

# Financial Statements

ZERO2HERO INC

ABN 29 964 779 934

For the year ended 30 June 2021

Prepared by Regency Partners Pty Ltd

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# Board of Directors' Report

## ZERO2HERO INC

### For the year ended 30 June 2021

The Board of Directors submit the financial report of the Zero2Hero Inc for the financial year ended 30 June 2020.

#### Board Members

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

Ashlee Harrison

Kat Ball

Marco Russo

Zaheer Mohamed

Paul Stone

Linda Stade

Kaine Grigg

Neil Sadler

#### 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 \$203,713 (2020: \$341,037).

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



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Marco Russo - Director

Date 07 / 12 / 2021

# Statement by Members of the Board of Directors

## ZERO2HERO INC

### For the year ended 30 June 2021

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 8:

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.
3. The financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

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 in accordance with with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.



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**Marco Russo - Director & Responsible Person**

Dated: 07 / 12 /2021

# Statement of Financial Position

## ZERO2HERO INC As at 30 June 2021

	NOTES	30 JUN 2021	30 JUN 2020
<b>Assets</b>			
<b>Current Assets</b>			
Cash & Cash Equivalents	5	692,581	398,701
Bonds Paid		1,200	1,750
GST Refundable	8	10,047	-
Prepayments		3,388	2,382
Payments in Advance		71,401	-
Trade Debtors	6	57,042	7,178
<b>Total Current Assets</b>		<b>835,660</b>	<b>410,011</b>
<b>Total Assets</b>		<b>835,660</b>	<b>410,011</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accrued Costs	7	5,293	2,009
GST Payable	8	-	4,341
PAYG Withholdings Payable		17,876	8,158
Provision for Annual Leave		24,393	13,446
Superannuation Payable		5,276	2,550
Trade Creditors		26,540	2,811
Income in Advance		175,873	-
<b>Total Current Liabilities</b>		<b>255,250</b>	<b>33,314</b>
<b>Total Liabilities</b>		<b>255,250</b>	<b>33,314</b>
<b>Net Assets</b>		<b>580,410</b>	<b>376,696</b>
<b>Member's Funds</b>			
Retained Earnings		580,410	376,696
<b>Total Member's Funds</b>		<b>580,410</b>	<b>376,696</b>

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

# Statement of Profit or Loss

## ZERO2HERO INC

For the year ended 30 June 2021

	NOTES	2021	2020
<b>Income</b>			
Revenue	4	991,227	847,028
<b>Total Income</b>		<b>991,227</b>	<b>847,028</b>
<b>Gross Surplus</b>			
		<b>991,227</b>	<b>847,028</b>
<b>Other Income</b>			
CashFlow Boost Payment		18,596	10,000
JobKeeper Stimulus		56,550	6,000
<b>Total Other Income</b>		<b>75,146</b>	<b>16,000</b>
<b>Expenditure</b>			
Administration Costs		62,143	41,568
Depreciation		3,648	2,176
Fundraising Costs		481,806	276,946
Grant Disbursements		-	25,481
Insurance		10,245	9,639
Program Delivery Costs		304,818	166,182
<b>Total Expenditure</b>		<b>862,660</b>	<b>521,991</b>
<b>Current Year Surplus/ (Deficit)</b>		<b>203,713</b>	<b>341,037</b>

The accompanying notes form part of these financial statements.

# Statement of Changes in Equity

## ZERO2HERO INC

For the year ended 30 June 2021

	2021	2020
<b>Equity</b>		
Opening Balance	376,696	35,660
<b>Increases</b>		
Profit for the Period	203,713	341,037
<b>Total Increases</b>	<b>203,713</b>	<b>341,037</b>
<b>Total Equity</b>	<b>580,410</b>	<b>376,696</b>

# Statement of Cash Flows

## ZERO2HERO INC

For the year ended 30 June 2021

	NOTES	2021	2020
<b>Cash Flow Statement</b>			
<b>Operating Activities</b>			
Receipts from Donors & Other Fundraising		1,192,383	884,319
Payments to Suppliers & Employees		(894,853)	(533,415)
<b>Total Cash In Flows / (Out Flows) from Operating Activities</b>	9	<b>297,529</b>	<b>350,904</b>
<b>Investing Activities</b>			
Acquisition of Plant & Equipment		(3,648)	(2,176)
<b>Total Cash In Flows / (Out Flows) from Investing Activities</b>		<b>(3,648)</b>	<b>(2,176)</b>
<b>Financing Activities</b>			
Loans Granted / (Repaid)		-	-
<b>Total Cash In Flows / (Out Flows) from Financing Activities</b>		<b>-</b>	<b>-</b>
Net Increase / (Decrease) in Cash Held		293,881	348,728
Cash at the Beginning of the Financial Year		398,701	49,973
Cash at the End of the Financial Year		692,581	398,701

