THE KIDS' CANCER PROJECT

FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2019

The Kids' Cancer Project
(a company limited by guarantee)

Financial Statements for the Year Ended 30 June 2019

Contents

Report of the Responsible Persons

The Responsible Persons of The Kids' Cancer Project (the "Company") present their report for the financial year ended 30 June 2019.

1. Responsible Persons

The names of the Responsible Persons in office at any time during the year and to the date of this report are:

Adrian Fisk (Chairman)
Colin Reynolds OAM (Founder)
Sue Anderson
Richard Caldow
Nigel Everard (Deputy Chairman)
Simmone Reynolds
Debra Singh
Doug Cunningham
Cathryn Prowse

The Responsible Persons have been in office since the start of this financial year to the date of this report unless otherwise stated.

2. Principal Activities

The Company is established for the public charitable objects that the directors decide having regard to the recommendations of any advisory committee the directors establish. This includes (to the extent they are charitable), but not limited to, funding medical equipment, advocacy and supporting research programs into childhood cancer and related research.

3. Review of Performance

The Company returned a deficit in the year of $550,980 (2018: deficit $1,355,429).

The key financial objective for The Kids' Cancer Project is a continued investment in high quality research that provides the greatest opportunity to find a cure for childhood cancer. Over the last fifteen years, the total committed investment in research has been more than $50 million including $2.8 million for the year ending 30 June 2019.

This past financial year saw the continued transition to employ fundraising activities to our donors that provide for greater efficiency and therefore a greater relative contribution to research. The year on year improvement in gross margins was six per cent with margins increasing from 55 per cent in the previous financial year to 61 per cent. This was achieved through an increase in bear merchandising and continued positive trends in regular giving and corporate partnership, which more than offset the impact of one less raffle program this year (three versus four from the previous year). We will continue to work on our cost base as we complete this transition.

The operating surplus in FY2019 was reduced by $76,916 from the prior year, being approximately four percent. This arose through ongoing investment in staff capacity and capability particularly in the areas of digital marketing, data management and operational management, which are focused on future growth opportunities.

Management will continue to review and explore opportunities for improved fundraising performance and are committed to the continuing transition to higher yielding fundraising.

Report of the Responsible Persons *(cont)*

During the year The Kids' Cancer Project utilised $580,980 (2018: $1,355,429) of reserves accumulated in prior years to fund additional research.

	2019	2018
	$	$
Income	8,365,625	8,969,395
Expenses	(6,077,174)	(6,809,461)
Surplus Available for Research	**2,288,451**	**2,159,934**
Research Funding & Governance	2,288,451	2,159,934
Additional Cash Released to Fund Research & Governance	550,980	1,355,428
Total Research Funding & Governance	**2,839,431**	**3,515,362**
Deficit for the year	**(550,980)**	**(1,355,429)**

In the year to 30 June 2020 The Kids' Cancer Project has designated (budgeted) $2.8m to fund research projects throughout Australia.

4. Information on the Responsible Persons

The particulars of the qualifications, experience and special responsibilities of each Responsible Person who held office at any time during the year are as follows:

Adrian Fisk ACA, MEc (Chair)
Adrian is a partner at KPMG and has led its Financial Services, Risk and Finance practices. He has extensive experience in the professional and financial services industries working with some of the largest companies on the ASX. Adrian is a member of the Institute of Chartered Accountants. He became involved with The Kids' Cancer Project after his son Aidan was diagnosed with a brain tumour at age five. Aidan is now in high school.

Col Reynolds OAM, Founder
Cols' contribution to the lives of children with cancer was officially recognised with an Order of Australia in 2000. Before founding the charity, Col was a tourist coach driver. He dedicated 30 years of his life to his profession, during which time he looked after many high-profile clients including US Secret Service agents and members of the Papal visit of Pope John Paul II.

Report of the Responsible Persons (*cont*)

Sue Anderson BBus, EBMA
Sue is Founder and Director of Retail Capabilities and Co Squared. Her specialty lies in designing service experience and innovation practices to support the retail property and broad business sectors in Australia as well as offshore. Sue discovered the importance of research into childhood cancer when her daughter Audrey was diagnosed with an inoperable brain tumour at age five. Audrey is now a confident 'tween' who loves school.

