



ABN: 82 145 512 125

Annual Report

30 June 2019



Hello Sunday Morning

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Hello Sunday Morning

Directors' report

For the year ended 30 June 2019

The directors present their report together with the financial report of Hello Sunday Morning ("the Company") for the financial year ended 30 June 2019 and the auditor's report thereon.

1 Directors

The directors of the Company at any time during or since the end of the financial year are:

Director	Appointed	Resigned
Chris K Raine	30 July 2010	-
Deborah Kuchler	27 October 2015	-
Anthony Graham	29 July 2016	-
Timothy Duggan	19 September 2016	-
Brian Graetz	11 August 2017	-
Ishtar Vij	18 February 2019	-
John Rogerson	8 October 2018	-

2 Company secretary

Zane Pocock resigned and Lauren Waddell appointed to the position of company secretary on 27 June 2018.

Directors' meetings

- 3 The number of directors' meetings (including meetings of committees of directors) and number of meetings attended by each of the directors of the Company during the financial year are:

Director	Board Meetings	
	A	B
Chris K Raine	7	7
Deborah Kuchler	7	7
Anthony Graham	5	7
Timothy Duggan	6	7
Brian Graetz	6	7
Ishtar Vij	3	3
John Rogerson	6	6

A – Number of meetings attended

B – Number of meetings held during the time the director held office during the year

4 Principal activities

The principal activities of the Company during the course of the financial year was providing community development and support services.

There were no significant changes in the nature of the activities of the Company during the year.

5 Operating and financial review

The profit of the Company for the year ended 30 June 2019 was \$502,737 (2018: \$285,331 loss).

Hello Sunday Morning

Directors' report

For the year ended 30 June 2019

6 Environmental regulation

The Company is not subject to any significant environmental regulations under either Commonwealth or State legislation.

However, the Board believes that the Company has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Company.

7 Events subsequent to reporting date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

8 Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 4 and forms part of the directors' report for financial year ended 30 June 2019.

This report is made in accordance with a resolution of the directors:



Chris K Raine

Director

Dated at Sydney this 16th day of October 2019.



Auditor's Independence Declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

To: the Directors of Hello Sunday Morning

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2019 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

M L Gray
Partner

Brisbane
16 October 2019

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Statement of profit or loss and other comprehensive income

For the year ended 30 June 2019

<i>In AUD</i>	Note	2019	2018
Government grants		1,009,998	89,275
Non-government grants		2,566,200	885,386
Service revenue		226,764	865,851
Donations and bequests		11,875	33,864
Other revenue	4	14,237	43,123
		<u>3,829,074</u>	<u>1,917,499</u>
IT & design expenses		(195,495)	(279,390)
Property expenses		(131,352)	(126,453)
Advertising expenses		(236,653)	(150,682)
Fundraising expenses		(325)	(3,561)
Personnel expenses	6	(2,332,502)	(1,263,814)
Depreciation expense	8	(5,142)	(36,411)
Other expenses	5	(432,103)	(348,199)
Results from operating activities		<u>495,502</u>	<u>(291,011)</u>
Finance income		7,235	5,680
Net finance income	7	<u>7,235</u>	<u>5,680</u>
Profit/(Loss) before income tax		502,737	(285,331)
Income tax expense		-	-
Profit/(loss) for the year		<u>502,737</u>	<u>(285,331)</u>
Other comprehensive income for the year		-	-
Total comprehensive income/(loss) for the year		<u>502,737</u>	<u>(285,331)</u>

The notes on pages 9 to 20 are an integral part of these financial statements.

