

**THE EAST AFRICAN FUND LIMITED**  
**ABN 53 620 147 775**

**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2019**



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## **The East African Fund Limited**

(a company limited by guarantee)

**ABN 53 620 147 775**

### **Financial Report**

For the year ended 30 June 2019

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## The East African Fund Limited

(a company limited by guarantee)

### Financial report for the year ended 30 June 2019

#### Director's report

The directors of The East African Fund Limited ('the company') present this financial report for the year ended 30 June 2019.

#### Directors

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

Mark Cubit	Chairperson	
Gemma Sisia	Vice Chairperson	
Rita Harris	Secretary	
David Collins	Treasurer	Appointed 13/11/2018
Robin Vargo	Director	
John Bailey	Director	
Nicholas Rice	Director	
Cynthia Skarbek	Director	
Shean Gannon	Director	
Sarah Henry	Director	
Noela Phillips	Director	
Julia (Kim) Saville	Director	
Angela Bailey	Director	Retired 13/11/2018

#### Change from The East African Fund Incorporated to The East African Fund Limited

In accordance with the preference of the Office of Fair Trading NSW, The East African Fund Incorporated as registered under the *Associations Incorporation Act 2009 (NSW)* transitioned to The East African Fund Limited as registered under the *Corporations Act (2001)* during the year.

The company was incorporated on 17 July 2017 in order to take on the operating activities of the East African Fund Incorporated. The company commenced trading as of April 2019, when the Australia Taxation Office advised that Deductible Gift Recipient status (DGR 1) had been approved for The East African Fund Limited.

#### Principal Activities

The principal activities of the company are to:

- aid financially, the less fortunate of East Africa
- to help, particularly financially, the education of those of East Africa who would not have the means to help themselves without immense difficulty and help, and
- to help families and communities in villages in East Africa via various funded necessary projects.

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The principal activity of The East African Fund Incorporated during the period to April 2019 and of the East African Fund Limited from that date on was to collect donations to be provided as funding to The School of St Jude in Tanzania.

### Operating Result

The operating result for the year ending 30 June 2019 is \$3,219,570 compared to a 2018 surplus of \$3,008,695.

### Information on directors

Directors Name	Special Responsibilities	Period as Director	Qualifications and Experience
Mark Cubit	Chairperson	17/07/2017 to current	Bachelor of Economics. Chairman of EAF since 2008. Member of the Finance Committee. 17 years' experience in the NFP sector including oversight of two charitable foundations.
Gemma Sisia	Vice Chairperson	17/07/2017 to current	Bachelor of Science. Hons in Science. Dip Ed-in secondary Maths/Science teaching. Director of EAF and SOSJ boards. Founder of SOSJ.
Rita Harris	Secretary	17/07/2017 to current	Bachelor of Economics and Laws. Graduate Member of the Australian Institute of Company Directors. 4 years as Secretary/Director of EAF. 34 years legal and corporate governance experience with Mercer.
David Collins	Treasurer	13/11/2018 to current	2 years as Treasurer/Director of EAF. 10 years on Board/Committee, 6 as Treasurer of Mazda MX-5 Club of Victoria & Tasmania. 8 years Volunteer with RFDS, won Bernice Jenkins Volunteer Award in 2017. 26 years with IBM in PM, Consultant and Management Roles.

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Directors Name	Special Responsibilities	Period as Director	Qualifications and Experience
Robin Vargo	Director Treasurer until 13/11/2018	17/07/2017 to current	M.Ed.  Grad Dip Computer Education.  36 years teaching.  9 years with Smith Family.  9 years as Director of EAF and former Treasurer.
John Bailey	Director	17/07/2017 to current	Diploma of Laws.  Member of Judicial Conference of Australia.  Executive Member Magistrates Association of NSW for 14 years.  Executive Member of EAF since 2003.  Magistrate of the Local Court for State of New South Wales.  Judicial Member and Deputy Chairman, State Parole Authority (NSW)
Nicholas Rice	Director	17/07/2017 to current	37 years experience in the construction and property development industries.  Managing Director of Rice Construction Group Pty Ltd and on the Board of a number of private companies and unit trusts.  Qualified Carpenter & Joiner and Certificate 4 in Building Management and Clerk of Works.  Executive Member of EAF since 2003.

