

Kickstart Kids International Limited

ABN 67 153 380 851

Financial Report

For the Year Ended 30 June 2018

Kickstart Kids International Limited

ABN 67 153 380 851

Contents

For the Year Ended 30 June 2018

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Kickstart Kids International Limited

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2018

| | | 2018 | 2017 |
|--|------|---------------|-----------------|
| | Note | \$ | \$ |
| Donations and gifts | 4 | 161,181 | 99,043 |
| Interest income | | 249 | 445 |
| International program expenditure | 5 | (124,267) | (125,496) |
| Fundraising costs | | (9,861) | (2,660) |
| Administrative expenditure | 6(a) | (1,139) | (1,449) |
| Surplus/(Deficit) before income tax | | 26,163 | (30,117) |
| Income tax expense | | - | - |
| Surplus/(Deficit) for the year | | 26,163 | (30,117) |
| Other comprehensive income, net of income tax | | - | - |
| Total comprehensive income for the year | | 26,163 | (30,117) |

The accompanying notes form part of these financial statements.

Kickstart Kids International Limited

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Statement of Financial Position

As At 30 June 2018

| | Note | 2018 \$ | 2017 \$ |
|-----------------------------|------|----------------|---------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 6 | 102,391 | 61,387 |
| Trade and other receivables | 7 | 6,831 | 21,672 |
| TOTAL CURRENT ASSETS | | <u>109,222</u> | <u>83,059</u> |
| TOTAL ASSETS | | <u>109,222</u> | <u>83,059</u> |
| LIABILITIES | | | |
| TOTAL LIABILITIES | | <u>-</u> | <u>-</u> |
| NET ASSETS | | <u>109,222</u> | <u>83,059</u> |
| EQUITY | | | |
| Accumulated funds | | <u>109,222</u> | <u>83,059</u> |
| TOTAL EQUITY | | <u>109,222</u> | <u>83,059</u> |

The accompanying notes form part of these financial statements.

Kickstart Kids International Limited

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Statement of Changes in Equity

For the Year Ended 30 June 2018

| | Retained Earnings | Total Equity |
|---|-------------------|----------------|
| | \$ | \$ |
| Balance at 1 July 2017 | 83,059 | 83,059 |
| Total comprehensive income for the year | 26,163 | 26,163 |
| Balance at 30 June 2018 | <u>109,222</u> | <u>109,222</u> |

| | Retained Earnings | Total Equity |
|---|-------------------|---------------|
| | \$ | \$ |
| Balance at 1 July 2016 | 113,176 | 113,176 |
| Total comprehensive income for the year | (30,117) | (30,117) |
| Balance at 30 June 2017 | <u>83,059</u> | <u>83,059</u> |

The accompanying notes form part of these financial statements.

Kickstart Kids International Limited

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Statement of Cash Flows For the Year Ended 30 June 2018

| | 2018 | 2017 |
|--|----------------|-----------------|
| Note | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Cash receipts from donors and fundraising activities | 176,022 | 98,337 |
| Cash payments to international programs | (124,267) | (125,496) |
| Payments to suppliers | (11,000) | (4,109) |
| Interest received | 249 | 445 |
| Net cash provided by/(used in) operating activities | 41,004 | (30,823) |
| | 11 | |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Net increase/(decrease) in cash and cash equivalents held | 41,004 | (30,823) |
| Cash and cash equivalents at beginning of year | 61,387 | 92,210 |
| Cash and cash equivalents at end of financial year | 102,391 | 61,387 |
| | 6 | |

The accompanying notes form part of these financial statements.

Kickstart Kids International Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2018

The financial report covers Kickstart Kids International Limited as an individual entity. Kickstart Kids International Limited is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The principal activity of the Company for the year ended 30 June 2018 was to work with impoverished communities in sustainable ways to kick-start the lives of orphans and vulnerable children in Kenya.

The functional and presentation currency of Kickstart Kids International Limited is Australian dollars.

On 30 October 2013, in accordance with the Constitution, Kickstart's board of directors approved the established of a Relief Fund called Kickstart Kids International Overseas Aid Fund ("The Fund"). The governing body members of The Fund are the directors of Kickstart.

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 report who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. This special purpose financial report has been prepared to meet the reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, the *New South Wales Charitable Fundraising Act 1991*, the *Victorian Fundraising Act 1998*, the *Western Australian Charitable Collections Act 1946* and associated Regulations.

