The Hunger Project Australia Limited

ABN 45 002 569 271

Annual Financial Report

for the year ended 31 December 2019

Contents

Directors' Report

The Directors present this report on the Company for the financial year ended 31 December 2019.

DIRECTORS

The names and details of the Company's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Names	Qualifications, experience, and special responsibilities
Diane Grady (Chairperson) (appointed 4 June 2010)	Diane Grady is on the Board of Directors of Macquarie Group, Grant Thornton and Tennis Australia. She is a member of the AICD NFP Chair's forum and Heads Over Heels Advisory Board. Diane was formerly a Director of Bluescope Steel, Woolworths Ltd, Goodman Group, Lend Lease Group, MLC, Wattyl and a Trustee of The Sydney Opera House Trust. Diane also previously was President of Chief Executive Women, Chairman of Ascham School, on the Senior Advisory Council of McKinsey & Company, a member the ASIC Business Consultative Panel, and the NSW Innovation and Productivity Council and a partner of McKinsey & Co.
Rachel Akehurst (appointed 22 June 2012)	Rachel Akehurst is the founder of RSA Consulting, a management consultancy specialising in leadership and cultural transformation in order to improve organisational performance. She is passionate about co-creating possibility for individuals, groups, organisations and communities. Rachel originally trained as a psychologist and worked for Shell International in London for 7 years before moving to work in the Netherlands and Australia. She also served on the Board of the Fortitude Foundation until May 2020.
Bruce Beeren (appointed 14 August 2008, resigned 23 July 2020)	Bruce Beeren is a fellow of CPA Australia and has over 40 years experience in the energy industry. He was CFO of AGL Energy for 12 years, and Finance Director of Origin Energy for 5 years. He has recently retired from the Boards of Origin, Contact Energy (NZ) and Veda Group.
Simon Blackburn (appointed 4 June 2014)	Simon Blackburn is a Senior Partner in McKinsey & Company's Sydney office, and has been with McKinsey for 23 years. He has a particular passion for digitally-enabled transformation and organisational change, including the theme of leader-driven change. For many years he led the Transformational Change service line for McKinsey's Organisation practice in Asia, serving clients in both the private and public sectors. He has a strong personal interest in transformation, with a focus on changing behaviours to drive lasting performance improvement. Simon originally trained as an engineer and spent 11 years in McKinsey's Boston office prior to returning to Australia in 2008. His experience spans organisation, strategy, operations, information technology, and marketing & sales. In addition to the National Board of The Hunger Project, Simon serves on the board of the Woolcock Institute of Medical Research and previously on the board of Parents as Teachers National Centre, and the Massachusetts STEM Collaborative.
Steven Harker (appointed 1 January 2018)	Steve Harker BEc (Hons), LLB is a non executive Director at Westpac commencing March 2019 and Chairman of the Investment and Executive Committees at Future Now Ventures commencing February 2020. Prior to that Steve was Vice Chairman of Morgan Stanley from October 2016 to February 2019. He was Managing Director and Chief Executive Officer of Morgan Stanley Australia from 1998 to 2016. Before joining Morgan Stanley, Steve spent fifteen years with BZW. In 1996, he was transferred to London where he was promoted to Chief Executive of Global Equities and a Member of the BZW Global Management Committee. Steve is currently also a Director of The Banking and Finance Oath (BFO) and a Board member of the ASX Refinitiv Charity Foundation.

Directors' Report (continued)

Christine Khor (appointed 15 November 2018)

Christine Khor is passionate about leadership, empowerment, human dignity, and the sustainable growth of both businesses and individuals. This passion drives her academically – she holds a Bachelor of Arts (Psychology), a Master of Business Administration and a Postgraduate Diploma in Organisational Change and Executive Coaching – as well as professionally.

Her key values underpin her work as the Managing Director of Chorus Executive, a holistic talent management and recruitment business, and at Peeplcoach.com, the on-demand coaching led career and leadership development platform of which she is the co-founder and CEO. Her commitment to the development of others has also seen her appointed National Board Director of The Hunger Project and to the Future Minds Advisory Council. The Future Minds Accelerator is a collaboration between Rio Tinto, BlueChilli, and Amazon Web Services, is chaired by David Gonski, with a goal to prepare young Australians for the jobs of the future and to help create the workforce of tomorrow.

Though they involve working across very different business environments, Christine's diverse roles are centred around key common goals: to educate, inspire and empower individuals for long-term and sustainable growth and success for both organisations and individuals.

Debra Kwasnicki (appointed 22 June 2012, resigned 21 February 2019)

Debra Kwasnicki is a Partner with Sheldon Harris Consulting, specialising in Executive Search and Assessment. Earlier, Debra was a Partner at Russell Reynolds Associates, and served as an independent management consultant in the technology industry.

