

The Hunger Project Australia Limited

ABN 45 002 569 271

Annual Financial Report
for the year ended 31 December 2020

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Directors' Report

The Directors present this report on the Company for the financial year ended 31 December 2020.

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
<p>Diane Grady AO (Chairperson) (appointed 4 June 2010)</p>	<p>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.</p> <p>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.</p> <p>Diane holds an MA (Chinese Studies), BA Honours (History) and MBA (Harvard)</p>
<p>Rachel Akehurst (appointed 22 June 2012)</p>	<p>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.</p> <p>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.</p> <p>Rachel holds a degree in Social Psychology (London School of Economics)</p>
<p>Patricia Akopiantz (appointed 4 November 2020)</p>	<p>Patty Akopiantz has amassed deep expertise across the consumer-facing landscape having spent over 35 years as an ASX Board Director and senior manager in companies including Coles Myer, Energy Australia, Ramsay Healthcare, AMP, McKinsey, David Jones and P&G.</p> <p>Patty is a co-founder of Assembly Climate Capital which invests in companies and ideas that can significantly impact climate change. She also serves on the boards of Belvoir Theatre Company and Sea Forest which cultivates seaweed to fight climate change.</p> <p>Patty holds a BA and MBA</p>
<p>Bruce Beeren (appointed 14 August 2008, resigned 23 July 2020)</p>	<p>Bruce Beeren 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.</p> <p>He has recently retired from the Boards of Origin, Contact Energy (NZ) and Veda Group.</p> <p>Bruce holds a BSc, BComm and an MBA. He is a fellow of CPA Australia and the Australian Institute of Company Directors.</p>

Directors' Report (continued)

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.

Simon formerly 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.

Simon also 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.

Simon holds a PhD in engineering, a BE and a BSc

Steven Harker
(appointed 1 January 2018)

Steve Harker is a non-executive Director at Westpac commencing March 2019 and Chairman of the Investment and Executive Committees at Future Now Capital 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.

Steve is currently also a Director of The Banking and Finance Oath (BFO) and a Board member of the ASX Refinitiv Charity Foundation.

Steven holds a BEc (Hons), LLB

Christine Khor
(appointed 15 November 2018)

Christine Khor is the Managing Director of Chorus Executive, a holistic talent management and recruitment business, and at Peepcoach.com, the on-demand coaching led career and leadership development platform of which she is the Founder and CEO. Christine has been appointed to the Future Pathways Advisory Council a Rio Tinto initiative.

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. Christine has been named a Telstra Business Woman of the Year Finalist, Women Leading Tech Finalist and Chief Executive Women Winner.

Christine holds a BA (Psych), MBA and has post graduate qualifications in Organisational Change and Executive Coaching

Roger Massy-Greene AM
(appointed 22 November 2010)

In addition to his role as a director of The Hunger Project Australia Roger Massy-Greene is also a member of the global board of The Hunger Project. Roger is the principal shareholder and Chair of Eureka Capital Partners, a private investment company, and is a director of Illawarra Coke Company, a related industrial land rehabilitation and development concern, and 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 and served as Chair of Excel Coal Limited and its predecessor Resource Finance Corporation Ltd until its acquisition by Peabody Energy.

He serves as Chair of Eureka Benevolent Foundation, a family foundation focused on overcoming socio-economic disadvantage. He is also a director of Australian Education Research Organisation, a company established by the Australian federal and state governments to promote evidence-based teaching practices in schools. Roger previously served as the President of the Cranbrook School Council.

Roger holds a BSc, BE (Hons), MBA (Harvard), FAICD FIE Aust

Directors' Report (continued)

NET SURPLUS/DEFICIT AFTER INCOME TAX

The loss of the company for the 2020 financial year was \$29,360 (2019: surplus of \$29,761).

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

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in subsequent financial years.

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.

SHARES AND OPTIONS

The company is incorporated as a company listed 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 the general meetings. The liability of members is limited to a sum not exceeding one hundred dollars.

