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KICKSTART INTERNATIONAL, INC.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED

JUNE 30, 2019 AND 2018

CONTENTS

REPORT OF INDEPENDENT AUDITOR
TO THE MEMBERS OF KICKSTART INTERNATIONAL, INC.

Opinion

We have audited the financial statements of Kickstart International, Inc set out on pages 3 to 19, which comprise the consolidated statements of financial position as at June 30, 2019 and 2018, and the consolidated statements of activities and cash flows for the years then ended, and the consolidated statement of functional expenses and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated statements of financial position of the Corporation as at June 30, 2019 and 2018, and the changes in its net assets and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Corporation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Kenya, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Restriction on Use and Basis of Accounting

Without modifying our opinion, we draw attention to page 7 which describes the basis of accounting. Our report is not intended for general circulation or publication nor is it to be reproduced or used for any purpose other than that outlined in our terms of reference. As a result, the financial statements may not be suitable for another purpose.

Responsibilities of Directors for the Consolidated Financial Statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with accounting principles generally accepted in the United States of America, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

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REPORT OF INDEPENDENT AUDITOR
TO THE MEMBERS OF KICKSTART INTERNATIONAL, INC. (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are 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 ISAs 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 these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, 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 Corporation'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 director'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 Corporation'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 consolidated financial statements 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 Corporation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate 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 we identify during our audit.

PKF Kenya.

Certified Public Accountants of Kenya

NAIROBI, KENYA

03-12-2019

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CONSOLIDATED STATEMENTS OF ACTIVITIES

	Notes	2019 Without donor restrictions Funds	2019 With donor restrictions Funds	2019 Total Funds	2018 Without donor restrictions Funds	2018 With donor restrictions Funds	2018 Total Funds
		$	$	$	$	$	$
Product sales	1	1,292,949	-	1,292,949	2,077,881	-	2,077,881
Contributions and grants	2	1,001,136	2,713,202	3,714,338	1,346,722	1,989,141	3,335,863
Other income	3	124,504	-	124,504	109,884	-	109,884
Net assets released from restrictions	5	2,965,060	(2,965,060)	-	2,582,483	(2,582,483)	-
Total income		5,383,649	(251,858)	5,131,791	6,116,970	(593,342)	5,523,628
Cost of sales		(972,341)	-	(972,341)	(1,544,506)	-	(1,544,506)
Program services	6	(3,623,300)	-	(3,623,300)	(3,873,851)	-	(3,873,851)
Management & general	7	(521,737)	-	(521,737)	(310,456)	-	(310,456)
Fundraising	7	(227,654)	-	(227,654)	(252,219)	-	(252,219)
(Loss) on translation exchange		(66,559)	-	(66,559)	(22,731)	-	(22,731)
Total expenses		(5,411,591)	-	(5,411,591)	(6,003,763)	-	(6,003,763)
Change in net assets before tax		(27,942)	(251,858)	(279,800)	113,207	(593,342)	(480,135)
Taxation	8	(737)	-	(737)	570	-	570
Change in net assets after tax		(28,679)	(251,858)	(280,537)	113,777	(593,342)	(479,565)
Net assets at the beginning of the year - as originally presented		(482,581)	1,989,555	1,506,974	(659,548)	2,582,897	1,923,349
Restatement	21	(63,190)	-	(63,190)	-	-	-
Net assets at the beginning of the year - as restated		(545,771)	1,989,555	1,443,784	(659,548)	2,582,897	1,923,349
Change in net assets after tax		(28,679)	(251,858)	(280,537)	113,777	(593,342)	(479,565)
Net assets at the end of the year		(574,450)	1,737,697	1,163,247	(545,771)	1,989,555	1,443,784

The accounting policies on pages 7 to 11 and the notes on pages 12 to 19 form an intergral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at 30 June	
		2019	**2018**
	Note	$	$
ASSETS			
Current assets			
Unrestricted cash	9	743,514	823,117
Cash restricted due to guarantee of debt	9	503,281	501,346
Trade and other receivables (net)	10	898,122	1,466,369
Contributions receivables (net)	11	872,622	1,120,155
Inventory	12	477,175	351,158
		3,494,714	4,262,145
Non-current assets			
Contributions receivables (net)	10	649,558	373,648
Property, plant and equipment (Net)	13	92,366	91,177
Deferred tax	14	421	686
		742,345	465,511
Total assets		4,237,059	4,727,656
LIABILITIES AND NET ASSETS			
Current liabilities			
Trade and other payables	15	918,848	997,800
Borrowings	16	2,154,964	2,286,071
Total liabilities		3,073,812	3,283,871
Net assets			
Without donor restrictions		(574,450)	(545,771)
With donor restrictions		1,737,697	1,989,555
Total net assets		1,163,247	1,443,784
Total liabilities and net assets		4,237,059	4,727,656

