

Financial Statements

ZERO2HERO INC

ABN 29 964 779 934

For the 12 months ended 31 December 2023

Prepared by Dyson Advisory Group

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Board Directors' Report

ZERO2HERO INC

For the 12 months ended 31 December 2023

Directors' Report

The Board of Directors submit the financial report of the Zero2Hero Inc for the financial year ended 31 December 2023.

Board Members

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

Paul Larsen

Ashlee Harrison

Leigh Dyson

Jodie Perram

Kaine Grigg

Neil Sadler

Stephen Daly

Zaheer Mohamed

Leah Reid

Significant Changes

The organisation changed its financial year reporting period and prepared its 2022 financial statements for an extended 18 month period being 1 July 2021 to 31 December 2022. The current financial year covers the 12 month period 1 January 2023 to 31 December 2023.

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 extended financial year amounted to \$54,578 (2022: \$270,716 Deficit).

Key Management Personnel Remuneration

For the 12 months commencing 1 January 2023 and ending 31 December 2023 the CEO was paid \$187,479 (2022: \$232,865) including superannuation.

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



Ashlee Harrison

Director

Date 10/ 5 /2024

Statement by Members of the Board of Directors

ZERO2HERO INC

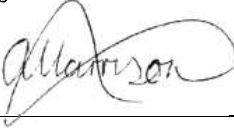
For the 12 months ended 31 December 2023

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 1 to the financial statements.

In the opinion of the Board of Directors the financial report as set out on pages 6 to 13:

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



Ashlee Harrison - Director & Responsible Person

Dated: 10th May 2024

Statement of Financial Position

ZERO2HERO INC

As at 31 December 2023

	NOTES	31 DEC 2023	31 DEC 2022
Assets			
Current Assets			
Cash and Cash Equivalents	4	1,250,056	1,027,655
Bonds Paid		11,357	10,425
Deposits Paid		5,000	12,000
Prepayments		80,215	66,253
Trade Debtors	5	17,870	18,790
Total Current Assets		1,364,497	1,135,122
Non-Current Assets			
Fixed Assets	6	65,755	49,836
Intangibles	7	31,876	37,310
Total Non-Current Assets		97,631	87,146
Total Assets		1,462,128	1,222,268
Liabilities			
Current Liabilities			
Accrued Costs	8	8,869	35,418
GST Payable		70,217	37,085
PAYG Withholding Payable		20,948	72,186
Provisions	9	55,999	103,820
Superannuation Payable		30,787	32,867
Trade Creditors		33,324	25,250
Income in Advance		877,711	605,948
Total Current Liabilities		1,097,856	912,574
Total Liabilities		1,097,856	912,574
Net Assets		364,272	309,694
Member's Funds			
Retained Earnings		364,272	309,694
Total Member's Funds		364,272	309,694

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 12 months ended 31 December 2023

	NOTES	JAN-DEC 2023	JUL 2021-DEC 2022
Income			
Revenue	10	2,890,398	3,004,336
Total Income		2,890,398	3,004,336
Gross Surplus			
		2,890,398	3,004,336
Other Income			
Income Recouped		63,345	-
Total Other Income		63,345	-
Expenditure			
Administration Costs		348,552	294,433
Audit Fees		11,000	8,000
Depreciation		35,982	15,359
Fundraising Costs		1,106,630	1,519,198
Insurance		30,937	27,813
Interest		92	633
Program Delivery Costs		1,365,973	1,409,618
Total Expenditure		2,899,165	3,275,052
Current Year Surplus/ (Deficit)		54,578	(270,716)

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

Statement of Changes in Equity

ZERO2HERO INC

For the 12 months ended 31 December 2023

	JAN-DEC 2023	JUL 2021-DEC 2022
Equity		
Opening Balance	309,694	580,410
Increases		
Surplus/ (Deficit) for the Period	54,578	(270,716)
Total Increases	54,578	(270,716)
Total Equity	364,272	309,694

Statement of Cash Flows

ZERO2HERO INC

For the 12 months ended 31 December 2023

	NOTES	JAN-DEC 2023	JUL 2021-DEC 2022
Cash Flow Statement			
Operating Activities			
Receipts from Donors & Other Fundraising		3,226,153	3,478,163
Payments to Suppliers & Employees		(2,957,559)	(3,040,585)
Total Cash In Flows / (Out Flows) from Operating Activities	11	268,594	437,578
Investing Activities			
Proceeds from Sale of Property, Plant & Equipment		273	-
Acquisition of Plant & Equipment		(46,467)	(65,195)
Total Cash In Flows / (Out Flows) from Investing Activities		(46,194)	(102,505)
Financing Activities			
Loans Granted / (Repaid)		-	-
Total Cash In Flows / (Out Flows) from Financing Activities		-	-
Net Increase/ (Decrease) in Cash Held		222,401	335,074
Cash at the Beginning of the Financial Year		1,027,655	692,581
Cash at the End of the Financial Year		1,250,056	1,027,655

Notes to the Financial Statements

ZERO2HERO INC

For the 12 months ended 31 December 2023

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

Fixed Assets

Fixed assets exceeding \$300 on an individual itemised basis are capitalised to the statement of financial position and depreciated over their effective life. The assets are recorded at cost.

Intangible Assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Website

Significant costs associated with the development of the website are deferred and amortised over the period of their expected benefit.

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 charity is entitled to it unless otherwise specified below.

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.

