

Hearts for Africa (Amani) Foundation Limited

ABN 41 160 633 410

Financial Report for the Year Ended 30 June 2014

DIRECTORS' REPORT

Your directors present this report on the company for the financial year ended 30 June 2014.

1. Directors

The names of each person who has been a director during the year and to the date of this report are:

- Alison Jackson
- Helen Keith
- The Rev John Naumann
- Ian Donaldson AM
- Tarik Menzies (Appointed 16 May 2014)
-

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

2. Principal Activities

The principal activity of the company was to accept appointment on 13 October 2012 and act as Trustee of the Hearts for Africa (Amani) Foundation, ABN 539 291 772 37 (a registered Charity in Queensland CH1533) and the Hearts for Africa (Amani) Fund, ABN 32 500 596 962 (a Public Ancillary Fund) that were formed to raise funds for the relief of poverty in Tanzania through funding the Amani Development Organization ("Amani"), a registered NGO in Tanzania. Tax-deductible donations are banked to the Hearts for Africa (Amani) Fund.

3. Short-term and Long-term Objectives

The company's short-term objectives are to:

- Increase funding of Amani to a level that will satisfy the needs of Amani;
- Widen the sources of funding;
- Find successors of existing Board members; and
- Train Amani staff to take over from the Company responsibility for preparing financial and other reports.

The company's long-term objectives are to:

- Secure the sustainability of the Company and its long-term future; and
- Help underwrite the sustainability of Amani Development Organization.

4. Strategies

To achieve its stated objectives, the company has adopted the following strategies:

- Seeking the services of a new Marketing Director;
- Introducing a web-based student sponsorship scheme;
- Seeking new Board Members; and
- Instituted an annual staff training visitation program in Tanzania.
-

5. Key Performance Measures

The company measures its own performance through the use of both quantitative and qualitative benchmarks.

The benchmarks are used by the directors to assess the financial sustainability of the company and whether the company's short-term and long-term objectives are being achieved.

	2014		2013	
	Actual	Benchmark	Actual	Benchmark
	\$	\$	\$	\$
Operational and financial				
Increase total Income	363,406	300,000	327,848	265,000
Increase Distributions to Amani	311,074	300,000	284,455	265,000
Status of Charity staffed by Volunteers - wages	0	0	0	0
	%	%	%	%
Proportion of funding provided by:				
–Government grants	0.0	0.0	0.0	0.0
–Donations	84.7	85.0	83.7	85.0
– Fundraising	14.8	14.0	15.7	14.0
– Investments	0.5	1.0	0.6	1.0
Keep Operating Costs below 5%	2.4	5	2.3	5

6. Information on Directors

Ian William Donaldson AM

Qualifications

- Chairman of Directors
- Associate in Accountancy, University of Queensland, 1961.
Chartered Accountant

Experience

- Ian is a Chartered Accountant who was a partner and chairman of Hall Chadwick, a major accounting firm in Queensland for over twenty years. He was a director of five listed public companies, held three Queensland Government appointments and was the inaugural chairman of the Leukaemia Foundation of Australia. He was awarded an Order of Australia in 2007 for service to the community through the development of leukaemia support foundations, to philanthropic and church organisations and to business and commerce.

Alison Cameron Jackson

Qualifications

- Director and company secretary
- Former Registered Nurse
Business Proprietor (Interior decorating)

Experience

- Alison is the driving force behind the formation of the Foundation and has had many trips to Tanzania to observe first hand the conditions and the needs of its people.

