



ANNUAL REPORT

2022 - 2023



you can. we can.





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Introduction

Karakan has supported and advocated for people with mental health needs throughout the South Brisbane and Logan region for more than 50 years, through providing a range of community-based psychosocial supports and services designed to empower people to build resilience and live meaningful lives.

Together, we are on a serious mission to identify how we can more holistically support people with mental health needs to have greater opportunity for social and economic participation in the community, making it inclusive and accessible to all. We are dedicated to empowering individuals, reducing stigma surrounding mental health, and fostering a more accepting and supportive community while supporting individuals build resilience in their lives.

We believe that recovery is both unique and individual and our commitment to supporting people through their personal recovery journey in a person-centred way is unwavering. We seek to provide services that support individuals to build independence and self-determination.

Our leadership and approach to service and support is continually guided by the belief “YOU CAN. WE CAN.”

This speaks to the unique strength and importance that we recognise in each individual as well as the power of the collective as we work together to build an inclusive community.

At Karakan our people are our greatest asset. Our staff are fuelled by a genuine commitment to help support people meet their needs and experience meaningful outcomes in their lives through providing high quality, recovery-oriented, person-centred support.

We are committed to taking action to move our organisation forward with confidence to meet the needs of people with mental health and disability, as well as face the challenges that we are navigating as a sector. We continue to evolve our strategic plan to reflect contemporary thinking, capability and service and we continue to be guided and inspired by our values of inclusion, connection and resilience as the foundations of our leadership, culture and services.

We look forward with optimism and a determined focus to increase our capacity to help people with mental health needs build resilience so we can live life better together.

Organisational Overview

OUR VISION

Our vision is inspired by our grassroots community connections and voices of lived experiences. Our Vision is an Australia, where people with mental health needs are included and valued.

OUR MISSION

Helping people with mental health needs to build resilience and live life better, together. Our services are centred around our three core values of inclusion, connection, and resilience.

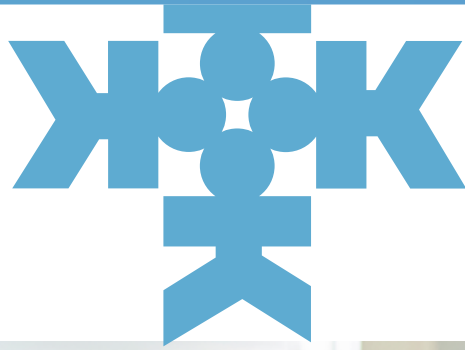
OUR GUIDING PRINCIPLES

Karakan is a vibrant and sustainable organisation that was established to support people with mental health needs including those who have a disability, to gain identity, connection, and independence within their communities.

Our guiding principles articulate the beliefs and commitments that form the basis of our organisational culture and practice and are visible in our leadership, strategic planning and daily work. They uphold our values and serve as a beacon for the organisation to govern.

Our guiding principles also determine the direction we take in continuously improving our services to meet the needs of people and the quality standards against which we measure our performance.

- We aim to provide coordinated support across our services in a safe and effective manner.
- We ensure our services are inclusive and accessible to all individuals.
- We listen to the honest and real voice of our people and action change.
- We are committed to achieving outcomes and impact guided by positive measurable actions.
- We drive social innovation and challenge the norm.
- We promote and support a culture of learning and development.
- We are committed to continuous quality improvement.
- We value lived experience and choices of people with mental health needs.
- We focus on recovery-oriented practices responsive to individual needs.
- We uphold, protect and safeguard human rights.



Our vision is an Australia where people with mental health needs are included and valued.

Message from the Chair

It has been another busy year for Karakan - our 50th in operation! There are many NDIS providers in South East Queensland, but not many with such longevity, and less still with a consistent focus on mental health since inception. We are proud of this history and it is appropriate that we celebrate it and recognise those who have made it so: our Board of Directors, our management team, our support workers, and most importantly, our clients.

Although most of Karakan's services are funded through the NDIS, we are committed to diversifying the way in which we support our clients, and to be able to assist people with mental health challenges that do not have an NDIS plan. To that end, and among other things, we are currently working to secure government funding for a specialist psychosocial housing service aimed to support people with severe mental health needs and who are homeless, those who require recovery-oriented housing and wrap-around supports to integrate from hospital back into community, or those who can otherwise benefit from a specialised transitional living and support service. We are also finalising a joint tender with Selectability (a member of Mental Illness Fellowship of Australia network), for funding for a project aimed at fostering inclusion and participation of young people within culturally and linguistically diverse and First Nations communities throughout Queensland.

It is also sign of our maturity that we have begun building a promising new relationship with Mental Illness Fellowship of Australia, a peak body which advocates for positive changes in all areas of social and public policy that impact the quality of life of people with lived experience of mental illness. Internally, Karakan's recovery-oriented practice model has been further developed and supported this year by the implementation of the Karakan Academy, our internal learning and development centre. Through the Karakan Academy we are improving how we invest in our staff and how we provide recovery-oriented supports to our clients.

This year we welcome to the Board Dr Nicholas Faint, a psychiatry registrar completing advanced training in certificates of addiction and consultation-liaison psychiatry through the Royal Australian & New Zealand College of Psychiatrists (RANZCP). He has extensive experience in the public healthcare system in Western Australia and in Queensland. We are lucky to have him.

On behalf of the Board, I extend my deep thanks to all who work and partner with Karakan for your support- past, current, and into the future.



Holly Blattman, Chair



Message from the CEO



It has been a privilege to work alongside our dedicated staff and Board at Karakan throughout 2022-2023. I express my gratitude for our leadership team members, office support staff and front line support workers who show up each day willing and wanting to make a difference in peoples' lives, who believe in and support our vision and growth, and the continued efforts and energy to continually improve and adapt to the needs of our clients and community.

I also acknowledge the wonderful support extended by our Board of Directors as they continually demonstrate their leadership, commitment and encouragement for all that we do. We have been busy in the pursuit of growing our reach and delivering on our mission - to help people with mental health needs build resilience in their lives.

