Tait

Dated this 2 day of November 2016

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF KIDS UNDER COVER

KIDS UNDER COVER
ABN 76 604 592 013

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF KIDS UNDER COVER

We have audited the accompanying financial report of Kids Under Cover, which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and for such internal control as the directors determine 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.

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 about 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 directors, 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.

Independence

In conducting our audit, we have complied with APES 110 *Code of Ethics for Professional Accountants*.



KIDS UNDER COVER
ABN 76 604 592 013

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF KIDS UNDER COVER

Opinion

In our opinion, the financial report of Kids Under Cover presents fairly, in all material respects, the entity's financial position as at 30 June 2016 and its performance and its cash flows for the year ended on that date in accordance with Australian Accounting Standards - Reduced Disclosure Requirements.


M J HARRISON

Partner

Date 3/11/2016


PITCHER PARTNERS

MELBOURNE

THANK YOU

During 2015/16 our vision of a community where no young person is homeless was shared by so many.

On behalf of the young people and families we support, the team at Kids Under Cover sincerely thank all of our patrons, ambassadors, funders and donors. Thank you to all of our individual, community, philanthropic, corporate and government supporters, the generous organisations who provided pro bono services, our building crews, and every volunteer who gave their valuable time and skills to enable us do what we do.

Every dollar given and every hour of support gifted is vital, and ensures that we can continue to make a difference to the lives of so many young people. Thank you.

Founding Patron

- Ken Morgan OAM

Patrons

- Herb Elliott AC MBE
- Tommy Emmanuel AM
- Athol Guy AO
- Incolink
- Master Builders Association of Victoria
- Ian 'Molly' Meldrum AM
- The Honourable Martin Moynihan AO QC
- Daryl Somers OAM

Life Ambassadors

- Brian Chenu
- George Ermer
- Trevor Fasham
- David Lee

Young Ambassador

- Matthew Taylor

Platinum Partners

- Barr Family Foundation
- Grocon Pty Ltd
- Manheim

• Porter Davis

- Portland House Foundation
- Shine On Foundation

Gold Partners

- BB & A Miller Foundation
- Choice Hotels Australasia
- Corrs Chambers Westgarth
- Eric and Elizabeth Gross Foundation
- Frasers Property
- Grenet Foundation
- Harris HMC
- Incolink
- IOOF Foundation Limited
- JCDcaux Australia
- Joe White Bequest
- Pitcher Partners
- Vicki Standish Family Foundation
- ZenithOptimedia

Silver Partners

- Brian M Davis Charitable Foundation
- Campbell Edwards Trust
- Cassandra Gantner Foundation

- Danks Trust
- DBM Consultants
- Gandel Philanthropy
- Golden Messenger
- Herald Sun
- Jack Brockhoff Foundation
- Millett Family Foundation
- Nine Network Australia
- Pierce Armstrong Trust
- RACV Royal Auto
- Scobie & Claire Mackinnon Trust

Bronze Partners

- A1 Office Fitouts
- Archcentre
- Besen Family Foundation
- BuildSafe Building Insurances
- Chorus Executive
- Collier Charitable Fund
- EM Horton Family Fund
- FGM Charitable Fund
- Hunter Hall International Limited
- J & B Jackson Foundation
- Jack and Ethel Goldin Foundation
- Marian & E.H. Flack Trust
- Matana Foundation for Young People
- McAllery Corporation Pty Ltd
- Mercy Foundation Ltd
- Newsboys Foundation
- Norman, Mavis & Graeme Waters Perpetual Trust
- Nous Group
- The Ould Family
- Probuild Constructions Pty Ltd
- Royal Automobile Club of Victoria (RACV) Limited
- Suitters Foundation
- William Angliss (Vic) Charitable Foundation
- William Buckland Foundation

