Hello Sunday Morning

ABN 82 145 512 125

Annual Report

30 June 2013

Hello Sunday Morning

Contents

Directors' report

For the year ended 30 June 2013

The directors present their report together with the financial report of Hello Sunday Morning ("the Company") for the financial year ended 30 June 2013 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
C K Raine	30 July 2010
S J Kalinowski	30 July 2010
A J Penbethy	30 July 2010

2 Company secretary

A M Glen was appointed to the position of company secretary on 30 July 2010.

3 Directors' meetings

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
C K Raine	5	5
S J Kalinowski	5	5
A J Penbethy	5	5

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 loss of the Company for the year ended 30 June 2013 was $96,932 (2012: profit of $95,581).

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 2013.

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

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Simon J Kalinowski

Director

Dated at ______________________ this____day of October 2013.

KPMG

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act

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 2013, there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 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
17 October 2013

Hello Sunday Morning

Statement of comprehensive income

For the year ended 30 June 2013

In AUD	***Note***	**2013**	**2012**
Revenue	*5*	311,878	385,915
Fundraising expenses		(11,517)	(4,729)
Personnel expenses	*7*	(195,565)	(147,309)
Depreciation expense	*9*	(3,210)	(3,223)
Other expenses	*6*	(197,042)	(134,310)
Results from operating activities		(95,456)	96,344
Finance expense		(1,476)	(763)
Net finance expense	*8*	(1,476)	(763)
Profit/(loss) for the period		(96,932)	95,581
Total comprehensive income for the year		(96,932)	95,581

The notes on pages 9 to 19 are an integral part of these financial statements.

Hello Sunday Morning

Statement of financial position

As at 30 June 2013

In AUD	***Note***	**2013**	**2012**
Assets			
Cash and cash equivalents	*11*	204,419	291,415
Trade and other receivables	*10*	3,222	3,862
Total current assets		207,641	295,277
Property, plant and equipment	*9*	7,764	7,665
Total non-current assets		7,764	7,665
Total assets		215,405	302,942
Liabilities			
Trade and other payables	*14*	15,486	17,160
Employee benefits	*12*	2,564	5,999
Deferred income	*13*	162,131	147,627
Total current liabilities		180,181	170,786
Total liabilities		180,181	170,786
Net assets		35,224	132,156
Equity			
Retained earnings		35,224	132,156
Total equity		35,224	132,156

The notes on pages 9 to 19 are an integral part of these financial statements.

Hello Sunday Morning

Statement of changes in equity
For the year ended 30 June 2013

In AUD	Retained earnings	Total
Balance at 1 July 2011	36,575	36,575
Total comprehensive income for the year		
Profit for the year	95,581	95,581
Total comprehensive income for the year	95,581	95,581
Balance at 30 June 2012	132,156	132,156
Balance at 1 July 2012	132,156	132,156
Total comprehensive income for the year		
Loss for the year	(96,932)	(96,932)
Total comprehensive income for the year	(96,932)	(96,932)
Balance at 30 June 2013	35,224	35,224

The notes on pages 9 to 19 are an integral part of these financial statements.

Hello Sunday Morning

Statement of cash flows

For the year ended 30 June 2013

In AUD	***Note***	**2013**	**2012**
Cash flows from operating activities			
Cash receipts in the course of operations		354,251	564,508
Cash payments in the course of operations		(437,938)	(314,228)
Cash generated from operations		(83,687)	250,280
Interest paid		-	(763)
Net cash flows from/(used in) operating activities	*16*	(83,687)	249,517
Cash flows from investing activities			
Acquisition of property, plant and equipment		(3,309)	(738)
Net cash flows used in investing activities		(3,309)	(738)
Net increase in cash and cash equivalents		(86,996)	248,779
Cash and cash equivalents at beginning of year		291,415	42,636
Cash and cash equivalents at end of year	*11*	204,419	291,415

The notes on pages 9 to 19 are an integral part of these financial statements.

Notes to the financial statements

For the year ended 30 June 2013

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 37 Merivale Street, South Brisbane, QLD 4101.

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

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

The financial statements were approved by the Board of Directors on   October 2013.

(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.

Notes to the financial statements (continued)

For the year ended 30 June 2013

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(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, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

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

(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. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. 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. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

(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.

Notes to the financial statements (continued)

For the year ended 30 June 2013

3 Significant accounting policies (continued)

(b) Property, plant and equipment (continued)

(iii) Depreciation

Depreciation is recognised in profit or loss on a 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	2.5 years	Diminishing
• Motor vehicles	8 years	Straight line

(c) Impairment

(i) Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value.