Cameron Thayer, CEO

Inspired by our values of connection, inclusion and resilience we have had an unwavering commitment to building an inclusive community where people can connect in meaningful ways, learn and grow in their own recovery journey, and build resilience in their lives.

In support of our strategic vision and desire to increase our impact in people lives, we have been focused on building our capabilities, evolving our services, and expanding our connections and partnerships across community. This has been both challenging and rewarding as we balance our focus and resources to meet daily client needs as well as developmental projects designed to strengthen our capacity to deliver quality services. To enhance our provision of psychosocial supports we designed and continue to implement our recovery-oriented practice model, which is foundational to delivering services that are recovery-oriented, person-centred, trauma-informed and strengths-based.

The Karakan Academy has been fully operationalised – our internal learning and development program designed to provide customised training to all staff to support their professional development in recovery-oriented practice and provision of quality and safe supports for people with mental health needs.

Our refreshed brand was finalised and new website launched, helping us to proudly share with the world our commitment to building an inclusive community that values people with mental health needs and our belief and message - You Can, We Can.

To support growth, innovation and operational capacity we made important changes to our organisational structure, resulting in the growth and promotion of staff to team leader roles and the newly created role of Service Innovation Manager.

We commenced our newly created group programs Cook and Connect and Flourish designed to support people make meaningful connections, learn and gain new skills and insights, and receive peer support as they learn to manage their own recovery journey.

In the spirit of connection we celebrated Karakan's 50th year anniversary and the rich legacy and footprint that we proudly reflected on in style with members of our community, clients, staff and Board of Directors.

We also hosted a Queensland Mental Health Week Event in partnership with Logan East Community Neighbourhood Association and embraced the opportunity to create a space of connection, inclusion and raising awareness of mental health and wellbeing in the local community.

We have made important developments in our service governance frameworks in support of client experience, safeguarding and continuous improvement, and we successfully passed our mid-term NDIS audit.

We have widened our community partnership network with the aim to support service continuity and client outcomes in our local communities. We have also aligned with sector networks and peak advocacy organisations to ensure the voice of lived experience is informing and shaping national policy and the development of new services and funding that respond to the needs of people with mental health challenges. It has been a great year and we have been collectively engaged in a good cause!

As we move forward into FY23-24 we continue to be passionately driven and guided by our vision of an Australia where people with mental health needs are included and valued. We will work together with our broader community to identify and enact ways that we can more holistically support people with mental health needs to have greater opportunity for social and economic participation.

I look forward to working with our Chairperson Holly Blattman, the Board of Directors, staff and partners as we increase our service reach, drive positive social impact, and further shape a community where we help each other build resilience and live life better together.



Making an impact

Home and Living and Community Access



60 Clients engaged in 36,820 hours of 1 to 1 support to help them to live independently in their home.

75 Clients engaged in 38,180 hours of 1 to 1 support to access and participate in their community.

Support Coordination & Psychosocial Recovery Coaching



52 Clients engaged in 1,869 hours of support coordinating and connecting with needed NDIS services and supports.

73 Clients engaged in 2,581 hours of psychosocial recovery coaching to support them through their individual recovery journey.

Accommodation Services



1121 Nights of Supported Independent Living services were provided to assist people live more independently in their community or own home.

95 Nights of respite services were provided to assist people have a needed break and explore new things and places.

Group Programs and Activities



36 People engaged in Flourish or Cook N Connect group programs to learn new skills and connect with others.

167 People participated in social activities facilitated to help people connect with others and engage in the community.

Diverse and Skilled Employees



35 Employees supported to attain a nationally accredited industry qualification.

94 Employees engaged in mental health recovery-oriented training through our Karakan Academy.

CONNECTION

INCLUSION

RESILIENCE





Client Story

Steve and Greg have been receiving support from Karakan for several years. As they continue to build their independence, they both realised they were feeling quite lonely and were finding it difficult to make friends. Through a mutual support worker, it was identified that both Steve and Greg had a keen shared interest in watching the final race at the Speedway. Steve and Greg attended the final race at Archerfield Speedway. It was great to see our team play a crucial role in facilitating this connection and organising the outing and providing support to both to attend the event. Despite not having met each other, knowing they were attending with their support worker who knew both men, helped ease any anxiety they were feeling.

Tickets were purchased, 1:2 support was organised, and the men were ready to attend the race. The opportunity to organise a 1:2 support ratio meant they were able to maximise the use of their NDIS funding and access longer support at a more affordable rate. The moment they got together, all they did was connect and talk for hours during the event. They exchanged numbers and seemed excited to stay connected. Within few minutes of reaching home after the event, Steve and Greg connected again and continued their conversation. It was clear the experience had a significant impact on both the men with Steve saying that it was the best time he has had in over 10 years! Steve and Greg have planned future outings including whale watching together, eating out in their favourite Chinese restaurants, go fishing in the deep sea, attending the next NRL match and speedway as well.

Overall, this beautiful story highlights the importance of social connections and positive impact friendships can have on our lives. The support and encouragement provided by our team played a crucial role in helping Steve and Greg overcome their loneliness and establish a meaningful friendship.

*Names changed to respect privacy.





Celebrating Our Team

"I have worked in the community services sector for many years in many different roles, not long ago I decided to chase my dreams and find a role that would allow me a work life balance and also fulfill my passion of working with people. Working at Karakan has fulfilled my dreams more than I expected." - **Heather Atkins, Support Worker**



Thank you to each of our awesome Karakan team members who show up each day willing and wanting to make a difference in peoples' lives.

"I must say I totally love working here. They've been so welcoming and supportive, and I'm grateful they gave me a chance some 3+ years ago." - **Nnamdi Doherty, Team Facilitator**

50th Anniversary celebrations





Our Services

ASSISTED DAILY LIVING

Get practical and personalised assistance around the house for a happy and independent life.

COMMUNITY

We value the power of social and community participation for mental well-being and understand the importance of connecting with others and engaging in community activities.

SUPPORT COORDINATION

Helping the client use NDIS plan funds, choosing providers and managing your contracts.

GROUP ACTIVITY

Immersion through community group activity to feel more connected and live life better.