The accounting policies on pages 7 to 11 and the notes on pages 12 to 19 form an intergral part of the consolidated financial statements.

KickStart International, Inc.
Consolidated Financial Statements
For the year ended June 30, 2019

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

	PROGRAM SERVICES							SUPPORT SERVICES				TOTAL	
						2019	2018			2019	2018	2019	2018
	Eastern Programs	Western Programs	Southern Programans	Product Innovations & Development	Other Africa Programs	Total Program Services	Total Program Services	Mgmt & General	Fund-Raising	Total Support Services	Total Support Services	Total Expenses	Total Expenses
	$	$	$	$	$	$	$	$	$	$	$	$	$
Salaries & wages	131,078	57,744	199,682	346,489	770,801	1,505,794	1,542,421	100,962	140,794	241,756	227,224	1,747,550	1,769,645
Benefits & other employee expenses	26,232	7,347	58,642	61,759	157,377	311,357	309,894	30,562	42,181	72,743	82,529	384,100	392,423
Audit, legal & professional fees	56,697	20,068	202,922	68,276	33,574	381,537	412,255	76,805	6,862	83,667	82,357	465,204	494,612
Contributed legal services	2,222	-	-	218,862	-	221,084	270,771	261,450	-	261,450	-	482,534	349,999
Supplies, printing & publications	1,607	1,020	2,666	31,303	20,182	56,778	75,403	12,796	10,942	23,738	23,427	80,516	98,830
Mail & communications	6,704	2,846	6,562	7,607	26,745	50,464	45,065	3,580	1,329	4,909	5,645	55,373	50,710
Rent & utilities	11,314	13,439	8,019	23,664	57,299	113,735	122,513	11,415	8,177	19,592	19,338	133,327	141,851
Motor vehicle expenses	38,344	7,943	42,734	11,825	11,433	112,279	127,845	-	-	-	-	112,279	127,845
Equipment & machinery	163	350	-	1,863	5,008	7,384	18,862	111	86	197	494	7,581	19,356
Information technology	3,202	6,400	9,115	1,868	19,802	40,387	66,115	638	-	638	2,380	41,025	68,495
Depreciation	6,158	1,653	4,811	72	-	12,694	43,928	1,137	1,158	2,295	2,606	14,989	46,534
Advertising & sales promotion	43,528	11,218	69,668	10,333	14,098	148,845	129,455	632	513	1,145	5,079	149,990	134,534
Travel & meetings	79,921	73,497	76,817	20,286	159,525	410,046	389,298	7,425	11,165	18,590	15,574	428,636	404,872
(Recovery)/provision for bad debt	(52,765)	8,237	-	-	-	(44,528)	130,453	-	-	-	-	(44,528)	130,453
Other business expenses	174,168	23,936	8,165	17,815	71,361	295,444	189,573	14,224	4,447	18,671	16,794	314,115	206,367
Total program & support	**528,573**	**235,698**	**689,803**	**822,022**	**1,347,205**	**3,623,300**	**3,873,851**	**521,737**	**227,654**	**749,391**	**562,675**	**4,372,691**	**4,436,526**
Cost of sales	301,661	186,471	484,209	-	-	972,341	1,544,506	-	-	-	-	972,341	1,544,506
Gross expenditure	830,234	422,169	1,174,012	822,022	1,347,205	4,595,641	6,110,944	521,737	227,654	749,391	599,705	5,345,032	5,981,032