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Directors Name	Special Responsibilities	Period as Director	Qualifications and Experience
Cynthia Skarbek	Director	17/07/2017 to current	<p>BA in Economics and English, Duke University.</p> <p>Chartered Property Casualty Underwriter.</p> <p>15+ years of various Board service, including Louisville Collegiate School, Wesley Seminary in Washington, DC, and Education for All Children.</p> <p>9 years EAF service, Board member American Friends of The School of St Jude, Tanzania.</p>
Shean Gannon	Director	17/07/2017 to current	<p>Bachelor of Engineering – Civil.</p> <p>Masters of Business Administration.</p> <p>6 Years as Director/Member of EAF.</p> <p>35 years’ experience in the construction Industry.</p>
Sarah Henry	Director	17/07/2017 to current	<p>Bachelor of Built Environment.</p> <p>Diploma in Photographic Imaging.</p> <p>Certificate in Residential Care.</p> <p>2 years volunteering at the School of St Jude, Tanzania.</p> <p>7 years as the Australian Fundraising and Marketing Coordinator for SOSJ.</p> <p>9 years as Director/Member of EAF.</p>
Noela Phillips	Director	17/07/2017 to current	<p>Bachelor of Education (Special Needs).</p> <p>PA to Senior Public Servants</p> <p>4 years as Director/Member of EAF</p>
Julia (Kim) Saville	Director	17/07/2017 to current	<p>Certificate III in Travel - AFTA</p> <p>School of St Jude - 3 years as volunteer, 5 years as Deputy Director, 5 years as Director - International Relations, 12 years as School Board Director.</p> <p>9 years as Director/ Member of EAF</p>

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**Directors' meetings**

During the year, 6 meetings were held. Attendees by each director were as follows:

	<b>Directors' meetings</b>	
	<b>Number eligible to attend</b>	<b>Number attended</b>
Mark Cubit	6	6
Gemma Sisia	6	5
Rita Harris	6	6
David Collins	3	3
Cynthia Skarbek	6	5
John Bailey	6	6
Julia Saville (Kim)	6	6
Nicholas Rice	6	6
Noela Phillips	6	5
Robin Vargo	6	5
Sarah Henry	6	5
Shean Gannon	6	5
Angela Bailey	3	3

**Members' guarantee**

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. In the event of the company being wound up, the constitution states that each member is required to contribute a maximum of \$10 towards meeting any outstanding obligations of the company. At 30 June 2019 the number of members was 12 (2018: 12).

  
\_\_\_\_\_  
Mark Cubit  
Chairman

  
\_\_\_\_\_  
David Collins  
Treasurer

Melbourne, VIC

Dated: 26 November 2019

## **The East African Fund Limited**

(a company limited by guarantee)

### **Chairman's report**

It has been another busy year for the East African Fund (EAF). As the Australian support arm for The School of St Jude in Tanzania, we have spent the past 12 months ensuring your donations are put to good use for the benefit of the students and graduates of The School of St Jude in Tanzania. Let me briefly explain how we actually do that.

Firstly, we have input into the strategic framework of the school. Both through formal channels such as our Memorandum of Understanding between EAF and the school, and our informal relationships with Gemma, the board and senior management. Secondly, we have been involved in a detailed process to redefine the strategic direction of the school for the next five years. The new strategic plan will be one of 'ongoing improvement' rather than 'change'.

On an annual basis, the school develops a detailed budget for the coming school year. The Finance Committee of EAF looks closely at that budget, questioning assumptions and providing input. Once the budget is finalised, it goes to both the school board and the EAF board for approval. The board of EAF will then undertake to fund the school's budget for the forthcoming year- a step we can only take thanks to your generous support. Frugality is always to the fore – over ninety-eight cents in every dollar you donate to EAF is made available for the school.

