

**EAST AFRICA FUND INC
ABN 86 966 180 821**

**SPECIAL PURPOSE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2009**

ROBERTS & MORROW



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For professional advice regarding

Business and Taxation Management
Self Managed Superannuation Funds
Information Technology
Succession Planning
Financial Planning

East Africa Fund Inc

(An Associated Incorporation)

Financial report for the year ended 30 June 2009

Statement of income

	Note	2009 \$	2008 \$
Revenues from Operating Activities		2,621	2,830
Revenues from Fundraising Activities		3,592,673	3,463,136
Charitable Related Expenses		(3,461,571)	(3,428,298)
Expenses from Operating Activities		(131,102)	(34,838)
Surplus/(Deficit) from Ordinary Activities		2,621	2,830

The statement of comprehensive income is to be read in conjunction with the attached notes.

East Africa Fund Inc
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Financial report for the year ended 30 June 2009

Balance sheet

	Note	2009 \$	2008 \$
Current Assets			
Cash assets	2.	1,685,530	538,431
Other Assets	3.	1,316	1,316
Total Current Assets		1,686,846	539,747
Non-Current Assets			
		-	-
Total Assets		1,686,846	539,747
Current Liabilities			
Other Payables		1,657,546	513,067
Total Current Liabilities		1,657,546	513,067
Non-Current Liabilities			
		-	-
Total Liabilities		1,657,546	513,067
Net Assets		29,300	26,680
Members Funds			
Retained Earnings		29,300	26,680
Total Members Funds		29,300	26,680

The balance sheet is to be read in conjunction with the attached notes.

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Statement of Equity

	Retained Earnings \$	General Reserves \$	Total \$
Balance at 30 June 2006	30,986	-	30,986
Surplus attributed for the year	(7,136)	-	(7,136)
Balance at 30 June 2007	23,850	-	23,850
Surplus attributable for the year	2,829	-	2,829
Balance at 30 June 2008	26,679	-	26,679
Surplus attributable for the year	2,621	-	2,621
Balance at 30 June 2009	29,300	-	29,300

The Statement of Changes in Equity is to be read in conjunction with the notes to and forming part of the accounts.

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Financial report for the year ended 30 June 2009

Cash flow statement

	Note	2009 \$	2008 \$
Cash Flows From Operating Activities			
Proceeds from Fundraising Appeals		3,592,673	3,463,136
Interest Received		2,621	2,830
Fundraising Expenses		(2,448,194)	(2,950,069)
Net Cash Provided /(used) by Operating Activities		1,147,100	515,897
Cash Flows from Investing Activities		-	-
Financing Activities		-	-
Increase/(Decrease) in Cash Held		1,147,100	515,897
Cash at the Beginning of Financial Year		538,431	22,534
Cash at the End of Financial Year		1,685,531	538,431

The cash flow statement is to be read in conjunction with the attached notes.

East Africa Fund Inc

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Financial report for the year ended 30 June 2009

Notes to and forming part of the financial statements

1. Corporate information

This financial report is a special purpose financial report prepared for use by the members of the Committee of the Incorporated body. The Committee has determined that the Incorporated body is not a reporting entity.

2. Statement of Significant Accounting Policies

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act NSW 1984. The committee has determined that the Association is not a reporting entity.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

a) Basis of Preparation

This Special Purpose Financial Report has been prepared to provide assurance on the East African Funds activities within Australia. It provides no assurance on the activities of the School of St Jude in Tanzania.

b) Income Tax

The Association is exempt from Income Tax and accordingly no provision has been made.

c) Revenue

Donations and bequests are recognised as income upon receipt.

On the receipt of donations and bequests the entity incurs a moral obligation to deliver those monies as directed to an East African project (chiefly the School of St Jude in Tanzania, East Africa) these monies are recognised on the balance sheet as a liability until the obligation to the donors is met. **This represents a change in accounting policy from the prior year. Refer to Note 7 for more details in this regard.**

Interest is recognised on a cash basis.

d) Cash

For the purposes of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions.

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Financial report for the year ended 30 June 2009

Notes to and forming part of the financial statements

e) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of GST.

f) Comparatives

Comparative figures have been restated in order to conform to the layout adopted in this financial report where considered appropriate, including the Balance Sheet and Income Statement.

