



cutting through complexity

Hello Sunday Morning

Annual Report

For the year ending 30 June 2015



HELLOSUNDAYMORNING



Hello Sunday Morning

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Hello Sunday Morning

Directors' report

For the year ended 30 June 2015

The directors present their report together with the financial report of Hello Sunday Morning ("the Company") for the financial year ended 30 June 2015 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
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

2 Company secretary

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

C K Raine was appointed to the position of company secretary on 1 July 2011.

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	9	10
S J Kalinowski	10	10
A J Penbethy	9	10
P Emery	10	10

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 2015 was \$342,307 (2014: \$33,592).

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.

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Directors' report

For the year ended 30 June 2015

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 2015.

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



Chris K Raine

Director

Dated at Sydney this 27th day of October 2015.



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 2015 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

27 October 2015

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Statement of profit or loss and other comprehensive income

For the year ended 30 June 2015

<i>In AUD</i>	Note	2015	2014
Government grants		1,146,777	494,596
Donations and bequests		20,621	17,864
Other revenue	5	298,519	181,056
Total gross income		1,465,917	693,516
Fundraising expenses		(35,111)	(11,347)
Personnel expenses	7	(412,090)	(247,584)
Depreciation expense	9	(4,375)	(2,809)
Other expenses	6	(678,478)	(400,278)
Results from operating activities		335,863	31,498
Finance income		6,800	2,678
Finance expense		(356)	(584)
Net finance income	8	6,444	2,094
Profit for the year		342,307	33,592
Total comprehensive income for the year		342,307	33,592

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

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Statement of financial position

As at 30 June 2015

In AUD

	Note	2015	2014
Assets			
Cash and cash equivalents	12	485,887	182,978
Trade and other receivables	11	7,863	20,331
Inventories	10	9,905	6,763
Total current assets		503,655	210,072
Property, plant and equipment	9	10,256	4,955
Total non-current assets		10,256	4,955
Total assets		513,911	215,027
Liabilities			
Trade and other payables	15	86,246	37,383
Employee benefits	13	6,542	3,477
Deferred income	14	10,000	105,351
Total current liabilities		102,788	146,211
Total liabilities		102,788	146,211
Net assets		411,123	68,816
Equity			
Retained earnings		411,123	68,816
Total equity		411,123	68,816

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

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Statement of changes in equity
For the year ended 30 June 2015

In AUD

	Retained earnings	Total
Balance at 1 July 2013	35,224	35,224
Total comprehensive income for the year		
Profit for the year	33,592	33,592
Total comprehensive income for the year	<u>33,592</u>	<u>33,592</u>
Balance at 30 June 2014	<u>68,816</u>	<u>68,816</u>
Balance at 1 July 2014	68,816	68,816
Total comprehensive income for the year		
Profit for the year	342,307	342,307
Total comprehensive income for the year	<u>342,307</u>	<u>342,307</u>
Balance at 30 June 2015	<u>411,123</u>	<u>411,123</u>

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

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Statement of cash flows

For the year ended 30 June 2015

In AUD

	Note	2015	2014
Cash flows from operating activities			
Cash receipts in the course of operations		1,606,289	666,384
Cash payments in the course of operations		(1,300,148)	(690,166)
Cash generated from operations		<u>306,141</u>	<u>(23,782)</u>
Interest received		6,800	2,678
Interest paid		(356)	(337)
Net cash flows from/(used in) operating activities	18	<u>312,585</u>	<u>(21,441)</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment		(9,676)	-
Net cash flows used in investing activities		<u>(9,676)</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		302,909	(21,441)
Cash and cash equivalents at beginning of year		<u>182,978</u>	<u>204,419</u>
Cash and cash equivalents at end of year	12	<u>485,887</u>	<u>182,978</u>

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 2015

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 Australian Charities and Not-for-profits Commission Regulation 2013.

The financial statements were approved by the Board of Directors on 27th October 2015.

(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 (continued)

For the year ended 30 June 2015

3 Significant accounting policies

(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.

(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 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

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Notes to the financial statements (continued)

For the year ended 30 June 2015

3 Significant accounting policies (continued)

(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.

(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 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 to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

Notes to the financial statements (continued)

For the year ended 30 June 2015

3 Significant accounting policies (continued)

(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) 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.