As the new year gets underway, we monitor the school activities via monthly written reporting and via verbal reporting to our board meetings. We hold at least five meetings a year, always in the Australian evenings to span the US, Tanzanian and Australian time zones. In addition, emails fly back and forth on a daily basis – and Skype calls on an irregular basis are common.

We don't just monitor how much the school spends. We must comply with the Australian Charities and Not-for-profits Commission (ACNC) Governance Standards as a registered charity and the ACNC has recently published a set of External Conduct Standards to strengthen this compliance. These standards codify more specifically where we must place the emphasis of our governance. It requires us to review the school's approach to child protection on a regular basis. The issue is a standing item on at least two board meetings a year and has been ably led on the Australian side by one of our hardest working Directors, Noela Phillips. The standards also codify that we must ensure the school is using your funds for the purpose for which they are intended. We must ensure there is no money laundering or use of funds for terrorism related causes.

However, it is from the school that the more inspiring stories emanate. Six board members visited the school a total of nine times during this past year at their own cost, and usually at different times. We visited to see with our own eyes and hear with our own ears that everything is being run to the standards that you, the financial supporter of St Jude's, would expect. These visits reinforce the passion with which our board carries out its duties on your behalf and shows its commitment to advancing the school's mission to provide a high-quality education to the poorest and brightest students.



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What we see now when we visit is a school that has matured into one of Tanzania's leading educational institutions. Notwithstanding that maturity, there is still considerable growth afoot with the new girl's high school due to open in January 2020 and the Beyond St Jude's program accelerating as the number of graduates grew by more than 50% this year. 24 St Judes alumni graduate from their tertiary courses in 2019- the end of a long and successful education pathway. These graduates have studied across a wide variety of disciplines, with business, commerce and finance being the more common.

The new high school is a considerable commitment. Your board is fully aware that once we decide to spend your money on a growth initiative, the cost of that decision will grow for at least four years before the new campus is fully populated. Financing a school is not for the faint hearted!

Accordingly, before the green light was given, considerable effort was expended on long term cashflow forecasting. The conclusion of that process was that costs of this growth will be 58% more than today in five years' time - in US Dollar terms. Add a weaker Australian dollar to the mix and you can see that it is only with your immense support that we have been able to build the financial foundations for this growth.

Australian supporters donated \$6.8m to the East African Fund in 2019. The amount was up by 11.4% on the prior year. During the year we changed our legal structure from being an incorporated association to a company limited by guarantee. This was little more than a procedural issue due to the growth of our organisation but nonetheless created considerable effort for the board, whom are all volunteers. We are now transitioning all donors over to the new bank accounts in a process which will still take some time.

The operating environment in Tanzania continues to be challenging but the team over there seems up to any challenge thrown at them. Seventeen years of running a school has the team battle hardened, and never seemingly 'battle weary'.

As the first St Jude's graduates complete their tertiary courses this year, we will begin to see if we have, with your support, educated the future leaders of Tanzania.

Whether you have been with us on this journey for one year or seventeen years, thank you for backing the dreams of Gemma from all those years ago – and for your continued support of the staff, students and graduates of The School of St Jude.

**Mark Cubit**  
**Chairman, East African Fund**  
**26 November 2019**



## Auditor's declaration of independence

To the Members of The East African Fund Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019 there have been no contraventions of:

- (i) the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012*; or
- (ii) the *Charitable Fundraising Act 1991 (NSW)*, the *Fundraising Act 1998 (VIC)*, and the *Collections Act 1966 (QLD)*; or
- (iii) any applicable code of professional conduct in relation to the audit.