**RECOVERY
COACHING**

This is a holistic approach to recovery where we work with the client to achieve their state of wellness.

**SUPPORTED
INDEPENDENT
LIVING**

Support to help the client live independently in a shared or individual home.

**INDEPENDENT
LIVING
OPTIONS**

Personalised service helping you live your life, your way

**SHORT TERM
ACCOMMODATION**

Personalised service helping you live your life, your way



A Fresh Approach

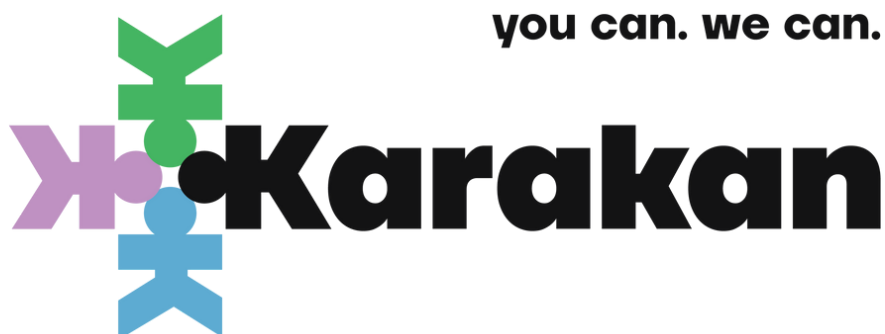
REBRAND

In October, we unveiled the new-look branding of Karakan. We reshaped the brand voice and language, as well as our values to reflect what Karakan really stands for. Building resilience, improving mental wellbeing, exploring new social connections, all to build independence.

Our logo and icon represents people coming together to live life better as individuals and as a community, tackling challenges together and celebrating what makes us different.

We also see the branding colour system as an integral way to demonstrate that every piece to our rebrand puzzle is intentional. We used green to reflect community, blue to reflect empathy, lilac for diversity and yellow for abundant life, energy and inclusion.

We couldn't be more proud of what the new rebranding represents for us and we hope you love it as much as we do. We'd love to know what you think of our rebrand!



WEBSITE

Along with a rebrand and freshen up of our colours, fonts and values, we launched a new-look website with easier navigation, insightful information and enhanced browsing experience about our services and support available on call.





Looking To The Future

We are excited to present Karakan's Strategic Plan 2023-25 which outlines the priorities for our organisation during a time of development and in context of a challenging sector environment. We are looking forward with a strong commitment to taking action with confidence to meet the needs of people with mental health and disability and we continue to be guided and inspired by our values of inclusion, connection and resilience as the foundations of our leadership, culture and services.

Our Strategic Plan is underpinned by an Operational Business Plan that will ensure strategic alignment, focus and accountability, whilst remaining agile and adaptive to respond to community needs and opportunities.

In line with our vision, Karakan will invest in and drive innovation, new service growth and a continuous improvement culture across the organisation, all with the aim to increase value and support for our staff, clients and the communities that we work with.

Our service design and practice will continue to evolve and grow as we listen to the voice of lived experience, evidence need, and create and evolve recovery-oriented, person-centred services that support positive outcomes in people's lives.

The effective use of technology will enable efficiency in operations, optimise communication and service experience. It will support greater connectivity between clients, staff and the organisation as we work together to achieve common goals.



We will develop strong program evaluation and data management practices to inform our service design, business development and our ability to create value for our clients and the broader community.

We will advocate and join the voice of lived experience to ensure people with mental health needs are heard and understood and we will work with sector partners and peak bodies to help inform and influence government policy, program development and service design.

Recognising that our people are our greatest asset we will continue to provide training and development, through our Karakan Academy, to equip our staff with the skills and confidence to provide recovery-oriented, person-centred support that makes a positive difference in people's lives.

We will remain dedicated to empowering individuals, reducing stigma, and fostering an accepting and supportive community where we help each other build resilience and live life better together.

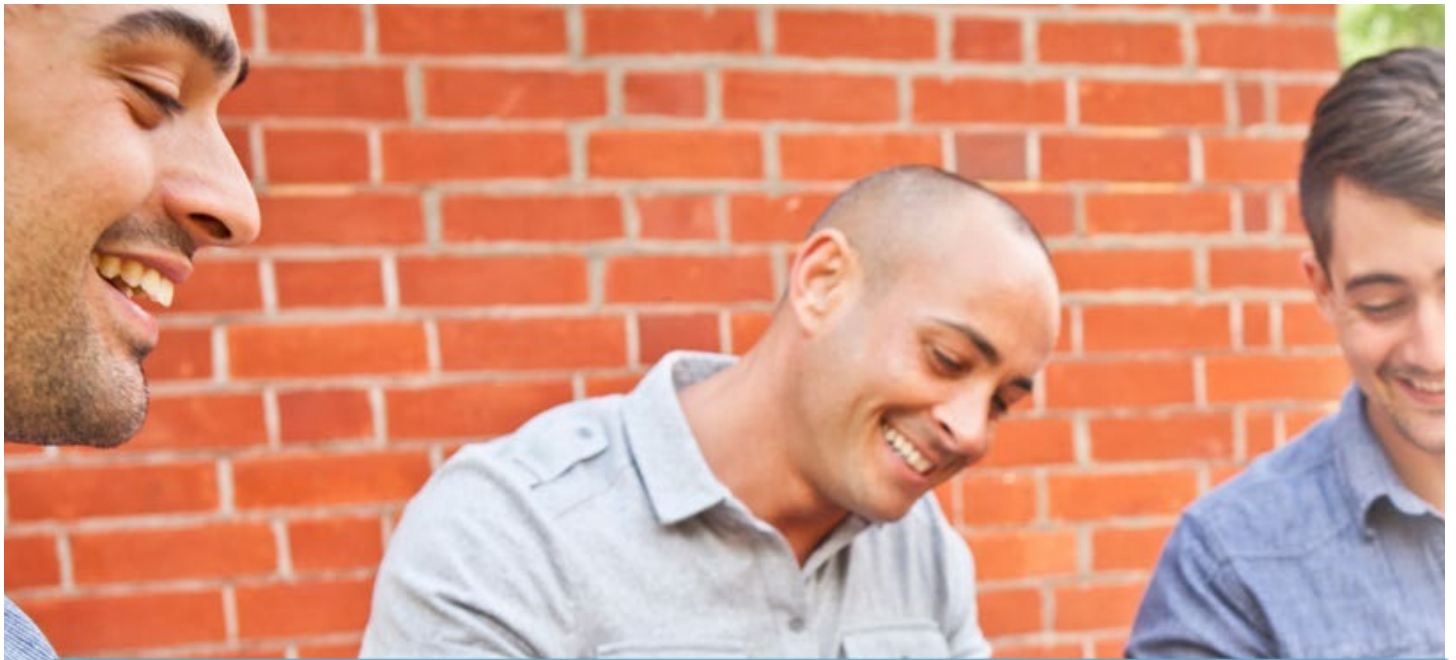
We will lead, celebrate and nurture a culture that reflects our values.