# Notes to the Financial Statements

## ZERO2HERO INC

### For the year ended 30 June 2021

#### 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. Comparatives

Comparative information disclosures have been consolidated or expanded to align with the current financial year disclosures.

#### 3. 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).

	2021	2020
<b>4. Revenue</b>		
Donations	591,195	555,818
Fundraising	316,063	137,370
Program Delivery	77,970	76,360
Grant Funding	6,000	77,481
<b>Total Revenue</b>	<b>991,227</b>	<b>847,028</b>
	2021	2020

#### 5. Cash & Cash Equivalents

##### Cash at Bank

Bankwest A/c # 069582-0	666,453	187,815
Bankwest A/c # 0480400	2,092	1,252
Bankwest A/c # 1821833	1,000	-
Bankwest A/c # 1821867	959	-
<b>Total Cash at Bank</b>	<b>670,504</b>	<b>189,067</b>

##### Restricted Cash at Bank

Denmark Project	-	209,090
<b>Total Restricted Cash at Bank</b>	<b>-</b>	<b>209,090</b>

##### Third Party Holding Accounts

Stripe Accout	22,077	544
<b>Total Third Party Holding Accounts</b>	<b>22,077</b>	<b>544</b>

<b>Total Cash &amp; Cash Equivalents</b>	<b>692,581</b>	<b>398,701</b>
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	2021	2020
<b>6. Trade Debtors</b>		
Accounts Receivable	53,102	7,178
Sundry Debtor	5,190	-
Less: Provision for Bad & Doubtful Debt	(1,250)	-
<b>Total Trade Debtors</b>	<b>57,042</b>	<b>7,178</b>
	2021	2020
<b>7. Accrued Costs</b>		
Superannuation Accrual	459	161
Wages Accrual	4,834	1,848
<b>Total Accrued Costs</b>	<b>5,293</b>	<b>2,009</b>
	2021	2020
<b>8. GST Payable/(Refundable)</b>		
June BAS	(17,732)	4,204
Permanent Adjustments	9,150	-
Rounding	-	1
Timing Differences	(1,466)	135
<b>Total GST Payable/(Refundable)</b>	<b>(10,047)</b>	<b>4,341</b>
	2021	2020
<b>9. Reconciliation of Cash Flows from Operating Activities to Surplus</b>		
Net Surplus	203,713	341,037
<b>Adjustments for Items not Related to Operating Activities &amp; Non-cash Items</b>		
Depreciation	3,648	2,176
<b>Total Adjustments for Items not Related to Operating Activities &amp; Non-cash Items</b>	<b>3,648</b>	<b>2,176</b>
<b>Changes in Operating Assets</b>		
Accrued Costs	3,284	1,288
Bonds Paid	550	(1,750)
GST	(14,388)	4,050
Income in Advance	175,873	-
PAYG Withholding Payable	9,718	1,270
Payments in Advance	(71,401)	-
Prepayments	(1,006)	(296)
Provision for Annual Leave	10,947	6,698
Sundry Creditors	-	(50)
Superannuation Payable	2,726	(2,455)
Trade Creditors	23,729	(22,355)
Trade Debtors	(49,864)	21,291
<b>Total Changes in Operating Assets</b>	<b>90,168</b>	<b>7,691</b>
Net Cash Provided by Operating Activities	297,529	350,904

Criterion Audit Pty Ltd

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## Independent Auditor's Report

### To the Members of Zero2Hero 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 Zero2Hero Inc ("the Association"), which comprises the balance sheet as at 30 June 2021, income statement, statement of cash flows and statement of changes in equity 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 Zero2Hero Inc as at 30 June 2021 and its financial performance for the year then ended in accordance with the accounting policies described in Note 1 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 Zero2Hero 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 8<sup>th</sup> day of December 2021

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 Zero2Hero Inc. for the financial year ended 30 June 2021, 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 8<sup>th</sup> day of December 2021