Individually significant financial assets are tested for impairment on a individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in profit or loss.

(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 the 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 first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

3 Significant accounting policies (continued)

(d) 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.

(e) Grants

Grant income received from the Government and other sources is brought to account when received except where unspent amounts are refundable, in which case the funding is recognised over the period of expenditure.

Grants that compensate the Company for expenses incurred are recognised in profit or loss on a systematic basis in the same periods in which the expenses are recognised. Where the grant has been received, but the costs have not yet been incurred or specific criteria has not been met, the difference is recognised as deferred income in the statement of financial position.

(f) 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.

(g) Finance expense

Finance expenses comprise of interest expense incurred.

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

(h) 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.

(i) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority (Australian Taxation Office - 'ATO'). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(j) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2012, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Company, except for AASB 9 Financial Instruments, which becomes mandatory for the Company's 2016 financial statements and could change the classification and measurement of financial assets. The Company does not plan to adopt this standard early and the extent of the impact has not been determined.

Notes to the financial statements (continued)

For the year ended 30 June 2013

4 Financial risk management

Overview

The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk.

This note presents information about the Company's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout this financial report.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

Risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade and other receivables.

Trade and other receivables

The Company limits its credit risk exposure by applying for grants through the Government and universities. Management does not expect any counterparty to fail to meet its obligations.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Project budgets set during the establishment of Grant conditions enable the Company to accurately forecast expenditure requirements and the Company monitors cash flow requirements to ensure it has sufficient cash on hand to meet expected operational expenses.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

The Company's exposure to interest rate risk is limited to a cash account held with the Commonwealth Bank which is monitored by the Chief Executive Officer to ensure a competitive rate is provided. No derivative contracts are used to manage market risk.

Capital management

The Board's policy is to maintain a strong capital base where possible so as to sustain future development of the Company.

The Company is not subject to externally imposed capital requirements.

5 Revenue

In AUD	**2013**	**2012**
Grant revenue	282,682	346,681
Recovered expenses	3,835	4,594
Presentations	2,124	10,727
Donations	15,231	18,899
Sponsorship and affiliations	240	2,682
Merchandise sales	7,766	2,332
	311,878	385,915

6 Other expenses

In AUD	**2013**	**2012**
Travel and accommodation	31,078	28,524
Advertising	44,051	29,221
Research	-	7,014
Rent	545	12,748
IT & Design	100,522	19,989
Other expenses	20,846	36,814
	197,042	134,310

7 Personnel expenses

In AUD	**2013**	**2012**
Wages and salaries	68,340	101,368
Superannuation	6,583	8,992
Contract employment	119,032	29,751
Training and development	244	2,013
Increase in liability for annual leave	1,366	3,802
Workers compensation	-	1,383
	195,565	147,309

8 Finance expense

Recognised in profit or loss

In AUD	**2013**	**2012**
Interest expense	-	(763)
Net foreign exchange loss	(1,476)	-
Finance expense	(1,476)	(763)
Net finance expense recognised in profit or loss	(1,476)	(763)

Notes to the financial statements (continued)

For the year ended 30 June 2013

9 Property, plant and equipment

In AUD	Computer software and hardware	Motor vehicles	Total
Cost			
Balance at 1 July 2011	4,193	7,000	11,193
Additions	738	-	738
Balance at 30 June 2012	4,931	7,000	11,931
Balance at 1 July 2012	4,931	7,000	11,931
Additions	3,309	-	3,309
Balance at 30 June 2013	8,240	7,000	15,240
Depreciation and impairment losses			
Balance at 1 July 2011	-	1,043	1,043
Depreciation for the year	2,348	875	3,223
Balance at 30 June 2012	2,348	1,918	4,266
Balance at 1 July 2012	2,348	1,918	4,266
Depreciation for the year	2,337	873	3,210
Balance at 30 June 2013	4,685	2,791	7,476
Carrying amounts			
At 1 July 2011	4,193	5,957	10,150
At 30 June 2012	2,583	5,082	7,665
At 1 July 2012	2,583	5,082	7,665
At 30 June 2013	3,555	4,209	7,764

Notes to the financial statements (continued)

For the year ended 30 June 2013

10 Trade and other receivables

In AUD	**2013**	**2012**
Trade debtors	2,742	2,853
Other receivables	480	1,009
	3,222	3,862

11 Cash and cash equivalents

In AUD	**2013**	**2012**
Cash at bank	204,419	291,415
Cash and cash equivalents in the statement of cash flows	204,419	291,415

12 Employee benefits

In AUD	**2013**	**2012**
Current		
Salaries and wages accrued	2,101	1,436
Liability for annual leave	463	4,563
	2,564	5,999

13 Deferred income

The grants received by the company during the year ended 30 June 2013 are conditional upon the completion of milestones set by the donor. The portion of the income from the grants that do not relate to the year ended 30 June 2013, that is, the related expenditure has not been incurred in the year ended 30 June 2013, have been recognised as deferred income. There is deferred income of $162,131 as at 30 June 2013 (2012: $147,627).