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Note	2019 $	2018 $
Cash flows from operating activities			
Change in net assets before tax		(279,800)	(480,135)
Adjustments to reconcile change in net assets to net cash from/(used in) operating activities:			
Depreciation on property, plant and equipment	12	14,989	46,534
Gain on disposal of property, plant and equipment		(22,107)	-
Loss/(gain) on translation exchange		66,559	22,731
Net movement in cash restricted due to guarantee of debt		(1,935)	(501,346)
Changes in operating assets and liabilities:			
- inventory		(126,017)	54,574
- trade and other receivables		568,247	(728,709)
- Contribution receivable (net)		(28,377)	618,836
- trade payables and accruals		(78,952)	519,029
Net cash flows from/(used in) operating activities		112,607	(448,486)
Cash flows from investing activities			
Cash paid for purchase of property, plant and equipment	12	(14,546)	(11,827)
Proceeds from disposal of property, plant and equipment		17,631	-
Net cash flows from/(used in) investing activities		3,085	(11,827)
Cash flows from financing activities			
Proceeds from borrowings		150,000	1,025,000
Repayment of borrowings		(70,470)	(435,000)
Repayment of Open Road Alliance LOC		(199,056)	(125,000)
(Decrease)/increase in bank overdraft		(11,581)	26,305
Net cash flows (used in)/from financing activities		(131,107)	491,305
Net (decrease)/increase in cash		(15,416)	30,993
Movement in cash			
At start of year		823,117	775,172
Net (loss)/gain on translation exchange - excluding property, plant and equipment		(64,188)	16,952
Net (decrease)/increase in cash		(15,416)	30,993
At end of year	9	743,514	823,117
Supplemental disclosure of cash flow information			
Cash paid during the year for interest		168,553	95,583

The accounting policies on pages 7 to 11 and the notes on pages 12 to 19 form an intergral part of the consolidated financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. **Corporation**

KickStart International, Inc. (KickStart or the "Corporation") is a not-for-profit corporation under the General Corporation Law of the State of Delaware and is domiciled in the state of California, United States of America.

The principal purpose of KickStart is to promote sustainable economic growth and employment creation in under-developed countries and/or areas and emerging economies. KickStart is engaged in (1) fundraising to support its work in Africa; (2) collaboration with universities and industries to improve methodologies and develop the next generation of technologies to support economic development in developing countries; and (3) raising public awareness about cost-effective models for economic development.

The consolidated financial statements include the following entities:

- KickStart International, Inc.
- KickStart International, Inc. in Kenya
- KickStart International, Inc. in Tanzania
- KickStart International, Inc. in Zambia
- KickStart International, Inc. in Mali
- KickStart International, Inc. in Ghana
- KickStart International, Inc. in Nigeria
- Appropriate Technologies for Enterprise Creation (ApproTEC) in Africa

MoneyMaker LLC and MoneyMaker Limited - Kenya were formed during the year ended June 30, 2016 as vehicles to advance the objectives of KickStart International, Inc. in any state, territory or dependency of the United States of America or any foreign country in which it is necessary or expendient for the Corporation to transact business. These companies did not have any transactions as at the reporting date of these financial statements.

2. **Significant accounting policies**

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) **Basis of accounting**

The accompanying consolidated financial statements have been prepared in accordance with the accounting policies of United States of America ("U.S. GAAP").

Revenues, expenses, gains and losses are recorded and classified as without donor restrictions or with donor restrictions based on the existence or absence of donor imposed restriction. When donor imposed restrictions are met, net assets with donor restriction are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities.

2. **Significant accounting policies (continued)**

a) **Basis of accounting (continued)**

Recently adopted accounting pronouncements

In August 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Updated ("ASU") 2016-14, *Presentation of Financial Statements of Not-for-profit Entities*.
The FASB's Not-for-Profit Advisory Committee and other Stakeholders indicated that existing standards for financial statements for not-for-profit entity's, are sound but could be improved to provide more useful information to donors, grantors, creditors and other users of the financial statements. The final standard is the result of the FASB's effort to address these concerns and improve the current net classification requirement and the information presented in the financial statements and notes about not-for-profit entity's liquidity, financial performance and cash flows.

b) **Basis of consolidation**

Other KickStart entities are entities over which the Corporation has the power to govern the financial and operating policies. The entities are fully consolidated from the date on which control is transferred to the Corporation. These are de-consolidated from the date that control ceases.