- | | |
|------------------------------|--|
| Helen May Keith | – Director and Treasurer |
| Qualifications | – Former Registered School Teacher
Business Proprietor (travel) |
| Experience | – As a young school teacher Helen and her husband Ken, lived and taught in the primitive conditions of rural New Guinea where her passion for the needs of third world countries was born. Helen formed and managed the Foundation's thrift shop as a volunteer before moving to North Queensland to live. |
|
 | |
| Tarik Menzies | – Director |
| Qualifications | – Final year student Bachelor of Laws and Bachelor of Business at the Queensland University of Technology |
| Experience | – Tarik was born in Ethiopia and knows first hand the plight of people in poverty. He has been a resident of Australia for over 15 years and has committed his considerable talents, energy and ingenuity to becoming qualified and equipped to assist others in need. He is the founder and a Director of No Yelling Driving School. |
| John Frederic Naumann | – Director and Founder and Managing Director of Amani Development Organization, a registered NGO in Tanzania where he resides. Fr. John Naumann was raised on a farm near Toowoomba, Australia. In 1966 he graduated from St. Francis Theological College in Brisbane, served in a series of Anglican churches in Queensland, and in 1989 moved to the USA where he was rector at St. Stephen's Episcopal Church in Billings, Montana USA. |
| | <p>In the year 2000, John Naumann, spent four weeks of a sabbatical in central Tanzania. For John, the experience was life changing. During a time of prayerful reflection he understood the Lord to say, "I am planting a tree which will bear fruit." Ever since, these words have been the guiding light for his ministry of care.</p> |

The **Amani Development Organization ("Amani")** was formed as a result of John Naumann's vision to relieve poverty in Tanzania. It also operates as **Amani Care** (to emphasize the abiding nature of its work) and **Amani Vocational Training Centre** to distinguish this significant aspect of its operations. After retiring in 2005, John moved to Tanzania and now lives at the Amani Vocational Training Centre where he is CEO/Managing Director, utilizes the skills that he learned on the farm in Toowoomba and oversees a range of activities including schools, kindergartens, viticulture and emergency services that are all operated by indigenous Tanzanians and directed towards empowering the people to overcome poverty.

7. Meetings of Directors

During the financial year, ten meetings of directors were held apart from informal distribution meetings. Attendances by each director were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Alison Jackson	10	10
Helen Keith	10	9
Rev John Naumann	10	2
Ian Donaldson	10	10
Tarik Menzies	1	1

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity. At 30 June 2014, the total amount that members of the company are liable to contribute if the company is wound up is \$50 (last year \$50).

8. The Needs of Amani and the People of Dodoma

As stated previously the Company's work is directed towards financing and sustaining the operations of the Amani Development Organization in the Dodoma district of Tanzania. Dodoma is a poor and semi arid area of Tanzania that suffers cycles of famine and a constant shortage of clean water. Disease is rife as is malnutrition that stunts growth and shortens life expectancy. It is heavily reliant on agriculture.

The achievement of basic sustainability in Tanzania is a great challenge. The Amani Development Organisation (Amani Care) is relatively rich in human resources but poor in the equipment needed to take the utmost advantage of these resources. Amani's current needs may be viewed at the Amani web site at: www.amanidevelopment.org.

9. The Programs of Amani and how the company's money has been spent

During the past year the achievements of Amani Care have been:

Emergency Relief. Amani has a partnership with the Makang'wa Village leadership Committees to provide relief for the victims of the famine and other disasters as well as for medicines, school sponsorships or other benefits. In all, 1,612 (last year 2,067) people were provided with relief work at the Amani Vocational Training Centre in addition to the blind, the elderly and the infirm during the year. The amount of relief work is commensurate to the benefit and work has been provided on projects such as digging trenches for planting new grape vines, tending to crops etc.

New Prince of Peace School. Amani has built and operates the Prince of Peace English Medium School consisting of two campuses, a Kindergarten/Preschool Campus that is a feeder school for the separately located Primary School. This latter campus will add a level of schooling each year until it operates standard grades 1-7 in four years' time. This will necessitate the yearly additions of class -rooms and other facilities. At 30 June 2014 the Prince of Peace school had a combined student population of 185 (last year 174). A new Administration Building was completed.

Children of Peace School. Further upgrading occurred at the Children of Peace School at Igondola. There are now 333 orphans and other underprivileged children in the Kindergarten and Preschool programs as well as the Junior Primary classes in the Saturday programme.

Student Numbers. Student numbers in Amani schools (excluding most of the sponsored children) were 619 (last year 576) and were low because of bad economic conditions and parents could not continue to fund their children's education.

Student Sponsorships. There were 220 student sponsorships at 30 June 2014 (last year 259). As planned there are now 13 people (last year 19) employed at Amani who were formerly sponsored students including school teachers and teacher aids. Students or their parents who are sponsored perform a commensurate amount of unpaid work on Amani projects.

