



2017/2018 financial statements

Rafiki Mwema Incorporated

Financial Statements

**For The Year Ended
30 June 2019**

Financial Statements

Rafiki Mwema Incorporated
ABN 67640063730
For the year ended 30 June 2018

Prepared by Rochdale Accounting & Business Advisory

Contents

3	Compilation Report
4	Committee's Report
5	Profit and Loss Statement
7	Balance Sheet
8	Notes to the Financial Statements
10	Auditor's Report
13	Responsible Persons' Declaration

Compilation Report

Rafiki Mwema Incorporated For the year ended 30 June 2018

Compilation report to Rafiki Mwema Incorporated

We have compiled the accompanying special purpose financial statements of Rafiki Mwema Incorporated, which comprise the balance sheet as at 30 June 2018, the income statement, the statement of cash flows, a summary of significant accounting policies and other explanatory notes. The specific purpose for which the special purpose financial statements have been prepared is set out in Note 1.

The Responsibility of the Committee

The Committee of Rafiki Mwema Incorporated are solely responsible for the information contained in the special purpose financial statements, the reliability, accuracy and completeness of the information and for the determination that the basis of accounting used is appropriate to meet their needs and for the purpose that financial statements were prepared.

Our Responsibility

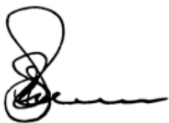
On the basis of information provided by the Committee we have compiled the accompanying special purpose financial statements in accordance with the basis of accounting as described in Note 1 to the financial statements and APES 315 *Compilation of Financial Information*.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the Committee provided, in compiling the financial statements. For verification and validation procedures please refer to the accompanying auditors report enclosed in the financial statements.

The special purpose financial statements were compiled exclusively for the benefit of the Committee of Rafiki Mwema Incorporated. We do not accept responsibility to any other person for the contents of the special purpose financial statements.

Rochdale Accounting & Business Advisory

63 Main Street, Alstonville NSW 2477



Troy Furness

Director

Dated this ____ day of _____ 20__

Committee's Report

Rafiki Mwema Incorporated For the year ended 30 June 2018

Committee's Report

Your committee members submit the financial report of Rafiki Mwema Incorporated for the financial year ended 30 June 2018.

Committee Members

The names of committee members throughout the year and at the date of this report are:

Committee Member	Position
Anne-Marie Tipper	Founder
John Tipper	Founder
Sarah Rosborg	Founder & CEO
Nicole Meredith	Treasurer
Jandy McCandless	Board Member & Admin Manager
Claire Harding	Board Member & Marketing
Victoria Dyte	Board Member & Website Developer
Rebel Wylie	Board Member & Ambassador
Chantelle Ellem	Board Member & Ambassador
Jimmy Mucheru	Board Member

Operating Result

The surplus after providing for the financial year amounted to, as per below: \$17,138.

Going Concern

This financial report has been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The ability of the association to continue to operate as a going concern is dependent upon the ability of the association to generate sufficient cashflows from operations to meet its liabilities. The members of the association believe that the going concern assumption is appropriate.

Signed in accordance with a resolution of the Members of the Committee on:

Sarah Rosborg (CEO)

Dated this _____ day of _____ 20____

Profit and Loss Statement

Rafiki Mwema Incorporated For the year ended 30 June 2018

	2018	2017
Income		
Donations		
Corporate Sponsorship	104,800	-
Project Donations	317,600	414,239
Sponsorship Donations	176,945	140,042
Sponsorship Donations Rotary	31,386	-
Total Donations	630,730	554,281
Grant Income		
Grant Income	7,138	-
Total Grant Income	7,138	-
Operating Income		
Interest Income	-	6
Product Sales	46,026	69,349
Total Operating Income	46,026	69,355
Total Income	683,894	623,636
Cost of Goods Sold		
Products Cost	11,268	6,947
Total Cost of Goods Sold	11,268	6,947
Total Income	672,626	616,689
Expenses		
Operating Expenses		
Advertising	2,127	2,212
Audit Fees	3,000	-
Bank Fees	4,488	1,820
Consulting	21,936	-
Contractors	39,996	41,029
Discount Code	-	105
Freight & Courier	5,277	9,841
General Expenses	-	34
Grant Spend	7,138	-
Misc Promotional Material	1,678	3,472
Office Expenses	2,757	2,506
Printing & Stationery	2,224	18,383
Project Costs	-	193
Rent	4,800	400
Shipping/Postage Expense	1,073	542
Subscriptions	18,497	5,280
Telephone & Internet	933	-
Travel - International	12,453	-