Prior to her consulting career, Debra was General Manager, Customer Service and Quality with Telstra Corporation and had a 12-year career with IBM Australia Limited, where she served in a variety of sales, management, technical support and human resources roles. She was also Chair of the Human Resources Subcommittee for the Salvation Army Advisory Board.

Debra took a sabbatical in 2012, living and working in Malawi, volunteering for The Hunger Project in Africa, and assisting the organisation to improve their operational effectiveness in working towards their goal of ending hunger and poverty.

Roger Massy-Greene (appointed 22 November 2010)

Roger Massy-Greene AM BSc, BE (Hons) (USyd), MBA (Harvard), FAICD FIE Aust is also a member of the global board of The Hunger Project. Roger is the principal shareholder and chairman of Eureka Capital Partners, a private investment company, and a director of Illawarra Coke Company, a related industrial land rehabilitation and development concern. He is also a director of OneVentures Pty Ltd, a technology venture capital firm.

Roger previously served as the Chair of Ausgrid, Endeavour Energy and Essential Energy, having been appointed by the NSW government to oversee reform of the NSW electricity distribution sector. He co-founded the ASX 200 company Excel Coal Limited and its predecessor Resource Finance Corporation Ltd and served as Chair of Excel Coal until its acquisition by Peabody Energy.

Roger is the President of the Cranbrook School Council and serves as Chair of Eureka Benevolent Foundation, a family foundation focused on overcoming socio-economic disadvantage.

Directors' Report (continued)

NET SURPLUS/DEFICIT AFTER INCOME TAX

The surplus of the company for the financial year was $29,761 (2018: deficit of $59,137).

REVIEW OF OPERATIONS

Following a review of the company's operations during the financial year and the results of those operations, in the opinion of the directors, the company performed above expectations given the challenging fundraising environment.

PRINCIPAL ACTIVITIES

The principal activity of the company during the course of the year was as a Charitable Organisation, raising funds in Australia for the purpose of programs run by the Hunger Project overseas organisations.

There have been no significant changes in the nature of these activities during the year.

AFTER BALANCE DATE EVENTS

Subsequent to end of the financial year, the COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020.

We have seen a significant impact on our activities to date. The outbreak and the response of Governments in dealing with the pandemic is interfering with general activity levels within the community, the economy and the operations of our business. The scale and duration of these developments remain uncertain as at the date of this report however they will have an impact on our earnings, cash flow and financial condition.

It is not possible to estimate the impact of the outbreak's near-term and longer effects or Governments' varying efforts to combat the outbreak and support businesses. This being the case, we do not consider it practicable to provide a quantitative or qualitative estimate of the potential impact of this outbreak on the Group at this time.

The financial statements have been prepared based upon conditions existing at 31 December 2019 and considering those events occurring subsequent to that date, that provide evidence of conditions that existed at the end of the reporting period. As the outbreak of COVID-19 occurred after 31 December 2019, its impact is considered an event that is indicative of conditions that arose after the reporting period and accordingly, no adjustments have been made to financial statements as at 31 December 2019 for the impacts of COVID-19.

FUTURE DEVELOPMENTS

The company expects to maintain the present status and level of operations and hence there are no likely known developments in future financial years.

ENVIRONMENTAL ISSUES

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

DIVIDENDS

The company is prohibited from declaring and paying dividends, being a company limited by guarantee.

OPTIONS

The company is incorporated as a company limited by guarantee and does not have and is not capable of issuing shares or options. The only interests in the company are held by its members who are entitled to vote at general meetings. The liability of the members is limited to an amount not exceeding one hundred dollars.

Directors’ Report (continued)

INDEMNITIES GRANTED

During or since the financial year, the company has paid premiums in respect of a contract insuring all the Directors of The Hunger Project Australia Limited against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director other than conduct involving a wilful breach of duty.

The total amount of insurance contract premiums paid was $3,159 (2018: $3,018)

ACTIONS

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of these proceedings.

The company was not a party to any such proceedings during the year.

DIRECTORS’ MEETINGS

The number of meetings of directors held during the year and the number of meetings attended by each director were as follows:

	Number of meetings attended	**Number of meetings eligible to attend**
Diane Grady	5	5
Rachel Akehurst	5	5
Bruce Beeren	5	5
Deb Kwasnicki	2	2
Roger Massy-Greene	5	5
Simon Blackburn	4	5
Steven Harker	4	5
Christine Khor	5	5

Directors' Report (continued)

AUDITOR INDEPENDENCE

The Auditors' Independence Declaration for the year ended 31 December 2019 has been received and can be found on page 6 of the annual financial report.

