THE HUMOUR FOUNDATION™
Laughter is the best medicine!

The Humour Foundation

ABN 14 073 675 457

Annual Report

30 June 2021

clown doctors™ | elder clowns™ | laughter boss™ | laughter works™

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The Humour Foundation

Contents

The Humour Foundation

Director's report
For the year ended 30 June 2021

The directors present their report together with the financial report of The Humour Foundation (the Company or the Foundation) for the financial year ended 30 June 2021 and the auditor's report thereon.

1. Directors
The directors of the Company at any time during or since the end of the financial year are:

Director	Experience, special responsibilities and other directorships
Peter W Jess	Peter was appointed as a Director on 17 January 1997. Peter was a founding member of the Foundation and is currently Treasurer. Peter is the principal of PJA Accountants. Peter is a Director of the Nova Peris Foundation, Indigenous Sports Network Pty Ltd, Image Sportivo Internationale Pty Ltd, Sports Health Check Ltd, Global Sports Solutions Pty Ltd and the Community Concussion Research Foundation. Peter is a Chartered Accountant, Certified Public Accountant, Chartered Tax Advisor and Chartered Secretary and Administrator. Peter holds a Master of Law and a Diploma of Business/Accounting.
Rebecca Ong	Rebecca was appointed as a Director on 21 September 2016 and as Chair in October 2020. Rebecca is currently General Counsel and Company Secretary at MA Financial Group Limited, an ASX Listed Financial Services firm, with responsibilities for legal, compliance and company secretarial activities across the group. Prior to her time with MA Financial Group Limited, she was Regional Counsel at UBS, with responsibilities for UBS' Asset Management businesses covering Asia Pacific from both Sydney and Hong Kong offices. She has over 15 years of experience covering a broad range of areas that include mergers and acquisitions, funds management, corporate, regulatory and governance. She was admitted as a Solicitor in New South Wales in 2005 and is a Fellow of the Governance Institute of Australia (FGIA).
Damien Meredith	Damien was appointed as a director on 24 June 2009. Damien is the Chief Operating Officer of Kia Motors Australia. Damien is also a director of D. Meredith Pty Ltd.
David Pettigrew	David was appointed as a director on 24 June 2009. David has worked in the not-for-profit sector for over 23 years and is currently the Director and owner of Nourish NFP Pty Ltd, a consultancy to the not for profit sector.
Michael O'Brien	Michael was appointed as a director on 8 March 2017. Michael went to medical school at University College Cork, graduating in 1989. . His early career was spent working in a number of UK hospitals, before relocating to Melbourne. As well as his clinical role as a Paediatric Urologist, Michael is the Chief of Surgery at The Royal Children's Hospital, Melbourne and has been the Medical Ambassador for the Clown Doctors since 2015.
Mark G Smith (FAMI, CPM, FIML, FAICD)	Mark was appointed as a director on 29 November 2004 and resigned as a Director and the Chair of The Humour Foundation on 8 September 2020 and passed away shortly afterwards. Mark's warmth and guiding principle to 'do the right thing' served to inspire those around him. Mark gave his time and shared his knowledge generously. He is deeply missed by those fortunate enough to have known him.

2. Company secretary
Tony Warner was appointed to the position of Chief Executive Officer and Company Secretary on 12 February 2018.

Director's report

For the year ended 30 June 2021

3. Directors' meetings

The number of directors' meetings (including meetings of Committees of Directors) and number of meetings attended by each of the directors of the Company during the financial year are:

Director	Board Meetings	
	Attended	Entitled
Mark G Smith	1	2
Peter W Jess	9	10
David Pettigrew	10	10
Damien Meredith	5	10
Rebecca Ong	10	10
Michael O'Brien	9	10

4. Members' liability

The Foundation is a company limited by guarantee. In the event of the Foundation being wound up, the liability of each member is limited to $20. The total amount that members of the Company are liable to contribute as at 30 June 2021 is $280 (2020: $320).

5. Company objectives, strategies and principal activities

Mission and objectives

To be the leading Australian humour in health charity by promoting and delivering the positive health benefits of humour in a sustainable and effective manner.

Principal activities and strategies

The principal activities of the Company during the course of the financial year were to raise funds to operate various programs designed to achieve the following short and long term objectives:

Short term

- To grow revenue to meet the short term needs of programs in a sustainable manner.