Richard Caldow BCom (Finance and Accounting)
Richard has worked as a stockbroker, corporate finance and funds management advisor since 1992. Prior to this he worked in chartered accounting with roles at Ernst & Young and Arthur Andersen. Richard's son Archie was diagnosed with high-risk neuroblastoma at just three years of age. Archie is now living with cancer and attending primary school.

Nigel Everard CPA, BCom, Grad Cert (Mgmt), MBA (Deputy Chair)
Nigel is Director Operations Oceania at one of the largest inflight global catering companies. Prior to this he was the CFO of a leading Australian quick service restaurant business. Throughout his 20-year career, he has held senior positions in operations, general management, finance, strategy and business improvement. Nigel has been deployed in Asia and Europe working in various industries including automotive, aviation and the not-for-profit sector.

Simmone Reynolds BCom
Simmone is a founding member of The Kids' Cancer Project Board and is currently employed with the Australian Defence Force as a Communications Officer. Earlier in her career, Simmone spent nine years working in the fast-moving consumer goods sector holding positions in marketing, national account management and category development for blue chip multinationals Unilever Australasia and Nestlé.

Debra Singh
Debra is the Group CEO Household Goods for Greenlit Brands overseeing Fantastic Furniture, Plush, OMF and Freedom, and is also an Executive Director on the Board. She has more than 30 years' experience in General Management Retail Operations, Organisational Design, Human Resources and Change Management. Prior to this, Debra had a career with Woolworths spanning more than a decade during which she was the first female to lead a trading division. Debra is also a member of the Chief Executive Women's (CEW) organisation.

Doug Cunningham BCom, MBA
Doug is currently the Managing Director at Kimberley-Clark ANZ where he joined early 2019. Prior to this he enjoyed almost three decades at Johnson & Johnson in various roles across Asia Pacific, North America and Africa. He has extensive experience managing sophisticated global retailers and building capability with large multi-cultural organizations. After losing his five-and-a-half-year-old son Murray to brain cancer, Doug became determined to donate his time and business experience to finding cures for the devastating disease through scientific based research.

Cathryn Prowse
Cathryn is a law partner at Colin Biggers & Paisley practising both insurance and employment law. She is in the 2018 and 2019 editions of *The Best Lawyers in Australia* in the field of insurance law for her work acting on behalf of professionals and entities facing negligence claims. While in the employment space, she acts for employers in unfair dismissal, general protection, discrimination, OH&S and other workplace-related claims.

Report of the Responsible Persons *(cont)*

5. Meetings of the Responsible Persons

There were seven ordinary meetings of the Responsible Persons between 1 July 2018 and 30 June 2019. The number of meetings attended by each Responsible Person was:

	Eligible to Attend	Attended
Adrian Fisk	7	7
Colin Reynolds	7	7
Sue Anderson	7	6
Richard Caldow	7	6
Nigel Everard	7	7
Simmone Reynolds	7	7
Debra Singh	7	4
Doug Cunningham	7	6
Cathryn Prowse	7	4

Report of the Responsible Persons *(cont)*

6. Key Management Personnel Compensation

	Short Term Benefits	Post-Employment Benefits	Other Long-Term Benefits	Termination Benefits	Total
	$	$	$	$	$
2019 Total Compensation	525,624	46,721	32,099	-	604,445
2018 Total Compensation	457,987	40,327	18,441	-	516,755

7. Purpose and Objectives

The Company has a single mission: to cure kids' cancer. We know that the only way to cure childhood cancer is through medical research. To that end we select and fund researchers without geographical or institutional barriers.

Childhood cancer claims the lives of more children in Australia than any other disease. Although 80% of children survive childhood cancer, two of the most common childhood cancers, neuroblastoma and brain tumours, still take half of the children they affect.

By supporting world-class research, we aim to make kids' cancer history.

