

KICKSTART INTERNATIONAL, INC.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
JUNE 30, 2025 AND 2024

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

Opinion

We have audited the consolidated financial statements of Kickstart International, Inc. (the "Corporation") set out on pages 3 to 21, which comprise the consolidated statements of financial position as at June 30, 2025 and 2024, and the consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated 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, 2025 and 2024, 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 audits 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 Consolidated 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 audits of the consolidated 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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.

Auditor's Responsibilities for the Audit of the Consolidated 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:

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Identify and assess the risks of material misstatement of the consolidated 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Corporation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audits. We remain solely responsible for our audit opinion.

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.

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA Mike Kimundu, - Practising certificate No. 2235.



**For and on behalf of PKF Kenya LLP
Certified Public Accountants
Nairobi, Kenya**

10 December 2025

1386/25



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KickStart International, Inc.
Consolidated Financial Statements
For the years ended June 30, 2025 and 2024

CONSOLIDATED STATEMENTS OF ACTIVITIES

		2025		2025		2025		2024		2024		2024	
	Notes	Without donor restrictions	Funds	With donor restrictions	Funds	Total	Funds	Without donor restrictions	Funds	With donor restrictions	Funds	Total	Funds
Product sales	1	\$ 542,971	\$	-	\$	542,971	\$	1,599,652	\$	-	\$	1,599,652	\$
Contributions of cash and other financial assets	2(a)	1,496,999		3,979,568		5,476,567		572,570		4,033,528		4,606,098	
Contribution of non-financial assets	2(b)	136,523		-		136,523		120,971		-		120,971	
Other income	3	136,579		-		136,579		126,622		-		126,622	
Net assets released from restrictions	5	3,486,957		(3,486,957)		-		2,965,606		(2,965,606)		-	
Total income		5,800,029		492,611		6,292,640		5,385,421		1,067,922		6,453,343	
Cost of sales		(450,973)		-		(450,973)		(1,179,118)		-		(1,179,118)	
Program services	6	(4,504,150)		-		(4,504,150)		(3,877,925)		-		(3,877,925)	
Management & general	7	(453,681)		-		(453,681)		(382,541)		-		(382,541)	
Contributed services	7	(136,523)		-		(136,523)		(120,971)		-		(120,971)	
Fundraising	7	(100,531)		-		(100,531)		(147,544)		-		(147,544)	
Total expenses		(5,645,858)		-		(5,645,858)		(5,708,099)		-		(5,708,099)	
Change in net assets before tax		154,171		492,611		646,782		(322,678)		1,067,922		745,244	
Taxation	8	-		-		-		-		-		-	
Change in net assets after tax		154,171		492,611		646,782		(322,678)		1,067,922		745,244	
Net assets at the beginning of the year		933,150		3,462,597		4,395,747		1,255,828		2,394,675		3,650,503	
Change in net assets after tax		154,171		492,611		646,782		(322,678)		1,067,922		745,244	
Net assets at the end of the year		1,087,321		3,955,208		5,042,528		933,150		3,462,597		4,395,747	

The accounting policies on pages 7 to 12 and the notes on pages 13 to 21 form an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at June 30	
		2025	2024
	Notes	\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	10	1,861,226	1,379,044
Trade and other receivables	11	689,050	1,275,406
Contributions receivables	12	1,603,798	1,305,992
Inventory	13	4,327	4,644
		<u>4,158,401</u>	<u>3,965,085</u>
Non-current assets			
Contributions receivables (net)	12	1,880,966	1,508,573
Property, plant and equipment (net)	15	292,982	345,703
Right-of-use assets	21	116,999	150,646
		<u>2,290,947</u>	<u>2,004,922</u>
Total assets		<u><u>6,449,348</u></u>	<u><u>5,970,008</u></u>
LIABILITIES AND NET ASSETS			
Current liabilities			
Trade and other payables	18	220,549	659,754
Borrowings	19	1,044,307	749,292
Lease liabilities	20	29,410	22,843
		<u>1,294,266</u>	<u>1,431,889</u>
Non-current liabilities			
Lease liabilities	20	112,553	142,372
Total liabilities		<u><u>1,406,819</u></u>	<u><u>1,574,261</u></u>
Net assets			
Without donor restrictions		1,087,321	933,150
With donor restrictions		<u>3,955,208</u>	<u>3,462,597</u>
Total net assets		<u><u>5,042,529</u></u>	<u><u>4,395,747</u></u>
Total liabilities and net assets		<u><u>6,449,348</u></u>	<u><u>5,970,008</u></u>

