



2018-2019

ANNUAL REPORT

Karuna Sri Lanka Inc.

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INTRODUCTION

Our mission

1. Provide monetary support for ongoing running costs and expenses to organisations working for the benefit of children in the Galle and the Southern province area of Sri Lanka. This includes improvements and maintenance of buildings.
2. Provide monetary support for the children's integration once they have left these organisations, including tertiary education, employment opportunities and their living conditions.
3. Improve education facilities and English language teachings.

Our vision

To improve the quality of life and future opportunities of underprivileged children in Southern Sri Lanka.



Our history

On 26 December 2004, the Boxing Day Tsunami claimed the lives of around 230,000 people across 14 countries. Sri Lanka was one of the hardest hit nations – almost 40,000 lives were lost there alone. This resulted in many families losing their main provider, or children finding themselves without parents altogether.

In 2012, while on holiday in Sri Lanka to watch the T20 Cricket World Cup, Australian carpenter Justin Peacock's life was changed when he was introduced to the Yasodara orphanage and children's home.

Returning in 2013, he spent four self-funded months using his handy skills to improve and restore the buildings and grounds at Yasodara. As he came to know the staff and children's needs better, items such as school uniforms, clothing, kitchen utensils, computer equipment and toys were sourced to improve life at the orphanage.

Justin also developed a strong relationship with Gintota Maya School, which had been destroyed by the tsunami and, while since rebuilt, was lacking in any kind of sporting facilities. He has since been conducting cricket coaching clinics, built a cricket training pitch and permanently hired a coach for the students. On following visits, the same was achieved for the school's netball department.

After posting some pictures of his work and life experiences in Sri Lanka on social media, his friends, family - and even total strangers - were taken with his efforts and began offering donations to further help with his charity work.

Justin has since been back to Galle in southern Sri Lanka numerous times, delivering donated clothes, toys and sporting equipment, and spending his holidays assisting with repair jobs to Yasodara and the Gintota Maya school.

He is supported by a dedicated group of like-minded people located in both Australia and the UK, who have taken on the task of forming a registered charity and managing the governance of the not-for-profit organisation.

With the passing of Yasodara's previous major sponsor in 2016, Justin and the Karuna Sri Lanka Inc. team committed to providing ongoing funds to cover the monthly running costs, including utilities, food, clothing, wages for the matrons and schooling for the girls.

Unfortunately, in 2018 the orphanage was closed following a dispute among the local Sri Lankan committee that was trusted with running the orphanage by the Sri Lankan Government's Probation Board. It was a sad turn of events for the children, and Justin and his team had to act quickly in order to maintain contact with the girls.

Since then, some have found a new home at different orphanages, some of the older girls are attending vocational training institutions, and some returned to their families, who were not able to provide them with food, shelter and education in the first place.

Currently, Karuna Sri Lanka Inc. concentrates on ensuring the girls have their basic needs covered and receive a minimum level of education. Needs are different for each of them so Justin and his team employed a former trusted staff member of the orphanage, Shashi Roland, to coordinate these efforts locally. Shashi has been doing an outstanding job and her existing relationship with the girls was a great advantage in getting everything up and running so quickly.

SECTION 1 – AN OVERVIEW OF KARUNA SRI LANKA INC.

About us

We are a group of people who care and who have been inspired by Justin's story and his passion to help others.

We have come together as a committee to support this project by managing day-to-day tasks (accounts, website, so much paperwork) and ensuring all legal obligations are adhered to (incorporation of charity, audit of accounts, organisational governance etc.).

We basically have Justin's back so he can fully concentrate on doing what he does best: being awesome and helping others.

Not only do we all contribute on a voluntary basis, we also ensure that all administration costs are covered by us personally, so that every cent donated goes to the beneficiaries.

Our people

2018-2019 committee:

Justin Peacock (President)

Allan Foote (Vice President)

Merle Nuber (Secretary)

June Foote (Treasurer)

Tim MacDonald (Committee Member)

John Wood (Committee Member)

Katie Cresswell (Committee Member)

Thelma Martin (Committee Member)

Employees:

Shashi Roland (local coordinator in Galle, Sri Lanka)

Our supporters

In the 2018-2019 financial year Karuna Sri Lanka Inc. received donations from 28 different sponsors, located in Australia, England and other European countries.