Roberts & Morrow  
Chartered Accountants

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Michelle A Paull  
Partner  
Auditor Registration Number 164853

137 Beardy Street  
Armidale, NSW

Dated: 26 November 2019

# The East African Fund Limited

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## Financial report for the year ended 30 June 2019

### Statement of profit or loss and other comprehensive income

	Note	2019 \$	2018 \$
<b>Revenue</b>			
Revenues from Fundraising Activities	8	6,725,626	6,101,645
Distributions from available for sale investments		300,153	186,308
<b>Other Income</b>			
Interest received		163,473	72,198
Other Income		128,205	51,242
<b>Expenditure</b>			
Project funding	8	(4,608,062)	(3,987,410)
Administration & marketing costs		(140,342)	(87,570)
<b>Net operating surplus for the year</b>		<b>2,569,053</b>	<b>2,336,413</b>
<b>Other comprehensive income</b>			
Revaluation of available for sale investments		650,517	672,282
<b>Other comprehensive income for the year</b>		<b>650,517</b>	<b>672,282</b>
<b>Total Comprehensive Income for the year</b>		<b>3,219,570</b>	<b>3,008,695</b>

The Statement of profit or loss and other comprehensive income is to be read in conjunction with the attached notes.

## The East African Fund Limited

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### Financial report for the year ended 30 June 2019

#### Statement of financial position

	Note	2019 \$	2018 \$
<b>Current Assets</b>			
Cash and Cash Equivalents		7,256,849	5,773,947
Receivables	3	75,431	47,437
<b>Total Current Assets</b>		<b>7,332,280</b>	<b>5,821,384</b>
<b>Non-current assets</b>			
Available for-sale investments		10,003,194	8,294,520
<b>Total Non-Current Assets</b>		<b>10,003,194</b>	<b>8,294,520</b>
<b>Net assets</b>		<b>17,335,474</b>	<b>14,115,904</b>
<b>Funds</b>			
General Funds		5,436,211	4,262,438
Future Fund		10,391,190	8,995,910
Reserves		1,508,073	857,556
<b>Total Funds</b>		<b>17,335,474</b>	<b>14,115,904</b>

The Statement of financial position is to be read in conjunction with the attached notes.

## The East African Fund Limited

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### Financial report for the year ended 30 June 2019

#### Statement of changes in funds

	General Funds	Future Fund	Asset Revaluation Reserve	Total Funds
	\$	\$	\$	\$
<b>Balance at 30 June 2017</b>	<b>4,169,828</b>	<b>6,752,107</b>	<b>185,274</b>	<b>11,107,209</b>
Surplus attributable for the Year	3,008,695	-	-	3,008,695
Less: Transfer to Future Fund	(2,243,803)	2,243,803		-
Less: Transfer to Asset Revaluation Reserve	(672,282)	-	672,282	-
<b>Balance at 30 June 2018</b>	<b>4,262,438</b>	<b>8,995,910</b>	<b>857,556</b>	<b>14,115,904</b>
Surplus attributable for the Year	3,219,570	-	-	3,219,570
Less: Transfer to future fund	(1,395,280)	1,395,280	-	-
Less: Transfer to Asset Revaluation Reserve	(650,517)	-	650,517	-
<b>Balance at 30 June 2019</b>	<b>5,436,211</b>	<b>10,391,190</b>	<b>1,508,073</b>	<b>17,335,474</b>

Details of the purpose of each reserve and fund are indicated at Note 2(c) respectively.

# The East African Fund Limited

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## Financial report for the year ended 30 June 2019

### Statement of cash flows

	Note	2019 \$	2018 \$
<b>Cash Flows From Operating Activities</b>			
Proceeds from Fundraising Activities		6,725,626	6,101,645
Distributions received		282,776	208,622
Other income		128,205	51,242
Interest received		163,473	72,198
Project funding		(4,608,062)	(3,987,410)
Administration & marketing costs		(150,959)	(93,175)
Net cash generated by operating activities	4	2,541,059	2,353,122
<b>Cash Flows from Investing Activities</b>			
Proceeds to Investments		(1,058,157)	(749,003)
Net cash used in investing activities		(1,058,157)	(749,003)
<b>Increase/(Decrease) in Cash Held</b>		<b>1,482,902</b>	<b>1,604,119</b>
Cash at the Beginning of Financial Year		5,773,947	4,169,828
<b>Cash at the End of Financial Year</b>		<b>7,256,849</b>	<b>5,773,947</b>

The Statement of cash flows is to be read in conjunction with the attached notes.

