

**Hearts for Africa (Amani)  
Foundation Limited**  
as Trustee for  
**Hearts for Africa (Amani)  
Foundation** and  
**Hearts for Africa (Amani) Fund**

ABN 41 160 633 410

Financial Report for the Year Ended 30 June 2015

Hearts for Africa (Amani) Foundation Limited  
as Trustee for  
Hearts for Africa (Amani) Foundation and  
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Financial Report for the Year Ended 30 June 2015

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REVIEWER'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF HEARTS FOR AFRICA (AMANI) FOUNDATION LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015 there have been no contraventions of:

- i. the reviewer independence requirements in relation to the review and
- ii. any applicable code of professional conduct in relation to the review.



**Merrotts Chartered Accountants**



David Sneesby  
Partner

Date: 8<sup>th</sup> December 2015

**Accounting**

**Audit & Assurance**

- Statutory
- Internal
- Government

**Business**

- Services
- Audit
- Restructuring

**Corporate Services**

**Estate Planning**

**Forensic Accounting**

**Litigation Support**

**Recruitment**

- Executive
- Accounting

**Superannuation**

- Administration
- Planning

**Taxation**

**Hearts for Africa (Amani) Foundation Limited**  
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR  
THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$	2014 \$
Revenue		356,269	377,736
Administration expense		(28,096)	(6,709)
Advertising and promotion expenses		(26,114)	(2,353)
Service provision expenses		(14,465)	(14,330)
Distributions to Amani Development Organization		<u>(347,890)</u>	<u>(311,074)</u>
<b>Current year surplus/(Deficit) before income tax</b>	2	(60,296)	43,270
Income tax expense		-	-
<b>Net current year surplus / (deficit)</b>		<u>(60,296)</u>	<u>43,270</u>
<b>Other comprehensive income:</b>			
<b>Total other comprehensive income for the year</b>		<u>-</u>	<u>-</u>
<b>Total comprehensive income/(deficit) for the year</b>		(60,296)	43,270
Total comprehensive income/ (deficit) attributable to members of the entity		<u>(60,296)</u>	<u>43,270</u>

The accompanying notes form part of these financial statements.

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STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	Note	2015 \$	2014 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash on hand	3	88,867	120,305
Other current assets	4	1,901	1,935
<b>TOTAL CURRENT ASSETS</b>		<b>90,768</b>	<b>122,240</b>
<b>TOTAL NON-CURRENT ASSETS</b>		<b>-</b>	<b>-</b>
<b>TOTAL ASSETS</b>		<b>90,768</b>	<b>122,240</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Loan Payable	5	14,616	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>14,616</b>	<b>-</b>
<b>NON-CURRENT LIABILITIES</b>			
Loan Payable	5	14,208	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>14,208</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>28,824</b>	<b>-</b>
<b>NET ASSETS</b>		<b>61,944</b>	<b>122,240</b>
<b>EQUITY</b>			
Retained surplus		61,944	122,240
<b>TOTAL EQUITY</b>		<b>61,944</b>	<b>122,240</b>

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2015

	<b>Retained Surplus</b> \$
<b>Balance at 1 July 2013</b>	78,970
<b>Comprehensive income</b>	
Surplus for the year attributable to members of the entity	43,270
<b>Total comprehensive income attributable to members of the entity</b>	43,270
<b>Balance at 30 June 2014</b>	122,240
<b>Comprehensive income</b>	
Deficit for the year attributable to members of the entity	(60,296)
<b>Total comprehensive income/ (deficit) attributable to members of the entity</b>	(60,296)
<b>Balance at 30 June 2015</b>	61,944

The accompanying notes form part of these financial statements.

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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$	2014 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from donations, bequests and raffles		307,922	326,650
Thrift Shop Receipts		46,897	49,306
Interest Received		1,450	1,780
Distributions to Amani Development Organization		(347,890)	(310,820)
Payments to suppliers and employees		(68,641)	(23,542)
Net cash (used in) / generated from Operating Activities		<u>(60,262)</u>	<u>43,374</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Loan Received- Carr Glaucoma Research Foundation		30,000	-
Loan Repayments- Carr Glaucoma Research Foundation		(1,176)	-
Net cash (used in) / generated from Financing Activities		<u>28,824</u>	<u>-</u>
Net decrease / increase in cash held		(31,438)	43,374
Cash on hand at the beginning of the financial year		120,305	76,931
Cash on hand at the end of the financial year	3	<u>88,867</u>	<u>120,305</u>

The accompanying notes form part of these financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS**

These financial statements cover Hearts for Africa (Amani) Foundation Limited, a company limited by guarantee, incorporated and domiciled in Australia, acting as Trustee of the Hearts for Africa (Amani) Foundation and the Hearts for Africa (Amani) Fund.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The directors of the trustee company have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users who are dependent on its general-purpose financial statements. These financial statements are therefore special purpose financial statements. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Act 2012 ('ACNC Act').

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous periods unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar.

**Accounting Policies**

**a. Revenue**

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised as it accrues using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

**b. Inventories on Hand**

Inventories are measured at the lower of cost and current replacement cost.

Inventories acquired at no cost, or for nominal consideration, are valued at the current replacement cost as at the date of acquisition.

**c. Property, Plant and Equipment**

Property, Plant and Equipment of the company is minor (less than \$5,000 in value) and has been expensed in the financial accounts.