Long term

- Deliver the health benefits of humour to the Australian community.
- Promote awareness and understanding of how the Company makes a positive difference through humour.
- Drive sustainable sources of funding in order to meet future program needs.

There were no significant changes in the nature of the activities of the Company during the year.

6. Review of performance

During the year the Company's income mainly came from donations, grants and fundraising. Expenses were primarily incurred through program costs and maintaining the national office.

In 2021 the COVID-19 outbreak continued to impact on the Company's fundraising income, particularly Corporate support, grants and fee for service income. Program delivery continued to be affected by various state lockdowns during the year as the Federal and State Governments dealt with the pandemic. In response the Company successfully developed online digital programs such as 'Clown Doctors on Call' for children and 'Connecting You Now' for aged care facilities.

The operating surplus for the year ended 30 June 2021 was $206,753 (2020: $431,530). The Federal Government's JobKeeper and COVID-19 cashflow boost subsidy resulted in additional funding of $423,310.

Director's report
For the year ended 30 June 2021

Apart from the growth in fundraising income and programs, performance is measured by the number of people visited in each of the 22 designated hospitals across Australia each year. These metrics continued to be adversely impacted by COVID-19. The number of visits for the year was 1,611 (2020: 1,275) and number of interactions with patients, family and staff was 159,136 (2020: 150,486). In addition, the Elder Clown program visited 14 facilities, either in person or via online sessions, across New South Wales and Victoria and made 270 (2020: 468) visits and reached 4,747 (2020: 10,436) people.

7. Significant changes in the state of affairs
The COVID-19 pandemic has continued to affect the Company and is likely to have a negative impact on income and operational activities in the following year too. In response the Company is investing in alternative online fundraising campaigns and continuing to offer digital programs into hospitals and aged care facilities.

8. Lead auditor's independence declaration
The Lead auditor's independence declaration is set out on page 5 and forms part of the Directors' report for financial year ended 30 June 2021.

This report is made in accordance with a resolution of the directors:

Rebecca Ong
Chair
Dated at Sydney 19 October 2021

Auditor's Independence Declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

To the Directors of The Humour Foundation

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2021 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Andrew Reeves
Partner

Sydney
19 October 2021

Statement of comprehensive income

As at 30 June 2021

In AUD	***Note***	**2021**	**2020**
Income	4	**4,759,323**	**4,830,263**
Administration costs		(516,158)	(572,306)
Program costs		(2,042,924)	(2,290,040)
Fundraising costs		(1,998,964)	(1,549,556)
Operating surplus before interest income		**201,277**	**418,361**
Interest income		5,476	13,169
Surplus for the year		**206,753**	**431,530**
Other comprehensive income		-	-
Total comprehensive income for the year		**206,753**	**431,530**

The notes on pages 10 to 21 are an integral part of these financial statements.

The Humour Foundation

Statement of financial position

As at 30 June 2021

In AUD	***Note***	**2021**	**2020**
Assets			
Cash and cash equivalents	6	1,946,362	2,219,988
Trade and other receivables	7	43,802	30,110
Prepayments		18,647	21,577
Term deposits (>3 months' maturity)		933,872	-
Total current assets		**2,942,683**	**2,271,675**
Property, plant and equipment	8	22,087	36,990
Right-of-use assets	9	229,606	331,653
Intangible assets	10	6,408	7,517
Total non-current assets		**258,101**	**376,160**
Total assets		**3,200,784**	**2,647,835**
Liabilities			
Trade and other payables	11	707,476	366,338
Lease liabilities	9	206,363	95,668
Employee benefits	12	107,717	130,786
Total current liabilities		**1,021,556**	**592,792**
Lease liabilities	9	146,147	250,792
Employee benefits	12	48,530	26,453
Total non-current liabilities		**194,677**	**277,245**
Total liabilities		**1,216,233**	**870,037**
Net assets		**1,984,551**	**1,777,798**
Equity			
Retained surplus		1,984,551	1,777,798
Total equity		**1,984,551**	**1,777,798**

The notes on pages 10 to 21 are an integral part of these financial statements.

The Humour Foundation

Statement of changes in equity
For the year ended 30 June 2021

in AUD	Retained surplus	Total
Balance as at 1 July 2019	**1,346,268**	**1,346,268**
Surplus for the year	431,530	431,530
Other comprehensive income	-	-
Total comprehensive income for the year	**431,530**	**431,530**
Balance as at 30 June 2020	**1,777,798**	**1,777,798**
Balance as at 1 July 2020	1,777,798	1,777,798
Surplus for the year	206,753	206,753
Other comprehensive income	-	-
Total comprehensive income for the year	**206,753**	**206,753**
Balance as at 30 June 2021	**1,984,551**	**1,984,551**

The notes on pages 10 to 21 are an integral part of these financial statements.