The accounting policies on pages 7 to 12 and the notes on pages 13 to 21 form an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

	PROGRAM SERVICES					SUPPORT SERVICES				
	2025					2025				
	Eastern Programs	Western Programs	Southern Programs	Product Innovations & Development	Other Africa Programs	Total Program Services	Mgmt & General	Fund- Raising	Contributed services	Total Support Services
Salaries and wages	\$ 394,724	\$ 85,593	\$ 245,518	\$ 313,056	\$ 1,028,097	\$ 2,066,988	\$ 172,931	\$ 63,879	\$ -	\$ 236,810
Benefits and other employee expenses	66,733	11,961	20,427	66,595	196,219	361,935	78,304	10,537	-	88,841
Audit, legal and professional fees	28,626	17,050	16,658	65,946	119,682	247,963	117,960	3,594	-	121,554
Contributed legal services	-	-	-	-	-	-	-	-	136,523	136,523
Supplies, printing and publications	5,887	278	4,801	20,517	42,485	73,968	8,489	9,538	-	18,027
Mail and communications	18,723	1,855	7,691	8,500	17,329	54,098	2,289	2,060	-	4,349
Rent and utilities	60,761	5,960	4,561	20,466	59,654	151,402	-	-	-	-
Motor vehicle expenses	99,914	-	37,599	1,781	2,863	142,157	-	-	-	-
Equipment and machinery	220	1,120	-	6,187	2,098	9,624	-	-	-	-
Information technology	5,356	866	1,863	3,299	17,663	29,046	-	-	-	-
Depreciation on property, plant and equipment	95,055	2,916	9,649	3,555	13,289	124,464	-	-	-	-
Interest on lease liabilities	22,111	-	-	-	-	22,111	-	-	-	-
Advertising and sales promotion	261,456	6,325	32,534	3,206	191	303,712	743	-	-	743
Travel and meetings	382,670	64,467	132,925	16,263	81,740	678,066	5,466	10,084	-	15,550
Provision for bad debt	46,491	93,692	-	-	15,922	156,105	-	-	-	-
Other business expenses	14,291	1,146	35,661	23,160	8,254	82,511	67,499	675	-	68,174
Total program and support	1,503,018	293,229	549,887	552,531	1,605,485	4,504,150	453,680	100,531	136,523	690,735
Cost of sales	219,873	6,272	224,828	-	-	450,973	-	-	-	-
Gross expenditure	1,722,891	299,502	774,716	552,531	1,605,485	4,955,123	453,680	100,531	136,523	690,735
	PROGRAM SERVICES					SUPPORT SERVICES				
	2024					2024				
	Eastern Programs	Western Programs	Southern Programs	Product Innovations & Development	Other Africa Programs	Total Program Services	Mgmt & General	Fund- Raising	Contributed services	Total Support Services
Salaries and wages	\$ 311,608	\$ 18,603	\$ 233,573	\$ 245,349	\$ 883,738	\$ 1,692,871	\$ 164,396	\$ 95,991	\$ -	\$ 260,387
Benefits and other employee expenses	51,112	2,769	11,409	30,333	157,395	253,018	71,737	25,980	-	97,717
Audit, legal and professional fees	16,547	8,576	9,683	7,110	79,965	121,881	72,939	3,163	-	76,102
Contributed legal services	-	-	-	-	-	-	-	-	120,971	120,971
Supplies, printing and publications	17,834	12,246	5,918	12,546	33,890	82,434	8,925	10,272	-	19,197
Mail and communications	1,440	4,444	9,402	7,278	11,620	34,184	2,065	1,381	-	3,446
Rent and utilities	34,578	3,080	3,950	15,757	19,047	76,412	(2,532)	-	-	(2,532)
Motor vehicle expenses	48,008	-	42,074	2,458	5,583	98,123	-	-	-	-
Equipment and machinery	5,287	-	-	11,272	13,230	29,948	-	-	-	-
Information technology	2,825	-	512	12,128	16,897	32,380	-	-	-	-
Depreciation on property, plant and equipment	98,194	-	1,996	5,149	31,880	137,459	1,458	332	-	1,790
Amortisation of intangible assets	-	-	-	-	-	-	-	-	-	-
Interest on lease liabilities	-	-	-	-	-	26,149	-	-	-	-
Advertising and sales promotion	161,250	398	38,794	-	562	203,218	-	-	-	22,781
Travel and meetings	263,453	28,532	112,963	19,748	101,295	525,991	10,840	10,058	-	849
Provision for bad debt	353,558	79,152	-	-	-	515,170	-	-	-	-
Other business expenses	8,837	-	1,253	11,679	4,137	25,906	51,864	366	-	52,230
Total program and support	1,423,461	158,058	554,146	383,021	1,359,239	3,877,925	382,541	147,543	120,971	651,055
Cost of sales	480,663	136,524	561,931	-	-	1,179,118	-	-	-	-
Gross expenditure	1,904,124	294,582	#####	383,021	1,359,239	5,057,043	382,541	147,543	120,971	651,055
	PROGRAM SERVICES					SUPPORT SERVICES				
	2025					2025				
	Eastern Programs	Western Programs	Southern Programs	Product Innovations & Development	Other Africa Programs	Total Program Services	Mgmt & General	Fund- Raising	Contributed services	Total Support Services
Salaries and wages	\$ 394,724	\$ 85,593	\$ 245,518	\$ 313,056	\$ 1,028,097	\$ 2,066,988	\$ 172,931	\$ 63,879	\$ -	\$ 236,810
Benefits and other employee expenses	66,733	11,961	20,427	66,595	196,219	361,935	78,304	10,537	-	88,841
Audit, legal and professional fees	28,626	17,050	16,658	65,946	119,682	247,963	117,960	3,594	-	121,554
Contributed legal services	-	-	-	-	-	-	-	-	136,523	136,523
Supplies, printing and publications	5,887	278	4,801	20,517	42,485	73,968	8,489	9,538	-	18,027
Mail and communications	18,723	1,855	7,691	8,500	17,329	54,098	2,289	2,060	-	4,349
Rent and utilities	60,761	5,960	4,561	20,466	59,654	151,402	-	-	-	-
Motor vehicle expenses	99,914	-	37,599	1,781	2,863	142,157	-	-	-	-
Equipment and machinery	220	1,120	-	6,187	2,098	9,624	-	-	-	-
Information technology	5,356	866	1,863	3,299	17,663	29,046	-	-	-	-
Depreciation on property, plant and equipment	95,055	2,916	9,649	3,555	13,289	124,464	-	-	-	-
Interest on lease liabilities	22,111	-	-	-	-	22,111	-	-	-	-
Advertising and sales promotion	261,456	6,325	32,534	3,206	191	303,712	743	-	-	743
Travel and meetings	382,670	64,467	132,925	16,263	81,740	678,066	5,466	10,084	-	15,550
Provision for bad debt	46,491	93,692	-	-	15,922	156,105	-	-	-	-
Other business expenses	14,291	1,146	35,661	23,160	8,254	82,511	67,499	675	-	68,174
Total program and support	1,503,018	293,229	549,887	552,531	1,605,485	4,504,150	453,680	100,531	136,523	690,735
Cost of sales	219,873	6,272	224,828	-	-	450,973	-	-	-	-
Gross expenditure	1,722,891	299,502	774,716	552,531	1,605,485	4,955,123	453,680	100,531	136,523	690,735