14 Trade and other payables

In AUD	**2013**	**2012**
Trade payables	15,486	17,160

15 Financial instruments

Interest rate and liquidity risk

In respect of income-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date and the periods in which they mature.

The company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

30 June 2013	**Note**	**Fixed / variable rate**	**Effective interest rate**	**Carrying amount**	**Contractual cash flows**	**Six months or less**
Financial assets						
Cash and cash equivalents	*11*	Fixed	-	204,419		
Trade and other receivables	*10*		-	3,222	3,222	3,222
Financial liabilities						
Trade and other payables	*14*		-	(15,486)	(15,486)	(15,486)
30 June 2012						
Financial assets						
Cash and cash equivalents	*11*	Fixed	-	291,415		
Trade and other receivables	*10*		-	3,862	3,862	3,862
Financial liabilities						
Trade and other payables	*14*		-	(17,160)	(17,160)	(17,160)

Credit risk exposure

Credit risk represents the loss that would be recognised if counter parties failed to perform as contracted. The Company’s maximum exposure to credit risk on financial assets is represented by the carrying amounts of the financial assets in the statement of financial position.

As at 30 June 2013, all of the Company's trade and other receivables were neither past due nor impaired. No impairment losses have been recognised and management has no reason to believe that an allowance is necessary in respect of trade receivables (2012: nil).

The Company's cash and cash equivalents are held with an AA- rated Australian bank.

Net fair values of financial assets and liabilities

The directors consider the carrying amount of financial assets and liabilities which have been recognised in the statement of financial position to approximate their net fair values.

Fair value sensitivity analysis

A change of 100 basis points in interest rates at reporting date would have no significant impact on the fair value of the fixed rate financial instruments noted above.

As all of the above financial instruments are denominated in Australian dollars, movements in the exchange rate would have no impact on their fair value.

15 Financial instruments (continued)

Fair value sensitivity analysis (continued)

The fair value of the company's financial instruments are measured based on three levels as follows:

Level 1 financial instruments

The fair values of financial instruments traded in active markets are based on quoted prices at balance date.

Level 2 financial instruments

The fair values of financial instruments that are not traded in an active market and are determined by using valuation techniques. Any assumptions used in a valuation technique are based on market conditions existing at balance date.

Level 3 financial instruments

The fair values of financial instruments that are not traded in an active market and cannot be valued using observable market data.

As at 30 June 2013 the entity carries only financial instruments with a carrying amount with a reasonable approximation for fair value, such as trade payables and financial instruments that are cash or cash equivalent assets.

16 Reconciliation of cash flows from operating activities

In AUD	**2013**	**2012**
Cash flows from operating activities		
Profit/(loss) for the period	(96,932)	95,581
Adjustments for:		
Depreciation	3,210	3,223
Interest expense	-	763
Operating profit/(loss) before changes in working capital and provisions	(93,722)	99,567
Change in trade and other receivables	640	7,770
Change in trade and other payables	(1,674)	(9,922)
Change in employee benefits	(3,435)	5,238
Change in deferred income	14,504	147,627
	(83,687)	250,280
Interest paid	-	(763)
Net cash from operating activities	(83,687)	249,517

17 Related parties

During the year the Company paid salary and superannuation contributions to Chris Raine totalling $59,210 (2012: $55,422).

18 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 2013.

Notes to the financial statements (continued)

For the year ended 30 June 2013

19 Auditors' remuneration

In AUD	2013	2012
Audit services		
Auditors of the Company		
KPMG Australia:		
Audit of the financial report *	-	-
Corporate secretarial services	800	2,400
	800	2,400
	800	2,400

* KPMG provides the audit to Hello Sunday Morning without charge

20 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 2013 the number of members was 3 (2012: 3).

Hello Sunday Morning

Directors' declaration

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

(a) the financial statements and notes that are set out on pages 5 to 19, are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Company's financial position as at 30 June 2013 and of its performance for the financial year ended on that date; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001;

(b) 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 directors.

____

Simon J Kalinowski
Director

Dated at ______________________ this____day of October 2013.