

# Hello Sunday Morning

ABN 82 145 512 125

Annual Report

30 June 2016



Hello Sunday Morning

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# Hello Sunday Morning

## Directors' report

### For the year ended 30 June 2016

The directors present their report together with the financial report of Hello Sunday Morning ("the Company") for the financial year ended 30 June 2016 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:

<b>Director</b>	<b>Appointed</b>	<b>Resigned</b>
C K Raine	30 July 2010	-
S J Kalinowski	30 July 2010	15 August 2015
A J Penbethy	30 July 2010	15 August 2015
P Emery	1 August 2014	15 August 2015
J Moore	27 October 2015	-
D Kuchler	27 October 2015	-
A Graham	29 July 2016	-
T Duggan	19 September 2016	-

#### 2 Company secretary

J Moore was appointed to the position of company secretary on 27 October 2015 and resigned on 28 September 2016. Zane Pocock was appointed to the position of company secretary on 28 September 2016.

#### 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:

<b>Director</b>	<b>Board Meetings</b>	
	<b>A</b>	<b>B</b>
C K Raine	4	4
S J Kalinowski	-	-
A J Penbethy	-	-
P Emery	-	-
J Moore	3	4
D Kuchler	4	4
A Graham	-	-
T Duggan	-	-

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 2016 was \$17,370 (2015: profit of \$342,307).

Hello Sunday Morning

Directors' report

**For the year ended 30 June 2016**

**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 2016.

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

*Chris Raine*

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Chris K Raine

*Director*

Dated at Sydney this 8th day of December 2016.



**Lead 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 2016, 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  
8 December 2016

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Statement of profit or loss and other comprehensive income

**For the year ended 30 June 2016**

<i>In AUD</i>	<b>Note</b>	<b>2016</b>	<b>2015</b>
Government grants		320,000	1,146,777
Donations and bequests		25,910	20,621
Other revenue	4	733,473	298,519
<b>Total gross income</b>		<u>1,079,383</u>	<u>1,465,917</u>
Fundraising expenses		(5,881)	(35,111)
Personnel expenses	6	(549,131)	(412,090)
Depreciation expense	8	(6,685)	(4,375)
Other expenses	5	(540,285)	(678,478)
<b>Results from operating activities</b>		<u>(22,599)</u>	<u>335,863</u>
Finance income		5,544	6,800
Finance expense		(315)	(356)
<b>Net finance income</b>	7	<u>5,229</u>	<u>6,444</u>
<b>(Loss)/profit for the year</b>		<u>(17,370)</u>	<u>342,307</u>
<b>Total comprehensive (loss)/income for the year</b>		<u>(17,370)</u>	<u>342,307</u>

The notes on pages 9 to 17 are an integral part of these financial statements.

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## Statement of financial position

**As at 30 June 2016**

*In AUD*

	<b>Note</b>	<b>2016</b>	<b>2015</b>
<b>Assets</b>			
Cash and cash equivalents	11	514,669	485,887
Trade and other receivables	10	61,783	7,863
Inventories	9	18,531	9,905
<b>Total current assets</b>		<u>594,983</u>	<u>503,655</u>
Property, plant and equipment	8	6,688	10,256
<b>Total non-current assets</b>		<u>6,688</u>	<u>10,256</u>
<b>Total assets</b>		<u>601,671</u>	<u>513,911</u>
<b>Liabilities</b>			
Trade and other payables	13	80,620	86,246
Employee benefits	12	17,298	6,542
Deferred income		110,000	10,000
<b>Total current liabilities</b>		<u>207,918</u>	<u>102,788</u>
<b>Total liabilities</b>		<u>207,918</u>	<u>102,788</u>
<b>Net assets</b>		<u>393,753</u>	<u>411,123</u>
<b>Equity</b>			
Retained earnings		<u>393,753</u>	<u>411,123</u>
<b>Total equity</b>		<u>393,753</u>	<u>411,123</u>

The notes on pages 9 to 17 are an integral part of these financial statements.