The Humour Foundation

Statement of cash flows

For the year ended 30 June 2021

In AUD	***Note***	**2021**	**2020**
Cash flows from operating activities			
Cash receipts from customers		4,945,776	4,836,635
Cash paid to suppliers and employees		(4,288,613)	(4,331,323)
Cash generated from operating activities		657,163	505,312
Interest received		5,476	13,169
Net cash from operating activities		**662,639**	**518,481**
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(2,393)	(18,642)
Purchase of intangibles	10	-	(6,500)
Investments in term deposits		(933,872)	-
Net cash used in investing activities		**(936,265)**	**(25,142)**
Net (decrease)/increase in cash and cash equivalents		(273,626)	493,339
Cash and cash equivalents at beginning of year		2,219,988	1,726,649
Cash and cash equivalents at end of year	6	**1,946,362**	**2,219,988**

The notes on pages 10 to 21 are an integral part of these financial statements

1. Reporting entity

The Humour Foundation (the Company or the Foundation) is a company incorporated and domiciled in Australia. The address of the Company's registered office is Ground Floor, Building 2, 20 Bridge St, Pymble, NSW.

The Foundation is a company limited by guarantee. In the event of the Foundation being wound up, the liability of each member is limited to $20. The number of members as at 30 June 2021 was 14 (2020: 16).

The Company is a not-for-profit entity and is primarily involved in raising funds to operate various programs designed to use the benefits of humour to promote quality of life.

The financial statements were approved by the Board of Directors on 19 October 2021.

2. Basis of preparation

(a) Statement of compliance

These general-purpose financial statements have been prepared in accordance with the requirements of the Australian Charities and Not-for-Profits Commission Act 2012, the Australian Accounting Standards – Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board (AASB).

In the current year, The Humour Foundation has adopted all of the new standards and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period.

The Humour Foundation has not early adopted any new standards, amendments to standards and interpretations that have been issued or amended but are not yet effective.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for the financial assets at fair value through profit or loss, which have been measured at fair value.

(c) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Company's functional currency.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

It was concluded that judgements and estimates made by management on the application of Australian Accounting Standards did not have a significant effect on the financial report.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Financial instruments

Under AASB 9 the Company has designated all investments to be valued at fair value through profit and loss.

(i) Non-derivative financial assets

Financial assets are recognised initially on the date at which the Company becomes a party to the contractual provisions of the instrument.

The Company's non-derivative financial assets are cash and cash equivalents and trade and other receivables.

Cash and cash equivalents comprise cash balances and term deposits with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

Trade and other receivables are recognised initially at fair value and are subsequently measured at amortised cost, less any impairment losses (see note 3(e)).

(ii) Non-derivative financial liabilities

Financial liabilities are recognised initially on the date at which the Company becomes a party to the contractual provisions of the instrument. The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company's non-derivative financial liabilities are trade and other payables. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

(b) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within other income in profit or loss.

(ii) Subsequent costs and depreciation

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-today servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Notes to the financial statements (continued)

For the year ended 30 June 2021

3. Significant accounting policies (continued)

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative years are as follows:

- Office equipment 3-4 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(c) Intangible assets

(i) Recognition and measurement

Intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

(ii) Subsequent expenditure and amortisation

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred. Intangible assets are amortised on a straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use.

The estimated useful lives for the current and comparative years are as follows:

- Computer software 3-4 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(d) Leases

Until 30 June 2019 operating lease payments were recognised as an expense in the income statement and lease incentives were recognised in the income statement within the total lease expense.

From 1 July 2019 the Company changed its accounting policy for leases in accordance with the adoption of AASB 16 Leases as follows:

At inception of a contract, The Humour Foundation assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For leases identified the right-of-use asset and a lease liability is recognised at the lease commencement date. The right-of-use asset is initially measured at costs, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred less any lease incentives received.