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 \$3,379 (2019: \$3,159)

Directors' Report (continued)

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:

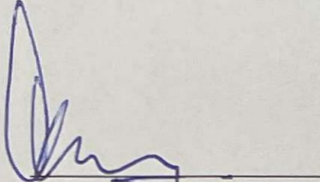
	Number of meetings attended	Number of meetings eligible to attend
Diane Grady	7	7
Rachel Akehurst	7	7
Bruce Beeren	3	3
Roger Massy-Greene	7	7
Simon Blackburn	7	7
Steven Harker	6	7
Christine Khor	6	7
Patty Akopiantz	2	2

Directors' Report (continued)

AUDITOR INDEPENDENCE

The Auditors' Independence Declaration for the year ended 31 December 2020 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:



Roger Massy-Greene

Director

Sydney
Date: 28 May, 2021



**Building a better
working world**

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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 2020, 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.

A handwritten signature in black ink that reads 'Ernst & Young' in a cursive style.

Ernst & Young

A handwritten signature in black ink that reads 'Rob Lewis' in a cursive style.

Rob Lewis
Partner
28 May 2021

Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2020

	NOTE	2020 \$	2019 \$
Continuing Operations			
Fundraising – Donations		5,080,227	5,304,315
Other income		352,582	33,135
Revenue	6	<u>5,432,809</u>	<u>5,337,450</u>
Employee benefits expense	7	(1,084,657)	(1,299,338)
Costs of global projects		(3,900,194)	(3,506,551)
Travelling expenses		(7,570)	(87,957)
Depreciation and amortisation	8	(93,184)	(140,788)
Services in kind	20	(147,260)	(85,194)
Admin and other expenses		(229,304)	(187,861)
Expenditure		<u>(5,462,169)</u>	<u>(5,307,689)</u>
Surplus / (Deficit) for the year		<u>(29,360)</u>	<u>29,761</u>
Income tax expense		-	-
Net surplus / (deficit) for the year		<u>(29,360)</u>	<u>29,761</u>
Other items of comprehensive income		-	-
Total comprehensive surplus / (deficit) for the year		<u>(29,360)</u>	<u>29,761</u>

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

Statement of Financial Position

AS AT 31 DECEMBER 2020	NOTE	2020	2019
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	9	1,788,105	1,790,894
Trade and other receivables	11	1,483	69,195
Prepayments	12	9,179	18,903
TOTAL CURRENT ASSETS		1,798,767	1,878,992
NON-CURRENT ASSETS			
Property, plant and equipment	13	4,743	21,793
Intangible assets	14	1,087	5,900
Right of use asset		-	69,941
TOTAL NON-CURRENT ASSETS		5,830	97,634
TOTAL ASSETS		1,804,597	1,976,626
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	15	86,745	256,977
Provisions	16	854,723	842,410
TOTAL CURRENT LIABILITIES		941,468	1,099,387
NON-CURRENT LIABILITIES			
Provisions	16	30,746	15,496
TOTAL NON-CURRENT LIABILITIES		30,746	15,496
TOTAL LIABILITIES		972,214	1,114,883
NET ASSETS		832,383	861,743
ACCUMULATED FUNDS			
Retained earnings		832,383	861,743
TOTAL ACCUMULATED FUNDS		832,383	861,743

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 2020

	NOTE	2020 \$	2019 \$
Cash Flows From Operating Activities			
Receipts from donors		5,000,680	5,424,967
Interest received		1,033	4,170
Government grants and subsidies received		334,000	-
Miscellaneous income		8,911	-
Payment to suppliers and employees		(1,288,236)	(1,555,854)
Finance costs paid		(8,551)	(14,413)
Lease interest paid		(1,858)	(6,622)
Funding of global projects		(3,899,590)	(4,195,937)
Net cash flows from/(used in) operating activities	10	<u>146,389</u>	<u>(343,689)</u>
Cash Flows from Investing Activities			
Purchase of property, plant, and equipment		(1,380)	(3,114)
Purchase of intangibles - Website Development		-	-
Net cash flows used in investing activities		<u>(1,380)</u>	<u>(3,114)</u>
Cash Flows from Financing Activities			
Lease payments		(72,838)	(93,378)
Net cash flows used in financing activities		<u>(72,838)</u>	<u>(93,378)</u>
Effects of foreign exchange rate changes on cash and cash equivalents		(74,960)	28,965
Net increase/(decrease) in cash held		(2,789)	(411,216)
Cash at beginning of financial year		1,790,894	2,202,110
Cash at end of year	9	<u>1,788,105</u>	<u>1,790,894</u>

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 2020	NOTE	Retained Earnings \$	Total \$
Accumulated funds at 1 January 2019		831,982	831,982
Comprehensive surplus for the year		29,761	29,761
Accumulated funds at 31 December 2019		861,743	861,743
Comprehensive deficit for the year		(29,360)	(29,360)
Accumulated funds at 31 December 2020		832,383	832,383

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2020

1. CORPORATE INFORMATION

The financial report of The Hunger Project Australia Limited (the Company) for the year ended 31 December 2020 was authorised for issue in accordance with a resolution of the directors on 26 May 2021.