## **The East African Fund Limited**

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### **Financial report for the year ended 30 June 2019**

#### **Notes to and forming part of the financial statements**

##### **1. Company Information**

The financial report of The East African Fund Limited (the “company”) for the year ended 30 June 2019 was authorised for issue in accordance with a resolution of the Committee on 26 November 2019.

The East African Fund Limited is a not-for-profit entity registered as a charity with the Australian Charities and Not-for-profits Commission (ACNC). The nature of the operations and principal activities of the association are described in the Committee’s Report.

##### **2. Summary of significant accounting policies**

###### **(a) Basis of preparation**

The East African Fund Limited, applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards*, AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*.

This financial report is a general purpose financial report, which has been prepared in accordance with *Australian Charities and Not-for-profits Commission Act 2012* and Australian Accounting Standards - Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board. The Company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial report, except for the cash flow information, has been prepared on an accruals basis and is based on historic costs, modified, where applicable, by the measurement at fair value of selected non-current assets.

The financial report is presented in Australian dollars, which is the company’s functional and presentation currency. The amounts presented in the financial report have been rounded to the nearest dollar.

This General Purpose Financial Report has been prepared to provide assurance on The East African Fund Limited’s activities within Australia. It provides no assurance on the activities of its funded projects in East Africa.

## **The East African Fund Limited**

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### **Financial report for the year ended 30 June 2019**

#### **Notes to and forming part of the financial statements**

##### **b) Income Tax and Deductible Gift Status**

The Company is a charity registered with the Australian Charities and Not-for-profits Commission (ACNC). From 1 July 2014 The East African Fund Incorporated was listed under 9.2.15 of Section 30.80 (International Affairs) of the Income Tax Assessment Act 1997 as an international affairs recipient, making donations made to it from that date tax deductible. As of the 1<sup>st</sup> April 2019 The East African Fund Limited was listed under 9.2.15 of Section 30.80 (International Affairs) of the Income Tax Assessment Act 1997 as an international affairs recipient making donations made to it from that date tax deductible. The East African Fund Incorporated deductible gift status was revoked as at April 2019.

##### **c) Revenue**

###### **Donations**

Donations are recognised as revenue when The East African Fund gains control, economic benefits are probable and the amount of the donation can be reliably measured. The East African Fund establishes controls to ensure that donations are recorded in the financial records. Therefore, donations are recognised as revenue when they are recorded in the books and records.

###### **Reserves**

During the year ended 30 June 2017 the Company established a Future Fund to underpin the long term sustainability of the School of St Jude. A reserve in equity was created at 30 June 2017 to maintain transparency around the use of these funds.

###### **Interest**

Interest is recognised on a cash receipts basis.

##### **d) Expenditure**

###### **Project Costs**

In accordance with the objects of the company, project costs relate to the funds transferred in any given year to support endorsed East African Projects. All projected costs are accounted for on an accruals basis

###### **Funded Projects**

###### **School of St Jude**

The finance sub-committee of The East African Fund Limited monitors the financial operations of The School of St Jude extensively, including approval of annual budgets and capital expenditure, receipt and monitoring of monthly financial reports and receipt of annual accounts and audit report. Further, members of the Committee visit the school at least annually.



## **The East African Fund Limited**

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### **Financial report for the year ended 30 June 2019**

#### **Notes to and forming part of the financial statements**

##### **Administration & Marketing Costs**

Administration & marketing Costs are those costs directly incurred in supporting the objects of the company and include project management carried out by central administration in Australia. Fundraising and appeal costs are accounted for on an accruals basis.

##### **e) Cash**

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

##### **f) Available for-sale investments**

Available for-sale investments are non-derivative financial assets that comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are measured at fair value with any re-measurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. They are classified as non-current when they are not expected to be sold within twelve months after the end of the reporting period.