The right-of-use asset is subsequently depreciated based on the lease term by using the straight-line method. The lease term includes periods covered by an option to extend if the Company is reasonably certain to exercise that option. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrow rate as the discount rate.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, of if the Company changes its assessment of whether it will exercise an extension option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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

3. Significant accounting policies (continued)

Payments associated with short-term leases that have a lease term of 12 months or less and leases of low-value assets are recognised as an expense in the income statement.

(e) Impairment

A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise or indications that a debtor or issuer will enter bankruptcy.

For trade and other receivables, The Humour Foundation has applied AASB 9's simplified approach to calculating expected credit losses based on lifetime credit losses. The requirement for a provision is based on the historical credit loss experiences, adjusted for forward looking factors specific to the debtors and the economic environment.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(f) Employee benefits

(i) Long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re-measurements are recognised in profit or loss in the period in which they arise.

(ii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(g) Income

The Company first assesses whether the transaction relates to a revenue transaction which is within the scope of AASB 15 Revenue from Contracts with Customers. This is the case when the Company has:

- an enforceable contract with a 'customer' (the party that promises consideration in exchange for goods or services that are an output of the Company's ordinary activities);
- the obligations the Company has to complete are sufficiently explicit; and
- the Company has determined performance obligations exist within the contract and the Company does not retain the goods or services specified in the contract for its own benefit.

If the transaction is outside the scope of AASB 15 as discussed above, the recognition and measurement of income arising from the transaction is generally accounted for under AASB 1058 Income of Not-for-Profit Entities.

(i) Donations and fundraising

The Humour Foundation is a non-profit organisation and receives significant income from donations and fundraising. Donations and proceeds from fundraising are recorded as income when they are received. Revenue is recognised at fair value of the consideration received net of any charge for goods and services tax (GST). Revenue is recognised to the extent that it is probable and that the economic benefits will flow to the entity and the amount of the revenue can be reliably measured.

Notes to the financial statements (continued)

For the year ended 30 June 2021

3. Significant accounting policies (continued)

(ii) Grants and sponsorship

Grants received on the condition that specified services are delivered, or conditions are fulfilled, are considered reciprocal. Such grants are initially recognised as a liability, and then subsequently recognised in income as services are performed or conditions are fulfilled. Income from non-reciprocal grants is recognised when received.

(iii) Interest Income

Interest income is recognised as it accrues in profit and loss using the effective interest method.

(h) Expenses

All expenses are recognised on an accruals basis and have been classified under headings that reflect the nature of the activity. Where costs cannot be directly attributed to a particular category, they have been allocated on a basis consistent with the estimated use of resources. This estimate is determined by management knowledge and experience.

Costs of fundraising comprise those expenses incurred in running all fundraising activities and events, direct marketing campaigns, liaising with corporate partners and soliciting voluntary donations. Costs incurred in recruiting new supporters for our regular donor program are expensed in full when a donor has registered to make future donations.

Program costs are those incurred in delivering services to hospitals, health and aged care facilities in delivering the therapeutic benefits of humour to improve the health and wellbeing of vulnerable Australians, mainly via our Clown Doctor and Elder Clown programs.

Administration costs are incurred in managing and accounting for the various activities, providing and maintaining business systems and offices and ensuring compliance with all relevant legal and statutory requirements.

(i) Taxes

Income Tax

The Company is a registered charity and is exempted from income tax under Section 50-5 of the *Income Tax Assessment Act 1997*.

Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where The Humour Foundation has chosen to apply the provisions contained in section 40-165 of the GST Act, where no entitlement may be claimed on input tax credits for any acquisitions in relation to the event and GST is not required to be charged on any supplies made.

4. Income

In AUD	**2021**	**2020**
Bequests	-	25,100
Community fundraising	117,093	115,427
Corporate support	759,128	1,138,934
Individual donations	2,848,232	2,633,175
Trusts & Grants	476,615	511,471
Government COVID/Jobkeeper income	423,310	132,077
Revenue from services	134,945	274,079
	4,759,323	4,830,263

Notes to the financial statements (continued)

For the year ended 30 June 2021

5. Personnel expenses

In AUD	**2021**	**2020**
Wages and salaries	1,342,574	1,128,642
Increase/(Decrease) in liability for annual leave	(23,069)	47,676
Increase/(Decrease) in liability for long service leave	22,077	(13,892)
Superannuation contributions	125,788	106,434
	1,467,370	1,268,860

Personnel expenses are included in administrative, program and fundraising costs.