Inter-company transactions, balances and unrealized gains on transactions among the companies are cancelled out. Accounting policies of the entities have been changed where necessary to ensure consistency with the policies adopted by the corporation.

c) **Net assets without donor restrictions**

Net assets that are not subject to donor imposed restrictions and include the carrying value of all physical properties. Items that affect this net category include revenue, unrestricted contributions and related expenses associated with the core activities of Kickstart International, Inc.

d) **Net assets with donor restrictions**

Net assets with donor restrictions represent contributions and other assets received from donors that are limited in use by Kickstart International, Inc. in accordance with temporary donor-imposed stipulations. Items that affect this net asset category are restricted contributions unconditional pledges. These stipulations may expire with time or may be satisfied and removed by Kickstart International, Inc. according to the terms of the contribution. Upon satisfaction of such stipulations, net assets with donor restrictions are released to net assets without donor restrictions.

Net assets of $ 2,965,060 and $ 2,582,483 were released from donor restrictions during 2019 and 2018, respectively, through satisfaction of the restricted purposes.

e) **Cash equivalents**

Cash equivalents represent short term, highly liquid investments with maturities of three months or less at time of purchase. Certain cash is restricted by donors for longterm purposes.

Kickstart International, Inc. had $ 211,866 and $ 304,463 of cash and cash equivalents held at financial institutions in foreign countries at June 30, 2019 and 2018, respectively. The majority of the funds invested in foreign countries are uninsured.

U.S. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of $ 250,000. At times during the year, Kickstart International, Inc. maintains cash balances in excess of the the FDIC insurance limits.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) **Trade and other receivables (net)**

Receivables are recorded at their net realisable value, which approximates fair value. An allowance for doubtful debts is made on receivable balances where there is indication of impairment.

g) **Pledges receivable (net)**

Unconditional promises to give that are expected to be collected within one year, are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years, are recorded at the present value of their estimated future cash flows.

h) **Inventory**

Inventory is stated at the lower of cost and net realizable value. Cost is determined on a first-in-first-out basis. Net realizable value is the estimate of the selling price in the ordinary course of business, less selling expenses.

i) **Advances**

Advances, which are held to maturity, are measured at amortized cost.

j) **Borrowings**

Loans, which are held to maturity, are measured at amortized cost.

k) **Property, plant and equipment (Net)**

Property, plant and equipment is stated at cost less accumulated depreciation.

Depreciation is calculated on the reducing balance basis to write down the cost amount of each asset to its residual value over its estimated useful life using the following annual rates:

	Rate - %
Land and building	Not depreciated
Work in progress	Not depreciated
Machinery equipment and furniture	12.5%
Computers and software	33.0%
Motor vehicles	25.0%

Work in progress represents property in the course of construction. It carries at cost, less any recognized impairment cost.

l) **Revenue and support**

Contributions: Contributions are recognized as revenue when a written unconditional promise to give has been received or upon receipt. When donor imposed restriction are met and released in the same period, they are considered net assets without donor restrictions. Conditional promises to give are not recognised as revenue until the donor conditions are substantially met.

Contribution of services: Pro bono legal services was provided to the Corporation for general legal matters. The value of this contributed time was $ 482,534 and is recognised in the consolidated statements of activities as revenue and expense.

Product sales: Sales of goods are recognised upon delivery of products and customer acceptance.

Other revenue and support: Other revenue and support is recognized on the accrual basis.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

m) **Expenses**

The costs of providing the various programs and other activities have been summarised on functional basis in the consolidated statement of activities. Accordingly, cetain costs have been allocated among the programs and supporting services benefited.

All expenses are recognized on the accrual basis.

Program expenses are composed of all the expenses incurred in sale of pumps and creating public awareness in the use of the economical and efficient irrigation methods.

Functional allocation of expenses

The costs of providing various programs and related supporting services have been summarised on a functional basis. Expenses that can be identified with programs or other activities are allocated directly according to their natural expenditure classification.

Eastern, Western and Southern Programs Costs - on-the-ground sales and marketing expenses for promotion of pumps, education of partners and the farmers, field demonstrations, awareness creation in the 17 strategic countries where we have sales programs.

Product Development & Field Innovation Costs - costs of developing new products and irrigation solutions, carry out field tests of new products, impact evaluation and measurements.

Other Africa Programs Costs - costs of supply chain management & logistics, inventory management, Agroprenuership training, education of donor partners, marketing development, marketing support, public relations, new program development, media management.