Hello Sunday Morning

Statement of financial position

As at 30 June 2019

In AUD

Assets

Cash and cash equivalents
Trade and other receivables
Inventories

Total current assets

Property, plant and equipment
Term deposit

Total non-current assets

Total assets

Liabilities

Trade and other payables
Employee benefits
Deferred income

Total current liabilities

Employee benefits

Total non-current liabilities

Total liabilities

Net assets

Equity

Retained earnings

Total equity

Note	2019	2018
11	2,432,808	1,809,543
10	7,391	1,487,688
9	-	23,015
	<u>2,440,199</u>	<u>3,320,246</u>
8	24,361	-
	<u>34,115</u>	<u>33,202</u>
	<u>58,476</u>	<u>33,202</u>
	<u>2,498,675</u>	<u>3,353,448</u>
13	276,661	340,326
12	68,202	41,735
	<u>1,315,681</u>	<u>2,662,666</u>
	<u>1,660,544</u>	<u>3,044,727</u>
12	41,191	14,518
	<u>41,191</u>	<u>14,518</u>
	<u>1,701,735</u>	<u>3,059,245</u>
	<u>796,940</u>	<u>294,203</u>
	<u>796,940</u>	<u>294,203</u>
	<u>796,940</u>	<u>294,203</u>

The notes on pages 9 to 20 are an integral part of these financial statements.

Hello Sunday Morning

Statement of changes in equity
For the year ended 30 June 2019

<i>In AUD</i>	Retained earnings	Total
Balance at 1 July 2017	579,534	579,534
Total comprehensive income for the year		
Loss for the year	(285,331)	(285,331)
Total comprehensive income for the year	(285,331)	(285,331)
Balance at 30 June 2018	294,203	294,203
Balance at 1 July 2018	294,203	294,203
Total comprehensive loss for the year		
Profit for the year	502,737	502,737
Total comprehensive loss for the year	502,737	502,737
Balance at 30 June 2019	796,940	796,940

The notes on pages 9 to 20 are an integral part of these financial statements.

Hello Sunday Morning

Statement of cash flows

For the year ended 30 June 2019

In AUD

	Note	2019	2018
Cash flows from operating activities			
Cash receipts in the course of operations		4,157,936	3,126,454
Cash payments in the course of operations		(3,511,490)	(2,297,445)
Cash generated from operations		646,446	829,009
Interest received		7,235	5,680
Interest paid		-	-
Net cash flows from operating activities		653,681	834,689
Cash flows from investing activities			
Acquisition of property, plant and equipment		(29,503)	(36,411)
Reinvestment of term deposit funds		(913)	(33,202)
Net cash flows used in investing activities		(30,416)	(69,613)
Net increase in cash and cash equivalents		623,265	765,076
Cash and cash equivalents at beginning of year		1,809,543	1,044,467
Cash and cash equivalents at end of year	11	2,432,808	1,809,543

The notes on pages 9 to 20 are an integral part of these financial statements.

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Notes to the financial statements

For the year ended 30 June 2019

1 Reporting entity

Hello Sunday Morning (the 'Company') is a company domiciled in Australia. The address of the Company's registered office is Level 16, 71 Eagle Street, Brisbane QLD 4000. The Company's principal place of business is Level 3, 487 Elizabeth Street, Surry Hills NSW 2010.

The Company is a not-for-profit entity, primarily involved in providing community development and support services.

2 Basis of preparation

(a) Statement of compliance

In the opinion of the directors the Company is not publicly accountable. The financial statements are Tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements adopted by the Australian Accounting Standards Board (AASB) and the *Australian Charities and Not-for-profits Commission Act 2012*. These financial statements comply with Australian Accounting Standards - Reduced Disclosure Requirements.

The financial statements were approved by the Board of Directors on 16th October 2019.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Company's functional currency.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

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Notes to the financial statements

For the year ended 30 June 2019

2 Basis of preparation (continued)

(e) Changes in accounting policies

Except for the changes below, the Company has consistently applied the accounting policies set out in Note 3 to all periods presented in these financial statements.

The Company has initially applied AASB 9 *Financial Instruments* from 1 July 2018 but it does not have a material effect on the Company's financial statements.

Due to the transition methods chosen by the Company in applying this standard, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standards.

The nature and effects of the changes are explained below.

AASB 9 *Financial instruments*

AASB 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces AASB 139 *Financial Instruments: Recognition and Measurement*.

As a result of the adoption of AASB 9, the Company has adopted consequential amendments to AASB 101 *Presentation of Financial Statements*, which require impairment of financial assets to be presented in a separate line item in the statement of profit or loss and OCI. The company has not presented separately in the statement of profit or loss and OCI due to materiality considerations.