We will work together to build and celebrate a community where people with mental health needs are included and valued. A community where You Can. We Can.





Strategic Plan



Strategic Plan 2023-2025



Our
People

We build a capable and engaged workforce

Enhance the knowledge, skills and competencies of staff who work with individuals with mental health and psychosocial needs through the Karakan Academy.

Staff lived experience/peer support strategy to support mental wellness, resilience, and value diversity of our people.



Our Client

We strengthen client value and experience to support people with mental health needs on their recovery journey.

Evidence-based recovery-oriented practice framework embedded across all services.

Service co-design with clients to support person-centred service experience and outcomes.

Monitoring and evaluation framework designed and implemented to drive outcomes and impact in people's lives.

We improve and grow services through innovation, diversification, and partnerships.

Develop strategic shared-value partnerships to strengthen continuity of support, service capacity, growth, and impact.

Diversified funding and new service models targeted at non-clinical psychosocial supports to widen service reach and impact.

These include:

- **Psychosocial housing and support service** designed and funded to support healthy living and stable housing in Logan region.

- **Creation of new housing infrastructure** to support psychosocial housing service model.

- **Service design and development targeted at Pacific Island population.**



Strategic Plan 2023-2025



Our Leadership and Advocacy

We are a strong and effective sector representative in local community that raises the profile and voice of people with mental health.

Strategic alignment/active membership with sector peak-body to optimise sector and political influence in support of mental health needs.

Targeted community advocacy to support mental health and housing in Logan region through strategic network alignment.



Our Sustainability

We strengthen operational capacity to support quality and growth.

Business data and systems capability established to support service improvement, business intelligence and growth.

Business Improvement program to drive effectiveness and efficiency of service, business processes and client experience.

We optimise growth of key services to increase community reach and profitability.

Drive performance-based marketing and business development targeted at 200% growth in SIL service.

Create opportunities for mixed funded accommodation service types to optimise social impact and financial viability.

Develop funding diversification opportunities to increase sustainable business outcomes.



Financial Report

Karakan LTD

A.C.N. 009 868 286

Directors Report

2022 - 2023

The Directors submit the Financial Accounts of the Company for the year ended 30th June 2023.

Directors:

The names of the Directors of the Company in office during the Financial Year and until the date of this report are:

Zoe Bishop-Kinlyside	(Director)
Holly Blattman	(Chairperson)
Andrew Daniels	(Director)
Tracey De Angelis	(Director)
Nicholas Faint	(Director)
Cathy Hill	(Director)
Rex Manderson	(Secretary)
Leanne Peries	(Treasurer)

Dividends:

No Dividends are allowed to be paid under the Memorandum of Association of the Company.

Corporate Structure:

Karakan LTD is a company limited by guarantee that is incorporated and domiciled in Australia. If the company is wound up, the memorandum of association states that each member is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the company.

Nature of Operations and Principal Activities:

The Principal activities of the company during the financial year were supported accommodation, and lifestyle support.

Karakan LTD**Directors Report 2022-2023 cont.****Review and Results of Operations:**

The company has made a profit of \$110,538 for this financial year. This has been assisted by the receipt of wage subsidies and a one off NDIS payment totaling \$389 818. Karakan worked through the year to set up some new group homes and has incurred costs in establishing them. We are also meeting the challenge of tightening margins on the supply of our services. We are working to expand our services, support our staff in their professional development and well-being, and to build a structure that is efficient and meets all of our service obligations. We are expending additional funds in this setting up phase, but we hope the company will benefit in the long run as a strong, efficient, supportive and self-sustaining enterprise.

Significant Changes in the State of Affairs:

The environment continues to be one of tightening margins for the supply of support services.

Significant Events after the Balance Date:

No matter or circumstance has arisen since the end of the financial year that has significantly affected, or which may significantly affect the operation of the company, the results of its operation or the state of affairs of the company in subsequent financial years.

Likely Developments and Expected Result of Operations.

The Company expects to sustain a loss in general operations in the next financial year as a result of increasing wages and tightening margins in the NDIS environment. The company has invested in additional staff to increase the ability of the company to grow in a sustainable way and it is anticipated that the company will return to break even in the 2025 financial year.

Environment Regulation and Performance:

The company's operations are subject to various environmental regulations under both Commonwealth and State legislation. The Board monitors compliance with environmental regulations. The directors are not aware of any significant breaches during the period covered by this report.

Indemnification and Insurance of Directors and Officers.

The company holds office-bearers indemnity insurance to insure its directors or any other officers of the company against liabilities which may arise out of the performance of their duties.

Auditor:

James McKenzie held the office in accordance with section 327 of the Corporations Law.

**Karakan Ltd****Directors Report 2022 – 2023 cont.****Information on Directors (Current as of 30.06.2023)****Holly Blattman**

Qualifications:

Experience:

(Chairperson)

Bachelor of Arts, Bachelor of Laws (Hons), Master of Laws.

Appointed as a Director in 2014. Admitted to the private bar in 2007.

Appointed Kings Counsel in 2022.

Rex Manderson

Qualifications:

Experience:

(Secretary)

Bachelor of Electrical Engineering.