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 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.

(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 2015

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 2014, 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 early.

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. 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. The Company is assessing the potential impact on its financial statements resulting from the application of AASB 15.

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Notes to the financial statements (continued)

For the year ended 30 June 2015

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.

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Notes to the financial statements (continued)

For the year ended 30 June 2015

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.

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Notes to the financial statements (continued)

For the year ended 30 June 2015

5 Other Revenue

<i>In AUD</i>	2015	2014
Other non-governmental grants (fundraising appeals - refer to note 23)	256,091	144,143
Recovered expenses	2,617	9,052
Presentations	364	2,527
Sponsorship, affiliations and memberships	14,067	6,228
Merchandise sales	25,380	19,106
	<u>298,519</u>	<u>181,056</u>

6 Other expenses

<i>In AUD</i>	2015	2014
Travel and accommodation	41,787	24,645
Advertising	90,343	124,980
Rent	24,122	26,703
IT & Design	423,701	136,514
Strategy and development	53,099	43,142
Workers compensation	842	-
Other expenses	43,384	44,294
	<u>678,478</u>	<u>400,278</u>

7 Personnel expenses

<i>In AUD</i>	2015	2014
Wages and salaries	368,989	127,677
Superannuation	33,406	12,681
Contract employment	9,465	89,391
Annual leave expense	230	9,380
	<u>412,090</u>	<u>247,584</u>

8 Finance expense

Recognised in profit or loss

<i>In AUD</i>	2015	2014
Interest income	6,800	2,678
Finance income	<u>6,800</u>	<u>2,678</u>
Interest expense	(356)	(337)
Net foreign exchange loss	-	(247)
Finance expense	<u>(356)</u>	<u>(584)</u>
Net finance expense recognised in profit or loss	<u>6,444</u>	<u>2,094</u>

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Notes to the financial statements (continued)

For the year ended 30 June 2015

9 Property, plant and equipment

In AUD

	Computer software and hardware	Motor vehicles	Total
Cost			
Balance at 1 July 2013	8,240	7,000	15,240
Additions	-	-	-
Balance at 30 June 2014	<u>8,240</u>	<u>7,000</u>	<u>15,240</u>
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>
Depreciation and impairment losses			
Balance at 1 July 2013	4,685	2,791	7,476
Depreciation for the year	1,936	873	2,809
Balance at 30 June 2014	<u>6,621</u>	<u>3,664</u>	<u>10,285</u>
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>
Carrying amounts			
At 1 July 2013	3,555	4,209	7,764
At 30 June 2014	<u>1,619</u>	<u>3,336</u>	<u>4,955</u>
At 1 July 2014	1,619	3,336	4,955
At 30 June 2015	<u>7,792</u>	<u>2,464</u>	<u>10,256</u>

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Notes to the financial statements (continued)

For the year ended 30 June 2015

10 Inventories

<i>In AUD</i>	2015	2014
Stock on hand	9,905	6,763
	<u>9,905</u>	<u>6,763</u>

11 Trade and other receivables

<i>In AUD</i>	2015	2014
Trade debtors	-	20,000
Other receivables	7,863	331
	<u>7,863</u>	<u>20,331</u>

12 Cash and cash equivalents

<i>In AUD</i>	2015	2014
Cash at bank	485,887	182,978
Cash and cash equivalents in the statement of cash flows	<u>485,887</u>	<u>182,978</u>

13 Employee benefits

<i>In AUD</i>	2015	2014
Current		
Salaries and wages accrued	1,050	1,828
Liability for annual leave	5,492	1,649
	<u>6,542</u>	<u>3,477</u>

14 Deferred income

The grants received by the Company during the year ended 30 June 2015 are conditional upon the completion of milestones set by the donors. The portion of the income from the grants that does not relate to the year ended 30 June 2015, that is, the related expenditure that has not been incurred in the year ended 30 June 2015, has been recognised as deferred income. There is deferred income of \$10,000 as at 30 June 2015 (2014: \$105,351).