Management & General Costs - General costs of management support to programs, program design, solutions, carry out field tests of new products, impact evaluation and measurements, advocacy broaden conversation and catalyze discussions to increase irrigation, staff development, Board Management. project management, eveluation, monitoring and reporting, legal, internal audit etc.

Fundraising Costs - costs of fundraising, campaigns and special fundraising events, donor support and communication, donor engagement and field visits, donor education.

n) **Translation of foreign currencies**

Where an entity's functional currency is a foreign currency, translation adjustments result from the process of translating that entity's financial statements into the reporting currency. Transactions are recorded in the functional currency during the fiscal year and translated using an average exchange rate during consolidation. Assets and liabilities denominated in the non U.S. currency are translated into U.S. dollars at the exchange rate in effect at the date of the consolidated statement of financial position.

o) **Foreign currencies**

Monetary assets and liabilities expressed in foreign currencies are translated into United States dollars at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies during the year are translated at the rates ruling on the dates of the transactions. The resulting gains or losses are included in the consolidated statement of activities.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

p) **Retirement benefit obligations**

The Corporation has a defined contribution plan for its employees in Kenya, under which the Corporation pays fixed contribution into a separate pension scheme regulated by a government agency. The Corporation has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefit relating to employee service in the current and prior periods.

The employees in Kenya and Tanzania also contribute to the National Social Security Fund (NSSF) while the employees of Zambia, Ghana and Mali contributed to National Pension Scheme Authority (NAPSA), National Pensions Regulatory Authority (NPRA) and Istituto Nazionale della Previdenza Sociale (INPS) respectively. These are statutory defined contribution schemes registered under the local statutes of each country.

The Corporation's contributions to the defined contribution scheme are charged to the consolidated statement of activities in the year to which they relate. The consolidated total amount paid to the defined contribution schemes of the respective countries during the year was $ 65,506 (2018: $ 68,634)

q) **Use of estimates in the preparation of the financial statements**

KickStart management uses estimates and assumptions in preparing consolidated financial statements in accordance with U.S. GAAP. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the consolidated financial statements.

r) **Current and deferred income tax**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the consolidated statement of activities.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is established against deferred tax assets so that the net carrying amount equals the amount that is more likely than not to be recovered based on current or future taxable income.

s) **Uncertain tax positions**

For the years ended June 30, 2019 and 2018, Kickstart International, Inc. has documented its consideration of FASB ASC 740-10, Income Taxes, that provides guidance for reporting uncertainty in income taxes. Tax returns for all years since 2015 remain open to examination by the respective U.S. taxing authorities. There are currently no tax examination in progress.

t) **Restatement**

The net assets for 2018 have been restated. A summary of the changes made on the comparatives are disclosed under note 20 to the financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Product sales

	2019 Without donor restrictions funds	2019 With donor restrictions funds	2018 Without donor restrictions funds	2018 With donor restrictions funds
	$	$	$	$
Eastern Hub	409,657	-	479,053	-
Western Hub	251,325	-	508,208	-
Southern Hub	631,967	-	1,090,620	-
	1,292,949	-	2,077,881	-

2. Contributions and grants

	2019 Without donor restrictions funds	2019 With donor restrictions funds	2018 Without donor restrictions funds	2018 With donor restrictions funds
	$	$	$	$
Foundations and trusts	131,184	2,363,002	284,926	1,395,094
Individuals	362,658	275,000	673,626	564,047
Corporations	16,812	75,200	38,170	30,000
Contributed legal services	482,534	-	350,000	-
	1,001,136	2,713,202	1,346,722	1,989,141

Contributions receivable that are expected to be collected after one year were discounted to their present values using a discount rate of 3.25% (2018: 3.25%). There were no pledge amounts to be received in more than 5 Years. See note 11.