Report of the Responsible Persons *(cont)*

We are committed to understanding the questions that a family asks when their child is newly diagnosed and have used this awareness to guide our priorities for a cure. They are:

1. Discovering new treatments
2. Developing safer treatments and understanding the long-term side effects on health of current treatments
3. Increasing capabilities by playing a key role in research infrastructure, collaboration and succession planning
4. Understanding childhood cancer by ensuring that the outcomes for Australian children is world-class
5. The Kids' Cancer Project has defined a child as 0-18. We wish that future research projects take adolescents and young adults into consideration
6. Understanding the causes of childhood cancer
7. Advocate for equality in access to care
8. Advocate for hospital facilities and clinical trial participation to be a priority for the Australian government

The Company is guided by eminent medical and research experts who form our international Research Advisory Committee.

Signed in accordance with a resolution of the Responsible Persons.

Colin Reynolds.

Colin Reynolds OAM
Founder and Director

29 October 2019

Adrian Fisk
Chairman

29 October 2019

Declaration of the Responsible Person's to the Members of The Kids' Cancer Project

In the opinion of the Responsible Persons of The Kids' Cancer Project:

1. The financial statements and notes as set out on pages 11 to 32 are in accordance with the Australian Charities and Not for Profits Commission Act 2012, and

   (a) Give a true and fair view of its financial position as at 30 June 2019 and of its performance for the financial year ended on that date; and

   (b) Comply with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Australian Charities and Not for Profits Commission Regulation 2013; and

2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Responsible Persons.

Colin Reynolds

Colin Reynolds OAM
Founder and Director

29 October 2019

Adrian Fisk
Chairman

29 October 2019

Declaration by the Chief Executive Officer in respect of fundraising appeals pursuant to Section 7(5) of the Charitable Fundraising Act 1991 – Regulations

I, Owen Finegan, Chief Executive Officer of The Kids' Cancer Project declare, in my opinion:

(a) The financial report gives a true and fair view of all income and expenditure of the Company with respect to fundraising appeals, for the financial year ended 30 June 2019;

(b) The statement of financial position gives a true and fair view of the state of affairs with respect to fundraising appeals, as at 30 June 2019;

(c) The provisions of the Charitable Fundraising Act 1991 and the Regulations and the conditions attached to the authority have been complied with for the period 1 July 2018 to 30 June 2019; and

(d) The internal controls exercised by the Company are appropriate and effective in accounting for all income received.

It is not always practicable for the Company to establish accounting control over all sources of fundraising activities prior to receipt of the funds by employees of the Company.

Owen Finegan
Chief Executive Officer

29 October 2019

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 $	2018 $
Income			
Raffles		1,868,136	3,168,197
Merchandise		1,413,146	953,852
Donations		5,041,590	4,701,226
Total		8,322,872	8,823,275
Interest income		42,753	71,321
Other income		0	74,798
Total Income		8,365,625	8,969,394
Expenses			
Fundraising	10	3,264,734	4,005,638
Research funding & governance	11	2,839,431	3,515,362
Employee expenses		2,127,886	1,978,625
Depreciation & amortisation		56,337	69,341
Other		628,217	755,857
Total Expenses		8,916,605	10,324,823
Net (Deficit)		(550,980)	(1,355,429)
Other Comprehensive Income for the Year		-	-
Total Comprehensive Income for the Year		(550,980)	(1,355,429)
(Deficit) Attributable to Members of the Entity		(550,980)	(1,355,429)
Total Comprehensive Income Attributable to Members of the Entity		(550,980)	(1,355,429)

The accompanying notes form part of these financial statements.