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

____
Diane Grady
Chair

Sydney
Date: 14 August. 2020

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Building a better working world

Auditor's Independence Declaration to the Directors of The Hunger Project Australia Limited

In relation to our audit of the financial report of The Hunger Project Australia Limited for the financial year ended 31 December 2019, and in accordance with the requirements of Subdivision 60-C of the Australian Charities and Not-for profits Commission Act 2012, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of any applicable code of professional conduct.

Ernst & Young

Rob Lewis
Partner
14 August 2020

Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2019

	NOTES	2019 $	2018 $
Continuing Operations			
Fundraising – Donations		5,304,315	5,488,617
Other income		33,135	103,070
Revenue	6	5,337,450	5,591,687
Employee benefits expense	7	(1,299,338)	(1,216,120)
Costs of global projects		(3,506,551)	(3,753,236)
Travelling expenses		(87,957)	(133,902)
Telecommunications		(9,005)	(8,968)
Rent Expense		(24,827)	(114,733)
Depreciation and amortisation	8	(140,788)	(36,345)
Legal and consulting		(2,166)	(36,313)
Marketing costs		(35,493)	(33,179)
Direct mailing & distribution		(36)	(14,130)
Finance costs		(14,413)	(16,089)
Lease interest paid		(6,622)	-
Services in kind	21	(85,194)	(198,170)
Other expenses		(65,299)	(89,639)
Expenditure		(5,307,689)	(5,650,824)
Surplus / (Deficit) for the year		29,761	(59,137)
Income tax expense		-	-
Net surplus / (deficit) for the year		29,761	(59,137)
Other items of comprehensive income		-	-
Total comprehensive surplus / (deficit) for the year		29,761	(59,137)

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

AS AT 31 DECEMBER 2019	NOTE	2019 $	2018 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	9	1,790,894	2,202,110
Trade and other receivables	11	69,195	275,041
Prepayments	12	18,903	16,843
TOTAL CURRENT ASSETS		1,878,992	2,493,994
NON-CURRENT ASSETS			
Property, plant and equipment	13	21,793	49,742
Intangible assets	14	5,900	10,713
Right of use asset	2i	69,941	-
TOTAL NON-CURRENT ASSETS		97,634	60,455
TOTAL ASSETS		1,976,626	2,554,449
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	15	256,977	207,857
Provisions	16	842,410	1,501,738
TOTAL CURRENT LIABILITIES		1,099,387	1,709,595
NON-CURRENT LIABILITIES			
Provisions	16	15,496	12,872
TOTAL NON-CURRENT LIABILITIES		15,496	12,872
TOTAL LIABILITIES		1,114,883	1,722,467
NET ASSETS		861,743	831,982
ACCUMULATED FUNDS			
Retained earnings	17	861,743	831,982
TOTAL ACCUMULATED FUNDS		861,743	831,982

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2019

	NOTE	2019 $	2018 $
Cash Flows From Operating Activities			
Receipts from donors		5,424,967	5,253,317
Interest received		4,170	5,446
Payment to suppliers and employees		(1,555,854)	(1,548,179)
Finance costs paid		(14,413)	(16,089)
Lease interest paid		(6,622)	-
Funding of global projects		(4,195,937)	(3,290,175)
Net cash flows from/(used in) operating activities	10	(343,689)	404,320
Cash Flows from Investing Activities			
Purchase of property, plant, and equipment		(3,114)	(6,947)
Purchase of intangibles - Website Development		-	-
Net cash flows used in investing activities		(3,114)	(6,947)
Cash Flows from Financing Activities			
Lease payments		(93,378)	-
Net cash flows used in financing activities		(93,378)	-
Effects of foreign exchange rate changes on cash and cash equivalents		28,965	97,625
Net increase/(decrease) in cash held		(411,216)	494,998
Cash at beginning of financial year		2,202,110	1,707,112
Cash at end of year	9	1,790,894	2,202,110

The above Statement of Cash Flows should be read in conjunction with the accompanying note

Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2019

	NOTE	Retained Earning	Total
		$	$
Accumulated funds at 1 January 2018		891,119	891,119
Comprehensive surplus for the year		(59,137)	(59,137)
Accumulated funds at 31 December 2018		831,982	831,982
Comprehensive surplus for the year		29,761	29,761
Accumulated funds at 31 December 2019	17	861,743	861,743

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2019

1. CORPORATE INFORMATION

The financial report of The Hunger Project Australia Limited (the Company) for the year ended 31 December 2019 was authorised for issue in accordance with a resolution of the directors on 14 August. 2020.

