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Spur Afrika Australia Limited

ABN 34 169 636 631

Financial report – as at 30 June 2020

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This financial report covers Spur Afrika Australia Limited and is presented in Australian dollars.

Spur Afrika Australia Limited is a registered company and domiciled in Australia. Its registered office is:

8 Anthony Drive,
Mt Waverley VIC 3149
Australia

A description of the nature of the entity's operations and its principal activities is included in the Directors' report on pages 1-2, which is not part of this financial report.

The financial report was authorised for issue by the Directors on 12/08/2020.

Spur Afrika Australia Limited Directors' Report

The Directors present their report together with the financial statements for Spur Afrika Australia Limited (the Company) for the year ended 30 June 2020.

Directors

The following persons were Directors of the Company during the year ended 30 June 2020:

Rosalie Lui (Managing Director and Chairperson)
Grace Wong
Kevin Tai (Board Treasurer)
Jin Pang Chong
Leanne Lee

Principal activities

The principal activities of the Company are to partner with Spur Afrika Kenya to prevent or relieve poverty and financial hardship among children and young adults in the Kibera slums in Kenya. The Company's focus is on equipping children and young adults in the Kibera slums through the facilitation of health, education and life skills. There were no significant changes to the nature of these activities for the year ended 30 June 2020.

Matters subsequent to the end of the financial period (30 June 2020)

On 12 August 2020, Zhen-Guang Chua was added as an additional Board member and appointed as Board treasurer to replace the existing Board treasurer Kevin Tai, who will remain on the Board. Apart from this, the Directors are not aware of any matter or circumstance not otherwise dealt with in the report that has significantly or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial periods.

Likely developments and expected results of operations

Information on likely developments in the operations of the Company and the expected results of operations have not been included in this report because the Directors believe it is likely to result in unreasonable prejudice to the Company.

Directors' Meetings

The number of Directors' meetings held for the year ended 30 June 2020, and the actual number attended by each Director of those that were eligible to attend were:

	Directors' Meetings	
	Number Held	Number Attended
Managing Director and Chairperson - Rosalie Lui	4	4
Board Member – Grace Wong	4	4
Board Treasurer – Kevin Tai	4	4
Board Member – Jin Pang Chong	4	4
Board Member – Leanne Lee	4	4

Spur Afrika Australia Limited
Directors' Report

This report is made in accordance with a resolution of the directors.



Zhen-Guang Chua
Board Treasurer



Rosalie Lui
Managing Director and Chairperson

Melbourne, Victoria
11/09/2020

Spur Afrika Australia Limited
Statement of Comprehensive Income
For the year ended 30 June 2020

	Notes	2019 \$	2020 \$
Revenue			
Revenue from Donations	4	131,690	200,263
Sales of Product Revenue	4	-	294
Interest Income	4	389	84
Total Revenue		132,079	200,641
Expenses			
Donation Transfers to Spur Afrika Kenya	5	(120,010)	(142,500)
Events & Fundraising		(2,842)	(2,339)
Advertising & Marketing		(1,110)	(2,093)
Mission Trip		(5,428)	(400)
Administration, legal and Insurance		(581)	(1,051)
Relationship Development		-	
Miscellaneous		(690)	(777)
Spur Community Centre		(758)	(6,500)
Total Expenses		(131,418)	(155,660)
Profit / (loss) from ordinary activities before income tax expense		660	44,981
Income tax expense		-	-
Profit / (loss) from ordinary activities after income tax expense		660	44,981
Other comprehensive income		-	-
Total comprehensive income		660	44,981

Spur Afrika Australia Limited
Statement of Financial Position
As at 30 June 2020

	Notes	2019 \$	2020 \$
Current assets			
Cash and cash equivalents	6	<u>100,031</u>	<u>145,012</u>
Total current assets		<u>100,031</u>	<u>145,012</u>
Total assets		<u>100,031</u>	<u>145,012</u>
Current liabilities			
Payables		<u>-</u>	<u>-</u>
Total current liabilities		<u>-</u>	<u>-</u>
Total liabilities		<u>-</u>	<u>-</u>
Net assets		<u>100,031</u>	<u>145,012</u>
Equity			
Opening Retained Earnings	7	99,371	100,031
Net Profit/(Loss)	7	660	44,981
Closing Retained Earnings	7	<u>100,031</u>	<u>145,012</u>
Total equity		<u>100,031</u>	<u>145,012</u>

Spur Afrika Australia Limited
Cash flow statement
For the year ended 30 June 2020

	Notes	2019	2020
		\$	\$
Cash flows from operating activities			
Receipts from donors		131,690	200,263
Receipts from sales of product		-	294
Interest (paid)/received		389	84
Operating expenses		<u>(131,418)</u>	<u>(155,660)</u>
Net cash inflow/(outflow) from operating activities		<u>660</u>	<u>44,981</u>
Net increase in cash and cash equivalents		660	44,981
Cash and cash equivalents at beginning of the financial period		<u>99,371</u>	<u>100,031</u>
Cash and cash equivalents at the end of the financial period	6	<u>100,031</u>	<u>145,012</u>

Note 1. Summary of significant accounting policies

(a) Basis of accounting

In the Directors' opinion, Spur Afrika Australia Limited (the Company) is not a reporting entity because there are no users dependent on general purpose financial reports.