Vocational Training. Amani continued to operate the vocational training centre to demonstrate more effective agricultural, nursery and building techniques, to encourage "self help" in growing various food products and to grow food products for distribution. An important new development is the emergence of Amani as a venue for students from several higher agricultural institutions to perform their fieldwork at Amani under tuition of professorial staff.

Vineyards. Amani continued the progressive development of the Vineyard Project at three different locations each with dissimilar soil types (Amani Centre, Mvumi Makulu and Igondola). The grape growing activities have been reviewed during the year by EVADE group from ISTOM School of International Agro-Development in Paris, France.

Milling, Oil processing and Fodder. Amani has built two grain mills and sublets these operations to local contractors. Amani produces fodder from the bi-products of grain milling & oil pressing for feeding to pigs.

Wells. The new well in the village of Chalula that has never had an adequate supply of fresh water was completed during the year.

Eye Disease. Amani has finished three full years of a five-year program to prevent and treat eye disease and in 2014 there were an estimated 1,400 -2,000 (last year 1,400-2,000) patient-consultations at the Mvumi Mission hospital or in the community through extension visits by hospital staff to surrounding villages. Funding for this has come from the Carr Foundation of Brisbane.

Former Street Children. Amani continued to work with the Project Committee of the Dodoma Children's Multipurpose Project on the physical, social and educational care of 36 (last year 33) children/orphans. Amani contributes emergency funding (food and medicine) for this group and pays for their education through sponsorships and direct resourcing.

Clean Stoves. An opportunity has arisen to trial the introduction of clean stoves that reduce major health problems such as respiratory disease and eye problems and also reduce the cost of cooking. It is environmentally friendly. The first trial started in July 2012.

10. Many thanks to our Donors and Supporters

The Trustees of the Foundation wish to thank all of you who have supported the work of the Foundation in so many ways over the past twelve months

I encourage your continued involvement by listing what we offer our supporters in return for your generosity:

A tax deduction for donations of \$2 or more;

Assurance that your donation is spent for the purposes that it was provided and that administrative costs will be no more than 5%;

Regular email updates on how your money has benefited the people of Tanzania;

Satisfaction that every dollar donated has a multiplier affect and will go a long way to help our people in Tanzania where there is a subsistence economy and average wages are only \$15-\$20 per week;

Knowledge that all the programs that we support were devised in consultation with Village Leaders and have their support and commitment; and

Comfort that your money will be spent on building sustainable long term solutions to poverty because there are no handouts except for the aged, the sick and the young orphans and other homeless children: recipients of food, medicine, school sponsorships or relief of any kind, work a commensurate amount of time on Amani projects.

11. Ways that you can continue to support us

The Hearts for Africa Foundation receives no government funding and relies mainly on donors to fund our care for the poverty stricken in Tanzania.

11.1 Donations

There are a variety of ways that supporters can contribute financially:

They can make a one-off secure online donation now (see below);

Make *In Memory* gifts;

Sponsor a child's education;

Arrange a program of regular giving;

Choose an item in Amani's Wish List on our website and donate towards its cost; and

Make a bequest in a Will.

Donations of \$2 or more to the Hearts for Africa Fund are tax deductible.

People who wish to assist the Foundation's work can make their donations by cheque to The Hearts for Africa (Amani) Fund or deposit direct to our Fund's bank account: BSB 034109 ACCOUNT NO 291927. When depositing direct please provide details by email: donations@heartsforafrica.org.au so that the Foundation can issue you with a receipt.

11.2 Volunteering

Volunteers are crucial for the company to achieve its goals, and there are many ways that supporters can assist:

All the work of the Foundation is done by volunteers (including the Trustees, over thirty personnel in our Thrift Shop and about 20 volunteers on the vegetable markets roster) and there are no paid employees; volunteers provide banking, accounting, data input and data base maintenance, administrative work, mail-outs, organization of fund-raising events and assistance at functions;

The company also depends on fundraising events for its income. So please contact the company with details of how you can fundraise to assist the underprivileged children of Africa; and

Volunteers with appropriate skills such as school teaching, nursing, medical training, farming, engineering, carpentry and the other trades can apply to work directly for Amani Care on site at the Amani Centre outside Dodoma in Tanzania.