AASB 9 contains three principal classification categories for financial assets: measured at amortised cost, FVOCI and FVTPL. The classification of financial assets under AASB 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. AASB 9 eliminates the previous AASB 139 categories of held to maturity, loans and receivables and available for sale. Under AASB 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

AASB 9 largely retains the existing requirements in AASB 139 for the classification and measurement of financial liabilities. The adoption of AASB 9 has not had a significant effect on the Company's accounting policies related to financial liabilities.

For an explanation of how the Company classifies and measures financial instruments and accounts for related gains and losses under AASB 9, see Notes 3(a) and (d).

Impairment of financial assets

AASB 9 replaces the 'incurred loss' model in AASB 139 with an 'expected credit loss' (ECL model). The new impairment model applies to financial assets measured at amortised cost and debt investments at FVOCI, but not to investments in equity instruments. Under AASB 9, credit losses are recognised earlier than under AASB 139.

For assets in the scope of the AASB 9 impairment model, impairment losses are generally expected to increase and become more volatile. The Company has determined that the application of AASB 9's impairment requirements at 30 June 2019 does not result in an additional allowance for impairment.

Hello Sunday Morning

Notes to the financial statements

For the year ended 30 June 2019

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied by the Company.

(a) Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest rate method less any impairment losses.

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

(i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification

On initial recognition, a financial asset is classified as measured at amortised cost or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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Notes to the financial statements

For the year ended 30 June 2019

3 Significant accounting policies (continued)

(a) Financial instruments (continued)

(iii) Financial assets - Subsequent measurement and gains and losses

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

The Company's financial assets are classified as trade and other receivables.

(iv) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

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Notes to the financial statements (continued)

For the year ended 30 June 2019

3 Significant accounting policies (continued)

(b) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" or "other expenses" in profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in profit or loss on the basis noted below over the estimated useful lives of each part of an item of property, plant and equipment.

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

The useful lives for the current and comparative periods are as follows:

	Useful life	Basis of depreciation
• Computer software and hardware	3 years	Straight line
• Office equipment	3 years	Straight line

(c) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Hello Sunday Morning

Notes to the financial statements (continued)

For the year ended 30 June 2019

3 Significant accounting policies (continued)

(d) Impairment

(i) Financial assets

Non-derivative financial assets

The Company recognises loss allowances for ECLs on financial assets measured at amortised cost. Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 365 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

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Notes to the financial statements (continued)

For the year ended 30 June 2019

3 Significant accounting policies (continued)

(d) Impairment (continued)

(i) Financial assets (continued)

Credit-impaired financial assets (continued)

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company has a policy of writing off the gross carrying amount when the financial asset is 365 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(ii) Non-financial assets

The carrying amounts of the Company's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash inflows from continuing use that largely are independent of the cash flows of other assets and groups.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

(e) Employee benefits

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

(f) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be measured reliably. Risks and rewards are considered passed to the buyer at the time of delivery of the goods to the customer.

Hello Sunday Morning

Notes to the financial statements (continued)

For the year ended 30 June 2019

3 Significant accounting policies (continued)

(f) Revenue (continued)

(ii) Rendering of services

Revenue is recognised where the contract outcome can be reliably measured, control of a right to be compensated for the services has been attained and the stage of completion can be reliably measured.

(iii) Grant revenue

The recognition of grants is dependent on whether a reciprocal transfer has occurred. A reciprocal transfer occurs where approximately equal value is given to the other parties (or grant recipients nominated by those parties) of the transfer. If the transfer is reciprocal, revenue is recognised on a systematic basis to match the costs that it is intended to compensate or when all attaching conditions to the grant have been complied with. If it is a non-reciprocal transfer, revenue is recognised when control is obtained.

Grant monies received that have not been expended and which may be repayable prior to expenditure under the terms of the grant agreement are included in deferred income in the statement of financial position.

For the purposes of the *Charitable Fundraising (NSW) Act 1991*, a fundraising appeal is where revenue is raised by a person who represents that it is for a charitable purpose. This excludes appeals made to any Commonwealth, State or local government authority.

