

# **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 Statements**

For the Year Ended 30 June 2019

# Hearts for Africa (Amani) Foundation Limited as trustee for the Hearts for Africa (Amani) Foundation and the Hearts for Africa (Amani) Fund

ABN 41 160 633 410

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For the Year Ended 30 June 2019

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

ABN 41 160 633 410

**Auditor's Independence Declaration under Section 307C of the  
Corporations Act 2001 to the Responsible Persons of Hearts for Africa  
(Amani) Foundation Limited as trustee for the Hearts for Africa (Amani)  
Foundation and the Hearts for Africa (Amani) Fund and Controlled  
Entities**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Merrotts Chartered Accountants

David Sneesby  
Partner

Brisbane

Dated this 1<sup>st</sup> August 2019

**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 as trustee for the Hearts for Africa (Amani) Foundation and the Hearts for Africa (Amani) Fund

ABN 41 160 633 410

## Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2019

		2019	2018
	Note	\$	\$
Donations	4	135,249	205,293
interest received	4	431	494
Sales revenue	4	46,360	43,136
Advertising and promotion		-	(290)
Administrative expenses		(24,341)	(18,001)
Service provision expenses		(16,462)	(14,199)
Distribution to Amani Development Organisation		(162,285)	(237,581)
<b>Profit/(loss) before income tax</b>	5	<b>(21,048)</b>	<b>(21,148)</b>
Income tax expense	1(a)	-	-
<b>Profit/(loss) for the year</b>		<b>(21,048)</b>	<b>(21,148)</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>(21,048)</b>	<b>(21,148)</b>
Profit/(loss) attributable to:			
Members		(21,048)	(21,148)
Total comprehensive income attributable to:			
Members		(21,048)	(21,148)
		(21,048)	(21,148)

The accompanying notes form part of these financial statements.

# Hearts for Africa (Amani) Foundation Limited as trustee for the Hearts for Africa (Amani) Foundation and the Hearts for Africa (Amani) Fund

ABN 41 160 633 410

## Statement of Financial Position 30 June 2019

	Note	2019 \$	2018 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	6	96,466	117,478
Trade and other receivables	7	1,849	1,885
<b>TOTAL CURRENT ASSETS</b>		<b>98,315</b>	<b>119,363</b>
NON-CURRENT ASSETS			
<b>TOTAL ASSETS</b>		<b>98,315</b>	<b>119,363</b>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
NON-CURRENT LIABILITIES			
<b>NET ASSETS</b>		<b>98,315</b>	<b>119,363</b>
<b>EQUITY</b>			
Retained earnings		98,315	119,363
<b>TOTAL EQUITY</b>		<b>98,315</b>	<b>119,363</b>

The accompanying notes form part of these financial statements.

**Hearts for Africa (Amani) Foundation Limited as trustee for the Hearts for Africa (Amani) Foundation and the Hearts for Africa (Amani) Fund ABN 41 160 633 410**

**Statement of Changes in Equity  
For the Year Ended 30 June 2019**

2019

	<b>Retained Earnings</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2018</b>	<b>119,363</b>	<b>119,363</b>
Loss attributable to members of the entity	<b>(21,048)</b>	<b>(21,048)</b>
<b>Balance at 30 June 2019</b>	<b>98,315</b>	<b>98,315</b>

2018

	<b>Retained Earnings</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2017</b>	<b>140,512</b>	<b>140,512</b>
Profit attributable to members of the entity	<b>(21,149)</b>	<b>(21,149)</b>
<b>Balance at 30 June 2018</b>	<b>119,363</b>	<b>119,363</b>

The accompanying notes form part of these financial statements.

# Hearts for Africa (Amani) Foundation Limited as trustee for the Hearts for Africa (Amani) Foundation and the Hearts for Africa (Amani) Fund

ABN 41 160 633 410

## Statement of Cash Flows For the Year Ended 30 June 2019

	2019	2018
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	135,249	205,294
Payments to suppliers and employees	(40,767)	(32,245)
Thrift shop receipts	46,360	43,136
Interest received	431	493
Distributions to Amani Development Organisation	(162,285)	(237,581)
Net cash provided by/(used in) operating activities	11 <u>(21,012)</u>	<u>(20,903)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Net cash used by investing activities	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net cash used by financing activities	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents held	(21,012)	(20,903)
Cash and cash equivalents at beginning of year	117,478	138,381
Cash and cash equivalents at end of financial year	6 <u>96,466</u>	<u>117,478</u>

The accompanying notes form part of these financial statements.

# Hearts for Africa (Amani) Foundation Limited as trustee for the Hearts for Africa (Amani) Foundation and the Hearts for Africa (Amani) Fund

ABN 41 160 633 410

## Notes to the Financial Statements For the Year Ended 30 June 2019

The financial report covers Hearts for Africa (Amani) Foundation Limited as trustee for the Hearts for Africa (Amani) Foundation and the Hearts for Africa (Amani) Fund, acting as Trustee of the Hearts for Africa (Amani) Foundation and the Hearts for Africa (Amani) Fund. Hearts for Africa (Amani) Foundation Limited as trustee for the Hearts for Africa (Amani) Foundation and the Hearts for Africa (Amani) Fund is a not-for-profit Company, registered and domiciled in Australia.