11.3 Support us by providing goods to our Thrift Shop

You can provide quality clothes, bric-a-brac, toys, games, paintings, books, jewellery, ladies accessories generally, kitchenware, manchester, soft furnishings and lots more. But we do not normally sell electrical appliances because of safety regulations and bulky items such as large items of furniture (because our shop is small).

12. General

The Directors extend their heart felt thanks to all the company's donors, voluntary workers and supporters and we invite you all to learn more about Hearts for Africa by visiting our web site at <http://www.heartsforafricafoundation.org/> that is linked to the Amani website at www.amanidevelopment.org or contact the Foundation direct by telephone on +61 7 38 683 466 or by email on: info@heartsforafrica.org.au

13. Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2014 has been received and can be found on page 8 of the financial report.

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

Director



Ian Donaldson (Chair)

Dated this 30th day of December 2014

Level 6,
Brisbane Club Tower
241 Adelaide Street
Brisbane Qld 4000
Australia

GPO Box 565
Brisbane Qld 4001
Australia

Phone:
61 (07) 3233 0600

Fax:
61 (07) 3233 0601

Email:
mail@merrotts.com.au

Web:
www.merrotts.com.au

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER S 307C OF THE CORPORATIONS ACT 2001
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 2014 there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.

Merrotts

Merrotts Chartered Accountants

David Sneesby

David Sneesby
Partner

Date: 30th December 2014

Level 6, Brisbane Club Towers, 241 Adelaide Street Brisbane QLD 4000

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

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014**

	Note	2014	2013
		\$	\$
Revenue		377,736	339,417
Administration expense		(6,709)	(7,355)
Advertising and promotion expenses		(2,353)	(0)
Service provision expenses		(14,330)	(14,331)
Distributions to Amani Development Organization		<u>(311,074)</u>	<u>(326,611)</u>
Current year surplus before income tax	2	43,270	(8,880)
Income tax expense		<u>0</u>	<u>0</u>
Net current year surplus / (deficit)		43,270	(8,880)
Other comprehensive income:			
Total other comprehensive income for the year		<u>0</u>	<u>0</u>
Total comprehensive income for the year		43,270	(8,880)
Total comprehensive income attributable to members of the entity		<u><u>43,270</u></u>	<u><u>(8,880)</u></u>

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

	Note	2014 \$	2013 \$
ASSETS			
CURRENT ASSETS			
Cash on hand	3	120,305	76,931
Accounts receivable and other debtors	4	0	254
Other current assets	5	1,935	1,867
		122,240	79,052
TOTAL CURRENT ASSETS			
		0	0
TOTAL NON-CURRENT ASSETS			
		122,240	79,052
TOTAL ASSETS			
LIABILITIES			
CURRENT LIABILITIES-			
Accounts Payable	6	0	82
		0	82
TOTAL CURRENT LIABILITIES			
		0	82
TOTAL LIABILITIES			
		122,240	78,970
NET ASSETS			
EQUITY			
Retained surplus		122,240	78,970
		122,240	78,970
TOTAL EQUITY			

The accompanying notes form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014**

	Retained Surplus
	\$
Balance at 1 July 2012	<u>87,850</u>
Comprehensive income	(8,880)
Deficit for the year attributable to members of the entity	<u>(8,880)</u>
Total comprehensive income attributable to members of the entity	<u>(8,880)</u>
Balance at 30 June 2013	<u>78,970</u>
Comprehensive income	
Surplus for the year attributable to members of the entity	<u>43,270</u>
Total comprehensive income attributable to members of the entity	<u>43,270</u>
Balance at 30 June 2014	<u><u>122,240</u></u>

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014	2013
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from donations, bequests and raffles		326,650	288,349
Thrift Shop Receipts		49,306	48,568
Interest Received		1,780	2,500
Distributions to Amani Development Organization		(310,820)	(326,865)
Payments to suppliers and employees		(23,542)	(21,683)
Net cash (used in) / generated from Operating Activities		43,374	(9,131)
Net decrease / increase in cash held		43,374	(9,131)
Cash on hand at the beginning of the financial year		76,931	86,062
Cash on hand at the end of the financial year		120,305	76,931

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

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

The financial statements were authorised for issue on 30 December 2014 by the directors of the company.