Of the donors 26 were private people, one a business and one a not-for-profit organisation in England.

Donations were received either directly into the Karuna Sri Lanka Inc. bank account or via the GiveNow portal.

The majority of donations are regular donations. In the lead up to trips to Sri Lanka other potential donors (e.g. sporting groups, businesses etc.) are approached, usually for once-off donations, often of in-kind nature.

SECTION 2 – GOVERNANCE

President's report

Firstly, thank you to the committee for all your guidance, organising, advice, patience and assistance over the past 12 months. There have been some big changes and challenges and I think so far we have handled everything well. Nearly all decisions have been successful and the children have all greatly benefitted from this, which is our aim. You are all to be congratulated and I'm genuinely thankful for your help.

For just a few volunteers to go from where we were this time last year to now is impressive, especially considering we haven't even been to Sri Lanka yet this year.

If this next two-week trip is successful, I think we sit on the edge of some bigger decisions, which will affect Karuna's future.

So far we have existed on kind donations from a small number of people without any great advertising or major funding. As volunteers we also lead busy lives and finding time to keep up and stay focussed can be difficult. In the future I would like us to expand to help more families and children. However, we need to be able to put these expansions in place with full commitment and at a pace we can all keep up with.

With the day-to-day running and organising I'm probably averaging 1.5-2 hours most days since we employed Shashi, plus monthly commitments and projects. I would also like to get Shashi to train one of the girls up to be in a similar position to her, so we have back-up in case she leaves for any reason in the future.

Regarding the sporting activities we support at Gintota Maya School, the possibilities are endless in ways we can help. The key is to be organised and have donated sporting items shipped in time for us to pick them up when we are in Galle.

All in all, there is all positives to speak about – apart from the sad closure of the Yasodara orphanage of course. We look forward to reconnecting with the children during our upcoming trip and meeting new children and families in need.



Justin Peacock

President



Structure and management

Karuna Sri Lanka Inc. is registered with the Australian Charities and Not-for-profits Commission (ACNC) and has deductible gift recipients (DGR), GST concession and income tax exemption status.

Incorporation number: A1021782W

Australian Business Number (ABN): 33 644 180 262

Our objectives and activities

Objective	Activities	Outcome
Visit orphanage to determine state of affairs and areas of shortfall.	Justin and John visited orphanage, purchased much-needed everyday items, undertook minor repairs and treated girls and staff to a day out at a waterslide park.	Urgent needs were addresses and where possible rectified. The girls and staff were treated to an out-of-the ordinary experience.
Determine strategy after closure of orphanage.	Employed Shashi Roland, a university-trained former employee of the orphanage, who had an established relationship with the girls and the Karuna Sri Lanka committee.	Shashi functions as the local coordinator. She has located most of the girls, which enables Karuna Sri Lanka to continuously support the girls.
Amend constitution to enable shift from supporting a defined institution to supporting private people and other organisations.	Review and amendment of mission statement to allow for changed scope after closure of Yasodara.	Amended mission statement was submitted and changes were accepted by ACNC and the Government of Western Australia (Associations Department), enabling Karuna Sri Lanka to operate under the new scope.
Develop strategy to support girls despite their changed circumstances.	Compiled overview of girls, their whereabouts, current situation and future needs.	Arrangements were made for most of the girls, addressing individual needs on an ongoing basis, including future planning.
Develop strategy to support girls beyond childhood (e.g. tertiary education)	<ul style="list-style-type: none"> As above. Organised ongoing English classes in addition to regular schooling for girls (and other 	Two sisters, Dinithi and Dileka, whose family was unable to guarantee a safe environment, were provided