Appointed as a director in 1979. Worked as an electrical engineer from graduation in 1978, and in managerial roles from 1983 with large manufacturing businesses. As the long-term managing director of Chaotech Pty Ltd he also undertakes consulting engineering.

Leanne Peries

Qualifications:

Experience:

(Treasurer)

Bachelor of Business (Accountancy).

Appointed as a Director in 1996. She has thirty-six years' experience as an accountant in both the manufacturing industry, public service and not for profit sectors.

Cathy Hill

Qualifications:

Experience:

(Director)

Bachelor of Occupational Therapy.

Appointed as a Director in 1989. She has over forty years' experience as an Occupational Therapist in the Mental Health Field in Australia and overseas. She is the sole director of a company delivering clinical services in the disability sector and delivers training in the cognitive Disabilities Model across Australia and New Zealand to occupational therapists and other health professionals.

Andrew Daniels

Qualifications:

Experience:

(Director)

Bachelor of Commerce (Management), Masters of Commerce (Professional Accounting) and CPA.

Appointed as a Director in 2019. Retired in March 2023. Experience in corporate restructuring, business analysis and improvement for over twelve years.

Zoe Bishop-Kinlyside

Qualifications:

Experience:

(Director)

Doctorate of Business Administration – DBA, Master of Mental Health Practice (Major in Psychotherapy), Master of Social Work, Bachelor of Arts in Criminology and Criminal Justice, Bachelor of Human Services, Associate Fellow – Australasian College of Health Service Management.

Appointed as a Director in 2020. Extensive clinical and management experience across various sectors including health, child protection and corrections.

Tracey Deangelis

Qualifications:

Experience:

(Director)

Masters in Business Administration, Graduate Certificate in Health Management, Diploma in Government

Appointed as a Director in 2020. She has over twenty years executive NFP and government health sector experience across Federal/State, acute, primary, prevention, community, diagnostic and support services. Expertise in transformation, strategy, commissioning, digital health, service design and partnering for outcomes.

Dr Nicholas Faint

(Director)

Qualifications:

MBBS (Hons), MPH, BAppSci, AAICD

Experience:

Appointed as a Director in 2023. He has extensive experience liaising with primary healthcare services to facilitate continued care for his patients with a wide range of psychiatric and physical conditions.

Directors Declaration

The directors of the company declare that:

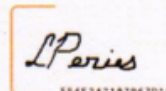
1. The financial report gives a true and fair view and the basis of preparation described in note 1 of the Financial Report is in accordance with the Australian Charities and Not-for-profits Commission act 2012 and the needs of its members. The company maintains the internal controls necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
2. In the Director's 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



Holly Blattman

Director



Leanne Peries

Director

Karakan Ltd

A.C.N. 009 868 286

Directors Report 2022 - 2023 cont.**Meetings of Directors 2022 – 2023**

There were eleven meetings of the Karakan Committee at which Directors are required to attend. The number of meetings attended by each of the directors while in office was: -

Director	Meetings held while a Director	Meetings attended while a Director
Holly Blattman	10	10
Rex Manderson	10	9
Leanne Peries	10	9
Cathy Hill	10	3
Andrew Daniels	6	5
Zoe Bishop-Kinlyside	10	2
Tracey De Angelis	10	6
Nicholas Faint	3	3

No Director has received or become entitled to receive, during or since the end of financial year, a benefit because of a contract made by the company, controlled entity or a related body corporate with the director, a firm of which a Director is a member or an entity in which a Director has substantial financial interest.

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

Director
H Blattman



8AB78D908DCB2628

Director
L. Peries



554E242187967D18



Tax Agents & Auditors
ABN 94 056 298 492

Directors
Mark Schutters
James McKenzie
Jouhaina Ellis
Scott Laker

Auditor's Independence Declaration

To the Directors,

As auditor for the audit of Karakan Ltd for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

- (i) No contraventions of the independence requirements of the *Corporations Act 2001* or the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) No contraventions of any applicable profession conduct in relation to the audit.

The declaration is made in respect to Karakan Ltd for the year ended 30 June 2023.

Signed on: 20 September 2023

James McKenzie, Registered Company Auditor 339590
Of Dickensons Accountants
Lvl 2, 3908 Pacific Hwy
LOGANHOLME QLD 4129



Phone: (07) 3209 7700
Facsimile: (07) 3209 7189
Email: jgd@dickensons.com.au
Website: www.dickensons.com.au

Level 2, 3908 Pacific Highway, Loganholme Qld 4129

Liability limited by a scheme approved under Professional Standards Legislation

KARAKAN LTD
A.C.N. 009 868 286
INCOME STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2023

	Note	2023 \$	2022 \$
Revenue from ordinary activities	2	6,360,885	5,082,280
Employee benefits expense	3	(5,616,386)	(4,402,039)
Occupancy expenses	3	(160,488)	(140,503)
Depreciation and amortisation expenses	3	(41,283)	(33,438)
		-	
Other expenses from ordinary activities		(432,191)	(234,290)
Profit from ordinary activities before income tax expenses		<u>110,537</u>	<u>272,010</u>
Income tax expense relation to ordinary activities			-
Net profit from ordinary activities after income tax attributable to members of the parent entity		<u><u>110,537</u></u>	<u><u>272,010</u></u>
Transfer to/from maintenance reserve		21098	0
Transfer to/from captial grants reserve		0	0
Total changes in equity other than those resulting from transactions with owners as owners.		<u>21098</u>	<u>0</u>
		<u><u>131,635</u></u>	<u><u>272,010</u></u>