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Note	2025 \$	2024 \$
Cash flows from operating activities			
Change in net assets before tax		646,782	745,244
Adjustments to reconcile change in net assets before tax to net cash from/(used in) operating activities:			
Depreciation on property, plant and equipment	15	124,464	139,249
Amortization of intangible assets	16	-	26,149
Amortization on right-of-use assets	21	33,647	31,430
Gain on translation exchange		(86,977)	(43,240)
Provision for bad and doubtful debts		156,105	515,170
Interest on lease liabilities		22,111	22,782
Payments for liabilities and charges during the year		(45,363)	(39,643)
Changes in operating assets and liabilities:			
- inventory		317	16,790
- trade and other receivables		430,251	(808,863)
- contributions receivable		(670,199)	(1,101,205)
- trade payables and other payables		(439,205)	360,768
Net cash from/(used in) operating activities		<u>171,932</u>	<u>(135,370)</u>
Cash flows from investing activities			
Cash paid for purchase of property, plant and equipment	15	<u>(65,163)</u>	<u>(291,590)</u>
Net cash flows (used in) investing activities		<u>(65,163)</u>	<u>(291,590)</u>
Cash flows from financing activities			
Repayment of borrowings		-	(99,000)
Proceeds from borrowings		290,000	-
Increase in bank overdraft		<u>5,015</u>	<u>38,332</u>
Net cash flows from/(used in) financing activities		<u>295,015</u>	<u>(60,668)</u>
Net increase/(decrease) in cash and cash equivalents		<u>401,784</u>	<u>(487,627)</u>
Movement in cash and cash equivalents			
Cash and cash equivalents at start of year		1,379,044	1,869,257
Net gain/(loss) on translation exchange - excluding property, plant and equipment		80,398	(2,586)
Net increase/(decrease) in cash		<u>401,784</u>	<u>(487,627)</u>
Cash and cash equivalents at end of year	10	<u><u>1,861,226</u></u>	<u><u>1,379,044</u></u>
Supplemental disclosure of cash flow information			
Cash paid during the year for interest		<u><u>5,382</u></u>	<u><u>5,382</u></u>