During the year we reclassified certain advocacy activities from operating expenses to research recognising the important role that The Kids Cancer Projects plays in advocating for more research into childhood cancer across government's and other organisations.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Note	2019 $	2018 $
Current Assets			
Cash and cash equivalents	3	2,771,095	3,177,567
Trade and other receivables	4	42,677	55,653
Inventory		107,903	230,829
Other current assets	5	421,515	352,686
Total Current Assets		3,343,190	3,816,735
Non-Current Assets			
Fixed assets	6	20,962	17,059
Intangible assets	7	89,489	119,799
Total Non-Current Assets		110,450	136,857
Total Assets		3,453,640	3,953,593
Current Liabilities			
Trade and other payables	8	1,540,357	1,475,074
Deferred income		182,477	191,010
Provisions	9	75,498	80,098
Total Current Liabilities		1,798,333	1,746,182
Non-Current Liabilities			
Provisions	9	55,247	56,370
Total Non-Current Liabilities		55,247	56,370
Total Liabilities		1,853,579	1,802,552
Net Assets		1,600,061	2,151,041
Accumulated Funds			
Retained surplus		1,600,061	2,151,041

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

	Retained Surplus
	$
Balance 1 July 2017	3,506,470
Net deficit for the year	(1,355,429)
Retained surplus 30 June 2018	2,151,041
Balance 1 July 2018	2,151,041
Net deficit for the year	(550,980)
Retained surplus 30 June 2019	1,600,061

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019	2018 $
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from operations		8,419,297	8,906,437
Cash payments for operations		(5,966,290)	(6,050,911)
Cash payments for research		(2,872,304)	(3,493,744)
Interest received		42,795	71,321
Net cash (used in) / provided by operating activities	**14**	(376,502)	(566,897)
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for plant & equipment		(16,051)	(12,484)
Payments for intangible assets		(13,920)	(16,763)
Net cash (used in) investing activities		(29,971)	(29,247)
Net (decrease) in cash and cash equivalents held		(406,473)	(596,144)
Cash and cash equivalents at the beginning of the financial year		3,177,567	3,773,711
Cash and cash equivalents at the end of the financial year	3	2,771,095	3,177,567

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the requirements of the Australian Charities and Not for Profits Commission Act 2012, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.
The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board ("AASB") has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

The Company is limited by guarantee, incorporated and domiciled in Australia. Both the functional and presentation currency of the Company is Australian Dollar ($).

The financial report was authorised for issue on 29 October 2019 by the Board of The Kids' Cancer Project.

Accounting Policies

(a) Income Tax

No provision for income tax has been raised as the Company is exempt from income tax by virtue of Section 50-B of the Income Tax Assessment Act, 1997.

(b) Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment are measured on the cost basis less accumulated depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement profit or loss and other comprehensive income during the financial period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(c) Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the Company commencing from the time the asset is held ready for use.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Furniture & fixtures	15% - 20%
Office equipment	25% - 35%
IT equipment	33%
Motor vehicles	20%
Leasehold improvements	15% - 20%

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. A formal assessment of recoverable amount made when impairment indicators are present (refer to Note 1 (f) for details of impairment).

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(d) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the Company are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(e) Financial instruments

Recognition and initial measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the Company becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the Company no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Classification and subsequent measurement

(i) Financial assets at fair value through profit and loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1:STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(e) Financial instruments (cont)

(iv) Available-for-sale financial assets (cont.)

They are subsequently measured at fair value with changes in such fair value (ie gains or losses) recognised in other comprehensive income (except for impairment losses and foreign exchange gains or losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At the end of each reporting period, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant or prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the statement of profit or loss and other comprehensive income.

(f) Impairment of Assets

At the end of each reporting period, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (*cont*)

(g) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits wholly payable later than one year have been measured at the present value of the estimated future cash outflows to be made for these benefits. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

(h) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that an outflow can be reliably measured.

The Company provides funding for research, which due to the timing of the funding, can be either fully or partially unpaid at the end of the reporting period. Provision is made for the Company's liability for unpaid awards at the end of the reporting period.

(i) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of twelve months or less, and bank overdrafts.

(j) Revenue

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

Donations, appeals and bequests are recognised on a receipt basis.

Revenue relating to raffles is recognised when the raffle is completed and drawn.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

(k) Accounts Receivable and Other Debtors

Accounts receivable and other debtors amounts receivable from customers for goods sold or income receivable in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

k) Accounts Receivable and Other Debtors (cont)

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any expected credit losses. Refer to Note 1(e) for further discussion on the determination of impairment losses.

(l) Inventories

Inventories are measured at the lower of cost and current replacement cost.