and career opportunities), to enable them to ultimately support themselves.	underprivileged children) located in Galle.	with ongoing housing and jobs / job training. English classes are ongoing and invitations have been extended to other underprivileged children.
Widen scope to support families in need, with the objective to improve their living conditions.	Following the change in constitution, the first larger scale project was identified: construction of toilet facilities for a family of two of the girls. Under Shashi's supervision tradesmen and material were sourced and construction was undertaken.	Living conditions of the two girls and their family were largely improved, and local labour and trade supported.
Support girls with basic hygiene needs.	Introduced Karuna Care Kits, which are sourced locally and branded.	More hygienic and dignified living conditions for the girls.
Register charity in Sri Lanka to improve legal and social standing.	Research into this subject showed that a registered charity in Sri Lanka would require a local committee.	It was decided that this objective would not be beneficial for Karuna Sri Lanka.
Achieve more reach and engagement on Facebook.	More frequent posting, tagging of people, linking their donations to tangible benefits.	This objective was postponed to the 2019-2020 financial year.
Provide donors and sponsors with regular information on what their contributions have achieved.	A quarterly e-newsletter was introduced, providing updates on how the funds were invested and how the girls were tracking.	The e-newsletters provide better transparency on Karuna Sri Lanka's work and achievements.
Achieve deductible gift recipients (DGR) status.	An application for DGR status was submitted and granted in October 2019.	Australian donors and sponsors are able to claim donations of \$2 and above on their tax return, making donating more financially attractive.

Future objectives

- Achieve more reach and engagement on Facebook, especially around travel to Sri Lanka.
- Trip to Sri Lanka by wider committee to:
 - meet with Shashi and discuss general situation and future activities,
 - visit as many of the girls as possible,
 - visit other orphanages that Karuna Sri Lanka may be able to support in the future,
 - meet with Gintota Maya School cricket and netball coordinators,
 - take girls and other children currently supported on an overnight trip,
 - meet with local Probation Board to discuss assets located at Yasodara that were paid for by Karuna Sri Lanka.
- Train one of the older girls to assist Shashi and take workload off Justin (succession plan).
- Research and apply for grants/funding.



Shashi with Dinithi and Dileka



English classes

SECTION 3 – FINANCES

Treasurer's report

There have been a few ups and downs this year with the Yasodara orphanage closing down unexpectedly. However, this has given us a great opportunity to expand into a more personal relationship with the girls that were transferred to other orphanages and some that returned to their families.

With our Deductible Recipient Gift (DGR) status being approved I was very happy to send out receipts at the end of the financial year, giving our Australian donors an allowable tax deduction for all donations of \$2 and above. The DGR commenced in October 2018, but in the 2019-2020 financial year they will be able to claim a deduction for the full 12 months. This is a small way of thanking our donors for their continuing support.

The annual financial reports submitted to the committee at the AGM have been audited by Peter Jack, once again on a pro-bono basis, and we offer our thanks to Peter for supporting us in this way.

Our President, Justin Peacock, has once again paid for all administration expenses to keep in line with his determination to make sure all donations received are spent in Sri Lanka. Our thanks to Justin for his generous support.

In March 2019 we expanded our mission statement in the constitution, enabling us to assist the girls when they leave school and to work with improving families' living conditions. I wish to thank everyone on the committee for supporting and assisting me with the applications I have made to update the mission statement.

Our donations are showing a very encouraging increase from last year, which is good to see. This gives us a solid base to work from going forward.

A big thank you to Shashi, our coordinator in Sri Lanka. Without her hard work we could not have advanced so far this year. The financial reports Shashi submits at the beginning of each month are excellent and the auditor commented on her attention to detail, which greatly assisted him with the audit.

Between all of us we have given Karuna Sri Lanka Inc. more scope to assist and put smiles on the faces of our girls and their families in Sri Lanka. I am looking forward to another year working together.



June Foote

Treasurer

Auditor's statement

I have audited the Financial Statements, consisting of the Profit & Loss Statement and the Balance Sheet, of Karuna Sri Lanka Inc. for the period 1st July 2018 to 30th June 2019.

The organisation is responsible for the preparation and presentation of the statements and the information that they contain. The organisation has determined that the basis of accounting used in the Profit & Loss Statement and Balance Sheet is appropriate for the requirements and needs of the members.