Supporting Partners

- 1116SEN and MyMP
- All Souls Opportunity Shop
- Ansett Down to Earth Club (VIC)
- Australian Fleet Management Association
- Australian Healthcare Associates
- Better Homes and Gardens (Channel 7)
- BP Assets Team
- Brennan IT
- Building Inspections Australia
- Capture Point Media
- CGD Logistics
- Charity Tap
- Conquest Recruitment
- Devine Group
- Dimmick Charitable Trust
- Dina Grollo Community Fund
- Education Services Australia Ltd
- Equation Agency
- Eva Beck Baker Creative
- Evolve Research and Consulting
- Ezidebit P/L
- First Rate Car Loans
- Frasers Property Group – NSW
- Futurefood
- Gold 104.5 FM
- Goodman Foundation
- Grin Creative
- Gully Environment Network Inc
- Hazel Peat Perpetual Charitable Trust
- HPS Pharmacies
- IMG / Melbourne International Flower and Garden Show
- Kate & Stephen Shelmerdine Family Foundation
- Link 21 Foundation
- Lord Mayor's Charitable Foundation
- Manheim Head Office
- Megagraphics Photography
- MC Andrew Gill
- Milton Corporation Foundation
- Mirvac Pty Ltd
- Moreland City Council
- Mulnot Pty Ltd
- National Australia Bank
- Ortech Industries
- Paulusz Family Foundation
- Pitcher Partners
- R2L & Associates
- Real Property Photography
- Resource Architecture
- Riis Strategic Consulting
- Rondo
- Rotary Club of St Kilda
- Rothfield Print
- Savvy Finance
- SBS Foundation
- Senegence Annual Awards Banquet
- Shannon Flack Design
- Shenton College
- Smart Health Australia
- Strathcona Baptist Girls Grammar School
- SuchLowe Consulting
- Sunrise Foundation
- ThankQ Solutions
- The Flew Foundation
- The Sunday Herald Sun
- Tomoka Trading Co
- Uberbrand
- Waterwheel Foundation
- Westprecinct Fully Furnished Apartments
- Wood Family Foundation
- Wright Approach Marketing

Donate Your Car® Partners

- Banyule City Council
- Hume City Council
- Manheim Auctions
- Moreland City Council

Cubby House Challenge Partners

- Archsign
 - Arkhefield
 - Ben Hartman Construction and Development
 - CasConstruct
 - Dulux
 - Fairhaven Homes
 - FKD Studio
 - Gandel Philanthropy
 - Grocon
 - Harris HMC
 - Harvey Norman
 - Hockingstuart
 - Horne Enterprises
 - IMG
 - iSell Group
 - Manheim
 - Master Builders Association of Victoria
 - Matt Gibson Architecture and Design
 - McKern Steel
 - Melbournia
 - Michelle Rae School of Dance
 - Mirvac
 - Nelson Alexander
 - No Fuss Solutions
 - Porter Davis
 - Rondo
 - RT Edgar
 - Warners Nurseries
 - Woodards
- ## Acknowledgments
- Aimee Suchard-Lowe
 - Elissa Hall
 - Paul Stolz

WANT TO GET INVOLVED?

There are a variety of ways to be involved in the work we do at Kids Under Cover. Without the support of like-minded people, we could not continue to pursue our vision of a community where no young person is homeless.



MAKE A DONATION

Every donation, large and small, does make a difference to young people in need. You can donate easily online at kuc.org.au OR call us 1800 801 633.



DONATE YOUR CAR®

Our Donate Your Car® program is an easy way to make a significant contribution to the lives of young Australians who are homeless or at risk of becoming homeless. It's free, tax deductible, and a fast alternative to selling or trading your vehicle. Visit donateyourcar.org.au to find out more.



FUNDRAISE FOR US

There are many opportunities to fundraise for us throughout the year, from taking part in a fun run event to holding your own event such as a trivia night or afternoon tea. Please call us today to discuss your ideas.



WORKPLACE GIVING

A regular, pre-tax donation straight from your pay is easy to setup and you receive tax benefits. Workplace giving even provides your employer the opportunity to match your donation dollar for dollar. Ask us for more information by calling 1800 801 633.



REGULAR GIVING

Much like workplace giving, regular giving is a commitment to donate on a regular basis. This can be via a direct debit or credit card payment setup to automatically deduct on the frequency of your choice.



LEAVE A GIFT IN YOUR WILL

A bequest is a gift left by an individual in their Will. It can take the form of cash, shares, property or other assets. Choosing to leave a bequest is a lasting and generous legacy, which will benefit young people beyond your lifetime. For a confidential conversation about leaving a gift in your Will please call us on 1800 801 633.



VOLUNTEERING OPPORTUNITIES

Volunteers are the backbone of many things that we do throughout the year. Often we have opportunities for you to become involved as a volunteer at our events, in the office and at other community fundraising events that may take place. To find out more visit our website kuc.org.au OR call us on 1800 801 633.



**Building foundations
to prevent youth
homelessness**



**Phone (03) 9429 7444
Freecall 1800 801 633**



**kuc@kuc.org.au
kuc.org.au**



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Burnley VIC 3121**