

Financial Statements

ZERO2HERO INC

ABN 29964779934

For the year ended 30 June 2019

Prepared by Regency Partners Pty Ltd

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Board of Directors' Report

ZERO2HERO INC

For the year ended 30 June 2019

The Board of Directors submit the financial report of the Zero2Hero Inc for the financial year ended 30 June 2019.

Board Members

The name of each member of the committee during the year and if different, at the date of the report:

Ashlee Harrison

Chris Darmody

Kat Ball

Marco Russo

Zaheer Mohamed

Significant Changes

No significant change in the nature of these activities occurred during the year.

Principal Activities

The principal activities of the association during the financial year were:

Mental Illness Awareness and Education.

Operating Result

The surplus of the association for the financial year amounted to \$11,722 (2018: \$60,584 deficit).

Signed in accordance with a resolution of the Board of Directors:



Marco Russo - Director

Date 11 / 11 / 2019

Statement by Members of the Board of Directors

ZERO2HERO INC

For the year ended 30 June 2019

The board has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 2 to the financial statements.

In the opinion of the Board of Directors the financial report as set out on pages 5 to 9:

1. Presents a true and fair view of the financial position of Zero2Hero Inc as at and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Zero2Hero Inc will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Board of Directors by:



Marco Russo - Director

Dated: 11/11/2019

Income Statement

ZERO2HERO INC

For the year ended 30 June 2019

	NOTES	2019	2018
Income			
Revenue	3	530,555	282,915
Total Income		530,555	282,915
Gross Surplus			
		530,555	282,915
Expenditure			
Administration & Program Management Costs		21,231	31,530
Bad & Doubtful Debt Written Off		(1,003)	9,833
Bank Fees		5,247	646
Camp Costs		-	81,990
Computer Expenses		271	-
Commissions		5,132	-
Contractor		160,626	41,665
Depreciation		9,736	3,197
Donations Paid		-	10,000
Entertainment		98	-
Extended Warranty Expense		458	-
Freight & Courier		80	-
Fundraising Event Costs		79,395	68,657
Insurance		10,454	8,115
Meeting Expenses		847	922
Merchandise Costs		22,353	410
Office Expense		3,290	-
Printing & Stationery		6,980	5,984
Professional Fees		2,000	-
Staff Training and Welfare		2,795	3,971
Storage Costs		471	1,982
Subscriptions		4,093	2,773
Superannuation		6,542	5,210
Travel and Accommodation		11,627	8,597
Venue Hire		91,369	-
Wages and Salaries		69,666	56,342
Wages - Annual Leave Entitlement		5,073	1,675
Total Expenditure		518,832	343,498
Current Year Surplus/ (Deficit)		11,722	(60,584)

The accompanying notes form part of these financial statements.

Balance Sheet

ZERO2HERO INC As at 30 June 2019

	NOTES	30 JUN 2019	30 JUN 2018
Assets			
Current Assets			
Cash & Cash Equivalents	4	49,973	47,539
Prepayments		2,087	1,422
Trade Debtors	5	28,469	6,540
Total Current Assets		80,529	55,502
Total Assets		80,529	55,502
Liabilities			
Current Liabilities			
Accrued Costs	6	721	1,133
GST Payable	7	291	5,067
PAYG Withholdings Payable		6,888	5,158
Provision for Annual Leave		6,748	1,675
Sundry Creditors	8	50	50
Superannuation Payable		5,005	1,902
Trade Creditors		25,166	7,595
Unspent Grants		-	8,984
Total Current Liabilities		44,869	31,564
Total Liabilities		44,869	31,564
Net Assets		35,660	23,938
Member's Funds			
Retained Earnings		35,660	23,938
Total Member's Funds		35,660	23,938

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

Notes of the Financial Statements

ZERO2HERO INC

For the year ended 30 June 2019

1. Basis of Preparation

The Association is non reporting since there are unlikely to be any users who would rely on the general purpose financial statements.

The special purpose financial statements have been prepared in accordance with the significant accounting policies described below and do not comply with any Australian Accounting standards unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2. Summary of Significant Accounting Policies

Impairment of Non-Financial Assets

At the end of each reporting period the company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss , except for goodwill.

Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Revenue and Other Income

Revenue is recognised when the business is entitled to it.

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

Rendering of services

Revenue in relation to rendering of services is recognised depends on whether the outcome of the services can be measured reliably. If this is the case then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period. If the outcome cannot be reliably measured then revenue is recognised to the extent of expenses recognised that are recoverable.