3. Other income

	2019 Without donor restrictions funds	2019 With donor restrictions funds	2018 Without donor restrictions funds	2018 With donor restrictions funds
	$	$	$	$
Sundry income	124,504	-	109,884	-
	124,504	-	109,884	-

4. Net assets with donor restrictions

Net assets with donor restrictions consisted of the following at June 30, 2019:

	2019	2018
	$	$
Time restriction	446,206	797,384
Purpose restriction	1,291,491	1,192,171
	1,737,697	1,989,555

5. Net assets released from restrictions

	2019 Without donor restrictions funds	2019 With donor restrictions funds	2018 Without donor restrictions funds	2018 With donor restrictions funds
	$	$	$	$
Net assets released from restrictions	2,965,060	(2,965,060)	2,582,483	(2,582,483)

The following net assets were released from donor restrictions by incurring expenses (or through the passage of time) which satisfied the restricted purposes specified by the donors:

	2019	2018
	$	$
Time restriction	700,179	463,669
Purpose restriction	2,264,881	2,118,814
	2,965,060	2,582,483

6. Program services

	2019 Without donor restrictions funds	2019 With donor restrictions funds	2018 Without donor restrictions funds	2018 With donor restrictions funds
	$	$	$	$
Eastern Hub	528,572	-	457,009	-
Western Hub	235,698	-	383,186	-
Southern Hub	689,803	-	570,124	-
Product Innovations & Dev.	822,022	-	860,595	-
Other Africa programs	1,347,205	-	1,602,937	-
	3,623,300	-	3,873,851	-

7. Support services

	2019 Without donor restrictions funds	2019 With donor restrictions funds	2018 Without donor restrictions funds	2018 With donor restrictions funds
	$	$	$	$
Management & general	521,737	-	310,456	-
Fundraising	227,654	-	252,219	-
	749,391	-	562,675	-

8. Tax

	2019	2018
	$	$
Alternative minimum tax (0.5% of turnover)	524	4
Deferred tax charge/(credit) (Note 14)	265	(511)
Translation adjustment	(52)	(64)
Tax (credit)/charge	737	(570)

The Corporation is exempt from federal income taxes under Section 501(c)(3) of the United States Internal Revenue Code, except on any net income derived from unrelated business activities. At June 30, 2019 and 2018, the Corporation has no recorded tax liability for unrelated business income, as it does not believe it is involved in any such activities. The Corporation believes it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the consolidated financial statements. If the Corporation had unrelated business activities, any income derived from these activities would be subject to the requirement of reporting on the Corporation's federal Return of Corporation Exempt from Income Tax ("Form 990") for 2017, 2016 and 2015 and further filing of Exempt Corporation Business Income Tax Returns ("Form 990-T"), which are both subject to examination by the United States Internal Revenue Service, generally for three years after they are filed.

The Corporation's affiliates, in particular in Kenya, Tanzania, Ghana, Nigeria and Zambia are subject to local income tax on activities other than contributions and grants which are deemed to be exempt (however, such formal exemption has not been received from the local tax authorities). In Kenya, the affiliate has accumulated tax losses in respect of product sales income and expenditure on which deferred tax arises. Deferred tax assets on tax losses carried forward are only recognised to the extent of likelihood of availability of sufficient future taxable profits to utilise such losses.

Alternative minimum tax represents 0.5% current tax levied on turnover of Tanzania given that the branch has been in tax losses for the past two consecutive years.

8. **Tax (continued)**

Under the Kenyan Income Tax Act, with effect from January 1, 2010, tax losses are allowable as a deduction only in the four years succeeding the year in which they occurred. In 2015 an amendment was made to the Kenya Income Tax extending the tax losses from five years to 10 years. The tax losses of $ 9,030,432 carried forward will expire as follows:

Arising in	**Tax losses** $	**Expiring**
2011 and earlier	(1,292,115)	30 June 2019
2012	(1,349,408)	30 June 2020
2013	(1,066,146)	30 June 2021
2014	(777,950)	30 June 2022
2015	(927,932)	30 June 2023
2016	(1,989,361)	30 June 2024
2017	(1,215,491)	30 June 2025
2019	(412,029)	30 June 2027
Tax losses carried forward	(9,030,432)	

9. **Cash**

	2019 $	**2018** $
Cash	1,246,795	1,324,463

For the purpose of the statement cash flow, the year end cash and cash equivalents comprise the following:

	2019 $	**2018** $
Unrestricted cash	1,246,795	1,324,463
Restricted due to guarantee of debt	(503,281)	(501,346)
	743,514	823,117

10. **Trade and other receivables**

	2019 $	**2018** $
Current		
Trade receivables	466,418	1,110,041
Staff loans and advances	277,159	171,175
Other receivables	154,545	185,153
Total	898,122	1,466,369

11. **Contributions receivables (net)**

Current		
Contributions receivable	872,622	1,120,155
Non-current		
Contributions receivable	683,957	394,748
Less discount to present value	(34,399)	(21,100)
	649,558	373,648
Total	1,522,180	1,493,803