Comparatives are consistent with prior years, unless otherwise stated.

### 1 Basis of Preparation

In the Directors opinion the Company is not a reporting entity since there are unlikely to exist users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 1054 *Australian Additional Disclosures*.

### 2 Summary of Significant Accounting Policies

#### (a) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

#### (b) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

#### (c) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Entity and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

#### Donations

Donations and bequests are recognised as revenue when received.

#### (d) Goods and services tax (GST)

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

Receivables and payable are stated inclusive of GST.



# Hearts for Africa (Amani) Foundation Limited as trustee for the Hearts for Africa (Amani) Foundation and the Hearts for Africa (Amani) Fund

ABN 41 160 633 410

## Notes to the Financial Statements For the Year Ended 30 June 2019

### 2 Summary of Significant Accounting Policies

#### (d) Goods and services tax (GST)

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

#### (e) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

#### (f) Adoption of new and revised accounting standards

The Entity has adopted all standards which became effective for the first time at 30 June 2019, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Group.

### 3 Critical Accounting Estimates and Judgments

The Directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

#### Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

# Hearts for Africa (Amani) Foundation Limited as trustee for the Hearts for Africa (Amani) Foundation and the Hearts for Africa (Amani) Fund

ABN 41 160 633 410

## Notes to the Financial Statements For the Year Ended 30 June 2019

	2019	2018
	\$	\$
<b>4 Revenue and Other Income</b>		
<b>Revenue from continuing operations</b>		
Sales revenue		
- sale of goods	46,360	43,136
- Donations	135,249	205,293
	<u>181,609</u>	<u>248,429</u>
Finance income		
- bank deposits	431	494
<b>Total Revenue</b>	<u><u>182,040</u></u>	<u><u>248,923</u></u>
<b>5 Result for the Year</b>		
The result for the year includes the following specific expenses:		
Other expenses:		
Wages and salaries	9,999	10,950
Audit fees	2,310	2,310
Rental expense	12,103	11,892
<b>6 Cash and Cash Equivalents</b>		
Cash at bank and in hand	96,466	117,478
	<u>96,466</u>	<u>117,478</u>
<b>7 Trade and Other Receivables</b>		
CURRENT		
Prepayments	1,849	1,885
<b>Total current trade and other receivables</b>	<u>1,849</u>	<u>1,885</u>
<b>8 Members' Guarantee</b>		
The Company is incorporated under the <i>Australian Charities and Not-for-profits Commission Act 2012</i> 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 each towards meeting any outstandings and obligations of the Company. At 30 June 2019 the number of members was 5 (2018: 5).		
<b>9 Auditors' Remuneration</b>		
Remuneration of the auditor Merrotts, for:		
- auditing or reviewing the financial statements	2,310	2,310

# Hearts for Africa (Amani) Foundation Limited as trustee for the Hearts for Africa (Amani) Foundation and the Hearts for Africa (Amani) Fund

ABN 41 160 633 410

## Notes to the Financial Statements For the Year Ended 30 June 2019

2019	2018
\$	\$

### 10 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2019 (30 June 2018:None).

### 11 Cash Flow Information

#### (a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

Profit for the year	(21,048)	(21,149)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
Changes in assets and liabilities:		
- (increase)/decrease in prepayments	36	246
Cashflows from operations	<u>(21,012)</u>	<u>(20,903)</u>

### 12 Statutory Information

The registered office of and principal place of business of the company is:

Hearts for Africa (Amani) Foundation Limited as trustee for the Hearts for Africa (Amani) Foundation and the Hearts for Africa (Amani) Fund  
20 Balmain Street  
Woolloowin QLD 4030

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

ABN 41 160 633 410

**Responsible Persons' Declaration**

The responsible persons declare that in the responsible persons' opinion:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- 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*

Responsible person .....



Dated this 3rd day of August, 2019

**Hearts for Africa (Amani) Foundation Limited**  
**ABN 41 160 633 410**  
**as Trustee for Hearts for Africa (Amani) Foundation and**  
**Hearts for Africa (Amani) Fund**

**Independent Auditor's Review Report to the Members**  
***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 of The Hearts For Africa (Amani) Foundation & Hearts For Africa (Amani) Fund ("the consolidated entity") which comprises the consolidated statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, notes comprising a summary of significant accounting policies and other explanatory information, and the responsible person's declaration.

***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 2019 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.

***Independence***

In conducting our audit, we have complied with the independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

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**Taxation**

### ***Basis for Qualified Conclusion***

Cash donations are a significant source of fundraising revenue for the consolidated entity. The directors have determined that it is impracticable to establish control over the collection of cash donations prior to entry into its financial records. Accordingly, as the evidence available to us regarding fundraising revenue from this source was limited, our audit procedures with respect to cash donations had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion whether cash donations recorded are complete.

### ***Conclusion***

Based on our review, which is not an audit, except for the possible effects of the matter described in the Basis for Qualified Conclusion paragraph, 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 2019 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**

**Brisbane**

**Dated 5<sup>th</sup> August 2019**