Inventories acquired at no cost or for nominal consideration are valued at the current replacement cost at the date of acquisition.

(m) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(n) Intangibles

Software
Software is recorded at cost. Software has a finite life and is carried at cost less accumulated amortisation and any impairment losses. It has an estimated useful life of between one and five years. It is assessed annually for impairment.

(o) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period which remain unpaid. The balance is recognised as a currently liability with the amounts normally paid within 30 days of recognition of the liability.

(p) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (*cont*)

(q) Critical accounting estimates and judgments

The Responsible Persons evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key estimates – impairment

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

(r) Adoption of New and Revised Accounting Standards

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any material impact on the financial performance or position of the company.

The following Accounting Standards and Interpretations are most relevant to the Company:

- AASB 9 Financial Instruments
  The Company has adopted AASB 9 from 1 January 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods and which the Company has decided not to early adopt. A discussion of those future requirements and their impact on the Company is as follows:

- AASB 1058 Income of Not-for-Profit Entities; AASB 2016-7 Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities; AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities (applicable for annual reporting periods commencing on or after 1 January 2019)

  This standard provides new requirements for income recognition for not-for-profit entities and replaces AASB 1004 Contributions. Revenue from grants and donations will be required to be recognised when any associated performance obligation to provide goods or services is satisfied. More assets will also be recorded on the balance sheet under the new requirements, including leases with significantly below-market terms and conditions.

  The company has adopted these standards from 1 July 2019 and the impact is immaterial.

- AASB 16 Leases (applicable for annual reporting periods commencing on or after 1 January 2019)

  AASB 16 introduces a single lessee accounting model that requires all leases to be accounted for on balance sheet. A lessee will be required to recognise an asset representing the right to use the underlying asset during the lease term (i.e. right-of-use asset) and a liability to make lease payments (ie lease liability). Two exemptions are available for leases with a term less than 12 months or if the underlying asset is of low value.

  The lessor accounting requirements are substantially the same as in AASB 117. Lessors will therefore continue to classify leases as either operating or finance leases.

  AASB 16 will replace AASB 117 IAS Leases, Interpretation 4 Determining Whether an Arrangement contains a Lease, Interpretation 115 Operating Leases – Incentives and interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

  The company has adopted these standards from 1 July 2019 and the impact is material.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 2: OTHER EXPENSES

	2019	2018
	$	$
Lease expense	195,421	168,588
Auditor Remuneration		
Audit Services	21,996	22,338

NOTE 3: CASH AND CASH EQUIVALENTS

	2019	2018
	$	$
Cash on hand	500	500
Cash at bank	2,770,595	3,177,067
	2,771,095	3,177,567

Reconciliation of Cash at Bank:

	2019	2018
	$	$
Cash held in operating accounts	1,677,374	831,965
Cash held on term deposit	1,093,221	2,345,102
Total cash at bank	2,770,595	3,177,067

NOTE 4: TRADE AND OTHER RECEIVABLES

	2019	2018
Current	$	$
Trade receivables	34,625	48,003
Other receivables	8,052	7,650
	42,677	55,653

	Gross Amount	Expected Credit Loss	31-60	61-90	>90	Within Initial Trade Terms
2019 Trade Receivables	34,625	-	2,500		15,636	16,489
2018 Trade Receivables	48,003	-	10,000	1,222	4,290	32,491

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 5: OTHER CURRENT ASSETS

	2019 $	2018 $
Deposits paid	26,388	37,467
Accrued income	57,048	27,628
Prepayments	170,673	139,220
GST receivable	167,405	148,370
	421,515	352,686

NOTE 6: PROPERTY, PLANT & EQUIPMENT

	2019 $	2018 $
Office equipment (at cost)	136,224	123,425
Less: accumulated depreciation	(122,652)	(113,962)
	13,572	9,463
Furniture and fittings (at cost)	73,036	69,784
Less: accumulated depreciation	(65,646)	(64,029)
	7,390	5,755
Motor vehicles (at cost)	36,910	36,910
Less: accumulated depreciation	(36,910)	(35,069)
	- 0	1,841
Total	20,962	17,059