11. **Contributions receivables (net) (continued)**

The fair values of trade and other receivables are as follows:	2019	2018
	$	$
Trade receivables	466,418	1,110,041
Contributions receivable	1,522,180	1,493,803
Staff loans and advances	277,159	171,175
Other receivables	154,545	185,153
	2,420,302	2,960,172

The maturity analysis based on estimated subsequent settlement of the trade and other receivables is as follows:

Year ended 30 June 2019	**0 to 1 Year**	**2 to 4 Years**	**Total**
	$	$	$
Trade receivables	466,418	-	466,418
Contributions receivable	872,622	649,558	1,522,180
Staff loans and advances	277,159	-	277,159
Other receivables	154,545	-	154,545
	1,770,744	649,558	2,420,302

Year ended 30 June 2018	**0 to 1 Year**	**2 to 4 Years**	**Total**
	$	$	$
Trade receivables	1,110,041	-	1,110,041
Contributions receivable	1,120,154	373,649	1,493,803
Staff loans and advances	171,175	-	171,175
Other receivables	185,153	-	185,153
	2,586,523	373,649	2,960,172

	2019	**2018**
Movement in contributions receivable	$	$
Non-current		
At start of year	373,648	697,257
Portion of new contributions received during the year	1,286,265	339,747
Reclassification of non-current receivables to current	(997,055)	(685,250)
Change in present value discount	(13,300)	21,894
At end of year	649,558	373,648
Non-current		
At start of year	373,648	3,878,374
Change in present value discount	297,010	(3,461,733)
Net realized and unrealized gains	(21,100)	(42,993)
At end of year	649,558	373,648

Contributions receivable that are expected to be collected after one year were discounted to their present values using a discount rate of 3.25% (2018: 3.25%). There were no pledge amounts to be received in more than 5 Years.

There is no significant concentration of credit risk as the contributions are widely held.

12. Inventory

	2019 $	2018 $
Finished goods	477,175	351,158

13. Property, plant and equipment (Net)

Year ended 30 June 2019

	Land & building	Machinery equipment & furniture	Computers & software	Motor vehicles	Work in progress	Totals
Cost	$	$	$	$	$	$
At start of year	16,608	317,375	747,058	665,082	39,867	1,785,990
Disposals during the year	-	-	-	(52,031)	-	(52,031)
Translation adjustments	(203)	(4,243)	(12,880)	(38,401)	(486)	(56,213)
Additions during the year	-	1,525	13,021	-	-	14,546
At end of year	16,405	314,657	747,199	574,650	39,381	1,692,292
Depreciation						
At start of year	-	314,616	718,241	661,956	-	1,694,813
Disposals during the year	-	-	-	(52,031)	-	(52,031)
Translation adjustments	-	(4,027)	(9,166)	(44,652)	-	(57,845)
Charge for the year	-	983	12,852	1,154	-	14,989
At end of year	-	311,572	721,927	566,427	-	1,599,926
Net book value	16,405	3,085	25,272	8,223	39,381	92,366

Year ended 30 June 2018

	Land & building	Machinery equipment & furniture	Computers & software	Motor vehicles	Work in progress	Totals
Cost	$	$	$	$	$	$
At start of year	16,373	317,870	739,751	680,484	39,303	1,793,781
Translation adjustments	235	(4,636)	(379)	(15,402)	564	(19,618)
Additions during the year	-	4,141	7,686	-	-	11,827
At end of year	16,608	317,375	747,058	665,082	39,867	1,785,990
Depreciation						
At start of year	-	314,129	697,863	648,657	-	1,660,649
Translation adjustments	-	(498)	222	(12,094)	-	(12,370)
Charge for the year	-	985	20,156	25,393	-	46,534
At end of year	-	314,616	718,241	661,956	-	1,694,813
Net book value	16,608	2,759	28,817	3,126	39,867	91,177

Leasehold land and buildings were professionally valued on 04 July 2017 by Highland Valuers Limited on the basis of open market value for leasehold land and buildings. The revalued amount is $ 1 million. The book values of the properties have not been adjusted to the revaluations.