I have conducted the audit to provide reasonable assurance as to whether the Balance Sheet and the Profit & Loss Statement is free of material misstatement. The procedure included the examination of evidence supporting the amounts, including bank statements, invoices where available and general ledger transactions. Donations shown are in accordance with the amounts banked and receipted and the organisation has given an assurance that all donations received in cash or bank transfer have been recorded and banked, although it is not possible to verify this.

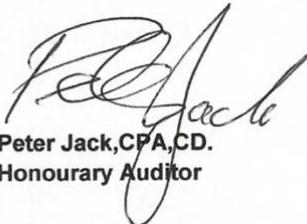
Due to the nature of the expenditure in supporting the girls in care it is often not possible, or practical, to obtain receipts for all expenses. I have verified that the expenses recorded in the Profit & Loss Statement are in accordance with the amount of withdrawals shown in the bank statements, but due to the actual support given to the orphanage and to the girls and their families being in a foreign currency it is not possible to verify the ultimate expenditure.

The procedure has been undertaken to form an opinion as to whether, in a material respect, the financial statements are presented fairly, and so as to present a view of the organisation which is consistent with my understanding of its financial position and the results of its operations.

The audit opinion expressed here has been formed on the above basis

Audit opinion

In my opinion the financial statements of Karuna Sri Lanka Inc. for the period 1st July 2018 to 30th June 2019 present fairly the financial performance and the financial position of the organisation for this year and as at the 30th June 2019, subject to my comments above.


Peter Jack, CPA, CD.
Honourary Auditor



Karuna Sri Lanka Inc.
Profit and Loss Statement
For the period from 01/07/2018 to 30/06/2019
Cash basis

	30/06/2019	30/06/2018
Income		
DONATIONS		
Australia	8,179.81	4,995.54
Overseas	8,578.72	2,145.00
Total — DONATIONS	16,758.53	7,140.54
Interest received	11.36	2.31
Presidents Contribution for Administration Costs	265.19	231.36
Total — Income	17,035.08	7,374.21
Less: Expenses		
ADMISTRATION COSTS		
Application Fees	42.00	-
Bank charges	160.00	150.00
GIVE NOW - fees	43.27	21.76
National Police Clearances	-	59.60
Printing and stationery	19.92	-
Total — ADMISTRATION COSTS	265.19	231.36
SPONSORSHIP		
Abdul Maajid - College Fees	150.00	-
Expenses for children's support in Galle	3,782.42	-
Friends - Baddegama Orphanage	-	355.00
Gintota School	560.00	-
Yasodara Girls Orphanage	5,790.00	5,200.00
Total — SPONSORSHIP	10,282.42	5,555.00
Total — Expenses	10,547.61	5,786.36
Net profit (loss)	6,487.47	1,587.85

Karuna Sri Lanka Inc.

Balance Sheet

As at 30/06/2019

Cash basis

	30/06/2019	30/06/2018
Assets		
Cash at bank	9,620.20	3,132.73
Net assets	9,620.20	3,132.73
Equity		
Retained earnings	8,075.32	1,587.85
Starting balance equity	1,544.88	1,544.88
Total — Equity	9,620.20	3,132.73
Total equity	9,620.20	3,132.73

SECTION 4 – OTHER IMPORTANT INFORMATION

How you can help

Ideally, we are looking for sponsors that are able to commit to ongoing monthly donations. We have an Australian bank account and all that is required to do is set up a recurring monthly transfer. Of course, we happily accept one-off donations as well.

Bank: Westpac
Account name: Karuna Sri Lanka Inc.
BSB: 036-044
Account number: 339908

We hold DGR (deductible gift recipient) status, meaning that all donations of \$2 and above made by Australian taxpayers are tax deductible, and donors will receive a receipt at the end of the financial year to be used for their tax return.

For donations in currencies other than Australian dollars please use the GiveNow fundraising portal: www.givenow.com.au/KarunaSriLanka

International donations can only be made with credit cards.

We also welcome new committee members or friends who can organise or help with fundraising activities.

Acknowledgements

We would like to thank all our donors and sponsors, Mr Peter Jack, the Freetown Trust and Pied à Terre Restaurant in the UK, and our volunteer committee members for all their support during the 2018-2019 financial year.

Thank you for putting smiles on the children's faces!





Contact us



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