

The Hunger Project Australia Limited

ABN 45 002 569 271

Annual Financial Report
for the year ended
31 December 2023

Contents

Directors' Report	1
Auditors' Independence Declaration	6
Statement of Comprehensive Income	7
Statement of Financial Position	8
Statement of Cash Flows	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11
Directors' Declaration	29
Auditor's Independence Report	30

Directors' Report

The Directors present this report on the Company for the financial year ended 31 December 2023.

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>Mary Reemst (Chairperson) BA, Grad Dip Fin Mgt (appointed Director 9 February 2022 appointed Chair July 2022)</p>	<p>Mary Reemst is a Director of Asylum Seekers Centre, the Sisters of Charity Foundation and a Board member of Future Fund of Guardians (currently Acting Chair until June 2024). Mary is also a Member of Clean Energy Finance Corporation Rewiring the Nation Investment Advisory Committee.</p> <p>Mary has over three decades of experience in the banking industry. Her career included significant experience in front line client facing roles, risk management as Head of Credit at Macquarie Group Limited and most recently as Chief Executive Officer of Macquarie Bank Limited.</p> <p>Mary was formerly a director on the Macquarie Bank Board and a member of Macquarie Group and Macquarie Bank Executive Committees.</p>
<p>Rachel Akehurst BSc (appointed 22 June 2012 resigned effective 14 December 2023)</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.</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>Patricia Akopiantz BA, MBA (appointed 4 November 2020)</p>	<p>Patty Akopiantz is a co-founder of Assembly Climate Capital which invests in companies and ideas that can significantly impact climate change. Patty is the Chair of Environmental Leadership Australia and she also serves on the boards of Belvoir Theatre Company, KPMG and Sea Forest.</p> <p>Patty Akopiantz has had significant experience 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>Simon Blackburn BE, BSc, PhD Engineering (appointed 4 June 2014)</p>	<p>Simon Blackburn is a Senior Partner in McKinsey & Company's Sydney office, and has been with McKinsey for 25 years. He is also on the board of the Woolcock Institute of Medical Research.</p> <p>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.</p> <p>Simon was previously on the board of Parents as Teachers National Centre, and the Massachusetts STEM Collaborative.</p>

Directors' Report (continued)

<p>Steven Harker AM BEc (Hons), LLB (appointed 1 January 2018)</p>	<p>Steve Harker AM is currently Chairman of the Investment and Executive Committees at Future Now Capital. He is also a Director of SurePact and the ASX Refinitiv Charity Foundation.</p> <p>Prior to that Steve was CEO then Vice Chairman of Morgan Stanley Australia for 21 years. Before joining Morgan Stanley, Steve spent 15 years with BZW in various roles including Global Head of Equities based in London.</p> <p>He has also served on the Boards of Westpac, the Future Fund Board of Guardians, the Banking and Finance Oath, the Australian Financial Markets Association and Ascham School.</p>
<p>Christine Khor BA (Psych), MBA (appointed 15 November 2018)</p>	<p>Christine Khor is the Managing Director of Chorus Executive and is founder and CEO of Peoplcoach. Christine is a member of the Future Pathways Advisory Council, a Rio Tinto initiative.</p> <p>Christine has been named a Telstra Business Woman of the Year Finalist, Women Leading Tech Finalist and Chief Executive Women Winner.</p>
<p>Roger Massy-Greene AM BSc, BE (Hons) (appointed 22 November 2010)</p>	<p>Roger Massy-Greene is also a member of the global board of The Hunger Project.</p> <p>Roger is the principal shareholder and Chair of Eureka Capital Partners, a private investment company. He is a director of Illawarra Coke Company and OneVentures Pty Ltd.</p> <p>Roger previously served as the Chair of Ausgrid, Endeavour Energy and Essential Energy. He co-founded and served as Chair of Excel Coal Limited and its predecessor Resource Finance Corporation Ltd until its acquisition by Peabody Energy.</p> <p>He serves as Chair of Eureka Benevolent Foundation, a family foundation focused on overcoming socio-economic disadvantage. He is 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.</p> <p>Roger previously served as the President of the Cranbrook School Council.</p>
<p>Jacinta McDonell (appointed 21 July 2021)</p>	<p>Jacinta McDonell is the founder of A Founders Path, a wellness consultancy company and Founder of W1LL.</p> <p>Jacinta was also the co-founder of Anytime Fitness. She has significant entrepreneurial experience in the wellness industry and in using best practice systems to innovate brands.</p>
<p>Kate Howitt (appointed 14 December 2023)</p>	<p>Kate joined the board in late 2023. She has previously worked for Fidelity International as a Portfolio Manager and has over 26 years of financial, strategic, competitive, technology, culture & regulatory analysis of ASX companies across all sectors.</p> <p>Kate is Chairman of 9 Degrees Australia (and related entities), a Member of Investment Committee for the Australian Indigenous Education Foundation and River Capital and a Member of the Council Finance and Strategy Committee and Investment Committee, University of NSW. She is also a Senior Advisor Boston with Consulting Group</p>