15 Trade and other payables

<i>In AUD</i>	2015	2014
Trade payables	86,246	29,883
Accrued Expenses	-	7,500
	<u>86,246</u>	<u>37,383</u>

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Notes to the financial statements (continued)

For the year ended 30 June 2015

16 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:

		Fixed / variable rate	Effective interest rate	Carrying amount	Contractual cash flows	Six months or less
30 June 2015	Note					
<i>Financial assets</i>						
Cash and cash equivalents	12	Fixed	2.27%	485,887		
Trade and other receivables	11		-	7,863	7,863	7,863
<i>Financial liability:</i>						
Trade and other payables	15		-	(86,246)	(86,246)	(86,246)
30 June 2014						
<i>Financial assets</i>						
Cash and cash equivalents	12	Fixed	1.81%	182,978		
Trade and other receivables	11		-	20,331	20,331	20,331
<i>Financial liability:</i>						
Trade and other payables	15		-	(37,383)	(37,383)	(37,383)

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 2015, 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 (2014: 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.

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Notes to the financial statements (continued)

For the year ended 30 June 2015

16 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 2015 the entity carries only financial instruments for which the carrying amount is a reasonable approximation of fair value, such as trade payables and financial instruments that are cash or cash equivalent assets.

17 Operating leases

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

In AUD

	2015	2014
Less than one year	26,240	9,900
Between one and five years	14,942	-
More than five years	-	-
	<u>41,182</u>	<u>9,900</u>

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

18 Reconciliation of cash flows from operating activities

In AUD

Cash flows from operating activities

	2015	2014
Profit for the period	342,307	33,592
Adjustments for:		
Depreciation	4,375	2,809
Operating loss before changes in working capital and provisions	<u>346,682</u>	<u>36,401</u>
Change in trade and other receivables	12,468	(17,109)
Change in inventories	(3,142)	(6,763)
Change in trade and other payables	48,863	21,897
Change in employee benefits	3,065	913
Change in deferred income	(95,351)	(56,780)
Net cash used in operating activities	<u>312,585</u>	<u>(21,441)</u>

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Notes to the financial statements (continued)

For the year ended 30 June 2015

19 Related parties

Key management personnel compensation

The key management personnel compensation included in 'personnel expenses' (see note 7) are as follows:

<i>In AUD</i>	2015	2014
Christopher Raine (Chief Executive Officer)	73,200	22,279
Jamie Moore (General Manager)	95,700	36,535
Peter Emery (Director) *	15,932	-
Simon Kalinowski (Director) *	3,000	-
	<u>187,832</u>	<u>58,814</u>

* 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.

20 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 2015.

21 Auditors' remuneration

<i>In AUD</i>	2015	2014
Audit services		
Auditors of the Company		
<i>KPMG Australia:</i>		
Audit of the financial report *	-	5,000
Corporate secretarial services	-	-
	<u>-</u>	<u>5,000</u>
	<u>-</u>	<u>5,000</u>

* KPMG provides the audit to Hello Sunday Morning without charge. The auditors' remuneration for the year ended 30 June 2014 was related to additional audit work during the year ended 30 June 2013.

22 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 2015 the number of members was 4 (2014: 3).

23 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 \$40,815 (2014: \$15,000).

During the year the Company achieved a net surplus of \$215,276 (2014: \$129,143) 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

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 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 2015 and of its performance for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Regulation 2013; and
- (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.



Chris K Raine
Director

Dated at Sydney this 27th day of October 2015.



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 2015, 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 23 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Company.

This audit report has also been prepared for the members of the Company pursuant to *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, the ACNC, 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, and the ACNC, a true and fair view which is consistent with our understanding of the Company's financial position and of its performance.

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.

It should be noted that the accounting records and data relied upon for reporting on fundraising appeal activities are not continuously audited and do not necessarily reflect after the event accounting adjustments and the normal year end financial adjustments for such matters as accruals, prepayments, provisioning and valuations necessary for year end financial report preparation.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012*. We confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the directors of Hello Sunday Morning on 27 October 2015, would be in the same terms if given to the directors as at the time of this auditor's report.

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:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Audit opinion pursuant to the Charitable Fundraising Act (NSW) 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 2015;
- (b) the financial report has been properly drawn up, and the associated records have been properly kept for the period from 1 July 2014 to 30 June 2015, 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 2014 to 30 June 2015 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
3 November 2015