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*, AASB 1048 *Interpretation of Standards* and AASB 1054 *Australian Additional Disclosures*.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) 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 Company 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.

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Notes to the Financial Statements For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Donations

Donations and bequests are recognised as revenue when received.

Various services are donated to Kickstart. No assessment of the value of these services is included in the financial statements.

Interest revenue

Interest is recognised using the effective interest method.

(b) Income Tax

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

(c) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

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Notes to the Financial Statements For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies

(c) Financial instruments

The Company's trade and other receivables fall into this category of financial instruments.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

Impairment of financial assets

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(d) 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.

(e) Adoption of new and revised accounting standards

The Company 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 Company.

(f) 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 Company has decided not to early adopt these Standards. In the directors' opinion, the adoption of these Standards is not expected to have a material impact on the recognition, measurement or disclosure any transactions of the company.

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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.

There are no critical judgements in applying accounting policies that are expected to have a significant effect on the amounts recognised in the financial statements.

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Notes to the Financial Statements For the Year Ended 30 June 2018

4 Revenue

| | 2018 | 2017 |
|----------------------------|----------------|---------------|
| | \$ | \$ |
| Donations and gifts | | |
| - Cash donations | 78,328 | 73,946 |
| - Fundraising appeals | 52,196 | 7,357 |
| - Monthly donations | 26,677 | 11,730 |
| - Directors' donations | 3,980 | 6,010 |
| | 161,181 | 99,043 |

(a) Cash donations

Cash donations comprise donations from the Australian public.

(b) Fundraising appeals

As at 30 June 2018, Kickstart holds a fundraising licence in the states of New South Wales (CFN/20987) Victoria (11875) and Western Australia. Kickstart has no obligations under its Victorian fundraising licence for the year ended 30 June 2018.

The NSW *Charitable Fundraising Act 1991* ("the Act") and supporting *Charitable Fundraising Regulation 2008* prescribe the manner in which fundraising appeals are conducted, controlled and reported in NSW. The amounts shown in the Statement of Comprehensive income are in accordance with Authority Condition 7, which is issued to Kickstart Kids International limited under Section 19 of the Act.

(c) Sponsorship

Sponsorship donations are contributed on a recurring monthly basis.

(d) Directors' donations

Directors' donations are contributed by various directors and other members of Kickstart's personnel. In addition to supporting Kickstart's key objectives of international development aid, directors' donations are available to cover the administrative activities of Kickstart (refer note 6(a)). This helps to ensure that donations from Kickstart's general donors are applied toward Kickstart's core activities.

5 International Program Expenditure

All international program expenditure during the current financial year related to Olturoto Children's Village Kenya, which is Kickstart's current development focus in partnership with Nanga Organization, a Non-Governmental Organisation registered in Kenya.

Kickstart Kids International Limited

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Notes to the Financial Statements For the Year Ended 30 June 2018

6 Cash and Cash Equivalents

| | 2018 | 2017 |
|--------------------------|----------------|---------------|
| | \$ | \$ |
| Cash at bank and in hand | 102,391 | 61,387 |
| | <u>102,391</u> | <u>61,387</u> |

(a) Restriction on Funds

There are generally no specific restrictions placed by donors on funds donated to Kickstart.

Restricted funds are funds received or reserves held that must be spent on the designated purpose for which they were received or are held. They comprise:

- Government funding and related interest that must be spent in accordance with the terms of a funding agreement;
- Donations, grants and bequests where the donor indicates a preference for the use to which the funds are to be used;
- Donations received in response to specific purpose appeals; and
- Provisions for statutory entitlements due to employees.

Kickstart has a policy that administrative costs are met out of directors' donations rather than general donations. Accordingly, the component of the cash balance available for administrative expenditure is limited to the accumulated amount of directors' donations. The remainder of the cash balance is applied towards international programs and any fundraising activities. All other funds are unrestricted in that the Board has discretion to spend them on purposes for which Kickstart is established.

The amount of accumulated directors' donations available to meet future administrative expenditure is as follows:

| | |
|---|----------------------|
| | \$ |
| Balance at 1 July 2017 | 14,476 |
| Directors' donations for the year | 3,980 |
| Administrative expenditure for the year | (1,139) |
| Balance at 30 June 2018 | <u>17,317</u> |
| | |
| Balance at 1 July 2016 | 10,185 |
| Directors' donations for the year | 6,010 |
| Administrative expenditure for the year | (1,449) |
| Balance at 30 June 2017 | <u>14,746</u> |

Kickstart Kids International Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2018

6 Cash and Cash Equivalents

(b) Disposal of surplus

The governing instruments of Kickstart prohibit the distribution of any surplus to members. All income must be applied solely towards the promotion of the objects of Kickstart.