The accounting policies on pages 7 to 12 and the notes on pages 13 to 21 form an integral 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
- Money Maker LLC
- Money Maker Kenya Limited

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 statements of activities as net assets released from restrictions.

Going concern

The financial performance of the Corporation is set out in the consolidated statements of activities. The financial position is set out in the consolidated statements of financial position.

The line of credit with RSF Finance which the Corporation mainly utilises to finance its operations is still available and the Corporation is confident that the facility will be extended upon maturity on July 25, 2026.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Significant accounting policies (continued)

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 asset 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 and 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 \$ 3,462,597 and \$ 2,394,675 were released from donor restrictions during 2025 and 2024, respectively, through satisfaction of the restricted purposes.

e) Cash and cash equivalents

Cash equivalents represent short term, highly liquid investments with maturities of three months or less at time of purchase.

Kickstart International, Inc. had \$ 291,259 and \$ 276,000 of cash and cash equivalents held at financial institutions in foreign countries at June 30, 2025 and 2024, 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 FDIC insurance limits.

f) Trade and other receivables

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) Contributions receivable

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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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	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 is carried at cost, less any recognized impairment cost.

l) Intangible assets

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of three years.

m) Revenue and support

Contributions of cash and other financial assets: Contributions of cash and other financial assets are recognized as revenue when a written unconditional promise to give has been received or upon receipt. Conditional promises to give are not recognised as revenue until the donor conditions are substantially met.

Contributions of non-financial assets: Contributions of non-financial assets are recognized as revenue when services are provided to the Corporation.

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.

n) Expenses

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

All expenses are recognized on the accrual basis.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

n) Expenses (continued)

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. Expenses that cannot be identified with programs or other activities are classified as support services.

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 Kickstart has 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 and logistics, inventory management Agriprenuership 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, evaluation, monitoring and reporting, legal and internal audit.

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

o) 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.

p) Foreign currencies

Monetary assets and liabilities expressed in foreign currencies are translated into U.S. dollars at the rates of exchange ruling at the consolidated 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 statements of activities.

q) Retirement benefit obligations

The Corporation has a defined contribution plan for its employees in Kenya, under which the Corporation pays a 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

q) Retirement benefit obligations (continued)

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 total amount paid to the defined contribution schemes of the respective countries during the year was \$ 99,256 (2024: \$ 58,993)

r) 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.

s) Current and deferred income tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the consolidated statements 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 consolidated financial statements and on unused tax losses or tax credits in the deferred income tax is determined using tax rates and laws that are expected to be enacted or substantively enacted when such deferred taxes are expected to be realized.

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.

t) Uncertain tax positions

For the years ended June 30, 2025 and 2024, 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 2022 remain open to examination by the respective U.S. taxing authorities. There are currently no tax examination in progress.

u) Subsequent events evaluation by management

Management has evaluated subsequent events and transactions for disclosure and/or recognition in the consolidated financial statements through the date that the consolidated financial statements were available to be issued, which date is November 20, 2025.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

v) Accounting for leases

The Corporation as lessee

The lease liability is measured at the present value of the lease payments that are not paid as of that date. The lease payments include fixed payments, variable payments that depend on an index or a rate, amounts expected to be payable under residual value guarantees, and the exercise price of a purchase option if the Corporation is reasonably certain to exercise that option. The lease payments are discounted at the interest rate implicit in the lease. If that rate cannot be readily determined, the Corporation's incremental borrowing rate is used.