	2018	2017
Travel - National	-	3,461
Total Operating Expenses	128,375	89,276
Project and Sponsorship Expenses		
Aus - Project Expenses	39,110	27,883
Funds Sent to Kenya - Operating	438,240	482,793
Kenya - Project Expense	4,395	-
PayPal Fees	3,033	3,147
Rotary Charges	2,336	8,882
Rotary Operating Expense -Rafiki Mwema - Kenya	40,000	-
Total Project and Sponsorship Expenses	527,113	522,705
Total Expenses	655,488	611,981
Profit/(Loss)	17,138	4,707
Net Profit/(Loss) Attributable to Retained Earning/(Losses)	17,138	4,707

Balance Sheet

Rafiki Mwema Incorporated As at 30 June 2018

	NOTES	30 JUN 2018	30 JUN 2017
Assets			
Current Assets			
Cash & Cash Equivalents			
Rafiki Car Saver		9,511	5
Rafiki Mwema Incorporated		78,286	9,505
Rafiki Mwema PayPal		3,954	4,530
Rotary		14,338	32,629
Smart Access		5,592	247
Total Cash & Cash Equivalents		111,681	46,915
Trade and Other Receivables			
Accounts Receivable		(230)	143
Total Trade and Other Receivables		(230)	143
Total Current Assets		111,451	47,058
Total Assets		111,451	47,058
Liabilities			
Current Liabilities			
Creditors and Other Payables			
Accounts Payable		3,798	(457)
Total Creditors and Other Payables		3,798	(457)
Provisions			
Provision for Audit Fees		3,000	-
Total Provisions		3,000	-
Total Current Liabilities		6,798	(457)
Non-Current Liabilities			
Loans			
Loan - Doyles for Kings Castle		40,000	-
Total Loans		40,000	-
Total Non-Current Liabilities		40,000	-
Total Liabilities		46,798	(457)
Net Assets		64,653	47,515
Equity			
Retained Earnings			
Members' Funds at the Beginning of the Financial Year		47,515	42,807
Current Year Earnings		17,138	4,707
Total Retained Earnings		64,653	47,515
Total Equity		64,653	47,515

Notes to the Financial Statements

Rafiki Mwema Incorporated For the year ended 30 June 2018

1. Statement of Significant Accounting Policies

The financial statements of Rafiki Mwema Inc are special purpose financial statements prepared in compliance with Division 60 of the Australian Charities and Not-for profits Commission Regulation 2013 for a medium registered entity, and to satisfy the financial reporting requirements of Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act) and the Association Incorporation Act New South Wales and the following Australian Accounting Standards.

- AASB101, Presentation of Financial Statements
- AASB108, Accounting Policies, Changes in Accounting Estimates and Errors
- AASB1031, Materiality
- AASB1048, Interpretation of Standards
- AASB1054, Australian Additional Disclosures.

The committee of Responsible Persons has determined that the association is not a reporting entity.

The financial report has been prepared on an accrual basis and under the historical cost convention, except for certain assets, which, as noted, have been written down to fair value as a result of impairment. Unless otherwise stated, the accounting policies adopted are consistent with those of the prior year.

The significant accounting policies that have been used in the preparation of these financial statements are summarised below and are consistent with the previous period unless stated otherwise.

The financial statements have been prepared using the measurement bases specified by Australian Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

Income Tax

Rafiki Mwema Incorporated is exempt from income tax.

Property, Plant and Equipment

Property, plant and equipment is initially recorded at the cost of acquisition or fair value less, if applicable, any accumulated depreciation and impairment losses. Plant and equipment that has been contributed at no cost, or for nominal cost, is valued and recognised at the fair value of the asset at the date it is acquired. The plant and equipment is reviewed annually by directors to ensure that the carrying amount is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the utilisation of the assets and the subsequent disposal. The expected net cash flows have been discounted to their present values in estimating recoverable amounts.

Freehold land and buildings are measured at their fair value, based on periodic, but at least triennial, valuations by independent external valuers, less subsequent depreciation for buildings.