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Statement of changes in equity  
For the year ended 30 June 2016

<i>In AUD</i>	<b>Retained earnings</b>	<b>Total</b>
Balance at 1 July 2014	68,816	68,816
<b>Total comprehensive income for the year</b>		
Profit for the year	342,307	342,307
Total comprehensive income for the year	<u>342,307</u>	<u>342,307</u>
<b>Balance at 30 June 2015</b>	<u>411,123</u>	<u>411,123</u>
Balance at 1 July 2015	411,123	411,123
<b>Total comprehensive loss for the year</b>		
Loss for the year	(17,370)	(17,370)
Total comprehensive loss for the year	<u>(17,370)</u>	<u>(17,370)</u>
<b>Balance at 30 June 2016</b>	<u>393,753</u>	<u>393,753</u>

The notes on pages 9 to 17 are an integral part of these financial statements.

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## Statement of cash flows

**For the year ended 30 June 2016**

*In AUD*

	<b>Note</b>	<b>2016</b>	<b>2015</b>
<b>Cash flows from operating activities</b>			
Cash receipts in the course of operations		1,208,059	1,606,289
Cash payments in the course of operations		(1,181,389)	(1,300,148)
Cash generated from operations		<u>26,670</u>	<u>306,141</u>
Interest received		5,544	6,800
Interest paid		(315)	(356)
<b>Net cash flows from operating activities</b>		<u>31,899</u>	<u>312,585</u>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment		<u>(3,117)</u>	<u>(9,676)</u>
<b>Net cash flows used in investing activities</b>		<u>(3,117)</u>	<u>(9,676)</u>
Net increase in cash and cash equivalents		28,782	302,909
Cash and cash equivalents at beginning of year		485,887	182,978
<b>Cash and cash equivalents at end of year</b>	<i>11</i>	<u>514,669</u>	<u>485,887</u>

The notes on pages 9 to 17 are an integral part of these financial statements.

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## Notes to the financial statements

**For the year ended 30 June 2016**

### **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 Suite 406, 56 Bowman Street, Pyrmont NSW 2009.

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 8 December 2016.

#### **(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.

### **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 method less any impairment losses.

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

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## Notes to the financial statements (continued)

**For the year ended 30 June 2016**

### **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:

	<b>Useful life</b>	<b>Basis of depreciation</b>
• Computer software and hardware	2.5 years	Diminishing
• Motor vehicles	8 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.

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## Notes to the financial statements (continued)

For the year ended 30 June 2016

### 3 Significant accounting policies (continued)

#### (d) 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.

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 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.

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## Notes to the financial statements (continued)

**For the year ended 30 June 2016**

### **3 Significant accounting policies (continued)**

#### **(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.

*(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*.

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## Notes to the financial statements (continued)

**For the year ended 30 June 2016**

### **3 Significant accounting policies (continued)**

#### **(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 2015, and have not been applied in preparing these financial statements. Those which may be relevant to the Company are set out below. The Company does not plan to adopt these standards

##### *AASB 9 Financial Instruments (2014)*

AASB 9, approved in December 2014, replaces the existing guidance in AASB 139 *Financial Instruments: Recognition and Measurement*. AASB 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from AASB 139.

AASB 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The Company is assessing the potential impact on its financial statements resulting from the application of AASB 9.

##### *AASB 15 Revenue from Contracts with Customers*

AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including AASB 118 *Revenue*, AASB 111 *Construction Contracts* and IFRIC 13 *Customer Loyalty Programmes*.

AASB 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The Company is assessing the potential impact on its financial statements resulting from the application of AASB 15.

##### *AASB 16 Leases*

AASB 16 removes the lease classification test for lessees and requires all the leases (including operating leases) to be brought onto the balance sheet. The definition of a lease is also amended and is now the new on/off balance sheet test for lessees.