6. Cash and cash equivalents

In AUD	**2021**	**2020**
Bank balances	1,046,362	1,286,225
Term deposits (< 3 months' maturity)	900,000	933,763
Cash and cash equivalents in the statement of cash flows	1,946,362	2,219,988

7. Trade and other receivables

In AUD	**2021**	**2020**
Current		
Net GST receivable	12,453	17,426
Other receivables	31,349	12,684
	43,802	30,110
Total	**43,802**	**30,110**

8. Property, plant and equipment

In AUD	**Office equipment**
Cost	
Balance at 1 July 2019	108,481
Disposals	(12,898)
Additions	18,642
Balance at 30 June 2020	114,225
Balance at 1 July 2020	114,225
Disposals	-
Additions	2,393
Balance at 30 June 2021	116,618
Depreciation	
Balance at 1 July 2019	79,190
Disposals	(12,898)
Depreciation for the year	10,943
Balance at 30 June 2020	77,235
Balance at 1 July 2020	77,235
Disposals	-
Depreciation for the year	17,296
Balance at 30 June 2021	94,531

Notes to the financial statements (continued)

For the year ended 30 June 2021

Carrying amounts	
At 1 July 2019	29,291
At 30 June 2020	36,990
At 30 June 2021	22,087

9. Leases

The Statement of Financial Position shows the following amounts relating to leases:

In AUD

(a) Right-of-use assets	**Property**
Cost	
Balance at 1 July 2019	433,700
Additions	-
Balance at 30 June 2020	433,700
Balance at 1 July 2020	433,700
Additions	-
Balance at 30 June 2021	433,700
Depreciation	
Balance at 1 July 2019	-
Depreciation for the year	102,047
Balance at 30 June 2020	102,047
Balance at 1 July 2020	102,047
Depreciation for the year	102,047
Balance at 30 June 2021	204,094
Carrying amounts	
At 1 July 2019	433,700
At 30 June 2020	331,653
At 30 June 2021	229,606

(b) Lease liabilities	**2021**	**2020**
Current	206,363	95,668
Non-current	146,147	250,792
Balance at 30 June	**352,510**	**346,460**

The Statement of Comprehensive Income shows the following amounts relating to leases:

In AUD	**2021**	**2020**
Depreciation charge on right-of use assets - Property	102,047	102,047
Interest expense	15,168	19,722

The total cash outflow for leases in 2021 was $18,635 (2020: $106,962).

10. Intangible assets

In AUD	**Computer software**
Cost	
Balance at 1 July 2019	149,041
Acquisitions	6,500
Balance at 30 June 2020	155,541
Balance at 1 July 2020	155,541
Acquisitions	-
Balance at 30 June 2021	155,541
Amortisation	
Balance at 1 July 2019	145,212
Amortisation for the year	2,812
Balance at 30 June 2020	148,024
Balance at 1 July 2010	148,024
Amortisation for the year	1,109
Balance at 30 June 2021	149,133
At 1 July 2019	3,829
At 30 June 2020	7,517
At 30 June 2021	6,408

11. Trade and other payables

In AUD	**2021**	**2020**
Current		
Trade payables	183,935	123,016
Revenue received in advance	279,009	69,705
Other payables	244,532	173,617
	707,476	366,338

12. Employee benefits

In AUD	**2021**	**2020**
Current		
Liability for annual leave	107,717	130,786
	107,717	130,786
Non-current		
Liability for long-service leave	48,530	26,453
	48,530	26,453

Notes to the financial statements (continued)

For the year ended 30 June 2021

13. Financial risk management and financial instruments

Overview

The Company has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

This note presents information about the Company's exposure to each of the above risks and its objectives, policies and processes for measuring and managing risk.

(a) Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. As at 30 June 2021 and 30 June 2020, there were no significant concentrations of credit risk.

Management of credit risk

The Company's cash and cash equivalents are placed with major Australian financial institutions.

Past due receivables are actively followed up and losses occur infrequently. There was no impairment in respect of trade and other receivables during the current financial year (2020: nil).

Exposure to credit risk

The amount of the Company's financial assets represents the maximum credit exposure. The Company's maximum exposure to credit risk at the reporting date was:

In AUD	***Note***	**2021**	**2020**
Cash and cash equivalents	6	1,946,362	2,219,988
Trade and other receivables	7	43,802	30,110
Term deposits (> 3 months' maturity)		933,872	-
		2,924,036	2,250,098

As at 30 June 2021, there were no receivables past due or impaired (2020: nil).