Increases in the carrying amount of land and buildings arising on revaluation are credited in equity to a revaluation surplus. Decreases against previous increases of the same asset are charged against fair value reserves in equity. All other decreases are charged to profit or loss.

Any accumulated depreciation at the date of revaluation is offset against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Trade and Other Receivables

Trade receivables and other receivables, including distributions receivable, are recognised at the nominal transaction value without taking into account the time value of money. If required a provision for doubtful debt has been created.

Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the company that remain unpaid at 30 June 2018. Trade payables are recognised at their transaction price. They are subject to normal credit terms and do not bear interest.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Revenue Recognition

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

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

Revenue from commissions is recognised upon delivery of services to customers.

Revenue from interest is recognised using the effective interest rate method.

Revenue from dividends is recognised when the entity has a right to receive the dividend.

Events After Balance Date

There were no events occurring after balance date that made a material impact upon the content of this financial report.

Auditor's Report

Rafiki Mwema Incorporated For the year ended 30 June 2018

Independent Auditors Report to the members of the Association

We have audited the accompanying financial report, being a special purpose financial report, of Rafiki Mwema Incorporated (the association), which comprises the committee's report, the assets and liabilities statement as at 30 June 2018, the income and expenditure statement for the year then ended, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the certification by members of the committee on the annual statements giving a true and fair view of the financial position and performance of the association.

Responsibility of the Responsible Entity for the Financial Report

Rafiki Mwema Incorporated 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 ACNC Act. The responsible entity's responsibility also includes such internal control as the responsible entities 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.

In preparing the financial report, Rafiki Mwema Incorporated are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the responsible entity either intends to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the responsible entities.
- Conclude on the appropriateness of the responsible entities use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the registered entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with responsible entities regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Opinion

We have audited the financial report of Rafiki Mwema Incorporated, which comprises the statement of financial position as at 30 June 2018 and the statement of comprehensive income for the year ended 30 June 2018, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis of Qualified Opinion section of our report, the accompanying financial report of Rafiki Mwema Incorporated is in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

- (a) giving a true and fair view of the registered entity's financial position as at 30 June 2018 and of its financial performance for the year ended 30 June 2018; 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 for Qualified Opinion

Cash donations are a significant source of fundraising revenue for Rafiki Mwema Incorporated. Rafiki Mwema Incorporated 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 on whether the recorded cash donations of Rafiki Mwema Incorporated are complete.

Due to the nature of Rafiki Mwema Incorporated's operations, cash transfers to Kenya form a significant source of operating expenditure for the entity. Rafiki Mwema Incorporated has determined that it is impracticable to establish appropriate controls over the transfer of funds to Kenya prior to entry into its financial records. Rafiki Mwema Incorporated is unable to provide any invoices or supporting documentation to substantiate that funds transferred to Kenya are being expended in accordance with the entities mission (this issue stems largely from technological differences between Australia and Kenya). Accordingly, as the evidence available to us regarding transfers to Kenya was limited, our audit procedures with respect to this source of expenditure had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion on whether the recorded Kenya operating expenses of Rafiki Mwema Incorporated are complete.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the registered entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter - Basis of Accounting

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 registered entity's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose.

Independence

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, as the auditor for the audit of Rafiki Mwema Inc. for the financial year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

- No contraventions of the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- No contraventions of any applicable code of professional conduct in relation to the audit.

Rochdale Accounting & Business Advisory

63 Main Street, Alstonville NSW 2477



Kate Cameron

Director

Dated this ____ day of ____ 20__

Responsible Persons' Declaration

Rafiki Mwema Incorporated For the year ended 30 June 2018

In the opinion of the Responsible Persons of Rafiki Mwema Inc:

- The financial statements and notes of Rafiki Mwema Inc. are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:
 - Giving a true and fair view of its financial position of Rafiki Mwema Inc. as at 30 June 2018 and of its performance for the financial year ended on that date; and
 - Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Australian Charities and Not-for-profits Commission Regulation 2013; and
- There are reasonable grounds to believe that Rafiki Mwema Inc. will be able to pay its debts as and when they become due and payable.

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

Signed in accordance with a resolution of the Members of the Committee on:

Sarah Rosborg (CEO)

Dated this _____ day of _____ 20____