THE KIDS' CANCER PROJECT

2015-2016

Audited Annual Accounts

thekidscancerproject.org.au

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

Financial Statements for the Year Ended 30 June 2016

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 2016.

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)
Ken Moroney AO APM
Frances McPherson
Caroline Pierce
Simmone Reynolds
Lyndall Stoyles

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 and supporting research programs into childhood cancer and related research.

3. Review of Performance

The Company returned a deficit in the year of $926,509 (2015: deficit $631,850).

Report of the Responsible Persons *(cont)*

In 2016 the Company increased the funding of existing and new research projects by $536,491. This increase in research funding was achieved by accessing the cash reserves previously built on a significant bequest from 2014.

	2016	2015
	$	$
Income	11,589,523	11,187,991
Expenses	(8,443,026)	(8,283,326)
Surplus Available for Research	**3,146,497**	**2,904,665**
Research Funding & Governance	3,146,497	2,904,665
Additional Cash Released to Fund Research & Governance	926,509	631,850
Total Research Funding & Governance	**4,073,006**	**3,536,515**
(Deficit) / Surplus for the year	**(926,509)**	**(631,850)**

The Company has held one year of research funding in reserve to fund research commitments for the following year. In the year to 30 June 2017 the Company intends to fund research of $4.04m; additional funds have been held in reserve to allow for the potential funding of paediatric clinical trials.

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 (Chairman)
Adrian is currently a partner at KPMG. He has over 20 years experience in the professional and financial services industries and his clients have included some of the largest property and financial services companies on the ASX. Adrian holds a Masters of Economics and is a member of the Institute of Chartered Accountants.

Adrian became involved with The Kids' Cancer Project after his son was diagnosed with a brain tumour at the age of 5.

Colin Reynolds OAM (Founder)
As the founder of The Kids' Cancer Project, Col Reynolds' outstanding contribution to the lives of children with cancer was officially recognised when he was honoured with an Order of Australia award in 2000. In 2010, Col was again recognised for his contribution to the lives of children with a Golden Harold Award. It was from unlikely beginnings that Col's passion for helping children with cancer was first kindled.

Col had worked as a Tour Coach operator for more than 30 years. During this time he had looked after many high profile clients, managing the Secret Service convoy for both George Bush and Bill Clinton, and the Papal visit of Pope John Paul.

One day, driving his empty coach past the old Camperdown Children's Hospital, Col stopped to let two young children with bald heads cross the road. In that instant, Col resolved to do everything in his power to assist children with cancer. This single event changed the trajectory of his life, and planted the seeds for what in 1993 was to become The Kids' Cancer Project.

Report of the Responsible Persons *(cont)*

Sue Anderson
Sue Anderson has more than 20 years experience in the retail sector, having worked in management, business development and marketing roles for some of Australia's most prestigious retail brands.

Currently Sue is a senior director at the Australian Retailers Association, with responsibility for delivering training programs and defining industry standards of best practice education for the industry.

Sue is also a director of consulting business, Retail Capabilities, which delivers retail education, training and consulting services to organisations in the property and franchise sector.

Sue holds several qualifications including a Bachelor of Business (Management) and an Executive MBA.
Sue understands first-hand the importance of research into childhood cancer, with her now eight-year-old daughter Audrey diagnosed with an inoperable brain tumour at the age of five.

Richard Caldow
With 25 years' experience in financial services, Richard Caldow has worked as an advisor in the stockbroking industry since 1992. Prior to this he worked in chartered accounting, with roles at Ernst & Young and Arthur Andersen & Co.

Richard was an Executive Director at Euroz Securities, a Western Australian focused specialist financial services company that provides a range of services including stockbroking, corporate finance and funds management.

Richard holds a Bachelor of Commerce with a double major in Accounting and Finance from the University of Western Australia.

Richard's son Archie, diagnosed with high-risk neuroblastoma at just three years of age, is now six years old and in remission.

Nigel Everard (Deputy Chairman)
Nigel is currently employed as Chief Financial Officer of a leading Quick Service Restaurant business.
He has spent approximately 20 years working in automotive, quick service restaurant, aviation and not for profit sectors in Australia, Asia and Europe.

Nigel has held senior positions in general management, finance, strategy and business improvement.
Nigel has a Bachelor of Commerce majoring in Accounting, a Graduate Certificate in Management and an MBA majoring in Planning and Strategy all from Deakin University. He is also a qualified and current member of CPA Australia.

