

Sarangi Social Enterprise Inc.

Sarangi Social Enterprise Inc

ABN 44700645184

For the year ended 30 June 2019

Prepared by rdl.accountants

Contents

- 3 Income and Expenditure Statement
- 4 Assets and Liabilities Statement
- 5 Notes to the Financial Statements
- 6 Statement By Members of the Committee

Income and Expenditure Statement

Sarangi Social Enterprise Inc For the year ended 30 June 2019

	2019	2018
Income		
Donations	818	217
Sales	179	878
Total Income	997	1,095
Cost of Sales		
Cost of Goods Sold	-	878
Total Cost of Sales	-	878
Gross Surplus	997	217
Expenditure		
Bank Fees	-	-
Consulting & Accounting	605	-
Filing fees	58	35
Product development	813	182
Donations to Nepal	17,815	-
Total Expenditure	19,291	217
Current Year Surplus/ (Deficit) Before Income Tax Adjustments	(18,294)	-
Current Year Surplus/(Deficit) Before Income Tax	(18,294)	-
Net Current Year Surplus After Income Tax	(18,294)	-

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

Assets and Liabilities Statement

Sarangi Social Enterprise Inc As at 30 June 2019

	NOTES	30 JUN 2019	30 JUN 2018
Assets			
Current Assets			
Cash and Cash Equivalents		8	-
Total Current Assets		8	-
Total Assets		8	-
Liabilities			
Non-Current Liabilities			
Loans	2	18,302	-
Total Non-Current Liabilities		18,302	-
Total Liabilities		18,302	-
Net Assets		(18,294)	-
Member's Funds			
Retained earnings			
Current Year Earnings		(18,294)	-
Total Retained earnings		(18,294)	-
Total Member's Funds		(18,294)	-

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

Notes to the Financial Statements

Sarangi Social Enterprise Inc For the year ended 30 June 2019

1. Summary of Significant Accounting Policies

The financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the members. The committee has determined that the association is not a reporting entity.

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

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

Income Tax

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

Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Grant and donation income is recognised when the entity obtains control over the funds, which is generally at the time of receipt.

If conditions are attached to the grant that must be satisfied before the association is eligible to receive the contribution, recognition of the grant as revenue will be deferred until those conditions are satisfied.

All revenue is stated net of the amount of goods and services tax.

Goods and Services Tax (GST)

The association is not registered for GST.

	2019	2018
2. Loans		
Interest free loans		
Loan	18,302	-
Total Interest free loans	18,302	-
Total Loans	18,302	-

Interest free funding has been provided by one of the committee members. The committee member is not expecting the loan to be repaid for at least two years, allowing the association to develop and income stream from sales and pay debts as and when they fall due.

These notes should be read in conjunction with the attached compilation report.

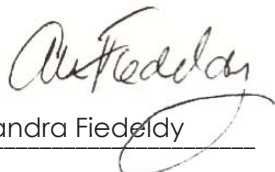
Statement By Members of the Committee

Saranggi Social Enterprise Inc For the year ended 30 June 2019

The Committee members declare that in their opinion:

1. present a true and fair view of the financial position of the association as at 30 June 2019 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1;
2. at the date of this statement, there are reasonable grounds to believe that the association is able to pay all of its debts, as and when they become due and payable; and

Signed on behalf of the Committee of Management



Alexandra Fiedelzy

Committee Member



David Brown

Committee Member

Dated: 9/ 9 / 19

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SARANGI SOCIAL ENTERPRISE INC

Report on the Financial Report

Opinion

We have audited the accompanying financial report, being a special purpose financial report, of Sarangi Social Enterprise Inc (the association), which comprises the committee's report, the assets and liabilities statement as at 30 June 2019, the income and expenditure statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by members of the committee.

In our opinion, the financial report presents a true and fair view, in all material respects, of the financial position of Sarangi Social Enterprise Inc as at 30 June 2019 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

Basis for Opinion

We have conducted our audit in accordance with the Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the association in accordance with the ethical requirements of the *Australian and Not-for-profits Commission Act 2012* and the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Sarangi Social Enterprise Inc to meet the requirements of *members*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Committee Members for the Financial Report

The Committee Members are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Associations Incorporation Reform Act 2012 Victoria* and is appropriate to meet the needs of the members. The committee's responsibility also includes such internal control as the committee determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee members are responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and

using the going concern basis of accounting unless the committee members either intend to liquidate the association or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with 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.



Matthew Hung, CA
rdl.accountants

10 September 2019
Blackburn, Victoria