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

Management of liquidity risk

The Company's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

In AUD	***Note***	**Carrying amount**	**Contractual cash flows**	**0-30 days**	**>30 days**
30 June 2021					
Non-derivative financial liabilities					
Trade and other payables	11	707,476	707,476	707,476	-
Lease liabilities	9	352,510	352,510	109,991	242,519
		1,059,986	1,059,986	817,467	242,519

Notes to the financial statements (continued)

For the year ended 30 June 2021

13. Financial risk management and financial instruments (continued)

In AUD	*Note*	Carrying amount	Contractual cash flows	0-30 days	>30 days
30 June 2020					
Non-derivative financial liabilities					
Trade and other payables	11	366,338	366,338	366,338	-
Lease liabilities	9	346,460	346,460	7,549	338,911
		712,798	712,798	373,887	338,911

(d) Market risk

Market risk is the risk that changes in market prices will affect the Company's income or the value of its holdings of financial instruments. The Company is exposed to interest rate risk attributable to cash and cash equivalents.

Profile of interest rate risk

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was:

	2021		2020	
In AUD	Interest rate range	Carrying amount	Interest rate range	Carrying amount
Variable rate instruments				
Cash and cash equivalents	Up to 0.01%	1,046,362	Up to 0.01%	1,286,225
Fixed rate instruments				
Cash and cash equivalents	Up to 0.055%	1,833,872	up to 1.04%	933,763

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) the surplus by $28,800 (2020: $22,200). This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2020.

(e) Fair values

As at the reporting date, the carrying value of financial assets and liabilities as at the end of the financial year are considered to approximate their fair value due to their short-term nature.

14. Related parties

Key management personnel

The following were key management personnel of the Company at any time during the reporting period, and unless otherwise indicated, were directors for the entire period:

Non-executive directors

Peter W Jess
Mark G Smith (resigned 8 September 2020)
Damien Meredith
David Pettigrew
Rebecca Ong
Michael O'Brien

Notes to the financial statements (continued)

For the year ended 30 June 2021

14. Related parties (continued)

Company secretary
Tony Warner

Key management personnel compensation

The following amounts are comprised of the salary paid to the Company secretary. Non-executive directors are not remunerated for their role as directors of the Company.

In AUD	**2021**	**2020**
Short-term employee benefits	159,650	159,650
	159,650	159,650

There were no transactions with other key management personnel in 2021 financial year (2020: nil).

15. Subsequent events

The scale and duration of the COVID-19 pandemic remains uncertain and are likely to have a negative impact on income and operational activities. It is not possible to estimate the near-term and longer-term effects of the pandemic or Government's varying requirements and efforts to combat the outbreak and support businesses. It is not practicable to provide a quantitative or qualitive estimate of the potential impact of this outbreak at this time.

There were no new subsequent events.

16. Auditor's remuneration

in AUD	**2021**	**2020**
Audit services		
Auditor of the Company		
KPMG Australia:		
Audit of financial report	13,500	13,500
	13,500	13,500

Notes to the financial statements (continued)

For the year ended 30 June 2021

17. Fundraising appeals conducted during the financial year

Fundraising appeals conducted during the financial year ending 30 June 2021 included mail appeals, telephone appeals and various other sundry fundraising projects and general receiving of indirectly solicited donations and bequests.

The following disclosures are made under the requirements of various pieces of state based legislation for charitable fundraising. As a national charity, The Humour Foundation has presented this information on a national basis in the categories used to manage fundraising. In some circumstances, appeal funds are not always expended in the year they are collected. The Company had a net surplus of $206,753 for the year (2020: surplus of $431,530).

In AUD	**2021**	**2020**
Fundraising income		
Bequests	-	25,100
Community fundraising	117,093	115,427
Corporate support	759,128	1,138,934
Individual donations	2,848,232	2,633,175
Trusts & Grants	476,615	511,471
Total Fundraising Income	4,201,068	4,424,107
Fundraising costs		
Community fundraising	10,142	15,616
Corporate support	15,704	10,484
Individual donations	1,340,892	1,041,993
Trusts & Grants	5,398	6,225
Fundraising staff and other indirect costs	626,828	475,238
Total Fundraising costs	1,998,964	1,549,556
Net Fundraising income	2,202,104	2,874,551
Revenue from services	134,945	274,079
Government COVID/JobKeeper income	423,310	132,077
Interest income	5,476	13,169
Net Income	2,765,835	3,293,876
Application of net income obtained from fundraising		
Administration costs	(516,158)	(572,306)
Program costs	(2,042,924)	(2,290,040)
Net surplus	206,753	431,530

Directors' declaration

In the opinion of the directors of The Humour Foundation (the Company):

(a) The Company is not publicly accountable;

(b) the financial statements and notes that are set out on pages 6 to 21, 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 30 June 2021 and of its performance for the financial year ended on that date; and

  (ii) complying with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Regulation 2013; and

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors.