The Hunger Project Australia is a company limited by guarantee incorporated in Australia. The Company is a charitable organisation that contributes to funding and overseeing programs run by other Hunger Project organisations in overseas countries.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report has been prepared on a historical cost basis and is presented in Australian dollar ($).

(b) Statement of compliance

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Australian Accounting Standards - Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board. The Company is a not-for-profit entity which is not publicly accountable. Therefore, the financial statements for the Company are tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements (AASB – RDRs).

(c) New accounting standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year.

Changes in accounting policies

This note explains the impact of the adoption of AASB 16 Leases retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transition provisions in the standard. The reclassification and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019.

On adoption of ASSB 16, the company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of AASB 117 Leases. These liabilities were measured at the present value of remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019 (see note 2n). The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 5%.

(i) Practical expedients applied

In applying AASB 16 for the first time, the Company has used the following practical expedients permitted by the standard:

- Applying a single discount rate to the portfolio of leases with reasonably similar characteristics
- Relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at 1 January 2019
- Accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- Using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Company has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Company relied on its assessment made applying AASB 117 and interpretation 4 *Determining whether an Arrangement contains a Lease*.

(ii) Measurement of lease liabilities

	2019
Operating lease commitments disclosed as at 1 January 2019 discounted using the lessee's incremental borrowing rate of 5% at the date of initial application	174,853
Lease liability recognised as at 1 January 2019	174,853
Of which are:	
Current lease liabilities	174,853
Non-current lease liabilities	

(iii) Measurement of right-of-use assets

The associated right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31 December 2018.

(iv) Adjustments recognised in the balance sheet on January 2019

The change in accounting policy affected the following items in the balance sheet on 1 January 2019:

- property, plant and equipment – increase by $174,853
- lease liabilities – increase by $174,853

The net impact on retained earnings on 1 January 2019 was nil.

(d) Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

(i) Other income - interest income

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(ii) Fundraising – donations

Income from donations and appeals is recorded when it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(f) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

Collectability of trade receivables is reviewed on an ongoing basis at an operating unit level. Individual debts that are known to be uncollectible are written off when identified.

(g) Property, plant, and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Computers and software	33.33%
Office furniture and equipment	20%

Asset residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year end.

(h) Intangible Assets

Website
The Company's website is stated at cost.

The website has been amortised on a straight-line basis over the estimated useful life, which is currently determined to be 5 years. The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Leases
The Company has a lease contract for use of premises to conduct its operations for a period of 4 years until October 2020. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

(i) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases

Lease liabilities	
Current	81,475
Non-current	-
	81,475

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Lease liabilities	
Current	81,475
Non-current	-
	81,475

Lease liability movements for the year	
As at 1 January	174,853
Payments	93,378
Closing balance	81,475

Right of use asset movements for the year	
As at 1 January	174,853
Amortisation expense for the year	(104,912)
Closing balance	69,941

(ii) Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases;

	2019
Amortisation	104,912
Interest expense on lease liabilities	6,622
	111,534

(iii) The Company's leasing activities and how these are accounted for

Contracts contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Until the end of financial year 2018, leases of property, plant and equipment were classified as either finance leases or operating leases. From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date of which the leased asset is available for use by the Company.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Company under residual value guarantees
- the exercise price of a purchase option if the company is reasonably certain to exercise that option, and

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company which does not have recent third party financing, and
- makes adjustments specific to the lease, eg term, country, currency and security.

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs

Right of use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

(iv) Cashflows

The Company had total cash outflows for leases of $100,000 in 2019. The Company also had non-cash additions to right-of-use assets and lease liabilities of $nil in 2019.

(v) *Critical judgements in determining the lease term*

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

(i) Trade and other payables

Trade and other payables are carried at amortised cost due to their short-term nature they are not discounted. They represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(j) Provisions and employee benefits

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Employee leave benefits

(i) Wages, salaries, annual leave and personal leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating personal leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(k) Income tax and other taxes

The Company is a registered charitable organisation and is exempt from income tax in accordance with section 23(e) of the Income Tax Assessment Act. It is also exempt from sales and capital gains taxes and state payroll tax. It is a GST registered entity.

Other taxes
Revenues, expenses and assets are recognised net of the amount of GST except:

- When the GST incurred on a purchase of goods and services is recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

(l) Project accruals

Project accruals represent deferred revenue where the funds have been received from investors and owed an accrual for funds which the Company has received from investors which are owed to Epicentres, Country based programs or Sectoral programs. These programs are projects in developing countries for which the Company specifically seeks funding from investors.