This is a special purpose financial report that has been prepared for the purpose of complying with the *Corporations Act 2001* (Cth) requirements to prepare and distribute a financial report to the members and must not be used for any other purpose. In addition, this report has been prepared to comply with the *Fundraising Act 1998* (Vic.) and other relevant legislation.

(b) Revenue recognition

Revenue is recognised for the major business activities as follows:

(i) Organisations and individual contributions

Contributions from organisations and individuals are recognised as revenue in the period they are received or due and receivable.

(ii) Interest income

Interest income is recognised as revenue in the period they are received.

(c) Income tax

The Company is exempt from taxation under Section 50-5 of the *Income Tax Assessment Act 1997* (Cth).

(d) Cash and cash equivalents

For the purposes of the Statement of Cash Flow, cash includes cash and cash deposits at call which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

(e) Goods and Services Tax

The Company is not registered for GST. GST is recognised as part of acquisition of the asset or as part of an item of the expense. Cash flows are included in the Statement of Cash Flow on a gross basis.

Note 2. Comparative information

All comparative information included in this financial report is reported in line with prior year financial statements of Spur Afrika Australia Limited.

Note 3. Going Concern

As at 30 June 2020 the Company was economically independent of contributions from individual and corporate donors. The continuing viability of the Company and its ability to continue as a going concern are not dependent upon the Company being successful in receiving donations. The Company does not have any debts or commitments it needs to meet.

As a result of these matters, there is no significant doubt over the Company's ability to continue as a going concern. Thus, this financial report has been prepared on a going concern basis.

Spur Afrika Australia Limited
Notes to the financial statements
For the year ended 30 June 2020

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

Note 4. Revenue from ordinary activities	2019	2020
	\$	\$
Revenue from operating activities		
Child Sponsorship Program (A)	54,051	64,314
Sponsor a Worker Program (B)	7,812	6,252
General Gifts (C)	29,779	55,506
Spur Partnerships Program (D)	19,014	20,111
Grants (E)	5,200	12,000
Table tennis tournament (F)	6,067	2,906
Crossgen Bake Stalls (G)	2,593	1,284
COVID-19 Food Bank (H)	-	10,008
Melbourne Marathon (I)	274	26,117
Other Fundraising events (J)	6,134	1,764
Other Income	766	294
	131,690	200,557
Revenue from outside the operating activities		
Interest	389	84
Revenue from ordinary activities	132,079	200,641

Fundraising programs / donations

Date	Activity	Description	Amount (\$)
On-going	Child Sponsorship Program (A)	As at 30 June 2020, there were 100 children sponsored by the Company. There are two categories of child sponsorships: a) \$600 per annum for primary school students; and b) \$960 per annum for high school students. The funds raised from child sponsorships are used for tuition, uniforms, books, medical check-ups and mentoring activities. Sponsors also receive opportunities to connect with their sponsored child, through letters and presents. The child sponsorship program was run throughout the period.	64,314
On-going	Sponsor a Worker Program (B)	There are 6 full-time Kenyan workers for Spur Afrika Kenya. Worker sponsorships range from \$480 to \$600. The monies raised from the worker sponsorships allow the workers to receive a wage which maintain their family's well-being and welfare. Each worker has more than one sponsor. As at 30 June 2020, we have 12 Australian sponsors. Sponsors also receive opportunities to connect with their sponsored worker through e-mail. The Kenyan worker sponsorship program was run throughout the period.	6,252
On-going	General Gifts (C)	Non-specific program gifts made from a variety of donors. The majority of these donations came from individuals. We also receive some donations from small businesses, churches and local schools. This occurred throughout the period. The material increase in FY20 compared to FY19 represents the flow-on goodwill and promotional impact of Sue Musungu from Spur Afrika Kenya visiting Australia in September 2019, as well as the organic growth of the Company's supporter base.	55,506

Spur Afrika Australia Limited
Notes to the financial statements
For the year ended 30 June 2020

On-going	Spur Partnerships Program (D)	The Spur Partnership Program was established to attract a group of partners, who are passionate about the Company and support the Company's mission through monthly financial contributions. It was launched in April 2018.	20,111
September / November 2019	Grants (E)	In September 2019, Balwyn Wesleyan Methodist Church (BWMC) gave the Company a grant of \$5,000 towards our mentoring program. In November 2019, Melbourne Chinese Baptist Church (MCBC) gave the Company a gift of \$7,000 out of their missions fund. The Company gives updates to both BWMC and MCBC regularly and we share at their church services as well. Both churches are official partners of the Company.	12,000