The accompanying notes form part of these financial statements

6



KARAKAN LTD
A.C.N. 009 868 286

STATEMENT OF CHANGES IN EQUITY
AT 30 JUNE 2023

Retained Profits	2023	2022
	\$	\$
Retained profits at the beginning of the financial year	4,306,539	4,034,529
Net Income recognised directly in equity	110,538	272,010
Transfer to Maintenance Reserve	21,098	0
Transfer from Capital Grants Reserve	0	
	<u>4,438,175</u>	<u>4,306,539</u>
Maintenance Reserve	2023	2022
	\$	\$
Balance at the beginning of the year	21,098	21,098
Transfers from Retained Profits during	<u>-21,098</u>	<u>0</u>
Balance at end of the year	<u>0</u>	<u>21,098</u>
Capital Grants Reserve	2023	2022
	\$	\$
Balance at the beginning of the year	95,653	95,653
Transfers t/ from Retained Profits	<u>0</u>	<u>0</u>
Balance at end of the year	<u>95,653</u>	<u>95,653</u>
Equity	2023	2022
	\$	\$
Balance at beginning of the year	4,423,290	4,151,280
Total Income and Expenses recognised in Equity	110,538	272,010
Transfers to/from Reserves	21,098	
Movement in capital grants reserve		
Movement in maintenance reserve	<u>-21,098</u>	<u>0</u>
	<u>4,533,828</u>	<u>4,423,290</u>

KARAKAN LTD
A.C.N. 009 868 286
BALANCE SHEET
AS AT 30TH JUNE 2023

	Note	2023 \$	2022 \$
Current Assets			
Cash	4	4,152,220	4,003,400
Receivables	5	74,865	69,990
Leasehold - Right of use	9	139,495	107,060
Other	6	316,950	214,521
Total Current Assets		<u>4,683,530</u>	<u>4,394,971</u>
Non-Current Assets			
Property, plant and equipment	7	687,353	698,372
Leasehold Right of Use	9	223,507	330,566
Total Non Current Assets		<u>910,860</u>	<u>1,028,938</u>
Total Assets		<u>5,594,390</u>	<u>5,423,909</u>
Current Liabilities			
Accounts Payable	8	286,548	185,679
Provision for Unearned Revenue	10	20,000	20,000
Borrowings			
Lease Liability	9	148,457	115,334
Provisions	10	269,919	245,641
Total Current Liabilities		<u>724,924</u>	<u>566,654</u>
Non-Current Liabilities			
Lease Liability	9	245,375	363,592
Provisions	10	90,263	70,373
Total Non-current Liabilities		<u>335,638</u>	<u>433,965</u>
Total Liabilities		<u>1,060,562</u>	<u>1,000,619</u>
Net Assets		<u>4,533,828</u>	<u>4,423,290</u>
Members Funds			
Accumulated Funds		4,438,175	4,306,539
Capital Grants Reserve		95,653	95,653
Maintenance Reserve		-	21,098
		<u>4,533,828</u>	<u>4,423,290</u>

The accompanying notes form part of these financial statements



KARAKAN LTD
A.C.N. 009 868 286
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2023

	Note	2023 \$	2022 \$
Cash Flows from Operating Activities			
Receipts from Customers		6,027,655	4,881,968
Government Subsidies		220,296	126,034
Interest Received		10,645	4,617
Payments to Suppliers & Employees		(5,242,251)	(4,181,123)
Government Subsidies Dispersed		(220,296)	(126,034)
GST Received from ATO		84,467	63,195
GST Paid to ATO		(896)	(771)
PAYG Paid to ATO		(649,697)	(466,537)
Net Cash Provided by (Used in)			
Operating Activities	13 (b)	229,923	301,349
Cash Flows from Investing Activities:			
Costs of demolition of Assets		(33,114)	
Receipts on Sale of Plant & Equipment		49,000	
Payment for Plant & Equipment		(96,989)	(131,666)
Net Cash Provided by (Used In) Investing			
Activities		(81,103)	(131,666)
Net Increase(Decrease) in Cash Held		148,820	169,683
Cash at beginning of financial year.		4,003,400	3,833,717
Cash at End Of Financial Year	13(a)	4,152,220	4,003,400

The accompanying notes form part of these financial statements

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KARAKAN LTD
A.C.N. 009 868 286

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

Note 1: Statement of Accounting Policies

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users who are dependant on its general purpose financial reports. This financial report is therefore a special purpose financial report that has been prepared in order to satisfy the financial report preparation requirements of the Australian Charities and Not-for-profit Commission Act 2012 (ACNC Act) and the Corporations Act 2001.

Karakan LTD is a public company limited by guarantee, incorporated and domiciled in Australia.

Basis of Preparation

The financial report has been prepared in accordance with the requirements of the Corporations Act 2001 and the following applicable accounting standards:

AASB 16	Leases
AASB 101:	Presentation of Financial Statements;
AASB 107:	Cash Flow Statements;
AASB 108:	Accounting Policies, Changes in Accounting Estimates and Errors;
AASB 1048:	Interpretation and Application of Standards.
AASB 1054:	Australian Additional Disclosures

No other Accounting Standards, or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes.

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

(a) Income Tax

The company is exempt from the payment of income tax under Division 50 of the Income Tax Assessment Act (1997)

(b) Investments

Dividends are brought to account when received.

(c) Inventories

Karakan has no inventories.



KARAKAN LTD
A.C.N. 009 868 286

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

Note 1: Statement of Accounting Policies (Cont ...)

(d) Property, Plant and Equipment

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

Depreciation

The depreciable amount of all fixed assets, including buildings, but excluding freehold land are depreciated over their estimated useful lives to the entity from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Furniture and Fittings	13 - 27%
Workshop Equipment	7 - 27%
Motor Vehicles	25%
Lease Fitout	20%

Lease fitout is being amortised over the lease term

(e) Maintenance Reserve

The funds in the maintenance reserve have been returned to retained earnings as the property at Darren Drive has been demolished and the reserve is no longer necessary.

(g) Cash

For the purpose of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts.

(h) Comparative figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(l) Capital Grants Reserve

Capital items funded by grants received have been disclosed as a revenue and subsequently transferred to the capital grants reserve so that accumulated funds generated by normal activities can be distinguished from those funds generated from the receipt of grants, but used to fund capital purchases.

(j) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established.

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

KARAKAN LTD
A.C.N. 009 868 286

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Note 1: Statement of Accounting Policies (Cont ...)

(k) Funding Income

Karakan grants are included as income as they are earned. For clients funded by the NDIS revenue is recognised as it is billed.