(m) Services in kind

The measurable fair value of services in kind is disclosed as a separate note to the financial statements. The fair value of these services has been recognised in the results of the company’s operations as donations and expenses in the financial year.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Critical accounting estimates and judgements

The estimates and judgements incorporated into the financial report are based on historical results and the best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data from internal and external sources. The bases for all critical judgements and estimates have been disclosed in the foregoing statement of significant accounting policies.

Estimation of useful lives of assets
The company determines the estimated useful lives and related depreciation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Lease – estimating the incremental borrowing rate
In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and where necessary is required to make certain entity-specific estimates.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial instruments comprise receivables, payables, cash and short-term deposits.

The Company manages its exposure to key financial risks, including interest rate and currency risk in accordance with the Company's financial risk management policy. The objective of the policy is to support the delivery of the Company's financial targets whilst protecting future financial security.

Risk exposures and responses

Credit Risk
Credit risk arises from the financial assets of the Company, which comprise cash and cash equivalents, and trade and other receivables. The Company's exposure to credit risk arises from potential default of the counter-party, with a maximum exposure equal to the carrying amount of these instruments.

The Company only trades with recognised, creditworthy third parties and as such collateral are not requested nor it is the Company's policy to securitise its trade and other receivables.

Receivable balances are monitored on an on-going basis with the result that the Company's exposure to bad debts is not significant.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES Continued)

Liquidity Risk

Liquidity risk arises from the financial liabilities of the Company and the Company's subsequent ability to meet its obligations to repay its financial liabilities as and when they fall due. All of the Company's financial assets and liabilities are expected to be settled within six months.

Maturity analysis of financial assets and liabilities based on management's expectations

The risk implied from the values shown in the table below, reflects a balanced view of cash inflows and outflows.

Year ended 31 December 2019	<6 months $	6-12 months $	1-5 years $	5 years $	Total $
Financial Assets					
Cash and cash equivalents	1,790,894				1,790,894
Trade and other receivables	69,195	-			69,195
	1,860,089	-			1,860,089
Financial Liabilities					
Trade and other payables	256,977	-			256,977
Net Maturity	1,603,112	-			1,603,112

Fair Value
The methods of estimating fair value are outlined in the relevant notes to the financial statements.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Management has identified critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods. Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

5. SEGMENT INFORMATION

The Company operates predominately in one industry. The principal activity of the Company was that of a charity. The Company operates in Australia, and supports The Hunger Project programs throughout Africa, India and Bangladesh.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

6. REVENUE FROM CONTINUING OPERATIONS

	2019 $	2018 $
Fundraising - Donations	5,219,121	5,290,446
Donations -Services in kind contribution	85,194	198,170
Other income		
Interest revenue	4,170	5,446
Miscellaneous income	28,965	97,625
	5,337,450	5,591,687

Refer to Note 21 for details of services in kind

7. EXPENSES FROM CONTINUING OPERATIONS

Employee Benefits Expense	2019 $	2018 $
Salaries and wages	1,078,227	1,005,846
Superannuation	110,679	102,753
Employee leave expense	93,069	95,883
Staff training	9,040	3,663
Recruitment	1,120	1,700
Workers compensation costs	2,053	2,478
Staff Amenities	5,150	3,797
	1,299,338	1,216,120

8. DEPRECIATION AND AMORTISATION

	2019 $	2018 $
Property, Plant and Equipment		
Depreciation for the year	31,063	31,532
Intangible Asset		
Amortisation for the year	4,813	4,813
Right of use Asset		
Amortisation for the year	104,912	
	140,788	36,345

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

9. CURRENT ASSETS – CASH AND CASH EQUIVALENTS

	2019 $	2018 $
Cash at bank and in hand – Committed to projects	1,007,704	1,351,146
Cash at bank and in hand - Unrestricted	783,190	850,964

Reconciliation to Statement of Cash Flows

For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise the following at 31 December:

	1,790,894	2,202,110
Cash at bank and in hand	1,790,894	2,202,110

10. STATEMENT OF CASH FLOWS RECONCILIATION

Reconciliation of net surplus / (deficit) after tax to net cash flows from operations

Net surplus / (deficit)	29,761	(59,137)
Adjustments for:		
Depreciation	31,063	31,532
Amortisation	109,725	4,813
Effect of Foreign exchange gain or loss	(28,965)	(97,625)
Changes in Assets and Liabilities		
(Increase)/decrease in trade and other receivables	205,846	(37,129)
(Increase) /decrease in prepayments	(2,060)	4,855
Increase / (decrease) in trade payables	(32,355)	73,995
Increase / (decrease) in provisions	(656,704)	483,016
Net cash inflow/(outflow) from operating activities	(343,689)	404,320

Refer to note 21 for details of non-cash settled Services in kind.