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**NOTES TO THE FINANCIAL STATEMENTS**

**d. Leases**

The only lease is of premises used by the Hearts for Africa Thrift Shop and is an operating lease not a finance lease. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

**e. Employee Provisions**

Two employees have been recruited on permanent casual basis commencing on 01<sup>st</sup> January 2015. Prior to that date, there were no employees.

**f. Cash on Hand**

Cash on hand equivalents includes cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

**g. Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

**h. Income Tax**

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

**i. Provisions**

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**j. Comparative Figures**

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



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**NOTES TO THE FINANCIAL STATEMENTS**

When an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

**k. Accounts Payable and Other Payables**

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

**l. Critical Accounting Estimates and Judgments**

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

**NOTE 2: NET CURRENT YEAR SURPLUS**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>a. Significant Expenses</b>		
Employee Expenses	19,162	-
Audit fees	2,200	1,760
Rental expense	11,273	11,024
<b>b. Significant Revenue</b>		
The following significant revenue items are relevant in explaining the financial performance:		
Receipts: Donations, bequests & fundraising	307,922	326,650
Thrift Shop Receipts	46,897	49,306
	<b>354,819</b>	<b>375,956</b>

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**NOTE 3: CASH ON HAND**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Cash at bank – unrestricted	88,817	120,255
Cash float	50	50
	<u>88,867</u>	<u>120,305</u>

**NOTE 4: OTHER CURRENT ASSETS**

Prepayments	1,901	1,935
	<u>1,901</u>	<u>1,935</u>

**NOTE 5: ACCOUNTS PAYABLE AND OTHER PAYABLES**

**CURRENT**

Accounts payable	-	-
Loan- Carr Glaucoma Research Foundation, due within 12 months	14,616	-
	<u>14,616</u>	<u>-</u>

**NON-CURRENT**

Loan- Carr Glaucoma Research Foundation, due beyond 12 months	14,208	-
	<u>14,208</u>	<u>-</u>

An amount of \$30,000 was borrowed from Carr Glaucoma Research Foundation, to acquire a bus for Tanzania. The Loan is repayable by monthly instalments of principal and interest at 6% per annum (not compounding) concluding 30<sup>th</sup> May 2017.

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**NOTE 6: CASH FLOW INFORMATION**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>Reconciliation of cash flows from operations with net current year surplus</b>		
Net current year surplus / (deficit)	(60,296)	43,270
Non-cash flows in profit:		
Changes in assets and liabilities:		
–Decrease (increase) in accounts receivable and other debtors	-	254
–Increase in prepayments	34	(68)
–Increase in accounts payable and other payables	-	(82)
Cash flows (used in)/provided by operating activities	<u>(60,262)</u>	<u>43,374</u>

**NOTE 7: ENTITY DETAILS**

The registered office and principal place of business of the company is:  
20 Balmain Street, Woolloowin, Qld 4030.

**NOTE 8: MEMBERS' GUARANTEE**

The trustee company is incorporated under the Australian Charities and Not-for-profits Commission Act 2012 (ACNC) and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$10 towards meeting any outstanding obligations of the entity. At 30 June 2015, the number of members was five.

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DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Hearts for Africa (Amani) Foundation Limited, the directors declare that:

- (a) there are reasonable grounds to believe that the entity is able to pay all of its debts, as and when they become due and payable; and
- (b) the financial statements and notes satisfy the requirements of the Australian Charities and Not-for-profits Commission Act 2012.

Signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profit Commission Regulation 2013.

Director



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Dated this 8th day of December 2015.

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF  
HEARTS FOR AFRICA (AMANI) FOUNDATION LIMITED

***Report on the Financial Report***

We have reviewed the accompanying financial report, being a special purpose financial report of Hearts For Africa (Amani) Foundation Limited ACN 160 633 410 as trustee for The Hearts For Africa (Amani) Foundation and Hearts For Africa (Amani) Fund ("the consolidated entity") which comprises the consolidated balance sheet as at 30 June 2015, the consolidated income and expenditure statement-general, Thrift Shop consolidated income and expenditure statement-general, notes comprising a summary of significant accounting policies and other explanatory information, and the statements by trustees.

***Trustees' Responsibility for the Financial Report***

The directors of the trustee company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in note 1 to the financial report is appropriate to meet the requirements of the Australian Charities and Not-for-profits Commission Act 2012 ('ACNC Act') and the needs of the members. The directors' responsibility also includes such internal control that they determine is 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.

***Auditor's Responsibility***

Our responsibility is to express a conclusion on the financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2415 Review of a Financial Report: Company Limited by Guarantee or an Entity Reporting under the ACNC Act, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the financial report does not satisfy the requirements of Division 60 of the ACNC Act including: giving a true and fair view of the financial position as at 30 June 2015 and its performance for the year ended on that date; and complying with the Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Regulation 2013 (ACNC Regulation). ASRE 2415 requires that we comply with the ethical requirements relevant to the review of the financial report.

A review of a financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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***Conclusion***

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the financial report of Hearts For Africa (Amani) Foundation Limited ACN 160 633 410 as trustee of The Hearts For Africa (Amani) Foundation & Hearts For Africa (Amani) Fund does not satisfy the requirements of Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 including:

- (a) giving a true and fair view of the consolidated entity 's financial position as at 30 June 2015 and of its financial performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

***Basis of Accounting***

Without modifying our conclusion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the consolidated entity's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose.



Merrotts Chartered Accountants



David Sneesby

Partner

Signed at Brisbane, 8th December 2015