Movements in Carrying Amounts

	Office equipment $	Furniture & fittings $	Motor vehicles $	Total $
Carrying amount at 1 July 2018	9,462	5,755	1,841	17,059
Additions	12,799	3,252	-	16,051
Disposals	-	-	-	-
Depreciation expense	(8,690)	(1,617)	(1,841)	(12,148)
Depreciation on disposed assets	-	-	-	-
Carrying amount at 30 June 2019	13,571	7,390	0	20,962

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 7: INTANGIBLE ASSETS

	2019	2018
	$	$
Carrying amount at 1 July 2018	119,799	148,146
Additions	13,879	16,763
Disposals	-	-
Depreciation expense	(44,189)	(45,110)
Carrying amount at 30 June 2019	89,489	119,799

NOTE 8: TRADE & OTHER PAYABLES

	2019	2018
	$	$
Trade payables	388,730	834,404
Accrued expenses	1,088,128	611,655
PAYG payable	63,499	29,015
	1,540,357	1,475,074

NOTE 9: PROVISIONS

Current	2019	2018
	$	$
Employee benefits provision	75,498	80,098
	75,498	80,098
Non-Current		
Employee benefits provision	55,247	56,370
Total Provisions	130,745	136,468

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 10: RESULTS OF ACTIVITIES

		2019	2018
		$	$
1)	**Raffles** *		
	Gross Revenue from Raffles	1,868,136	3,168,197
	Less: Direct Costs of Raffles (prizes, call centre, printing, mailing, bank and merchant fees)	(1,273,938)	(2,103,868)
	Gross Surplus from Raffles	594,199	1,064,329
	Gross Margin from Raffles	*32%*	*34%*
2)	**Merchandise**		
	Gross Revenue from Merchandise	1,413,146	953,852
	Less: Direct Costs of Merchandise	(759,888)	(517,009)
	Gross Surplus from Merchandise	653,258	436,843
	Gross Margin from Merchandise	*46%*	*46%*
	Donations		
3)	Gross Revenue from Donations	5,041,590	4,701,226
	Less: Direct Costs of Donations	(1,230,908)	(1,384,761)
	Gross Surplus from Donations	3,810,682	3,316,465
	Gross Margin from Donations	*76%*	*71%*
	Gross Revenue from Fundraising	8,322,872	8,823,275
	Less: Direct Costs of Fundraising	(3,264,734)	(4,005,638)
	Gross Surplus from Fundraising	5,058,138	4,817,637
	Gross Margin from Fundraising	*61%*	*55%*

The Kids' Cancer Project is committed to the ongoing improvement in fundraising effectiveness through growth in its supporter base and the continuing reduction of relative costs. Our total funds raised in the year have been impacted by a slowdown in retail activity across the country.

Key factors impacting the gross surplus from fundraising during the financial year are comprised of the following:

1. A reduction in the number of raffles from four to three reflects the ongoing strategy to transition away from lower yielding fundraising streams. The result of this was a reduction in the gross surplus from raffles of $470,130 to $594,199 in FY2019. This result was also impacted by the continuing trend in lower ticket sales per raffle. In response to this trend, management is exploring and testing a combination of raffle buyer acquisition programs, digital raffle programs and the ongoing effectiveness of the current telemarketing program.

2. This financial year saw a greater focus on bear merchandising to partially compensate for the lower number of raffles undertaken. A combination of direct, digital and telemarketing bear activity saw an increase in bear gross surplus of $216,415 to $653,258, being a year on year increase of 50 per cent.

3. Donations in 2017/18 included bequests of $51,548 as against 2018/19 of $169,430. Excluding bequests, donation gross profit increased year on year by $376,335, being an increase of 12 per cent. The key factors supporting this growth were: an increase in regular givers to the charity, the commencement towards the end of the financial year of a major gift program, and continuing growth in corporate partnerships.