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 dollars (\$).

(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 and amended standards and interpretations

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

Several other amendments and interpretations apply for the first time in 2020, but do not have an impact on the financial statements of the company.

(d) Accounting Standards and Interpretations issued but not yet effective

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Company for the annual reporting year ended 31 December 2020.

(e) 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 in respect of the financial period during which they are expected to be received only 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 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) 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.

(g) 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.

(h) 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.

(i) 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.

(j) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In calculating the present value of lease payments, the Company uses its estimated borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

(k) 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.

(l) 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.

(m) 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.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Project accruals

Project accruals represent deferred revenue and are an accrual for funds which the Company has received from investors and which the Company has committed to spend in epicentres, country based programs or sectoral programs.

(o) 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.

(p) Comparatives

Where necessary, comparatives have been reclassified and repositioned for consistency with current years disclosures.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

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.

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 2020	<6 months \$	6-12 months \$	1-5 years \$	5 years \$	Total \$
Financial Assets					
Cash and cash equivalents	1,788,105				1,788,105
Trade and other receivables	1,483	-			1,483
	<hr/> 1,789,588	<hr/> -			<hr/> 1,789,588
Financial Liabilities					
Trade and other payables	86,745	-			86,745

Fair Value

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

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

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.

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.

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 2020

6. REVENUE FROM CONTINUING OPERATIONS

	2020 \$	2019 \$
Fundraising - Cash Donations	4,932,968	5,219,121
Donations -Services in kind contribution	147,260	85,194
<i>Other income</i>		
Interest revenue	1,033	4,170
Miscellaneous income	17,548	28,965
Government grants and subsidies	334,000	-
	5,432,809	5,337,450

Refer to Note 20 for details of services in kind

7. EXPENSES FROM CONTINUING OPERATIONS

Employee Benefits Expense

Salaries and wages	868,970	1,078,227
Superannuation	91,379	110,679
Employee leave expense	109,111	93,069
Staff training	7,587	9,040
Recruitment	739	1,120
Workers compensation costs	2,637	2,053
Staff Amenities	4,234	5,150
	1,084,657	1,299,338

8. DEPRECIATION AND AMORTISATION

Property, Plant and Equipment		
Depreciation for the year	18,430	31,063
Intangible Asset		
Amortisation for the year	4,813	4,813
Right of use Asset		
Amortisation for the year	69,941	104,912
	93,184	140,788

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

9. CASH AND CASH EQUIVALENTS

	2020 \$	2019 \$
Cash at bank and in hand – Committed to projects	765,410	1,007,704
Cash at bank and in hand - Unrestricted	1,022,695	783,190

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:

Cash at bank and in hand	1,788,105	1,790,894
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10. STATEMENT OF CASH FLOWS RECONCILIATION

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

Net surplus / (deficit)	(29,360)	29,761
<i>Adjustments for:</i>		
Depreciation	18,430	31,063
Amortisation	74,754	109,725
Effect of Foreign exchange gain or loss	74,960	(28,965)
<i>Changes in Assets and Liabilities</i>		
(Increase)/decrease in trade and other receivables	67,712	205,846
(Increase) /decrease in prepayments	9,724	(2,060)
Increase / (decrease) in trade payables	(97,394)	(32,355)
Increase / (decrease) in provisions	27,563	(656,704)
Net cash inflow/(outflow) from operating activities	146,389	(343,689)

Refer to note 20 for details of non-cash settled Services in kind.