3. Cash at Bank

	2009	2008
	\$	\$
Commonwealth Operations Account	41,212	235,544
Commonwealth Interest Account	10,405	-
NAB Account	1,633,914	302,887
	<u>1,685,531</u>	<u>538,431</u>

4. Other Assets

	2009	2008
	\$	\$
GST Refundable	1,316	1,316
	<u>1,316</u>	<u>1,316</u>

5. Cashflow Reconciliation

	2009	2008
	\$	\$
a) Reconciliation of cash		
Cash and cash equivalents	<u>1,685,531</u>	<u>538,431</u>
b) Reconciliation of Cash Flow from operations with profit from ordinary activities		
Surplus from Ordinary Activities	2,621	2,830
Changes in Assets and Liabilities		
Accounts Payable Increase/(Decrease)	1,144,479	513,067
Net cash flow from operations	<u>1,147,100</u>	<u>515,897</u>

East Africa Fund Inc
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Financial report for the year ended 30 June 2009

Notes to and forming part of the financial statements

6. Trade and Other Payables

	2009	2008
	\$	\$
Other Payables	1,657,546	513,067
	<u>1,657,546</u>	<u>513,067</u>

7. Fundamental Prior Year Adjustments

Part A

i) The nature of the error; was cash and liabilities being understated due to the fact that the sponsorship bank account was not recognised in these Financial Statements in the prior year.

ii) The following line items shown as 2008 comparatives are to be adjusted as follows:-

Cash at Bank understated by	302,887
Liability to School of St Jude	302,887

iii) This retrospective adjustment has been made as at 30 June 2008.

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Financial report for the year ended 30 June 2009

Notes to and forming part of the financial statements

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

Details of aggregate gross income and total expenses of fundraising activities

	2009	2008
	\$	\$
Gross Fundraising Income		
Donations	3,592,673	3,329,664
Other fund raising	-	129,762
African Tour Income	-	3,710
Total Gross Fundraising Income	<u>3,592,673</u>	<u>3,463,136</u>
Fundraising Expenses		
Funds Sent Directly to Africa	3,470,072	3,349,611
Other Charitable Related Expenses	75,496	78,687
Total Fundraising Expenses	<u>3,545,568</u>	<u>3,428,298</u>
Net Proceeds from Fundraising Activities	<u>47,105</u>	<u>34,838</u>

Fundraising Comparisons by Percentage	%	%
Cost of fundraising to gross income from fundraising	98.68	98.99
Surplus from fundraising to gross income from fundraising	1.31	1.01
Cost of fundraising services to total expenditure	98.68	98.99
Cost of fundraising services to total income received	98.71	98.99

East Africa Fund Inc
(An Incorporated Association)

**STATEMENT BY MEMBERS OF THE COMMITTEE
FOR THE YEAR ENDED 30 JUNE 2009**

The Committee has determined that the Association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial Statements.

In the opinion of the Committee the attached special purpose financial report:

1. Presents fairly the financial position of the East African Fund as at 30 June 2009 and its performance for the year ended on that date.
2. At the date of this statement there are reasonable grounds to believe that the East African Fund, will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:

Committee Member _____

Committee Member _____

Dated : 22 December 2009

East Africa Fund Inc
(An Incorporated Association)

Financial report for the year ended 30 June 2009

Independent auditor's report

To the members of East African Fund Incorporated

Report on the Financial Report

We have audited the accompanying financial report of East African Fund Incorporated which comprises the Balance sheet as at 30 June 2009, the Income Statement, Cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes, and the Committees' declaration.

Committee's responsibility for the Financial Report

The committee of the Association are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are consistent with the financial reporting requirements of the Associations Incorporations Act NSW 1984 and are appropriate to meet the needs of the members. The committee's responsibility also includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

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Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Qualification

A proportion of the revenue of the East African Fund Incorporated is received via the utilisation of collection agencies. The Association has determined that it is impracticable to establish control over the collection of this revenue prior to its entry in the financial records. Accordingly, as the evidence available to us regarding revenue from these sources is limited, our audit procedures had to be limited to the amounts recorded in the financial records. We therefore are unable to express an opinion on the completeness of revenue from these sources.

We also draw attention to Note 1 (a) to the Financial Statements that outlines our audit procedures have been limited to East African Funds activities until such a time the funds leave Australia.

Qualified Audit Opinion

In our opinion, except for the effects on the financial report of such adjustments, if any, as might have been required had the limitation on our audit procedures referred to in the qualification paragraph not existed, the financial report of East African Fund Incorporated presents a true and fair view of the financial position of East African Fund Incorporated as at 30 June 2009 and the results of its operations for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements

Roberts & Morrow
Chartered Accountants

Michelle A Paull
Partner
Armidale, 22 December 2009

**Certificate by Member of the Management Committee
for year ended 30 June 2009**

I, _____ of

_____ and

I, _____ of

certify that:

- a) We are members of the Committee of East African Fund Incorporated.
- b) We attended the annual general meeting of the association held on _____
- c) We are authorised by the attached resolution of the committee to sign this certificate.
- d) This annual statement was submitted to the members of the association at its annual general meeting.

Dated this _____

Committee Member

Committee Member