Fundraising events

Date	Activity	Description	Amount (\$)
4 th January 2020	Table Tennis Tournament (F)	Affordable Table Tennis hosted the annual Spur Afrika Table Tennis Tournament at Kilsyth International Table Tennis Stadium for the 7 th year running. Funds were raised by a way of team and individual registrations to the tournament. Local business also sponsored and contributed to the running costs of the event.	2,906
Bimonthly	Crossgen Bake Stalls (G)	Bake stalls are held after Crossgen services at various points throughout the year at Melbourne Chinese Baptist Church. Volunteers donate their baked goods to raise money for the Company to send to Spur Afrika Kenya. Typically, over 100 people take part in eating and donating funds for the baked goods. Attendees can also make free-will donations at the bake stalls. These were held during 2019 but stopped in 2020 due to COVID-19.	1,284
April 2020 onwards	COVID-19 Food Bank (H)	The COVID-19 restrictions in Kenya have meant that many more people in Kibera are now unable to access food. This is due to two things; as most workers are casual, many have lost their jobs, and there are also food shortages of essential items due to hoarding by wealthy families. In response, the Company has set up an emergency food fund for the families that are a part of our sponsored children program. So far, we have provided food to 100 families for 3 months from April 2020 onwards.	10,008
June 2019 – October 2019	Melbourne Marathon Fundraising (I)	Team Spur Afrika, which consisted of 25 runners, took part of running in the October 2019 Melbourne Marathon event. Runners individually raised money by asking for friends & family to sponsor them for the event.	26,117
Various	Other Fundraising events (J)	During the year ended 30 June 2020, various other fundraising events took place. These included the 2019 Christmas Campaign and Stephen Watson piano recital.	1,764

2019
\$

2020
\$

Note 5. Expenses

Donation transfers to Spur Afrika Kenya	120,010	142,000
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Spur Afrika Australia Limited
Notes to the financial statements
For the year ended 30 June 2020

Note 6. Cash and Cash Equivalents	2019	2020
	\$	\$
NAB Business Account #7509 – General Fund	785	563
NAB Savings Account #7517 – General Fund	79,785	81,474
NAB Savings Account #1007 – Community Centre Fund	19,461	12,975
Steer 31 ¹	-	50,000
	<u>100,031</u>	<u>145,012</u>

¹ On 8th February 2020, the board of Directors resolved to open a new Steer 31 Account to hold funds not yet transferred to Spur Afrika Kenya. A Steer 31 Account is a debenture issued by Baptist Financial Services Limited (“BFS”) on an interest free basis. BFS uses funds held in a Steer 31 Account to make loans to Steer Incorporated (“Steer”). Steer then invests the funds in term deposits, first mortgage secured loans or bank bills. Steer then periodically distributes the earnings gained on the loan to a nominated not-for-profit organisation. In the Company’s case, the earnings are distributed back to us. A Steer 31 Account has no fixed period. Should we need to withdraw our loan (in part or whole), Steer will refund it with 31 days written notice (effective from 1st January 2017). As of 30 June 2020, the variable interest rate on Steer 31 Accounts is 4% per annum.

Note 7. Retained Earnings	2020
	\$
Opening Retained Earnings carried forward at 1 July 2019	100,031
Profit/(loss) for the period	44,981
Closing Retained Earnings as at 30 June 2020	<u>145,012</u>

Note 8. Auditor’s remuneration

The auditor provides services to the Company on an honorary basis.

Note 9. Commitments for expenditure

The Company has no outstanding commitments for expenditure at balance date.

Note 10. Contingent liability

The Company had no contingent liabilities at balance date.

Spur Afrika Australia Limited
Directors' declaration

As stated in Note 1(a) to the financial statements, in the Directors' opinion, the Company is not a reporting entity because there are no users dependent on general purpose financial reports. This is a special purpose financial report that has been prepared to meet *Corporations Act 2001* requirements, the Fundraising Act 1998 and other relevant legislation.

The financial report has been prepared in accordance with Accounting Standards and mandatory professional reporting requirements to the extent described in Note 1(a).

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 4 to 9 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards and other mandatory professional reporting requirements as detailed above, and the *Corporations Regulations 2001*; and
 - (ii) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its performance for the year ended on that date; and
- (b) 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 directors.



Zhen-Guang Chua
Board Treasurer



Rosalie Lui
Managing Director and Chairperson

Melbourne, Victoria
11/09/2020

**Spur Afrika Australia Limited
Independent Auditor's report**

To the Board of Spur Afrika Australia Limited

Scope

I have audited the accompanying financial report, being a special purpose financial report, of Spur Afrika Australia Limited, which comprises the Statement of Financial Position as at 30 June 2020, and the Statement of Comprehensive Income and Cash Flow Statement for the year ended 30 June 2020.

I have performed the audit of the financial report in order to state whether anything has come to my attention that would indicate that the financial report is not presented fairly. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the Board.

The financial report has been prepared for distribution to the Board members only. I disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the Board members, or for any purpose other than that for which it was prepared.

My audit has been conducted in accordance with Australian Auditing Standards applicable to audit engagements. An audit involves inquiries of the Treasurer of the Board, planning and performing the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

Statement

In my opinion, the financial report presents fairly the financial position of Spur Afrika Australia Limited as at 30 June 2020 and its financial performance and its cash flows for the year ended 30 June 2020.

REBECCA WHITE
Certified Practising Accountant #1868815
14/09/2020