Donations

Donations and gifts that are non-reciprocal in nature are recognised as revenue in the year in which it has been received.

Other Income

Other income is recognised on an accruals basis when the company is entitled to it.

Goods and Services Tax (GST)

Revenues, 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 Australian Taxation Office (ATO).

Property, Plant and Equipment

Property, plant and equipment is initially recorded at the cost of acquisition or fair value less, if applicable, any accumulated depreciation and impairment losses. Plant and equipment that has been contributed at no cost, or for nominal cost, is valued and recognised at the fair value of the asset at the date it is acquired. The plant and equipment is reviewed annually by director(s) to ensure that the carrying amount is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the utilisation of the assets and the subsequent disposal. The expected net cash flows have been discounted to their present values in estimating recoverable amounts.

The foundation fully depreciates acquisitions of plant and equipment under the immediate asset write-off threshold. For 2019 the foundation has computer equipment at cost of \$7,649 (2018: \$3,197) and office equipment of \$12,933 (2018: \$Nil) which are fully depreciated.

	2019	2018
3. Revenue		
Camp Fees - Fee for Service	13,250	-
Camp Facilitation - Third Party	66,851	43,826
Donations	284,301	172,768
Sponsorship	6,500	-
Merchandise	144	91
Fundraising	121,510	59,619
Grant Funding	24,524	-
Speaking Fees	13,475	6,611
Total Revenue	530,555	282,915

	2019	2018
4. Cash & Cash Equivalents		
Bankwest A/c # 069582-0	49,470	38,326
Bankwest A/c # 0480400	502	229
Restricted Cash - Unspent Grants	-	8,984
Total Cash & Cash Equivalents	49,973	47,539
	2019	2018
5. Trade Debtors		
Accounts Receivable	28,469	16,373
Less: Provision for Bad & Doubtful Debt	-	(9,833)
Total Trade Debtors	28,469	6,540
	2019	2018
6. Accrued Costs		
Superannuation Accrual	63	98
Wages Accrual	659	1,034
Total Accrued Costs	721	1,133
	2019	2018
7. GST Payable/(Refundable)		
ATO Integrated Client Account	-	3,480
GST on Grant Funding	-	898
June BAS	1,060	(4,917)
Permanent Adjustments	-	5,530
Prior Year Adjustments	-	254
Rounding	1	-
Timing Differences	(770)	(178)
Total GST Payable/(Refundable)	291	5,067
	2019	2018
8. Sundry Creditors		
Wages Payable	50	50
Total Sundry Creditors	50	50

Criterion Audit Pty Ltd

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Independent Auditor's Report

To the Members of Zero to Hero Inc

Report of the Audit of the Financial Report

Qualified Opinion

We have audited the accompanying financial report, being a special purpose financial report, of Zero to Hero Inc ("the Association"), which comprises the balance sheet as at 30 June 2019, income statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by members of the Board of Directors.

In our opinion, except for the matters described in the *Basis for Qualified Opinion* section of our report, the financial report presents fairly, in all material respects the financial position of Zero to Hero Inc as at 30 June 2019 and its financial performance for the year then ended in accordance with the accounting policies described in Note 2 of the financial report.

Basis for Qualified Opinion – Donations

As is common for organisations of this type, it is not practicable for the Association to maintain an effective system of internal control over donations and other fundraising activities until their initial entry in the accounting records. Accordingly, our audit in relation to those activities was limited to amounts recorded.

Basis of Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Association in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter - Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 of the financial report, which described the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Directors' Responsibility for the Financial Report

The directors of Zero to Hero Inc are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is 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.

In preparing the financial report, the directors are responsible for assessing the ability of the Association to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used based on the accounting policies disclosed in Note 2 and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Association to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Association audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the trustees with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Criterion Audit

CRITERION AUDIT PTY LTD

Watts

CHRIS WATTS CA
Director

DATED at PERTH this 11th day of November 2019

Criterion Audit Pty Ltd

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To The Board of Directors

Auditor's Independence Declaration under Section 60.40 of the Australian Charities and Not-For-Profits Act 2012

As lead audit director for the audit of the financial statements of Zero to Hero Inc. for the financial year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Australian Charities and Not-For-Profits Act 2012* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours faithfully



CHRIS WATTS CA
Director

CRITERION AUDIT PTY LTD

DATED at PERTH this 11th day of November 2019