Directors' Report (continued)

NET SURPLUS/DEFICIT AFTER INCOME TAX

The loss of the company for the 2023 financial year was \$137,781 (2022: loss of \$97,294).

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 has performed in line with expectations.

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 \$6,806 (2022: \$5,850).

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
Mary Reemst	6	6
Rachel Akehurst	5	6
Patty Akopiantz	4	6
Simon Blackburn	6	6
Steven Harker	4	6
Christine Khor [#]	N/A	N/A
Roger Massy-Greene	5	6
Jacinta McDonnell	6	6

[#] Christine Khor was granted leave of absence for the duration of 2023
Kate Howitt was appointed at the end of 2023, after the last Board meeting

Directors' Report (continued)

AUDITOR INDEPENDENCE

The Auditors' Independence Declaration for the year ended 31 December 2023 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:



Mary Reemst
Chair

Sydney
Date: 23 May 2024

Type text here



**Building a better
working world**

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

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 2023, 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:

- a. No contraventions of the auditor independence requirements of any applicable code of professional conduct; and
- b. No non-audit services provided that contravene any applicable code of professional conduct.

Ernst & Young

Rob Lewis
Partner
23 May 2024

Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2023

	NOTE	2023 \$	2022 \$
Continuing Operations			
Fundraising – Donations		5,823,114	4,275,299
Other income		17,199	3,152
Revenue	6	<u>5,840,313</u>	<u>4,278,451</u>
Employee benefits expense	7	(1,637,002)	(1,474,548)
Costs of global projects		(3,860,081)	(2,482,109)
Travelling expenses		(78,146)	(99,514)
Depreciation and amortisation	8	(6,775)	(5,083)
Services in kind	20	(81,156)	(86,275)
Admin and other expenses		(314,935)	(228,216)
Expenditure		<u>(5,978,095)</u>	<u>(4,375,745)</u>
Surplus / (Deficit) for the year		<u>(137,782)</u>	<u>(97,294)</u>
Income tax expense		-	-
Net surplus / (deficit) for the year		<u>(137,782)</u>	<u>(97,294)</u>
Other items of comprehensive income		-	-
Total comprehensive surplus / (deficit) for the year		<u>(137,782)</u>	<u>(97,294)</u>

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

Statement of Financial Position

AS AT 31 DECEMBER 2023	NOTE	2023	2022
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	9	1,639,390	2,037,478
Trade and other receivables	11	171,936	18,544
Prepayments	12	41,316	38,565
TOTAL CURRENT ASSETS		1,852,642	2,094,587
NON-CURRENT ASSETS			
Property, plant and equipment	13	9,578	13,503
Intangible assets	14	24,675	7,800
TOTAL NON-CURRENT ASSETS		34,253	21,303
TOTAL ASSETS		1,886,895	2,115,890
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	15	209,653	332,528
Provisions	16	1,137,135	1,107,397
TOTAL CURRENT LIABILITIES		1,346,788	1,439,925
NON-CURRENT LIABILITIES			
Provisions	16	15,058	13,134
TOTAL NON-CURRENT LIABILITIES		15,058	13,134
TOTAL LIABILITIES		1,361,846	1,453,059
NET ASSETS		525,049	662,831
ACCUMULATED FUNDS			
Retained earnings		525,049	662,831
TOTAL ACCUMULATED FUNDS		525,049	662,831