11. TRADE AND OTHER RECEIVABLES

Other receivables - Committed to programs	-	19,277
Other receivables - Unrestricted funds	1,483	49,918
	1,483	69,195

12. PREPAYMENTS

Prepayments	9,179	18,903
	9,179	18,903

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

13. 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 2020			
At 1 January 2020 net of accumulated depreciation and impairment	599	21,194	21,793
Additions	1,380	-	1,380
Depreciation charge for the year	(441)	(17,989)	(18,430)
At 31 December 2020 net of accumulated depreciation and impairment	1,538	3,205	4,743
As at 31 December 2020			
Cost	2,460	100,447	102,907
Accumulated depreciation and impairment	(922)	(97,242)	(98,164)
Net carrying amount	1,538	3,205	4,743
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
Disposals	-	-	-
Accumulated depreciation and impairment	(481)	(105,399)	(105,880)
Net carrying amount	599	21,194	21,793

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

14. INTANGIBLE ASSETS

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

	Website Development Costs \$
Year ended	
31 December 2020	
At 1 January 2020 net of accumulated amortisation and impairment	5,900
Additions	-
Amortisation charge for the year	(4,813)
At 31 December 2020 net of accumulated amortisation and impairment	<u>1,087</u>
As at 31 December 2020	
Cost	24,065
Accumulated amortisation and impairment	(22,978)
Net carrying amount	<u>1,087</u>
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	<u>5,900</u>
As at 31 December 2019	
Cost	24,065
Accumulated amortisation and impairment	(18,165)
Net carrying amount	<u>5,900</u>

15. TRADE AND OTHER PAYABLES

	2020 \$	2019 \$
Trade payables	36,334	66,681
Other	32,411	44,821
Lease liability (1)	-	81,475
Staff bonuses	18,000	64,000
Carrying amount of trade and other payables	<u>86,745</u>	<u>256,977</u>

(1) The lease for office premises was exited in October 2020

16. PROVISIONS

	2020 \$	2019 \$
<i>Current Liabilities</i>		
Annual leave	78,647	69,334
Provision for oncost	10,667	8,271
Project accruals	765,409	764,805
Total Current Liabilities	<u>854,723</u>	<u>842,410</u>
<i>Non Current Liabilities</i>		
Long service leave	30,746	15,496
Total Liabilities - Provisions	<u>885,469</u>	<u>857,906</u>

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

17. RELATED PARTY TRANSACTIONS

(a) Key Management Personnel Remuneration

Short Term	335,219	466,428
Total	<u>335,219</u>	<u>466,428</u>

(b) Board of Directors

Directors' Remuneration

All Directors provide their services on a voluntary basis.

Reimbursement of Expenses to Directors

Reimbursement of travel expenses	596	8,666
Total	<u>596</u>	<u>8,666</u>

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

Donations received	1,142,609	640,723
Total	<u>1,142,609</u>	<u>640,723</u>

18. 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 2020, the number of members was 121 (2019: 108).

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

19. EVENTS AFTER THE BALANCE SHEET DATE

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the result of those operations, or the state of affairs of the company in subsequent financial years.

20. SERVICES IN KIND

During 2020 services worth a total \$147,260 (2019: 85,194) were received as contributions in kind, and consist of the following:

	2020	2019
	\$	\$
Legal services provided by Hamilton Locke	12,310	1,356
Staff training and development		
McKinsey & Company	600	8,000
Kemi Nepkavil	39,000	-
Potential Project Australia	28,000	-
Programme Facilitation	-	25,000
Brand Design and Campaign		
Clarity Thought Partners	10,000	-
Campaign PR & media		
Conexus Financial	29,000	-
Labelium Pty Ltd	6,000	-
General support	16,350	47,938
Database & IT support	6,000	2,900
	147,260	85,194

21. BUSINESS DETAILS

The registered office and its principal place of business is:

THE HUNGER PROJECT AUSTRALIA
1 Shelley Street
Sydney NSW 2000

At 31 December 2020, the business had 11 employees which equated to 10.04 full time equivalents (31 December 2019: 13 employees, equated to 11.9 full time equivalents).