NOTE 10: cont'd

Fundraising expenses include specific direct costs and exclude salaries and allowances and other expenses not directly related to fundraising. In NSW the raffle is regulated as an Art Union. All raffles conducted in the year met the minimum regulatory requirements imposed. In QLD the number of raffle ticket sales allowed per raffle in the state is capped – there were no breaches of this cap in the year.

* Raffles are conducted in all Australian States and Territories bar Western Australia and South Australia and raffle income and costs incurred relate solely to raffle ticket sales.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 11: RESEARCH FUNDING & RELATED EXPENDITURE

Research title	2019 $	2018 $
Neuroblastoma Drug Discovery, UNSW	113,375	369,000
Cancer Gene Therapy Program (Brain Cancer), The Children's Hospital at Westmead	287,000	175,387
Tumour Bank, The Children's Hospital at Westmead	66,628	250,000
Preclinical Testing of New Neuroblastoma Drugs, Nationwide Children's Hospital	-	50,000
Improving Treatments for Infant Acute Lymphoblastic Leukaemia , Telethon Kids Institute	90,000	70,363
Improving Chemotherapy Regimens for Medulloblastoma,	129,178	64,368
Medulloblastoma, QIMR Berghofer Medical Research Institute	163,960	-
The Royal Australasian College of Physicians Scholarship, Royal Australasian College of Physicians	90,000	90,000
Clinical Trial Support (Tasmania)	70,000	90,000
Bio – Banking Software - Children's Cancer Institute Australia / Kids Cancer Alliance	-	148,000
Personalised disease monitoring for improved outcomes in childhood AML – The University of Queensland	109,796	109,796
Therapeutic targeting transcriptional addiction in paediatric leukaemia's – The University of Melbourne	129,070	116,549
Exploring better and safer treatments for osteosarcoma – La Trobe University	130,000	191,356
Reversing glucocorticoid resistance in paediatric ALL – University of New South Wales	50,000	-
A patient centred program for survivors of childhood cancer – University of New South Wales	-	98,691
Elucidating drug sensitivity and the clonal evolution of PH-like ALL in adolescents – SAHMRI	-	85,466
'Ready, Steady, School' – development and evaluation of supportive resources for children and adolescents returning to school after cancer – University of New South Wales	132,881	133,218
Targeting the cell cycle regulators CDK4/6 to treat medulloblastoma – The University of Queensland	149,957	130,210
Clonal analysis to develop personalised medicine approaches to treat paediatric brain cancer QIMR	-	305,937
Synthetic retinoid therapy for DIPG – Sydney Children's Hospital	65,500	65,500
Development of Trilexium as a Therapy for DIPG – Children's Cancer Institute	135,000	122,500
Pre-clinical development of novel immune therapy for paediatric cancers – The University of New South Wales	80,000	80,000
Support paediatric & AYA cancer research – ANZCHOG	99,828	134,128
Personalized Medicine – Children's Cancer Institute Australia	280,000	295,750
ANZCHOG Sponsorship	150,000	150,000
DFMO – Clinical Trial – Children's Cancer Institute Australia	-	90,000
Research governance & Administration	5,347	99,143
Targeting FACT to inhibit MYCN-driven transcription in neuroblastoma	98,000	-
Understanding genetic basis of chemotherapy-induced cardiomyopathy in paediatric oncology survivors	8,479	
Advocacy in support of childhood cancer research	205,433	-
Total research funding & administrative costs	**2,839,431**	**3,515,362**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 12: LEASE COMMITMENTS

Operating Lease Commitments

	2019	2018
Payable: minimum lease payment	$	$
Not later than 12 months	120,589	179,335
Between 12 months and 5 years	16,875	22,500
Greater than 5 years	-	-
	137,465	201,835

The property lease commitment is a non-cancellable operating lease contracted for but not recognised in the financial statements.

NOTE 13: RELATED PARTY DISCLOSURES

No related party transactions occurred in the period 1 July 2018 to 30 June 2019.