AASB 16 is effective for annual reporting periods beginning on or after 1 January 2019, with early adoption permitted where AASB 15 *Revenue from Contracts with Customers* is adopted at the same time. The Company is assessing the potential impact on its financial statements resulting from the application of AASB 16.

Hello Sunday Morning

Notes to the financial statements (continued)

For the year ended 30 June 2016

#### 4 Other revenue

*In AUD*

	2016	2015
Other non-government grants	583,500	256,091
Project services	114,600	-
Recovered expenses	1,124	2,617
Presentations	5,132	364
Sponsorship, affiliations and memberships	16,855	14,067
Merchandise sales	12,262	25,380
	<u>733,473</u>	<u>298,519</u>

#### 5 Other expenses

*In AUD*

	2016	2015
Travel and accommodation	34,530	41,787
Advertising	31,942	90,343
Research	40,255	1,200
Rent	26,614	24,122
IT & Design	320,327	423,701
Strategy and development	11,708	53,099
Workers compensation	5,536	842
Other expenses	69,373	43,384
	<u>540,285</u>	<u>678,478</u>

#### 6 Personnel expenses

*In AUD*

	2016	2015
Wages and salaries	483,808	368,989
Superannuation	45,441	33,406
Contract employment	5,513	9,465
Annual leave expense	14,369	230
	<u>549,131</u>	<u>412,090</u>

#### 7 Finance income and finance expense Recognised in profit or loss

*In AUD*

	2016	2015
Interest income	5,525	6,800
Net foreign exchange loss	19	-
Finance income	<u>5,544</u>	<u>6,800</u>
Interest expense	<u>(315)</u>	<u>(356)</u>
Finance expense	<u>(315)</u>	<u>(356)</u>
Net finance income recognised in profit or loss	<u>5,229</u>	<u>6,444</u>

Hello Sunday Morning

Notes to the financial statements (continued)

For the year ended 30 June 2016

## 8 Property, plant and equipment

*In AUD*

### Cost

	<b>Computer software and hardware</b>	<b>Motor vehicles</b>	<b>Total</b>
Balance at 1 July 2014	8,240	7,000	15,240
Additions	9,676	-	9,676
Balance at 30 June 2015	<u>17,916</u>	<u>7,000</u>	<u>24,916</u>
Balance at 1 July 2015	17,916	7,000	24,916
Additions	3,117	-	3,117
Disposals	-	(7,000)	(7,000)
Balance at 30 June 2016	<u>21,033</u>	<u>-</u>	<u>21,033</u>

### Depreciation and impairment losses

Balance at 1 July 2014	6,621	3,664	10,285
Depreciation for the year	3,503	872	4,375
Balance at 30 June 2015	<u>10,124</u>	<u>4,536</u>	<u>14,660</u>
Balance at 1 July 2015	10,124	4,536	14,660
Depreciation for the year	4,221	2,464	6,685
Disposals	-	(7,000)	(7,000)
Balance at 30 June 2016	<u>14,345</u>	<u>-</u>	<u>14,345</u>

### Carrying amounts

At 1 July 2014	<u>1,619</u>	<u>3,336</u>	<u>4,955</u>
At 30 June 2015	<u>7,792</u>	<u>2,464</u>	<u>10,256</u>
At 1 July 2015	7,792	2,464	10,256
At 30 June 2016	<u>6,688</u>	<u>-</u>	<u>6,688</u>

Hello Sunday Morning

Notes to the financial statements (continued)

For the year ended 30 June 2016

## 9 Inventories

<i>In AUD</i>	<b>2016</b>	<b>2015</b>
Stock on hand	18,531	9,905
	<u>18,531</u>	<u>9,905</u>

## 10 Trade and other receivables

<i>In AUD</i>	<b>2016</b>	<b>2015</b>
Trade debtors	57,533	-
Other receivables	4,250	7,863
	<u>61,783</u>	<u>7,863</u>