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 2023

	NOTE	2023 \$	2022 \$
Cash Flows From Operating Activities			
Receipts from donors		5,438,832	4,323,354
Interest received		17,199	3,152
Government grants and subsidies received		-	-
Miscellaneous income		-	-
Payment to suppliers and employees		(1,960,411)	(1,767,681)
Finance costs paid		(10,592)	(12,321)
Lease interest paid		-	-
Funding of global projects		(3,843,627)	(2,295,736)
Net cash flows from/(used in) operating activities	10	(358,599)	250,768
Cash Flows from Investing Activities			
Purchase of property, plant, and equipment		(2,850)	(10,610)
Purchase of intangibles - Website Development		(16,875)	(7,800)
Net cash flows used in investing activities		(19,725)	(18,410)
Cash Flows from Financing Activities			
Lease payments		-	-
Net cash flows used in financing activities		-	-
Effects of foreign exchange rate changes on cash and cash equivalents		(19,764)	2,216
Net increase/(decrease) in cash held		(398,088)	234,574
Cash at beginning of financial year		2,037,478	1,802,904
Cash at end of year	9	1,639,390	2,037,478

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 2023

	Retained Earnings	Total
	\$	\$
Accumulated funds at 1 January 2022	760,125	760,125
Comprehensive deficit for the year	(97,294)	(97,294)
Accumulated funds at 31 December 2022	662,831	662,831
Comprehensive deficit for the year	(137,782)	(137,782)
Accumulated funds at 31 December 2023	525,049	525,049

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2023

1. CORPORATE INFORMATION

The financial report of The Hunger Project Australia Limited (the Company) for the year ended 31 December 2023 was authorised for issue in accordance with a resolution of the directors on 15 May 2024.

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

These general purpose financial statements have been prepared in compliance with the requirements of the Corporations Act 2001 and Australian Accounting Standards – Simplified Disclosures. The company is a not-for-profit entity which is not publicly accountable. AASB 1060.10, 11(a), 11(b) The entity has adopted AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities in the current year. Other than the change in disclosure requirements, the adoption of AASB 1060 has no significant impact on the financial statements because the entity's previous financial statements complied with Australian Accounting Standards – Reduced Disclosure Requirements

(c) New and amended standards and interpretations

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

(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 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 2023

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.

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.

(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.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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 fringe benefits tax, sales and capital gains taxes and state payroll taxes. 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 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.

(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.

(n) Audit Fees

Ernst and Young provided audit services in 2023 for a total cost of \$41,250 (2022 Audit fee: \$38,000).

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Comparatives

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

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 2023	<6 months \$	6-12 months \$	1-5 years \$	5 years \$	Total \$
Financial Assets					
Cash and cash equivalents	1,639,390				1,639,390
Trade and other receivables	171,936				171,936
	1,811,326				1,811,326
Financial Liabilities					
Trade and other payables	209,653				209,653

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

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.

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 2023

6. REVENUE FROM CONTINUING OPERATIONS

	2023 \$	2022 \$
Fundraising - Cash Donations	5,741,958	4,189,024
Donations - Services in kind contribution	81,156	86,275
<i>Other income</i>		
Interest revenue	17,199	3,152
Miscellaneous income	-	-
Government grants and subsidies	-	-
	5,840,313	4,278,451

Refer to Note 20 for details of services in kind

7. EXPENSES FROM CONTINUING OPERATIONS

Employee Benefits Expense

Salaries and wages	1,269,209	1,164,320
Superannuation	152,064	128,437
Employee leave expense	162,051	117,273
Staff training	4,719	9,139
Recruitment	36,862	44,296
Workers compensation costs	7,953	7,010
Staff Amenities	4,144	4,073
	1,637,002	1,474,548

8. DEPRECIATION AND AMORTISATION

Property, Plant and Equipment		
Depreciation for the year	6,775	5,083
Intangible Asset		
Amortisation for the year	-	-
Right of use Asset		
Amortisation for the year	-	-
	6,775	5,083

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

9. CASH AND CASH EQUIVALENTS

	2023 \$	2022 \$
Cash at bank and in hand – Committed to projects	1,000,473	1,283,784
Cash at bank and in hand - Unrestricted	638,917	753,694

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	1,639,390	2,037,478
--------------------------	-----------	-----------

10. STATEMENT OF CASH FLOWS RECONCILIATION

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

Net surplus / (deficit)	(137,782)	(97,294)
<i>Adjustments for:</i>		
Depreciation	6,775	5,083
Amortisation	-	-
Effect of foreign exchange gain or loss	19,764	(2,216)
<i>Changes in Assets and Liabilities</i>		
(Increase) / decrease in trade and other receivables	(153,392)	39,443
(Increase) / decrease in prepayments	(2,751)	(27,414)
Increase / (decrease) in trade payables	(122,875)	166,393
Increase / (decrease) in provisions	31,662	166,773
Net cash inflow/(outflow) from operating activities	(358,599)	250,768