(l) GST

All elements in the statement of financial performance are stated exclusive of GST. Receivables and payables in the statement of financial position are stated inclusive of GST.

(m) Lease

The total value of the lease is assessed at the beginning of the lease and an asset is recognised and amortised over the life of the lease. The liability is assessed at the beginning of the lease and reduced by the amounts paid.

Note 2: Revenue

	2023	2022
Operating activities	\$	\$
- Government wage subsidies	219,296	126,035
- NDIS one off payment	170,522	-
- Sales revenue	5,862,180	4,869,421
- Interest	40,268	8,189
- rent received	58,510	51,280
- donations	-	46
- miscellaneous including minor grants	1,000	50
- Bad Debt recovery	-	22
- wage recovery	1,537	27,239
Total revenue from Operating Activities	<u>6,353,313</u>	<u>5,082,282</u>
Non-Operating Activities:		
Surplus by sale of assets, machinery and stock	<u>7,572</u>	<u>-</u>
Total Revenue	<u>6,360,885</u>	<u>5,082,282</u>
(a) Dividends from:		
- other corporations		
(b) Interest from:		
- other corporations	<u>40,268</u>	<u>8,189</u>
	<u>40,268</u>	<u>8,189</u>



KARAKAN LTD
A.C.N. 009 868 286

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

Note 3: Profit from Ordinary Activities	2023	2022
	\$	\$
Profit from ordinary activities before income tax expense, has been determined after:		
(a) Expenses		
Cost of Sales	-	-
Depreciation of non-current assets		
- buildings	8,356	9,574
- plant and equipment	32,927	23,864
Total Depreciation	41,283	33,438
WDV of Plant & Equipment sold		
Cost of Demolition	30,104	
Assets Written Off	<u>20,934</u>	3,462
Loss on Sale and Scrapping of Plant & Equipment	51,038	3,462
Amortisation of Leasehold Right to use assets (Included as rental expenses)	135,985	97,674
Bad and doubtful debts	2,403	990
Remuneration of auditor		
- audit provision 2022-2023	6,500	6,200
Rental expense on operating leases		
- minimum lease payments	153,535	132,452
Rate charges for owned properties	6,953	8,051
Employee benefits expense	5,616,386	4,402,039

Building depreciation was incorrectly included in Plant and Equipment Depreciation in the 2022 financial statements and not shown as building depreciation. This has been corrected in the current accounts.
Amortisation of Leasehold Right to use assets were not shown separately in the 2022 financial statements but are shown here.

Note 4: Cash

Petty Cash Imprest & Undeposited Funds	250	250
Cash at bank - Karakan Ltd	4,151,970	4,003,150
	<u>4,152,220</u>	<u>4,003,400</u>

KARAKAN LTD
A.C.N. 009 868 286

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

Note 5: Receivables

Current

Trade Debtors - Karakan	62,497	53,859
Less Provision for Doubtful Debts		-
GST Receivable	12,369	16,131
	<u>74,866</u>	<u>69,990</u>

There has been an increase in Accounts Receivable of 16.4%. This is to be expected as revenue has increased by 25%. All of these debts are in the 0-30 day bracket and it is anticipated that all will be recovered.

Note 6: Other Assets

	2023	2022
	\$	\$
Current		
Prepayments - Insurance	40,258	29,525
Accrued Interest	34,401	4,778
Accrued Revenue	209,384	152,030
Rental Bond	32,907	28,187
	<u>316,950</u>	<u>214,520</u>

Accrued Revenue represents NDIS revenue earned in the period after the last billing cycle for the year. Wages relating to this period have also been accrued.

Note 7: Property, Plant & Equipment

	2023	2022
	\$	\$
Land and Buildings		
Land - At cost	307,000	307,000
Buildings - At cost	313,000	390,678
Less: Accumulated Depreciation	(51,195)	(100,500)
Total Land and Buildings	<u>568,805</u>	<u>597,178</u>
Plant and Equipment		
Furniture & Fittings - at Cost	83,419	89,433
Less: Accumulated Depreciation	(36,231)	(36,920)
Motor Vehicle		
Motor vehicle - at Cost	64,364	61,483
Less: Accumulated Depreciation	(5,775)	(12,802)
Total Plant and Equipment	<u>105,776</u>	<u>101,194</u>
Total Property, plant & equipment	<u>674,581</u>	<u>698,372</u>



KARAKAN LTD

A.C.N. 009 868 286

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

(a) Movement in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and end of the current financial year.

	Freehold Land \$	Buildings \$	Plant, MV and Equipment \$	Total \$
Balance at the beginning of the year	307,000	290,178	101,194	698,372
Additions			75,399	75,399
Disposals	-	-20,017	-78,534	-98,551
Depreciation expense	-	-8,356	-33,844	-42,200
Carrying amount at the end of the year	<u>307,000</u>	<u>261,805</u>	<u>64,215</u>	674,581
Asset under Construction added in this financial year				12772.04

Note 8: Payables

	2023 \$	2022 \$
Current		
Accounts Payable	21,467	16,990
FBT Payable	8,664	4,402
Wages Payable	204,514	134,559
PAYE Payable	60,568	34,129
	<u>295,213</u>	<u>190,080</u>

Wages payable are greater than last year for several reasons. We needed to accrue an additional day of wages for staff and there are 25% more employees at the end of the year than at the end of the previous year. Wage rates have also increased for many of our staff. FBT Payable of \$4402 was included in Accounts Payable in last years accounts. This has been adjusted in the 2022 figures for comparative purposes. The vehicle which attracted FBT has been disposed of and replaced with a new electric vehicle which does not attract FBT.

Note 9: Leases

	2023 \$	2022 \$
Right of Use Asset		
Current Right of Use - Calamvale	3,600	
Current Right of Use - Bahrs Scrub	28,835	
Current Right of Use - Daisy Hill Property	107,060	107,060
Non Current -Right of Use - Daisy Hill Property	223,507	330,567
	<u>363,002</u>	<u>437,627</u>
Lease Liability		
Current Liability - Bahrs Scrub	27,840	
Current Liability - Calamvale Property	2,400	
Current Liability- Daisy Hill Property	118,217	115,334
Non current liability - Daisy Hill Property	245,375	363,592

KARAKAN LTD
A.C.N. 009 868 286

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

393,832 478,926

ON 1st August 2022 we have signed a five year lease for a new head office at Daisy Hill with a total value of \$535,301. The agreement included an initial 6 month rent free period. A right of Use asset of this value was created at this time, to be amortised over the 5 year period. A liability for this value was also created at this time and has been reduced by the amount of payments made to the landlord during the year.