(g) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

(h) Finance income and finance expense

Finance expenses comprise of interest expense incurred. Finance income comprises of interest earned on cash and cash equivalents.

Foreign currency gains and losses are reported on a net basis as either finance income or finance expense depending on whether foreign currency movements are in a net gain or net loss position.

(i) Income tax

The Company, as a charitable institution, has been granted an exemption from the payment of income tax under Section 50-145 of the *Income Tax Assessment Act 1997*.

Hello Sunday Morning

Notes to the financial statements (continued)

For the year ended 30 June 2019

4 Other revenue

In AUD

	2019	2018
Presentations	2,273	8,182
Sponsorship, affiliations and memberships	23	10,340
Merchandise sales	150	9,130
Other income	11,791	15,471
	<u>14,237</u>	<u>43,123</u>

5 Other expenses

In AUD

	2019	2018
Travel and accommodation	98,885	66,918
Research	31,877	42,829
Strategy and development	85,012	79,488
Office supplies	18,006	42,282
Workers compensation	4,827	14,547
Other expenses	193,496	102,135
	<u>432,103</u>	<u>348,199</u>

6 Personnel expenses

In AUD

	2019	2018
Wages and salaries	2,059,404	1,156,698
Superannuation	219,958	108,406
Movements in liability for annual leave	26,467	(2,642)
Movements in liability for long-service leave	26,673	1,352
	<u>2,332,502</u>	<u>1,263,814</u>

7 Finance income and finance expense Recognised in profit or loss

In AUD

	2019	2018
Interest income	7,375	5,680
Net foreign exchange loss	(140)	-
Net finance income recognised in profit or loss	<u>7,235</u>	<u>5,680</u>

Hello Sunday Morning

Notes to the financial statements (continued)
For the year ended 30 June 2019

8 Property, plant and equipment

In AUD

Cost

Balance at 1 July 2017

Additions

Balance at 30 June 2018

Balance at 1 July 2018

Additions

Balance at 30 June 2019

Computer software and hardware	Office equipment	Total
26,111	-	26,111
16,528	19,883	36,411
42,639	19,883	62,522
42,639	19,883	62,522
10,662	18,841	29,503
53,301	38,724	92,025

Depreciation and impairment losses

Balance at 1 July 2017

Depreciation for the year

Balance at 30 June 2018

Balance at 1 July 2018

Depreciation for the year

Balance at 30 June 2019

26,111	-	26,111
16,528	19,883	36,411
42,639	19,883	62,522
42,639	19,883	62,522
1,085	4,057	5,142
43,724	23,940	67,664

Carrying amounts

At 1 July 2017

At 30 June 2018

At 1 July 2018

At 30 June 2019

-	-	-
-	-	-
-	-	-
9,577	14,784	24,361

Hello Sunday Morning

Notes to the financial statements (continued)

For the year ended 30 June 2019

9 Inventories

In AUD

Stock on hand

2019	2018
-	23,015
-	23,015

10 Trade and other receivables

In AUD

Trade debtors

Other receivables

2019	2018
5,529	1,479,081
1,862	8,607
7,391	1,487,688

11 Cash and cash equivalents

In AUD

Cash at bank

Cash on hand

Cash and cash equivalents in the statement of cash flows

2019	2018
2,432,571	1,809,356
237	187
2,432,808	1,809,543

12 Employee benefits

In AUD

Current

Liability for annual leave

2019	2018
68,202	41,735
68,202	41,735

Non-current

Liability for long-service leave

41,191	14,518
41,191	14,518

13 Trade and other payables

In AUD

Trade payables

GST payable

Accrued Expenses

2019	2018
127,524	63,466
95,365	238,519
53,772	38,341
276,661	340,326

Hello Sunday Morning

Notes to the financial statements (continued)

For the year ended 30 June 2019

14 Operating leases

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

<i>In AUD</i>	2019	2018
Less than one year	120,247	124,086
Between one and five years	-	120,247
	<u>120,247</u>	<u>244,333</u>

Operating leases are able to be terminated at any time by giving 3 months notice. Total operating lease expense incurred during the year ended 30 June 2019 was \$127,745 (2018: \$124,678).