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

11. TRADE AND OTHER RECEIVABLES

Other receivables - Committed to programs	149,284	2,500
Other receivables - Unrestricted funds	22,653	16,044
	171,936	18,544

12. PREPAYMENTS

Prepayments	41,316	38,565
	41,316	38,565

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

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 2023			
At 1 January 2023 net of accumulated depreciation and impairment	603	12,900	13,503
Additions	-	2,850	2,850
Disposals	-	-	-
Depreciation charge for the year	(275)	(6,500)	(6,775)
At 31 December 2023 net of accumulated depreciation and impairment	328	9,250	9,578
As at 31 December 2023			
Cost	2,460	114,323	116,783
Accumulated depreciation and impairment	(2,132)	(105,073)	(107,205)
Net carrying amount	328	9,250	9,578
Year ended			
31 December 2022			
At 1 January 2022 net of accumulated depreciation and impairment	1,046	6,931	7,977
Additions	-	10,610	10,610
Disposals	-	(1)	(1)
Depreciation charge for the year	(443)	(4,640)	(5,083)
At 31 December 2022 net of accumulated depreciation and impairment	603	12,900	13,503
As at 31 December 2022			
Cost	2,460	111,473	113,933
Accumulated depreciation and impairment	(1,857)	(98,573)	(100,430)
Net carrying amount	603	12,900	13,503

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

14. INTANGIBLE ASSETS

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

	Website Development Costs \$
Year ended	
31 December 2023	
At 1 January 2023 net of accumulated amortisation and impairment	7,800
Additions	16,875
Amortisation charge for the year	-
At 31 December 2023 net of accumulated amortisation and impairment	<u>24,675</u>
As at 31 December 2023	
Cost	48,740
Accumulated amortisation and impairment	<u>(24,065)</u>
Net carrying amount	<u>24,675</u>
Year ended	
31 December 2022	
At 1 January 2022 net of accumulated amortisation and impairment	-
Additions	7,800
Amortisation charge for the year	-
At 31 December 2022 net of accumulated amortisation and impairment	<u>7,800</u>
As at 31 December 2022	
Cost	31,865
Accumulated amortisation and impairment	<u>(24,065)</u>
Net carrying amount	<u>7,800</u>

15. TRADE AND OTHER PAYABLES

	2023	2022
	\$	\$
Trade payables	106,564	77,101
Other	103,089	58,145
Deferred Income	-	150,932
Staff bonuses	-	46,350
Carrying amount of trade and other payables	<u>209,653</u>	<u>332,528</u>

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

16. PROVISIONS

	2023 \$	2022 \$
<i>Current Liabilities</i>		
Annual leave	93,060	86,218
Provision for oncost	15,911	13,198
Long service leave	27,691	23,964
Project accruals	1,000,473	984,017
Total Current Liabilities	<u>1,137,135</u>	<u>1,107,397</u>
<i>Non Current Liabilities</i>		
Long service leave	15,058	13,134
Total Liabilities - Provisions	<u>1,152,193</u>	<u>1,120,531</u>

17. RELATED PARTY TRANSACTIONS

(a) Key Management Personnel Remuneration

Short Term	420,819	353,562
Total	<u>420,819</u>	<u>353,562</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	2,753	620
Total	<u>2,753</u>	<u>620</u>

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

Donations received	739,766	487,606
Total	<u>739,766</u>	<u>487,606</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 2023, the number of members was 106 (2022: 112).

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.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

20. SERVICES IN KIND

During 2023 goods and services worth a total \$81,156 (2022: \$86,275) were received as contributions in kind, and consist of the following:

	2023	2022
	\$	\$
Legal Services - Hamilton Locke	41,253	11,238
Travel Costs	-	1,230
Programme Facilitation - Kemi Nepkavil	30,000	30,000
Recruitment Services	-	955
Campaign & Event Support (various)	5,705	39,139
Database & IT support - Asana and Slack	4,198	3,713
	<hr/> 81,156	<hr/> 86,275

21. BUSINESS DETAILS

The registered office and its principal place of business is:

THE HUNGER PROJECT AUSTRALIA
Level 3, 11 York Street
Sydney NSW 2000

At 31 December 2023, the business had 14 employees which equated to 12.8 full time equivalents (31 December 2022: 17 employees, equated to 13.9 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 2023

22. ADDITIONAL INFORMATION - COMPLYING WITH ACFID CODE OF CONDUCT

The Hunger Project Australia Limited is working towards accreditation with the Australian Council for International Development (ACFID) Code of Conduct, and the following 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 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 21.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