11. CURRENT ASSETS – TRADE AND OTHER RECEIVABLES

Other receivables - Committed to programs	19,277	176,797
Other receivables - Unrestricted funds	49,918	98,244
	69,195	275,041

12. CURRENT ASSETS – PREPAYMENTS

Prepayments	18,903	16,843
	18,903	16,843

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

13. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT

Reconciliation of carrying amounts at the beginning and end of the period

	Office Furniture & Equipment $	Computers $	Total $
Year ended 31 December 2019			
At 1 January 2019 net of accumulated depreciation and impairment	815	48,927	49,742
Additions	-	3,114	3,114
Depreciation charge for the year	(216)	(30,847)	(31,063)
At 31 December 2019 net of accumulated depreciation and impairment	599	21,194	21,793
At 31 December 2019			
Cost	1,080	126,593	127,673
Accumulated depreciation and impairment	(481)	(105,399)	(105,880)
Net carrying amount	599	21,194	21,793
Year ended 31 December 2018			
At 1 January 2018 net of accumulated depreciation and impairment	1,031	73,296	74,327
Additions	-	6,947	6,947
Depreciation charge for the year	(216)	(31,316)	(31,532)
At 31 December 2018 net of accumulated depreciation and impairment	815	48,927	49,742
At 31 December 2018			
Cost	1,080	123,479	124,559
Accumulated depreciation and impairment	(265)	(74,552)	(74,817)
Net carrying amount	815	48,927	49,742

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

14. INTANGIBLE ASSETS

Reconciliation of carrying amounts at the beginning and end of the period

	Website Development Costs $
Year ended 31 December 2019	
At 1 January 2019 net of accumulated amortisation and impairment	10,713
Additions	-
Amortisation charge for the year	(4,813)
At 31 December 2019 net of accumulated amortisation and impairment	5,900
At 31 December 2019	
Cost	24,065
Accumulated amortisation and impairment	(18,165)
Net carrying amount	5,900
Year ended 31 December 2018	
At 1 January 2018 net of accumulated amortisation and impairment	15,526
Additions	-
Amortisation charge for the year	(4,813)
At 31 December 2018 net of accumulated amortisation and impairment	10,713
At 31 December 2018	
Cost	24,065
Accumulated amortisation and impairment	(13,352)
Net carrying amount	10,713

15. CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

	2019 $	2018 $
Trade payables	66,681	62,254
Other	44,821	50,603
Lease liability	81,475	-
Staff bonuses	64,000	95,000
Carrying amount of trade and other payables	256,977	207,857

16. LIABILITIES - PROVISIONS

Current Liabilities		
Annual Leave	77,605	47,547
Project accruals	764,805	1,454,191
Total Current Liabilities	842,410	1,501,738
Non Current Liabilities		
Long Service Leave	15,496	12,872
Total Liabilities – Provisions	857,906	1,514,610

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

17. RETAINED EARNINGS AND RESERVES

	2019 $	2018 $
Movements in retained earnings were as follows:		
Balance 1 January	831,982	891,119
Net surplus / (deficit) for the year	29,761	(59,137)
Balance 31 December	861,743	831,982

18. RELATED PARTY TRANSACTIONS

(a) Key Management Personnel Remuneration

Short Term	466,428	446,521
Total	466,428	446,521

(b) Board of Directors

Directors' Remuneration
All Directors, excluding the Chief Executive Officer, provide their services on a voluntary basis.

Reimbursement of Expenses to Directors

Reimbursement of travel expenses	8,666	6,863
Total	8,666	6,863

Monetary Donations made by Directors and their related entities to The Hunger Project

Donations received	640,723	535,877
Total	640,723	535,877

19. MEMBERS' GUARANTEE

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. At 31 December 2019, the number of members was 108 (2018: 112).

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

20. EVENTS AFTER THE BALANCE SHEET DATE

Subsequent to end of the financial year, the COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020.

We have seen a significant impact on our activities to date. The outbreak and the response of Governments in dealing with the pandemic is interfering with general activity levels within the community, the economy and the operations of our business. The scale and duration of these developments remain uncertain as at the date of this report however they will have an impact on our earnings, cash flow and financial condition.

It is not possible to estimate the impact of the outbreak's near-term and longer effects or Governments' varying efforts to combat the outbreak and support businesses. This being the case, we do not consider it practicable to provide a quantitative or qualitative estimate of the potential impact of this outbreak on the Group at this time.

The financial statements have been prepared based upon conditions existing at 31 December 2019 and considering those events occurring subsequent to that date, that provide evidence of conditions that existed at the end of the reporting period. As the outbreak of COVID-19 occurred after 31 December 2019, its impact is considered an event that is indicative of conditions that arose after the reporting period and accordingly, no adjustments have been made to financial statements as at 31 December 2019 for the impacts of COVID-19.