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

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

22. 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, 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 22.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

22. ADDITIONAL INFORMATION - COMPLYING WITH ACFID CODE OF CONDUCT (CONTINUED)

Income Statement

	2020 \$	2019 \$
REVENUE		
Donations and gifts		
• Monetary	2,091,194	2,714,503
• Non-monetary*	147,260	85,194
Bequests and Legacies		-
Grants		
• AusAID	-	-
• Other Australian [^]	2,841,773	2,504,618
• Other overseas	-	-
Investment Income	1,033	4,170
Other Income	351,549	28,965
Revenue for International Political or Religious Proselytisation Programs	-	-
TOTAL REVENUE	5,432,809	5,337,450
EXPENDITURE		
International Aid and Development Programs Expenditure		
• Funds to international programs	(3,900,194)	(3,506,551)
• Program support costs	(273,268)	(390,304)
Community education	(323,658)	(419,806)
Fundraising costs		
• Public	(330,496)	(392,007)
• Government, multilateral and private	(121,882)	(143,401)
Accountability and Administration	(365,411)	(370,426)
Non-Monetary Expenditure*	(147,260)	(85,194)
Total International Aid and Development Programs	(5,462,169)	(5,307,689)
Expenditure		
Expenditure for International Political or Religious Programs		
Domestic Programs Expenditure (Incl. Monetary & Non Monetary)		-
TOTAL EXPENDITURE	(5,462,169)	(5,307,689)
Excess of revenue over expense from continuing	(29,360)	29,761

* Services in kind totalled \$147,260 (2019: \$85,194) and are disclosed in note 20 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 2020

22. ADDITIONAL INFORMATION - COMPLYING WITH ACFID CODE OF CONDUCT (CONTINUED)

Balance Sheet

ASSETS	2020	2019
Current Assets		
Cash and cash equivalents	1,788,105	1,790,894
Trade and other receivables	1,483	69,195
Inventories	-	-
Prepayments	9,179	18,903
Assets held for sale	-	-
Other financial assets	-	-
Total Current Assets	1,798,767	1,878,992
Non-Current Assets		
Trade and other receivables	-	-
Other financial assets	-	-
Property, plant and equipment	4,743	21,793
Investment property	-	-
Intangibles	1,087	75,841
Other non-current assets	-	-
Total Non-Current Assets	5,830	97,634
TOTAL ASSETS	1,804,597	1,976,626
LIABILITIES		
Current Liabilities		
Trade and other payables	86,745	256,977
Borrowings	-	-
Current tax liabilities	-	-
Other financial liabilities	-	-
Provisions	854,723	842,410
Other	-	-
Total Current Liabilities	941,468	1,099,387
Non-Current Liabilities		
Borrowings	-	-
Other Financial Liabilities	-	-
Provisions	30,746	15,496
Other	-	-
Total Non-Current Liabilities	30,746	15,496
TOTAL LIABILITIES	972,214	1,114,883
NET ASSETS	832,383	861,743
EQUITY		
Reserves	-	-
Retained earnings	832,383	861,743
TOTAL EQUITY	832,383	861,743

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 DECEMBER 2020

22. ADDITIONAL INFORMATION - COMPLYING WITH ACFID CODE OF CONDUCT (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 *	1,005,817	3,545,101	(3,535,437)	1,015,481
Mlawe epicentre - Zambia	1,882	602,000	(589,490)	14,392
Total for non-designated purposes	783,195	814,504	(839,467)	758,232
TOTAL	1,790,894	4,961,605	(4,964,394)	1,788,105

*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

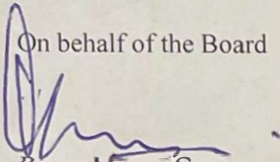
Consolidated	Retained Earnings \$	Reserves \$	Other \$	Total \$
Balance at 31 December 2019	861,743	-	-	861,743
Excess of revenue over expenses	(29,360)	-	-	(29,360)
Amount transferred to / (from) reserves	-	-	-	-
Balance at 31 December 2020	832,383	-	-	832,383

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 2020 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



Roger Massy-Greene
Director
Sydney
28 May, 2021

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 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including 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 2020 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 (including Independence Standards)* (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.

We confirm that the independence declaration, which has been given to the directors of the Hunger Project Australia Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

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.



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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: https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

Report on the requirements of the *NSW Charitable Fundraising Act 1991*⁸ 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)*.



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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 2020, 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 2020 has been properly accounted for and applied, in all material respects, in accordance with the above mentioned Act(s) and Regulations.

Ernst & Young

Rob Lewis
Partner
Sydney
31 May 2021