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

Income Statement

	2023 \$	2022 \$
REVENUE		
Donations and gifts		
• Monetary	2,937,007	2,231,997
• Non-monetary*	81,156	86,275
Bequests and Legacies	-	-
Grants		
• AusAID	-	-
• Other Australian^	2,804,951	1,957,027
• Other overseas	-	-
Investment Income	17,199	3,152
Other Income	-	-
Revenue for International Political or Religious Proselytisation Programs	-	-
TOTAL REVENUE	5,840,313	4,278,451
EXPENDITURE		
International Aid and Development Programs Expenditure		
• Funds to international programs	(3,860,081)	(2,482,109)
• Program support costs	(459,802)	(338,025)
• Community education	(504,042)	(475,355)
Fundraising costs		
• Public	(390,791)	(370,759)
• Government, multilateral and private	(313,427)	(296,639)
Accountability and Administration	(368,796)	(326,583)
Non-Monetary Expenditure*	(81,156)	(86,275)
Total International Aid and Development Programs	(5,978,095)	(4,375,745)
Expenditure		
Expenditure for International Political or Religious Proselytisation Programs	-	-
Domestic Programs Expenditure (Incl. Monetary & Non Monetary)	-	-
TOTAL EXPENDITURE	(5,978,095)	(4,375,745)
Excess of revenue over expense from continuing operations	(137,782)	(97,294)

* Services in kind totalled \$81,156 (2022: \$86,275) 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 2023

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

Balance Sheet

ASSETS	2023	2022
	\$	\$
Current Assets		
Cash and cash equivalents	1,639,390	2,037,478
Trade and other receivables	171,936	18,544
Inventories	-	-
Prepayments	41,316	38,565
Assets held for sale	-	-
Other financial assets	-	-
Total Current Assets	1,852,642	2,094,587
Non-Current Assets		
Property, plant and equipment	9,578	13,503
Intangibles	24,675	7,800
Other non-current assets	-	-
Total Non-Current Assets	34,253	21,303
TOTAL ASSETS	1,886,895	2,115,890
LIABILITIES		
Current Liabilities		
Trade and other payables	209,653	332,528
Borrowings	-	-
Other financial liabilities	-	-
Provisions	1,137,135	1,107,397
Total Current Liabilities	1,346,788	1,439,925
Non-Current Liabilities		
Borrowings	-	-
Other Financial Liabilities	-	-
Provisions	15,058	13,134
Total Non-Current Liabilities	15,058	13,134
TOTAL LIABILITIES	1,361,846	1,453,059
NET ASSETS	525,049	662,831
EQUITY		
Retained earnings	525,049	662,831
TOTAL EQUITY	525,049	662,831

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

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

Statement of Changes in Equity

Consolidated	Retained Earnings \$	Reserves \$	Other \$	Total \$
Balance at 31 December 2022	662,831	-	-	662,831
Excess of revenue over expenses	(137,782)			(137,782)
Amount transferred to / (from) reserves	-			-
Balance at 31 December 2023	525,049			525,049

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:
- giving a true and fair view of the Company's financial position as at 31 December 2023 and of its performance for the year ended on that date; and
 - 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



Mary Reemst
Director
Sydney
23 May 2024



Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

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 2023, 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 material accounting policy information, 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 2023 and of its financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards – Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Regulations 2022*.

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 confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

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 – Simplified Disclosures 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* and the *NSW Charitable Fundraising Regulation 2021* 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(1) 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 Regulation 2021* and the *WA Charitable Collections Act (1946)* and the *WA Charitable Collections Regulations (1947)*.

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 Regulation(s) 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 2023, in all material respects, in accordance with:
 - i. Sections 20(1), 22(1-2), 24(1) of the *NSW Charitable Fundraising Act 1991*;
 - ii. Sections 14(2) and 17 of the *NSW Charitable Fundraising Regulation 2021*;
 - iii. The *WA Charitable Collections Act (1946)*; and
 - iv. The *WA Charitable Collections Regulations (1947)*.

The money received as a result of fundraising appeals conducted by the company [registered scheme/disclosing entity/foundation] during the financial year ended 31 December 2023 has been properly accounted for and applied, in all material respects, in accordance with the above-mentioned Act(s) and Regulations.

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

Ernst & Young

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

Rob Lewis
Partner
Sydney
24 May 2024