21. SERVICES IN KIND

During 2019 services worth a total $85,194 (2018: 198,170) were received as contributions in kind, and consist of the following:

	2019	2018
	$	$
Audit services provided by Ernst & Young	-	30,900
Legal services	1,356	-
Staff training and development		
RSA Consulting	-	10,000
McKinsey Consulting	8,000	-
Programme Facilitation	25,000	25,000
Brand Design and Campaign		
McCann World group	-	19,050
Database & IT Support	2,900	-
Campaign PR & media	47,938	113,220
	85,194	198,170

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

22. BUSINESS DETAILS

The registered office and its principal place of business is:

THE HUNGER PROJECT AUSTRALIA
Level 7
104 Bathurst Street
Sydney NSW 2000

At 31 December 2019, the business had 13 employees which equated to 11.9 full time equivalents (31 December 2018: 12 employees, equated to 11.0 full time equivalents).

The principal activity of the company during the course of the year was as a Charitable Organisation.

23. ADDITIONAL INFORMATION - COMPLYING WITH ACFID CODE OF CONDUCT

Although the Hunger Project Australia Limited is no longer a signatory to the Australian Council for International Development (ACFID) Code of Conduct (due to the significant increase in fees in 2018), the Summary Financial Reports have been prepared voluntarily in accordance with the requirements set out in the ACFID Code of Conduct. For further information on the Code please refer to the ACFID Code of Conduct Guidance Document available at www.acfid.asn.au.

The Income Statement, Balance Sheet, Table of Cash Movements for Designated Purposes and Statement of Changes in Equity provided below, represent a true reflection of the financial accounts for this year.

The information contained in this supplement should be read in conjunction with the financial statements and accompanying notes on pages 11 to 25.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

23. ADDITIONAL INFORMATION (CONTINUED)

Income Statement

	2019 $	2018 $
REVENUE		
Donations and gifts		
• Monetary	2,714,503	3,338,473
• Non-monetary*	85,194	198,170
Bequests and Legacies	-	-
Grants		
• AusAID	-	-
• Other Australian^	2,504,618	1,951,973
• Other overseas	-	-
Investment Income	4,170	5,446
Other Income	28,965	97,625
Revenue for International Political or Religious Proselytisation Programs	-	-
TOTAL REVENUE	**5,337,450**	**5,591,687**
¶		
EXPENDITURE		
International Aid and Development Programs Expenditure		
• Funds to international programs	(3,506,551)	(3,753,236)
• Program support costs	(390,304)	(385,254)
Community education	(419,806)	(432,051)
Fundraising costs		
• Public	(392,007)	(379,236)
• Government, multilateral and private	(143,401)	(128,774)
Accountability and Administration	(370,426)	(374,103)
Non-Monetary Expenditure*	(85,194)	(198,170)
Total International Aid and Development Programs	(5,307,689)	(5,650,824)
Expenditure		
Expenditure for International Political or Religious Programs		
Domestic Programs Expenditure (Incl. Monetary & Non Monetary)		-
TOTAL EXPENDITURE	(5,307,689)	(5,650,824)
Excess of revenue over expense from continuing operations	29,761	(59,137)

* Services in kind totalled $85,194 (2018:198,170) and are disclosed in note 21 of the accompanying notes to the financial statements.

^ Includes grants sourced from all other Australian Institutions and other Australian organisations such as philanthropic organisations and corporate entities.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

23. ADDITIONAL INFORMATION (CONTINUED)

Balance Sheet

ASSETS	2019	2018
Current Assets		
Cash and cash equivalents	1,790,894	2,202,110
Trade and other receivables	69,195	275,041
Inventories	-	-
Prepayments	18,903	16,843
Assets held for sale	-	-
Other financial assets	-	-
Total Current Assets	1,878,992	2,493,994
Non-Current Assets		
Trade and other receivables	-	-
Other financial assets	-	-
Property, plant and equipment	21,793	49,742
Investment property	-	-
Intangibles	75,841	10,713
Other non-current assets	-	-
Total Non-Current Assets	97,634	60,455
TOTAL ASSETS	1,976,626	2,554,449
LIABILITIES		
Current Liabilities		
Trade and other payables	256,977	207,857
Borrowings	-	-
Current tax liabilities	-	-
Other financial liabilities	-	-
Provisions	842,410	1,501,738
Other	-	-
Total Current Liabilities	1,099,387	1,709,595
Non-Current Liabilities		
Borrowings	-	-
Other Financial Liabilities	-	-
Provisions	15,496	12,872
Other	-	-
Total Non-Current Liabilities	15,496	12,872
TOTAL LIABILITIES	1,114,883	1,722,467
NET ASSETS	861,743	831,982
EQUITY		
Reserves	-	-
Retained earnings	861,743	831,982
TOTAL EQUITY	861,743	831,982