Rebecca Ong
Chair

Dated at Sydney 19 October 2021

The Humour Foundation

Declaration by Chief Executive Officer

I, Tony Warner, Chief Executive Officer of The Humour Foundation, declare in my opinion:

(a) the financial report gives a true and fair view of all income and expenditure of The Humour Foundation with respect to fundraising appeal activities for the financial year ended 30 June 2021;

(b) the statement of financial position gives a true and fair view of the state of affairs with respect to fundraising appeal activities as at 30 June 2021;

(c) the provisions of the *Charitable Fundraising Act 1991* and Regulations and the conditions attached to the authority have been complied with for the financial year ended 30 June 2021;

(d) the internal controls exercised by The Humour Foundation are appropriate and effective in accounting for all income received and applied from any fundraising appeals.

AJ Warner

Tony Warner
Chief Executive Officer

Dated at Sydney 19 October 2021

Independent Auditor's Report

To the members of The Humour Foundation

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report***, of the Humour Foundation (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

i. giving a true and fair view of the Company's financial position as at 30 June 2021, and of its financial performance and its cash flows for the year ended on that date; and

ii. complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

The ***Financial Report*** comprises

i. Statement of financial position as at 30 June 2021.

ii. Statement of profit or loss and other comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended.

iii. Notes including a summary of significant accounting policies.

iv. Directors' declaration of the Company.

v. Declaration by the Chief Executive Officer in respect of fundraising appeals of the Company.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 auditor independence requirements of the *ACNC Act 2012* and 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 fulfilled our other ethical responsibilities in accordance with the Code.

Other information

Other Information is financial and non-financial information in The Humour Foundation's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

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. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

i. Preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosures Requirements and the ACNC.

ii. Preparing the Financial Report in accordance with Section 24(2) of the Charitable Fundraising (NSW) Act 1991 and Regulations and with Section 15(1) and 15(2) of the WA Charitable Collections Act 1946 and Regulations 1947 (the Acts and Regulations).

iii. Implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

iv. Assessing the Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they 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 objective is:

i. to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and

ii. 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Report.

As part of an audit in accordance with *Australian Auditing Standards*, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

i. Identify and assess the risks of material misstatement of the Financial Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

ii. Obtain an understanding of internal control relevant to the Audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered Company's internal control.

iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

iv. Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the registered Company to cease to continue as a going concern.

v. Evaluate the overall presentation, structure and content of the Financial Report, including the disclosures, and whether the Financial Report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors of the registered Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

In addition we have:

i. Obtained an understanding of the internal control structure for fundraising appeal activities.

ii. Examined on a test basis of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the Act[s] and Regulations.

We have not audited on a continuous basis the accounting records relied upon for reporting on fundraising appeal activities. These do not necessarily reflect accounting adjustments after the event or normal year-end financial adjustments required for the preparation of Financial Report such as accruals, prepayments, provisioning and valuations.

KPMG

Report on Other Legal and Regulatory Requirements

Opinion pursuant to the Charitable Fundraising Act (NSW) 1991

In our opinion:

i. the Financial Report gives a true and fair view of the Company's financial result of fundraising appeal activities for the financial year ended 30 June 2021;

ii. the Financial Report has been properly drawn up, and the associated records have been properly kept for the period from 1 July 2020 to 30 June 2021, in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations;

iii. money received as a result of fundraising appeal activities conducted during the period from 1 July 2020 to 30 June 2021 has been properly accounted for and applied in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations; and

iv. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Opinion pursuant to the Charitable Collections Act (WA) 1946 and Charitable Collections Regulations (WA) 1947

In our opinion, the Company has complied, in all material respects, with the requirements of the *Charitable Collections Act (WA) 1946* and *Charitable Collections Regulations (WA) 1947* for the year ended 30 June 2021.

KPMG

KPMG

Andrew Reeves
Partner

Sydney
19 October 2021