7 Trade and Other Receivables

| | 2018 | 2017 |
|--------------------------|--------------|---------------|
| | \$ | \$ |
| CURRENT | | |
| Accrued donation revenue | 6,831 | 21,672 |
| | <u>6,831</u> | <u>21,672</u> |

Accrued donation revenue relates to donations made through a secure third party giving system which are remitted to Kickstart in the following month.

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

8 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. Kickstart has three members, each of whom have equal voting rights. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 1 each towards meeting any outstandings and obligations of the Company. At 30 June 2018 the number of members was 3 (2017: 3).

There have been no changes to Kickstart's membership since incorporation.

9 Auditors' Remuneration

Kickstart is grateful to BDJ Partners, Chartered Accountants for providing audit services on a pro bono basis in the current financial year.

10 Contingencies

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

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Notes to the Financial Statements For the Year Ended 30 June 2018

11 Cash Flow Information

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

| | 2018 | 2017 |
|---|----------------------|------------------------|
| | \$ | \$ |
| Surplus/(Deficit) for the year | 26,163 | (30,117) |
| Changes in assets and liabilities adjustments: | | |
| - (increase)/decrease in trade and other receivables | <u>14,841</u> | <u>(706)</u> |
| Cashflow from operations | <u>41,004</u> | <u>(30,823)</u> |

12 Events after the end of the Reporting Period

The financial report was authorised for issue on 21 November 2018 by the Board of Directors.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

13 Company Details

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

Kickstart Kids International Limited
C/O BDJ Partners
Level 13, 122 Arthur Street
North Sydney NSW 2060

Kickstart Kids International Limited

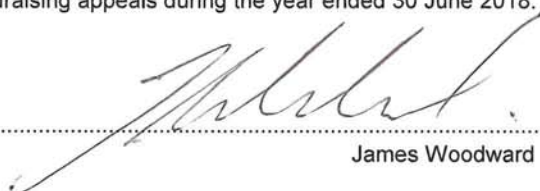
ABN 67 153 380 851

Directors' Declaration

In accordance with a resolution of the directors of the Company, the directors declare that:

1. The financial statements and notes, as set out on pages 1 to 12, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and the *Charitable Fundraising Act 1991 (NSW)*, including:
 - 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 2018 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 2 to the financial statements.
2. 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.
3. The provisions of the *Charitable Fundraising Act 1991 (NSW)*, the Regulations under the Act and the conditions attached to the authority have been complied with for all income received and applied by the company from any of its fundraising appeals during the year ended 30 June 2018.

Director



James Woodward

Dated 21 November 2018

partners

A J Dowell CA
M Galouzis CA
A N Fraser CA
G W Cliffe CA
B Kolevski CPA (Affiliate ICAA)

associate

M A Nakkan CA

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Kickstart Kids International Limited

ABN 67 153 380 851

Independent Auditor's Report to the members of Kickstart Kids International Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Kickstart Kids International Limited (the company), which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the company is in accordance with the Division 60 of the Australian Charities and Not-for-Profits Commission Act 2012 and the Charitable Fundraising Act 1991 (NSW), including:

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

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 company 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 directors' financial reporting responsibilities under Division 60 of the Australian Charities and Not-for-Profits Commission Act 2012 and the Charitable Fundraising Act 1991 (NSW). As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the company and should not be distributed to or used by parties other than the company. Our opinion is not modified in respect of this matter.

Responsibilities of Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Division 60 of the Australian Charities and Not-for-Profits Commission Act 2012 and the Charitable Fundraising Act 1991 (NSW) and for such internal control as the directors determine is necessary to enable the preparation of the 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, the directors are responsible for assessing the the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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 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 the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 company'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 company 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 the directors 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

BDJ Partners
Chartered Accountants



.....
Gregory W Cliffe
Partner

Dated 22 November 2018

partners

A J Dowell CA
M Galouzis CA
A N Fraser CA
G W Cliffe CA
B Kolevski CPA (Affiliate ICAA)

associate

M A Nakkan CA

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Kickstart Kids International Limited

ABN 67 153 380 851

Auditors Independence Declaration To the Directors of Kickstart Kids International Limited

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 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.

BDJ Partners
Chartered Accountants



.....
Gregory W Cliffe
Partner

Dated 20 November 2018