NOTE 1: SUMMARY OF SIGNIFICANT 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 dependent on its general-purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the *Corporations Act 2001*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Corporations Act 2001* 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.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- e. **Employee Provisions**
There are 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. **Accounts Receivable and Other Debtors**
Accounts receivable and other debtors include amounts distributed to Global Developments Group for distribution to Amani Development Organization for the relief of poverty.
- h. **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.
- i. **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*.
- j. **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.
- k. **Comparative Figures**
Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.
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.
- l. **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.
- m. **Critical Accounting Estimates and Judgments**
The directors evaluate estimates and judgments incorporated into the

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE
2014

NOTE 2: NET CURRENT YEAR SURPLUS

	2014	2013
	\$	\$
a. Expenses		
Employee provisions	0	0
Audit fees	1,760	700
Rental expense	11,024	10,770
b. Significant Revenue		
The following significant revenue items are relevant in explaining the financial performance:		
Receipts: Donations, bequests & fundraising	326,650	288,349
Thrift Shop Receipts	49,306	48,568
	<hr/>	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE
 2014**

NOTE 3: CASH ON HAND

	2014	2013
	\$	\$
Cash at bank – unrestricted	120,255	76,881
Cash float	50	50
	120,305	76,931

NOTE 4: ACCOUNTS RECEIVABLE AND OTHER DEBTORS

CURRENT

Accounts receivable	0	254
Provision for bad and doubtful debts	0	0
	0	254

NOTE 5: OTHER CURRENT ASSETS

Prepayments	1,935	1,867
	1,935	1,867

NOTE 6: ACCOUNTS PAYABLE AND OTHER PAYABLES

CURRENT

Accounts payable	0	82
Employee provisions	0	0
	0	82

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE
2014**

NOTE 7: CASH FLOW INFORMATION

	2014	2013
	\$	\$
Reconciliation of cash flows from operations with net current year surplus		
Net current year surplus / deficit	43,270	(8,880)
Non-cash flows in profit:		
Changes in assets and liabilities:		
–Decrease (increase) in accounts receivable and other debtors	254	(254)
–Increase in prepayments	(68)	(79)
–Increase in accounts payable and other payables	(82)	82
Cash flows (used in)/provided by operating activities	<u>43,374</u>	<u>(9,131)</u>

NOTE 8: ENTITY DETAILS

The registered office of the company is:

140 Dunedin Street, Sunnybank Qld 4109

The principal place of business is:

Hearts for Africa (Amani) Foundation Limited

140 Dunedin Street, Sunnybank Qld 4109

NOTE 9: MEMBERS' GUARANTEE

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$10 towards meeting any outstanding obligations of the entity. At 30 June 2014, the number of members was five.

DIRECTORS' DECLARATION

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

1. The financial statements and notes, as set out on pages 1 to 16, are in accordance with the *Corporations Act 2001* and:
 - a. comply with the Australian Accounting Standards applicable to the company; and
 - b. give a true and fair view of the financial position of the company as at 30 June 2014 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Ian William Donaldson (Chair)

Dated this 30th day of December 2014.

HEARTS FOR AFRICA (AMANI) FOUNDATION LIMITED ABN 41
160 633 410

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

We have audited the accompanying financial report, being a special purpose financial report, of Hearts for Africa (Amani) Foundation Limited (the entity), which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors 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 *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors 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 an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Level 6,
Brisbane Club Tower
241 Adelaide Street
Brisbane Qld 4000
Australia

GPO Box 565
Brisbane Qld 4001
Australia

Phone:
61 (07) 3233 0600

Fax:
61 (07) 3233 0601

Email:
mail@merrotts.com.au

Web:
www.merrotts.com.au

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Basis for Qualified Opinion

Donations and fundraising activities are a significant source of revenue for the entity. The trustee company has 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 the entity recorded are complete

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the basis for Qualified Opinion paragraph, the financial report of Hearts for Africa (Amani) Foundation Limited is in accordance with the *Corporations Act 2001*, including:

- a. giving a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
- b. complying with Australian Accounting Standards to the extent described in Note 1 and complying with the *Corporations Regulations 2001*.

Basis of Accounting

Without further modifying our opinion, 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 directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose.



Merrotts Chartered Accountants



David Sneesby

Partner

Level 6, 241 Adelaide Street Brisbane Queensland 4000

Dated this 5th day of January 2015