Income Received in Advance

Where the charity is not entitled to income received due to the timing of an event (such as a Cape to Cape trek registration taken in a year prior to the trek occurring) income will be recognised in the statement of financial position as 'Income in Advance'.

The Chevron Sponsorship is recognised as income upon satisfaction of specific KPIs in relation to the payment. The income will be recognised in the statement of financial position as 'Income in Advance' until those KPIs are met.

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).

	JAN-DEC 2023	JUL 2021-DEC 2022
4. Cash & Cash Equivalents		
Bankwest A/c #0695820	1,236,572	1,014,050
Bankwest A/c #0480400	4,701	5,863
Bankwest A/c #1821833	3,666	3,512
Bankwest A/c #1821867	3,288	3,791
Third Party Holdings Accounts		
Stripe AUD	1,830	439
Total Third Party Holdings Accounts	1,830	439
Total Cash & Cash Equivalents	1,250,056	1,027,655
	JAN-DEC 2023	JUL 2021-DEC 2022
5. Trade Debtors		
Accounts Receivable	82,860	100,107
Donations not yet Received	-	(63,250)
Sundry Debtors	-	33

Less: Provision for Bad & Doubtful Debt	(64,990)	(18,100)
Total Trade Debtors	17,870	18,790

JAN-DEC 2023 JUL 2021-DEC
2022

6. Fixed Assets

Computer Equipment

Computer Equipment	42,131	39,225
Less Accumulated Depreciation on Computer Equipment	(34,061)	(19,184)
Total Computer Equipment	8,070	20,041

Office Equipment

Office Equipment	43,642	40,462
Less Accumulated Depreciation on Office Equipment	(18,844)	(14,792)
Total Office Equipment	24,798	25,670

Leasehold Improvements

Leasehold Improvements	4,265	4,265
Less Accumulated Depreciation on Leasehold Improvements	(3,287)	(140)
Total Leasehold Improvements	978	4,125

Motor Vehicle

Motor Vehicles at Cost	40,706	-
Less Accumulated Depreciation on Motor Vehicles at Cost	(8,797)	-
Total Motor Vehicle	31,909	-

Total Fixed Assets	65,755	49,836
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JAN-DEC 2023 JUL 2021-DEC
2022

7. Intangibles

Intangibles - Intellectual Property	3,250	3,250
Less Accumulated Depreciation on Intellectual Property	(325)	-
Capitalised Website Development	34,060	34,060
Less Accumulated Depreciation on Website Development	(5,109)	-
Total Intangibles	31,876	37,310

JAN-DEC 2023 JUL 2021-DEC
2022

8. Accrued Costs

Audit Fees Accrued	(8,800)	(5,500)
Superannuation Accrual	-	(2,841)
Sundries	(69)	(19)
Wages Accrual	-	(27,059)
Total Accrued Costs	(8,869)	(35,418)

JAN-DEC 2023 JUL 2021-DEC
2022

9. Provisions

Provision for Annual Leave	(51,500)	(50,734)
Provision for General Interest Charges	-	(615)
Provision for Time in Lieu	(3,156)	-
Provision for Super Guarantee Charges	(1,343)	(45,346)
Provision for Wages Adjustment	-	(7,124)
Total Provisions	(55,999)	(103,820)

JAN-DEC 2023 JUL 2021-DEC
2022

10. Revenue

Donations	(1,446,000)	(1,281,736)
Fundraising	(766,631)	(1,188,645)
Program Delivery	(667,494)	(513,763)
Grant Funding	(10,000)	(20,192)
Gain / (Loss) on Disposal of Assets	(273)	-
Total Revenue	(2,890,398)	(3,004,336)

JAN-DEC 2023 JUL 2021-DEC
2022

11. Reconciliation of Cash Flows from Operating Activities to Surplus / (Deficit)

Net Surplus/ (Deficit)	54,578	(270,716)
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Adjustments for Items not Related to Operating Activities & Non - cash Items

Depreciation	35,982	15,359
Gain on Disposal of Assets	(273)	-
Total Adjustments for Items not Related to Operating Activities & Non - cash Items	35,709	15,359

Changes in Operating Assets

Accrued Costs	(26,549)	30,106
Bonds Paid	(932)	(9,225)
Deposits Paid	7,000	(12,000)
GST	33,131	47,133
Income in Advance	271,764	430,075
PAYG Withholding Payable	(51,238)	54,310
Prepayments	(13,962)	8,537
Provisions	(47,820)	79,427
Sundry Creditors	-	19
Superannuation Payable	(2,080)	27,591
Trade Creditors	8,074	(1,289)
Trade Debtors	920	38,252
Total Changes in Operating Assets	178,307	692,936
Net Cash Provided by Operating Activities	268,594	437,578

Auditor's Report

ZERO2HERO INC

For the 12 months ended 31 December 2023

Criterion Audit Pty Ltd

ABN 85 165 181 822

PO Box 233 LEEDERVILLE WA 6902

Suite 2, 642 Newcastle Street
LEEDERVILLE WA 6007

Phone: 9466 9009

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 statement of financial position as at 31 December 2023, statement of profit or loss, 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 31 December 2023 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 1 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 10th day of May 2024

Criterion Audit Pty Ltd

ABN 85 165 181 822

PO Box 233 LEEDERVILLE WA 6902

Suite 2, 642 Newcastle Street
LEEDERVILLE WA 6007

Phone: 9466 9009

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 31 December 2023, 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 10th day of May 2024