##### **g) Foreign Currency Transactions and Balances**

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate.

Exchange differences on the translation of monetary items are recognised in the profit and loss.

##### **h) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of GST.

##### **i) Financial Instruments**

###### **Recognition, initial measurement and derecognition**

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through other comprehensive income, which are initially measured at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

## The East African Fund Limited

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### Financial report for the year ended 30 June 2019

#### Notes to and forming part of the financial statements

##### Available-for-sale investments, classification and subsequent measurement

All Available-for-sale (AFS) financial assets are measured at fair value. Gains and losses are recognised in other comprehensive income and reported within the asset revaluation reserve within equity, except for impairment losses and foreign exchange differences on monetary assets, which are recognised in profit or loss. When the asset is disposed of or is determined to be impaired the cumulative gain or loss recognised in other comprehensive income is reclassified from the equity reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income. Interest calculated using the cash receipt basis and dividends are recognised in profit or loss within 'revenue' (see Note 2c).

##### j) Comparative information

Where required, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

##### k) New, revised or amending Accounting Standards and Interpretation adopted

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period.

#### 3. Receivables

	2019 \$	2018 \$
GST receivable	1,568	979
Distributions due on available for- sale investments - Franking credit rebate receivable	73,863	46,458
	<b>75,431</b>	<b>47,437</b>

#### 4. Reconciliation of Cash Flows from Operating Activities

	2019 \$	2018 \$
Surplus / (Deficit) from Ordinary Activities	3,219,570	3,008,695
Add market movement on assets held for sale	(650,517)	(672,282)
<b>Changes in Assets and Liabilities</b>		
Accounts Receivable Increase	(27,994)	16,709
<b>Net cash generated from operating activities</b>	<b>2,541,059</b>	<b>2,353,122</b>

#### 5. Commitment to School of St Jude

The School of St Jude project is funded on a calendar year basis. At 30 June 2019 there was an unpaid commitment of USD 3.43 million in relation to the 2019 calendar year.

## The East African Fund Limited

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### Financial report for the year ended 30 June 2019

#### Notes to and forming part of the financial statements

##### 6. Subsequent Events

To the best of the Committee's knowledge and belief, there have been no significant events since the end of the reporting period requiring disclosure in the financial report.

##### 7. Related Parties

As highlighted in Note 2(d) a number of members of the Committee visit the school regularly at their own cost. Mr Mark Cubit and Ms Gemma Sisia are members of The School of St Jude Ltd Board of Directors.

##### 8. Information and Declarations to be Furnished Under the Charitable Fundraising Act 1991

Details of aggregate gross income and total expenses of fundraising activities

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Gross Fundraising Income</b>		
Donations	6,725,626	6,101,645
<b>Fundraising Expenses</b>		
Project Expenditure	(4,608,062)	(3,987,410)
Administration & marketing costs	(140,342)	(87,570)
Total Fundraising Expenses	4,748,404	4,074,980
<b>Net Proceeds from Fundraising Activities</b>	<b>1,977,222</b>	<b>2,026,665</b>
<b>Fundraising Comparisons by Percentage</b>		
Cost of fundraising to gross income from fundraising	1.42	1.50
Surplus from fundraising to gross income from fundraising	29.52	33.28
Cost of fundraising services to total expenditure	1.03	1.02
Cost of fundraising services to total income received	1.42	1.50

## **The East African Fund Limited**

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### **Financial report for the year ended 30 June 2019**

#### **Notes to and forming part of the financial statements**

##### **9. Transition to Australian Securities and Investments Commission Related Parties**

In accordance with the preference of the Office of Fair Trading NSW, The East African Fund Incorporated as registered under the *Associations Incorporation Act 2009 (NSW)* transitioned to The East African Fund Limited as registered under ASIC during the year.

The company was incorporated on 17 July 2017 in order to take on the operating activities of the East African Fund Incorporated. The company commenced trading as of 1 April 2019, when The Australian Taxation Office advised that Deductible Gift Recipient Status (DGR 1) had been approved for the East African Fund Limited.