15 Related parties

Key management personnel compensation

The key management personnel compensation included in 'personnel expenses' (see note 6) for the year ended 30 June 2019 is \$391,159 (2018: \$245,626).

16 Subsequent events

There have been no events subsequent to balance date which would have a material effect on the Company's financial statements at 30 June 2019.

17 Member's Liability

The Company is limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute a maximum of \$100 each towards meeting any outstanding obligations of the Company. As at 30 June 2019 the number of members was 7 (2018: 5).

18 Fundraising appeals

Hello Sunday Morning has conducted fundraising appeals during the past year. Fundraising appeals do not include an appeal to (or the receipt of money or a benefit from) any Commonwealth, State or local government authority. Refer to Note 5.

Due to the nature of the fundraising appeals performed being through proposals, the direct costs of fundraising are solely related to employee time. An allocation of employee benefits is estimated to be \$133,519 (2018: \$49,125).

During the year, the Company achieved a net profit of \$2,476,921 (2018: \$895,894) from fundraising activities defined under the Charitable Fundraising Act. This surplus was used to provide community development and support services.

Hello Sunday Morning

Directors' declaration

In the opinion of the directors of Hello Sunday Morning (the "Company"):

- (a) the Company is not publicly accountable;
- (b) the financial statements and notes that are set out on pages 5 to 20, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its performance for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards - Reduced Disclosure Regime and the Australian Charities and Not-for-profits Commission Regulation 2013.
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors.

Chris Raine

Chris K Raine
Director

Dated at Sydney this 16th day of October 2019.



Independent Auditor's Report

To the members of Hello Sunday Morning

Report on the audit of the Financial Report

Opinion

We have audited the **Financial Report**, of Hello Sunday Morning (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

- i. giving a true and fair view of the Company's financial position as at 30 June 2019, and of its financial performance and its cash flows for the year ended on that date; and
- ii. complying with *Australian Accounting Standards– Reduced Disclosure Requirements* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

The **Financial Report** comprises:

- i. Statement of financial position as at 30 June 2019;
- ii. Statement of profit or loss and other comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended;
- iii. Notes including a summary of significant accounting policies; and
- iv. Directors' declaration.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Company in accordance with the auditor independence requirements of the *ACNC Act 2012* and the ethical requirements of 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 fulfilled our other ethical responsibilities in accordance with the Code.

Other information

Other Information is financial and non-financial information in Hello Sunday Morning's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- i. Preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosures Requirements and the ACNC.
- ii. Preparing the Financial Report in accordance with Section 24(2) of the Charitable Fundraising (NSW) Act 1991 and Regulations.
- iii. Implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
- iv. Assessing the Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- i. to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- ii. to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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.

Auditor's responsibilities for the audit of the Financial Report (continued)

As part of an audit in accordance with *Australian Auditing Standards*, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- i. 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.
- ii. 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 registered Company's internal control.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- iv. Conclude on the appropriateness of the Directors 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 registered Company'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 registered Company to cease to continue as a going concern.
- v. 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 the Directors of the registered Company 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.

In addition we have:

- i. Obtained an understanding of the internal control structure for fundraising appeal activities.
- ii. Examined on a test basis of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the Act and Regulation.

We have not audited on a continuous basis the accounting records relied upon for reporting on fundraising appeal activities. These do not necessarily reflect accounting adjustments after the event or normal year-end financial adjustments required for the preparation of Financial Report such as accruals, prepayments, provisioning and valuations.

Report on Other Legal and Regulatory Requirements

Opinion pursuant to the Charitable Fundraising Act (NSW) 1991

In our opinion:

- i. the Financial Report gives a true and fair view of the Company's financial result of fundraising appeal activities for the financial year ended 30 June 2019;
- ii. the Financial Report has been properly drawn up, and the associated records have been properly kept for the period from 1 July 2018 to 30 June 2019, in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations;
- iii. money received as a result of fundraising appeal activities conducted during the period from 1 July 2018 to 30 June 2019 has been properly accounted for and applied in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations; and
- iv. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.



KPMG



M L Gray
Partner

Brisbane
16 October 2019