NOTE 14: CASH FLOW INFORMATION

Reconciliation of Cash Flow from Operations

	2019 $	2018 $
Reconciliation of cash flow from operations		
Total comprehensive income for the year	(550,980)	(1,355,429)
Non-cash flows in profit		
- Depreciation and amortisation	56,337	69,306
Changes in assets & liabilities:		
(increase)/decrease in trade & other receivables	(18,492)	19,875
(increase)/decrease in inventories	122,926	(8,485)
(increase)/decrease in other assets	(37,375)	593,489
(decrease)/increase in trade & other payables	65,343	76,107
(decrease)/increase in provisions	(5,726)	8,094
(decrease)/increase in deferred income	(8,533)	30,144
	(376,502)	(566,898)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 15: CONTINGENT LIABILITIES

A bank guarantee for $90,630 has been established with a third party in relation to the property lease rental and is in place for the term of the lease (2018: $90,630).

NOTE 16: EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

There have been no events subsequent to the end of the reporting period which have materially affected the Company's performance or financial position

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 17: FINANCIAL INSTRUMENTS

Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, local money market instruments, and short-term investments, accounts receivable and payable. The totals for each category of financial instruments measured in accordance with AASB 139, as detailed in the accounting policies to these financial statements, are as follows:

NOTE 17: FINANCIAL INSTRUMENTS

	2019 $	2018 $
Financial Assets		
Cash and Cash Equivalents	2,771,095	3,177,567
Total Financial Assets	2,771,095	3,177,567
Financial Liabilities		
Trade and other payables	1,540,357	1,475,072
Total Financial Liabilities	1,540,357	1,475,072

The Company does not have any derivative instruments at 30 June 2019 (2018: Nil).

i. Financial Risk Management Policies

The Responsible Persons of the Company meet on a regular basis to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

II. Financial Risks

The main risks the Company is exposed to through its financial instruments are interest rate risk, liquidity risk, credit risk and price risk. The Company is not exposed to material fluctuations in foreign currencies.

III. Interest rate risk

The Company is not exposed to material interest rate risk.

IV. Liquidity risk

The Company manages liquidity risk by monitoring forecast cash flows.

a. Financial Risk Management

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

The Company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Company.

Price risk

The Company is not exposed to any material commodity price risk.

b. Net Fair Value

The aggregate net fair value and carrying amounts of financial assets is disclosed in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 18: CAPITAL MANAGEMENT

Management controls the capital of the Company to ensure that adequate cash flows are generated to fund research programs and that returns from investments are maximised.

Risk management policies are approved and reviewed by the Board on a regular basis. These include credit risks and policies and future cash flow requirements.

Management effectively manages the Company's capital by assessing the Company's financial risks and responding to changes in these risks and the market. There have been no changes in the strategy adopted by management to control the capital of the Company since the previous financial year.

NOTE 19: MEMBERS' GUARANTEE

The Company is a company 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 30 June 2019 there were 12 members (2018: 12).

NOTE 20: COMPANY DETAILS

The Kids' Cancer Project
5-11 Mentmore Avenue
Rosebery NSW 2015

The Kids' Cancer Project

Independent auditor's report to the members

Report on the Audit of the Financial Statements

Opinion

We have audited the financial report of The Kids' Cancer Project (the Company), which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Responsible Persons declaration.

In our opinion the financial report of The Kids' Cancer Project has been prepared in accordance with Division 60 of 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 30 June 2019 and of its financial performance for the year then ended; and

b) complying with Australian Accounting Standards and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

The Responsible Persons are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

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.

ACCOUNTANTS & ADVISORS

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Sydney NSW 2000

Parramatta Office
Level 7, 3 Horwood Place
Parramatta NSW 2150

Telephone: +61 2 8263 4000
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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 Responsible Persons for the Financial Report

The Responsible Persons 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 and the ACNC Act and for such internal control as the Responsible Persons 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 Responsible Persons are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Responsible Persons either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Responsible Persons are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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 these financial statements is located at the Auditing and Assurance Standards Board website at:
http://www.auasb.gov.au/Pronouncements/Australian-Auditing-Standards/Auditors-Responsibilities.aspx

This description forms part of our independent auditor's report.

William Buck

William Buck
Accountants & Advisors
ABN 16 021 300 521

Leo Tutt

L.E. Tutt
Partner
Sydney, 29 October 2019