The East African Fund Limited  
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### Directors' declaration

In accordance with the resolution of the directors of The East African Fund Limited, the directors declare that:

1. The attached financial statements and notes are in accordance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*

a) comply with Australian Accounting Standards – Reduced Disclosure Requirements;  
and

b) give a true and fair view of the financial position of the company as at 30 June 2019 and its performance and cash flows for the year ending on that date.

2. There are reasonable grounds to believe that the company will be able to pay all of its debts, as and when they become due and payable.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profits Regulation 2013*;



Mark Cubit  
Chairman



David Collins  
Treasurer

Melbourne, VIC

Date : 26 November 2019

The East African Fund Limited  
(a company limited by guarantee)

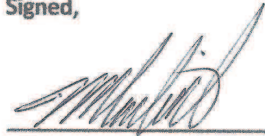
**Directors' declaration**

***Under the Charitable Fundraising Act (NSW) 1991, Fundraising Act 1998 (VIC), and the Collections Act 1966 (QLD)***

We, Mark Cubit, Chairman, and David Collins, Treasurer of the Board of the The East African Fund Limited, declare that in our opinion:

- a) the financial statements give a true and fair view of all income and expenditure of The East African Fund Limited;
- b) the statement of financial position gives a true and fair view of the state of affairs with respect of fundraising appeals;
- c) the provisions of the *Charitable Fundraising Act 1991 (NSW)*, the *Fundraising Act 1998 (VIC)*, and the *Collections Act 1966 (QLD)*, the Regulations under the Act and the conditions attached to the authority have been complied with; and
- d) the internal controls exercised by The East African Fund Limited are appropriate and effective in accounting for all income received and applied by the company from any of its fundraising appeals.

Signed,



Mark Cubit  
Chairman



David Collins  
Treasurer

Melbourne, VIC

Date: 26 November 2019

**Independent auditor's report**

To the members of The East African Fund Limited

**Opinion**

We have audited the accompanying financial report, of The East African Fund Limited (the Company), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and notes comprising a summary of significant accounting policies, and the declaration by those charged with governance.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the company as at 30 June 2019 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards – Reduced Disclosure Requirements. Further, the financial report has been prepared in accordance with Division 60 of the *Australian Charities and Not-For-Profits Commission Act 2012* and the requirements set out in the *Australian Charities and Not-For-Profits Commission Regulations 2013* and has been prepared in accordance with the *Charitable Fundraising Act 1991 (NSW)*, the *Fundraising Act 1998 (VIC)* and the *Collections Act 1966 (QLD)*.

**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) and the auditor independence requirements of the *Australian Charities and Not-For-Profits Commission Act 2012* 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.

**Responsibilities of Management and Those Charged with Governance for the Financial Report**

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, in accordance with Division 60 of the *Australian Charities and Not-For-Profits Commission Act 2012* and the requirements set out in the *Australian Charities and Not-For-Profits Commission Regulations 2013*, and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing 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 management either intends to liquidate the association or to cease operations, or has 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.

### **Our responsibilities**

As part of an audit in accordance with the Australian Auditing Standards, the auditor exercises professional judgement and maintains professional scepticism throughout the audit. The auditor also:

- Identifies and assesses the risks of material misstatement of the financial report, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for the auditor's 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.
- Obtains 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 entity's internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by those charged with governance.
- Concludes on the appropriateness of those charged with governance's 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 entity's ability to continue as a going concern. If the auditor concludes that a material uncertainty exists, the auditor is required to draw attention in the auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the auditor's opinion. The auditor's conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.



- Evaluates the overall presentation, structure and content of the financial report, including the disclosures made by those charged with governance.

The auditor communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

Roberts & Morrow  
Chartered Accountants

A handwritten signature in black ink, appearing to read 'Michelle A Paul', enclosed within a hand-drawn oval.

Michelle A Paul  
137 Beardy Street  
Armidale  
Auditor Registration Number: 164853

Dated: 26 November 2019