14. Deferred tax

Deferred tax is calculated, in full, on all temporary differences under the liability method using a principal tax rate of 30% (2018: 30%). The movement on the deferred tax account is as follows:

	2019	2018
	$	$
At start of year	(686)	(175)
Charge/(credit) to statement of activities (note 8)	265	(511)
At end of year	(421)	(686)

Deferred tax (assets)/liabilities, deferred tax charge in profit or loss are attributable to the following items:

	At start of year	Charge to statement of activities	At end of year
Deferred tax (assets)	$	$	$
Property, plant and equipment - accelerated tax depreciation	(686)	265	(421)
Net deferred tax (asset)	(686)	265	(421)

Deferred tax assets on tax losses carried forward are only recognised to the extent of certainty of availability of sufficient future taxable profits to utilise such losses against. Deferred tax assets amounting to $ 2,709,130 (2018: $ 2,585,521) in respect of tax losses carried forward amounting to $ 9,030,432 (2018: $ 8,618,403) that can be carried forward against future taxable profits have not been recognised. These tax losses expiry is disclosed in note 7 to the financial statements.

15. Trade and other payables

	2019	2018
Current	$	$
Trade payables	661,153	726,340
Due to directors (note 17)	77,280	78,890
Accruals & other payables	180,415	192,570
Total trade and other payables	918,848	997,800

16. Borrowings

Current		
Other borrowings	2,095,474	2,215,000
Bank overdraft	59,490	71,071
Total borrowings	2,154,964	2,286,071

The other borrowings are secured by the following:

- a guarantee from the Skoll Foundation and are subject to interest rate equal to libor rate plus a margin of 2.50%. The maturity date of this borrowing is July 31, 2019.
- a guarantee from the Open Road Alliance and are subject to interest rate of 2.50% flat rate. The maturity date of this borrowing is March 31, 2019.

17. Related party transactions and balances

	2019	2018
	$	$
The following transactions were carried out with other related parties:		
i) *Contributions from organizations associated with members of the board of directors.*	721,165	662,970
ii) *Other payables to directors (note 15)*	77,280	78,890

The other payables to directors relate to accrued salaries due to the Chief Executive Officer.

18. Liquidity and Availability of Financial Assets

KickStart International, Inc. has financial assets available for general expenditure that is, without donor or other restrictions limiting their use, within one year of June 30, 2019, comprise the following:

	$
Cash and cash equivalents	743,514
Trade receivables (net)	466,418
Staff loans and advances (net)	277,159
Other receivables (net)	154,545
Contributions receivables (net)	872,622
Total financial assets	2,514,258
Less amounts not available to be used within one year:	
Net assets with donor restriction	1,737,697
Less net assets with restrictions to be met in less than one year	(1,086,351)
	651,346
Financial assets available to meet cash needs for general expenditure within one year	1,862,912

KickStart International, Inc. maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and obligation come due.

19. Contingent liability

	2019	2018
	$	$
Total amount of contingent liability	4,888	4,948

Guarantee facility offered by Standard Chartered Bank Limited for expatriate staff work permits, secured by lien over a sundry deposit of same amount included in cash and cash equivalents.

20. Commitments

There future minimum lease payments under non-cancellable operating leases as of 30 June 2019 were as follows:

	2019	2018
	$	$
2020	23,305	23,592
2021	25,052	25,362
2022	26,931	27,264
2023	21,314	21,577
	96,602	97,795

Rent costs totalled approximately $ 104,575 for the year ended June 30, 2019 and $ 113,580 for the year ended June 30, 2018.

21. Prior year adjustment

The comparative financial information contained in the Corporation's 2018 consolidated financial statements have been restated to confirm to the 2019 presentation to reflect:

i) Intercompany balance amounting to $ 32,376 that had not been cancelled out. The impact is a decrease on the net trade receivables and net assets for the year ended June 30, 2018.
ii) Cut off error relating to shipment charges amounting to $ 30,814 which has not been accrued in 2018. The impact is an increase on the trade payables and decrease in net assets for the year ended June 30, 2018.

22. Subsequent events

In preparing these consolidated financial statements, Kickstart International, Inc. has evaluated events and transactions for potential recognition or disclosure through November 18, 2019, the date the consolidated financial statements were available to be issued. On September 27, 2019, the directors approved a new revolving line of credit with RSF Social Finance with a credit limit of $ 1,500,000 to support and finance the Corporation's working capital requirements.