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 DECEMBER 2019

23. ADDITIONAL INFORMATION (CONTINUED)

Table of Cash Movements for Designated Purposes

	Cash available at beginning of financial year	Cash raised during financial year	Cash disbursed during financial year	Cash available at end of financial year
Total for other designated purposes *	809,310	3,166,814	(2,970,307)	1,005,817
Unleashed Womens' Leaders Initiative	0	107,229	(107,229)	0
Mlawe epicentre - Zambia	541,830	707,000	(1,246,948)	1,882
Total for non-designated purposes	850,970	1,482,660	(1,550,435)	783,195
TOTAL	2,202,110	5,463,704	(5,874,920)	1,790,894

*Other designated purposes refer to fund raising for designated purposes that each generated less than 10% of total income for the period under review.

Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2019

Consolidated	Retained Earnings $	Reserves $	Other $	Total $
Balance at 31 December 2018	831,982	-	-	831,982
Excess of revenue over expenses	29,761	-	-	29,761
Amount transferred to / (from) reserves	-	-	-	-
Balance at 31 December 2019	861,743	-	-	861,743

Directors' Declaration

In accordance with a resolution of the directors of The Hunger Project Australia Limited, I state that in the opinion of the directors:

(a) the financial statements and notes of the Company 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 31 December 2019 and of its performance for the year ended on that date; and
- *(ii)* complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not-for-Profits Commission Regulation 2013; 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.

On behalf of the Board

Diane Grady
Chair

Sydney
14 August. 2020

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
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Independent Auditor's Report to the Members of The Hunger Project Australia Limited

Report on the Financial Report

Opinion

We have audited the financial report of The Hunger Project Australia Limited (the Company), which comprises the statement of financial position as at 31 December 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and the directors' declaration.

In our opinion, the accompanying financial report of the Company 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 31 December 2019 and of its financial performance for the year ended on that date; and

b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not-for-Profits Commission Regulation 2013.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. 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 Company in accordance with 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 opinion.

Emphasis of Matter: Subsequent Events – Impact of the Coronavirus (COVID-19) Outbreak

We draw attention to Note 20 of the financial report which notes the World Health Organisation's declaration of the outbreak of COVID-19 as a global pandemic subsequent to 31 December 2019 and how this has been considered by the Directors in the preparation of the financial report. As set out in Note 20, no adjustments have been made to the financial statements as at 31 December 2019 for the impacts of COVID-19. Our opinion is not modified in respect of this matter.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not-for-Profits Commission Act 2012 and for 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 Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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.A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_files/ar3.pdf. This description forms part of our auditor's report.

Report on the requirements of the NSW Charitable Fundraising Act 1991 and the NSW Charitable Fundraising Regulations 2015 and the requirements of the WA Charitable Collections Act (1946) and the WA Charitable Collections Regulations (1947)

We have audited the financial report as required by Section 24(2) of the NSW Charitable Fundraising Act 1991 and the WA Charitable Collections Act (1946). Our 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 NSW Charitable Fundraising Act 1991 and the NSW Charitable Fundraising Regulations 2015 and the WA Charitable Collections Act (1946) and the WA Charitable Collections Regulations (1947).

Building a better working world

Because of the inherent limitations of any assurance engagement, it is possible that fraud, error or non-compliance may occur and not be detected. An audit is not designed to detect all instances of non-compliance with the requirements described in the above-mentioned Act(s) and Regulations as an audit is not performed continuously throughout the period and the audit procedures performed in respect of compliance with these requirements are undertaken on a test basis. The audit opinion expressed in this report has been formed on the above basis.

Opinion

In our opinion:

a) the financial report of The Hunger Project Australia Limited has been properly drawn up and associated records have been properly kept during the financial year ended 31 December 2018, in all material respects, in accordance with:

   i) sections 20(1), 22(1-2), 24(1-3) of the NSW Charitable Fundraising Act 1991;

   ii) sections 10(6) and 11 of the NSW Charitable Fundraising Regulations 2015;

   iii) the WA Charitable Collections Act (1946); and

   iv) the WA Charitable Collections Regulations (1947).

b) the money received as a result of fundraising appeals conducted by the company during the financial year ended 31 December 2018 has been properly accounted for and applied, in all material respects, in accordance with the above-mentioned Act(s) and Regulations.

Ernst & Young

Ernst & Young

Rob Lewis

Rob Lewis
Partner
Sydney
14 August 2020