For leases that contain non-lease components, the Corporation allocates the consideration payable to the lease and non-lease components based on their relative stand-alone prices.

The right-of-use asset is initially measured at cost comprising the initial measurement of the lease liability, any lease payments made on or before the commencement date, any initial direct costs incurred, and an estimate of the costs of restoring the underlying asset to the condition required under the terms of the lease.

Subsequently, the lease liability is measured at amortised cost, subject to remeasurement to reflect any reassessment, lease modifications, or revised fixed lease payments.

For leases with a term, on commencement, of 12 months or less and leases for which the underlying asset is of low value, the total lease payments are recognised in profit or loss on a straight-line basis over the lease period.

Operating leases are classified in accordance with the terms of the underlying agreements.

w) Accounts Receivable and Allowance for Credit Losses

Accounts receivable result from product sales to the Eastern, Western and Southern Hubs (see Note 1) and are recorded at amortized cost less an allowance for credit losses that are not expected to be recovered. The amount of accounts receivable and corresponding allowance for credit losses are presented on the consolidated statements of financial position. The Corporation maintains allowances for credit losses resulting from the expected failure or inability of its customers to make required payments. The Corporation recognizes the allowance for credit losses at inception and reassesses at every reporting date based on the asset's expected collectability. The allowance is based on multiple factors including historical experience with uncollectable amounts, the aging of such receivables and current macroeconomic conditions, as well as expectations of conditions in future. The Corporation's allowance for credit losses is based on the assessment of the collectability of assets pooled together with similar risk characteristic. Management believes that all accounts receivable are collectible at June 30, 2025 and 2024.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Product sales

	2025 Without donor restrictions funds	2025 With donor restrictions funds	2024 Without donor restrictions funds	2024 With donor restrictions funds
	\$	\$	\$	\$
Eastern Hub	238,218	-	642,488	-
Western Hub	9,940	-	207,225	-
Southern Hub	294,812	-	749,939	-
	<u>542,971</u>	<u>-</u>	<u>1,599,652</u>	<u>-</u>

2(a) Contributions of cash and other financial assets

	2025 Without donor restrictions funds	2025 With donor restrictions funds	2024 Without donor restrictions funds	2024 With donor restrictions funds
	\$	\$	\$	\$
Foundations and trusts	378,022	1,613,000	79,000	1,442,350
Individuals	964,965	2,200,000	490,043	2,512,131
Corporations	149,458	159,453	3,527	48,921.54
Governments	4,554	7,115	-	-
	<u>1,496,999</u>	<u>3,979,568</u>	<u>572,570</u>	<u>4,033,528</u>

Contributions receivable that are expected to be collected after one year were discounted to their present values using a discount rate of 6%. There were no pledge amounts to be received in more than 5 Years. Refer to note 12.

2(b). Contribution of non-financial assets

	2025 Without donor restrictions funds	2025 With donor restrictions funds	2024 Without donor restrictions funds	2024 With donor restrictions funds
	\$	\$	\$	\$
Contributed services	<u>136,523</u>	<u>-</u>	<u>120,971</u>	<u>-</u>

Contributed services recognized comprise legal services from attorney advising Kickstart on various administrative legal matters. Contributed services are valued and are reported at the estimated fair value in the consolidated statements of activities based on the current rates for similar legal services.

3. Other income

	2025 Without donor restrictions funds	2025 With donor restrictions funds	2024 Without donor restrictions funds	2024 With donor restrictions funds
	\$	\$	\$	\$
Sundry income	<u>136,579</u>	<u>-</u>	<u>126,622</u>	<u>-</u>

4. Net assets with donor restrictions

	2025	2024
	\$	\$
Time restriction	469,766	1,014,565
Use restriction	<u>3,485,442</u>	<u>2,448,032</u>
	<u>3,955,208</u>	<u>3,462,597</u>

5. Net assets released from restrictions

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:

	2025	2024
	\$	\$
Time restriction	1,152,193	780,008
Use restriction	<u>2,334,764</u>	<u>2,185,598</u>
	<u>3,486,957</u>	<u>2,965,606</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6 Program services	2025	2025	2024	2024
	Without donor restrictions funds	With donor restrictions funds	Without donor restrictions funds	With donor restrictions funds
	\$	\$	\$	\$
Eastern Hub	1,503,018	-	1,423,461	-
Western Hub	293,229	-	158,058	-
Southern Hub	549,887	-	554,146	-
Product Innovations & Dev.	552,531	-	383,021	-
Other Africa programs	1,605,485	-	1,359,239	-
	<u>4,504,150</u>	<u>-</u>	<u>3,877,925</u>	<u>-</u>
7 Support services	2025	2025	2024	2024
	Without donor restrictions funds	With donor restrictions funds	Without donor restrictions funds	With donor restrictions funds
	\$	\$	\$	\$
Management & general	453,681	-	382,541	-
Fundraising	100,531	-	147,543	-
Contributed services	136,523	-	120,971	-
	<u>690,735</u>	<u>-</u>	<u>651,055</u>	<u>-</u>
8 Tax			2025	2024
			\$	\$
Under provision of tax in prior year			-	-
Deferred tax (credit) (Note 17)			<u>-</u>	<u>-</u>
Tax charge			<u>-</u>	<u>-</u>

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, 2025 and 2024, 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") 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9 Contributions, trade and other receivables

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

June 30, 2025	0 to 1 Year \$	2 to 4 Years \$	Total \$
Trade receivables	78,964	-	78,964
Contributions receivable	1,603,798	1,880,966	3,484,764
Staff loans and advances	16,235	-	16,235
Other receivables	593,851	-	593,851
	<u>2,292,848</u>	<u>1,880,966</u>	<u>4,173,814</u>
June 30, 2024	0 to 1 Year \$	2 to 4 Years \$	Total \$
Trade receivables	673,703	-	673,703
Contributions receivable	1,305,992	1,508,573	2,814,565
Staff loans and advances	47,084	-	47,084
Other receivables	554,619	-	554,619
	<u>2,581,398</u>	<u>1,508,573</u>	<u>4,089,971</u>
Movement in non-current contributions receivable	2025 \$	2024 \$	
Non-current			
At start of year	1,508,573	737,360	
Portion of new contributions received during the year	1,100,000	1,860,000	
Reclassification of non-current receivables to current	(725,000)	(975,000)	
Change in present value discount	<u>(2,606)</u>	<u>(113,787)</u>	
At end of year	<u>1,880,966</u>	<u>1,508,573</u>	

Contributions receivable that are expected to be collected after one year were discounted to their present values using a discount rate of 6% (2024: 6%). 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

	2025	2024
	\$	\$
21. Right-of-use assets		
At start of year	182,076	-
Addition	-	182,076
At end of year	182,076	182,076
Amortization		
At start of year	31,430	-
Amortization charge for the year	33,647	31,430
At end of year	65,077	31,430
Net book value	116,999	150,646

The Corporation leases offices space and warehouse leases . The leases are typically for periods of between 1 and 6 years, with options to renew. None of the leases contains any restrictions or covenants other than the protective rights of the lessor or carries a residual value guarantee.

A breakdown of rent and utilities expenses is as follows at June 30:

	2025	2024
	\$	\$
Operating leases, included in occupancy costs	151,402	73,880
Variable lease payments, included in occupancy costs	45,363	39,643
	196,765	113,523

22 Related party transactions and balances

The following transactions were carried out with other related parties:

	2025	2024
	\$	\$
i) Contributions from organizations associated with members of the board of directors.	-	186,000
ii) Other payables to directors (note 18)	-	5,736

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

23 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, 2025 and 2024, comprise the following:

	2025	2024
	\$	\$
Cash and cash equivalents	1,861,226	1,379,044
Trade receivables and other receivables	689,050	1,275,406
Contributions receivables	3,484,764	2,814,565
Total financial assets	6,035,040	5,469,014

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. Liquidity and Availability of Financial Assets (continued)

	2025	2024
	\$	\$
Less amounts not available to be used within one year:		
Net assets with donor restriction	3,955,208	4,763,112
Less net assets with restrictions to be met in less than one year	(1,880,966)	(1,508,573)
Cash and cash equivalents under lien	<u>-</u>	<u>3,860</u>
	<u>2,074,242</u>	<u>3,258,400</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>3,960,798</u>	<u>2,210,614</u>

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

24. Contingent liability

	2025	2024
	\$	\$
Total amount of contingent liability	<u>-</u>	<u>3,860</u>

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.