## 11 Cash and cash equivalents

<i>In AUD</i>	<b>2016</b>	<b>2015</b>
Cash at bank	514,669	485,887
Cash and cash equivalents in the statement of cash flows	<u>514,669</u>	<u>485,887</u>

## 12 Employee benefits

<i>In AUD</i>	<b>2016</b>	<b>2015</b>
Salaries and wages accrued	1,050	1,050
Liability for annual leave	16,248	5,492
	<u>17,298</u>	<u>6,542</u>

## 13 Trade and other payables

<i>In AUD</i>	<b>2016</b>	<b>2015</b>
Trade payables	46,965	86,246
Accrued Expenses	33,655	-
	<u>80,620</u>	<u>86,246</u>

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## Notes to the financial statements (continued)

For the year ended 30 June 2016

### 14 Operating leases

#### Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

<i>In AUD</i>	2016	2015
Less than one year	18,071	26,240
Between one and five years	1,564	14,942
	<u>19,635</u>	<u>41,182</u>

Operating leases are able to be terminated at any time by giving 3 months notice.

### 15 Related parties

#### Key management personnel compensation

The key management personnel compensation included in 'personnel expenses' (see note 6) are as follows:

<i>In AUD</i>	2016	2015
Christopher Raine (Chief Executive Officer)	114,811	80,154
Jamie Moore (Director)*	110,650	104,792
Peter Emery (Director) **	-	15,932
Simon Kalinowski (Director) **	-	3,000
	<u>225,461</u>	<u>203,878</u>

\* Jamie Moore became a Director during the current year. Previously he was the General Manager

\*\* Peter Emery (P.A.S.E Enterprises Pty Ltd) and Simon Kalinowski are remunerated for consultancy service as contractors. Neither related party is a Hello Sunday Morning debtor.

### 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 2016.

### 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 2016 the number of members was 3 (2015: 4).

### 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 \$56,365 (2015: \$40,815).

During the year, the Company achieved a net profit of \$531,735 (2015: \$215,276) 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 17, 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 2016 and of its performance for the financial year ended on that date; and
  - (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulation 2013*; and
- (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 directors.

*Chris Raine*

---

Chris K Raine  
Director

Dated at Sydney this 8th day of December 2016.



## Independent auditor's report to the members of Hello Sunday Morning

We have audited the accompanying financial report of Hello Sunday Morning (the Company), which comprises the statement of financial position as at 30 June 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes 1 to 18 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

This audit report has also been prepared for the members of the Company pursuant to the *Australian Charities and Not-for-profits Commission Act 2012* and the *Australian Charities and Not-for-profits Commission Regulation 2013* (ACNC) and Section 24(2) of the *Charitable Fundraising (NSW) Act 1991* and Regulations (collectively the Act and Regulations).

### *Directors' responsibility for the financial report*

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, the ACNC and the Act and Regulations. The directors' responsibility also includes such internal control as the directors determine necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### *Auditor's responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report gives a true and fair view, in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, and the ACNC, a true and fair view which is consistent with our understanding of the Company's financial position and of its

In addition, our audit report has also been prepared for the members of the Company to meet the requirements of the Act and Regulations. Accordingly, we have performed additional work beyond that which is performed in our capacity as auditors pursuant to the ACNC. These additional procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, 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 Regulations.

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

## Independent audit report to the members of Hello Sunday Morning (continued)

### *Independence*

In conducting our audit, we have complied with the independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

### *Auditor's opinion*

In our opinion, the financial report of Hello Sunday Morning is 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 2016 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

### *Audit opinion pursuant to the Charitable Fundraising (NSW) Act 1991*

In our opinion:

- (a) 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 2016;
- (b) the financial report has been properly drawn up, and the associated records have been properly kept for the period from 1 July 2015 to 30 June 2016, in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations;
- (c) money received as a result of fundraising appeal activities conducted during the period from 1 July 2015 to 30 June 2016 has been properly accounted for and applied in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations; and
- (d) 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  
8 December 2016