

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 2018

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

Contents

For the Year Ended 30 June 2018

	Page
Financial Statements	
Auditor's Independence Declaration under Section 307C of the Corporations Act 2001	1
Statement of Profit or Loss and Other Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
Notes to the Financial Statements	6
Responsible Persons' Declaration	11
Accountants' Report	12

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

**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 2018, 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 31st October 2018

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 2018

		2018	2017
	Note	\$	\$
Donations	4	205,293	313,672
interest received		494	316
Sales revenue	4	43,136	39,380
Advertising and promotion		(290)	(14,552)
Administrative expenses		(18,002)	(23,070)
Service provision expenses		(14,199)	(13,571)
Distribution to Amani Development Organisation		(237,581)	(234,462)
Profit/(loss) before income tax	5	(21,149)	67,713
Income tax expense	1(a)	-	-
Profit/(loss) for the year		(21,149)	67,713
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(21,149)	67,713
Profit/(loss) attributable to:			
Members		(21,149)	67,713
Total comprehensive income attributable to:			
Members		(21,149)	67,713
		(21,149)	67,713

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 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	117,478	138,380
Trade and other receivables	7	1,885	2,132
TOTAL CURRENT ASSETS		<u>119,363</u>	<u>140,512</u>
NON-CURRENT ASSETS			
TOTAL ASSETS		<u>119,363</u>	<u>140,512</u>
LIABILITIES			
CURRENT LIABILITIES			
NON-CURRENT LIABILITIES			
NET ASSETS		<u>119,363</u>	<u>140,512</u>
EQUITY			
Retained earnings		<u>119,363</u>	<u>140,512</u>
TOTAL EQUITY		<u>119,363</u>	<u>140,512</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

**Statement of Changes in Equity
For the Year Ended 30 June 2018**

2018

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

2017

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2016	72,799	72,799
Profit attributable to members of the entity	67,713	67,713
Balance at 30 June 2017	140,512	140,512

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 2018

	2018	2017
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	205,294	313,673
Payments to suppliers and employees	(32,245)	(51,194)
Thrift shop receipts	43,136	39,149
Interest received	493	316
Distributions to Amani Development Organisation	(237,581)	(234,462)
Net cash provided by/(used in) operating activities	11 <u>(20,903)</u>	<u>67,482</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net cash used by investing activities	<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net cash used by financing activities	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents held	(20,903)	67,482
Cash and cash equivalents at beginning of year	138,380	70,898
Cash and cash equivalents at end of financial year	6 <u><u>117,477</u></u>	<u><u>138,380</u></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 2018

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 2018

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 2018, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Group.

(g) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Group has decided not to early adopt these Standards. The following table summarises those future requirements, and their impact on the Group where the standard is relevant:

Standard Name	Effective date for entity	Requirements	Impact
AASB 15 Revenue from contracts with customers	Annual reporting periods beginning on or after 1 January 2018	AASB 15 introduces a five step process for revenue recognition with the core principle of the new Standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services. Accounting policy changes will arise in timing of revenue recognition, treatment of contracts costs and contracts which contain a financing element. AASB 15 will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.	The changes in revenue recognition requirements in AASB 15 is likely to cause changes to the timing and amount of revenue recorded in the 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 2018

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.

4 Revenue and Other Income

Revenue from continuing operations

	2018	2017
	\$	\$
Sales revenue		
- sale of goods	43,136	39,380
- Donations	205,293	313,672
	<u>248,429</u>	<u>353,052</u>
Finance income		
- bank deposits	494	316
Total Revenue	<u><u>248,923</u></u>	<u><u>353,368</u></u>

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 2018

	2018	2017
	\$	\$
5 Result for the Year		
The result for the year includes the following specific expenses:		
Other expenses:		
Wages and salaries	10,950	15,513
Audit fees	2,310	2,300
Rental expense	11,892	11,696
6 Cash and Cash Equivalents		
Cash at bank and in hand	117,478	138,380
	<u>117,478</u>	<u>138,380</u>
7 Trade and Other Receivables		
CURRENT		
Prepayments	1,885	2,132
Total current trade and other receivables	<u>1,885</u>	<u>2,132</u>
8 Members' Guarantee		
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 2018 the number of members was 5 (2017: 5).		
9 Auditors' Remuneration		
Remuneration of the auditor Merrotts, for:		
- auditing or reviewing the financial statements	2,310	2,300
10 Contingencies		

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2018 (30 June 2017:None).

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 2018

	2018	2017
	\$	\$
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	(21,149)	67,713
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
Changes in assets and liabilities:		
- (increase)/decrease in prepayments	246	(231)
Cashflows from operations	<u>(20,903)</u>	<u>67,482</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

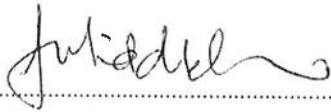
Responsible Persons' Declaration

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 1st day of NOVEMBER 2018

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

Independent Auditor's Review Report to the Members Hearts for Africa (Amani) Foundation Limited as Trustee for Hearts for Africa (Amani) Foundation and Hearts for Africa (Amani) Fund

Report on the Financial Report

We have reviewed the accompanying financial report of Hearts For Africa (Amani) Foundation Limited as trustee of The Hearts For Africa (Amani) Foundation & Hearts For Africa (Amani) Fund ("the Group") which comprises the Statement of Financial Position as at 30 June 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows, notes comprising a summary of significant accounting policies and other explanatory information and the responsible person's declaration.

Responsible Person's Responsibility for the Financial Report

The directors of the trustee company are responsible for the preparation and fair presentation of the 30 June 2018 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 2018 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*. We confirm that independence declaration required by the Corporations Act 2001, which has been given to the Directors of the trustee company as at the time of this report.

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 2017 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.



Merrotts Chartered Accountants



David Sneesby

Partner

Brisbane

Dated this 6th November 2018