Two additional properties were leased during the year for the purposes of providing accommodation for clients.

Rose Court was leased for 12 months from September 2022. We have received an offer for an additional 12 months rental.

Bahrs Scrub was leased from December 2023 and we have signed a new lease in June 2023 ending 18th June 2024.

The company assesses the right of use asset at each reporting date for indications of impairment in accordance with AASB136 Impairment of Assets. There is no indication of impairment of these assets as at 30.06.2023.

Note 10 Provisions	2023	2022
	\$	\$
Current		
Provision for annual leave and wage expense provision	166,765	150,299
Provision for personal leave	103,154	95,342
Provision for unearned income	20,000	20,000
Non-Current		
Provision for long service leave	90,263	70,373
(a) Aggregate employee entitlement liability	360,182	316,014
(b) Number of employees at year end	111	92

The provision for Unearned income is the value of two grants which we have not spent to date. We plan to contact those who have provided the funds to suggest a change of purpose.

The increase in provisions for Annual leave, Personal Leave and long service leave have increased as we have 25% more staff than there were at the end of the last financial year and the hourly cost of wages has increased.

Note 11 Segment Reporting

The company has derived income from providing accommodation and support opportunities for people who have a psychiatric or other disability.

Note 12: Member's Guarantee

The company is limited by guarantee. If the company is wound up, the memorandum of association states that each member is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the company. At 30 June 2023 the number of members was seven.

Note 13 : Cash Flow Information	2023	2022
	\$	\$



KARAKAN LTD
A.C.N. 009 868 286

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

(a) Reconciliation of Cash

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

Petty Cash Imprest & Undeposited funds	250	250
Cash at bank - Karakan Ltd Brisbane	4,151,970	4,003,150
	4,152,220	4,003,400

(b) Reconciliation of Cash Flow from Operations with Profit from ordinary activities after income tax

Profit from Ordinary Activities	110,537	272,010
Non Cash Flow Items in Profit from Ordinary Activities:		
Depreciation	41,283	33,438
Increase/(Decrease) in Provisions	44,167	28,672
Increase/(Decrease) in Right to Use Assets	(85,094)	478,926
Loss on sale of Fixed Assets	51,038	3,462
Profit on sale of Fixed Assets	-	
GST on purchase of fixed assets	23,259	11,970
Changes in Assets and Liabilities:		
Increase(Decrease) in Accounts Payable	96,414	19,888
(Increase)/Decrease in GST Receivable	3,762	(3,224)
(Increase)Decrease in Debtors	(8,637)	(43,894)
(Increase)Decrease in Prepayments	302,761	(62,272)
(Increase)Decrease in Right to Use Assets	(330,566)	(437,627)
(Increase)Decrease in Inventories	-	
Roundings	-	
Cash Flows from Operations	248,924	301,349

Note 14: Capital Grants Reserve

	2023	2022
	\$	\$
Movement during the year:		
Opening balance	95,653	95,653
Transfers during the year		
Closing balance	95,653	95,653

KARAKAN LTD
A.C.N. 009 868 286

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

Note 15 : Related Party Transactions

The names of directors who have held office during the financial year are:

Holly Blattman
Rex Manderson
Leanne Peries
Cathy Hill
Zoe Bishop-Kinlyside
Andrew Daniels
Tracey Deanglis
Nicholas Faint

The directors received no remuneration or financial benefit from Karakan.

Note 16 : Financial Instruments

(a) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements.

The company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the company.

(b) Net Fair Values

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

(c) Interest Rate Risk

The company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

2023	Average Effective Interest Rate	Floating Interest Rate	Non Interest Bearing	Total
Financial Assets				
Cash At Bank	0.00%	2,810,817	250	2,811,067



KARAKAN LTD

A.C.N. 009 868 286

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Term Deposits	2.72%	1,341,153		1,341,153
Trade Debtors			74,865	74,865
				0
Total Financial Assets		4,151,970	75,115	4,227,085
Financial Liabilities				
Accounts Payable			286,549	286,549
Provision for Unearned Income			20,000	20,000
Accrued Wages			204,514	204,514
Employee Entitlements			360,182	360,182
Leasehold liabilities			393,832	393,832
Total Financial Liabilities		-	1,265,077	1,265,077

KARAKAN LTD
A.C.N. 009 868 286

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

2022	Weighted Average Effective Interest Rate	Floating Interest Rate	Non Interest Bearing	Total
Financial Assets				
Cash At Bank	0.00%	2,668,906	250	2,669,156
Term Deposit	0.05%	1,334,244		1,334,244
Trade Debtors			69,990	69,990
				0
Total Financial Assets		4,003,150	70,240	4,073,390
Financial Liabilities				
Accounts Payable			185,678	185,678
Provision for unearned Income			20,000	20,000
Accrued Wages			134,559	134,559
Employee Entitlements			316,014	316,014
Daisy Hill Leasehold			478,926	478,926
Total Financial Liabilities		-	1,135,177	1,135,177

Note 17: Subsequent Events

Since the closing of the accounts quotes for building a new facility at Darren Drive have been substantially above expectations, partly due to some of the difficulties with the site. The board is exploring several options including possibly selling the current property at Darren Drive and building on another site. A new lease has been signed for the Calamvale property which will run for twelve months to 12/08/2024 at \$650 per week.

Note 18: Company Details

The Registered Office and principal place of business is:

Karakan Ltd
14a,
10 Old Chatswood Road
Daisy Hill, QLD, 4127



you can. we can.



www.karakan.com.au



07 3299 1898



clientservice@karakan.com.au



14a, 10 Old Chatswood Road, Daisy Hill, QLD 4127