Ken Moroney AO APM
Ken was the Commissioner of The New South Wales Police Force from 2002 to 2007. He has occupied a range of Executive positions as well as resided on 11 key Boards and Committees.
Ken was awarded the Order of Australia in 2006 and has received numerous medals such as The Australian Police Medal and the National Medal.

Ken has also been awarded three New South Wales Commissioner's Commendations for Service and has an Honorary Doctorate from Charles Stuart University.

Report of the Responsible Persons *(cont)*

Frances McPherson
Frances McPherson is the Executive Director for People and Corporate Services at Transport for NSW, with responsibility for driving the strategic development and implementation of HR and business services across five branches of the department.

Frances was responsible for leading and implementing Corporate Services reform across transport in NSW, as well as implementing reform of the NSW Rail Industry.

A human resources and corporate services expert, Frances has extensive experience in the public sector. Previously she has held senior executive roles at Roads and Traffic Authority, State Rail Authority, RailCorp, NSW Police Force and the Department of the Premier and Cabinet.

Frances has studied at the University of Technology Sydney, University of Griffith and University of NSW. She was awarded the Public Service Medal in the Queen's Birthday Honours in 2007.

Caroline Pierce
Caroline has over two decades of experience in publishing and journalism. Her career spans positions in well-known publications, the Sunday Telegraph and News Limited, where she has held senior positions and run her own column.

Currently, Caroline is the Company Secretary of a privately owned consultancy specialising in workflow applications and web enablement for local government. Her responsibilities cover business process analysis, application development, marketing and administration.

Simmone Reynolds
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 9 years working in the Fast Moving Consumer Goods industry, in marketing, national account management and category development roles at Unilever Australasia and Nestlé.

Simmone has a Bachelor of Commerce degree majoring in Marketing and Hospitality Management from the University of New South Wales.

Lyndall Stoyles
Lyndall is the Group General Counsel & Company Secretary of Asciano Limited. Lyndall provides strategic legal support for the Asciano ports and rail businesses.

Prior to joining Asciano, Lyndall spent 14 years with Clayton Utz advising on competition and commercial law issues in a broad range of industries, including advising on competition and commercial issues in the media, telecommunications, rugby and racing industries.

Lyndall has divided her professional time between these roles and various other roles within the community, including research and policy work to inform and influence more humane ways to support refugees and asylum seekers in Australia, developing projects to supports schools and mobile medical clinics in East Timor and her role on the Board of The Kids' Cancer Project.

Report of the Responsible Persons *(cont)*

5. Meetings of the Responsible Persons

There were ten ordinary meetings of the Responsible Persons between 1 July 2015 and 30 June 2016. The number of meetings attended by each Responsible Person was:

	Eligible to Attend	Attended
Adrian Fisk	10	9
Colin Reynolds	10	10
Sue Anderson	10	7
Richard Caldow	10	5
Nigel Everard	10	9
Frances McPherson	10	8
Ken Moroney	10	5
Caroline Pierce	10	8
Simmone Reynolds	10	7
Lyndall Stoyles	10	7

All board positions are held on voluntary basis.

6. Key Management Personnel Compensation

	Short Term Benefits	Post-Employment Benefits	Other Long Term Benefits	Termination Benefits	Total
	$	$	$	$	$
2016 Total Compensation	231,613	18,783	4,747	-	255,143
2015 Total Compensation	259,153	23,856	96	-	283,105

7. Purpose and Objectives

The Company has a single mission: to cure kids' cancer and we know the only way to cure childhood cancer is through medical research. We select and fund innovative research projects without geographical or institutional barriers which will have the greatest impact on childhood cancer survival.

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. Our priority is to find and fund research that will have the greatest impact of achieving our goal of one hundred percent survival for children with cancer while minimising or eradicating the harmful impacts treatment can bring.

We fund world class research to help kids with Cancer because we believe that it is science that will save them.

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 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 aim to ensure that 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

18 October 2016

Adrian Fisk
Chairman

18 October 2016

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 30 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 2016 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

18 October 2016

Adrian Fisk
Chairman

18 October 2016

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 2016;

(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 2016;

(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 2015 to 30 June 2016; 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

18 October 2016

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016	2015
		$	$
Income			
Raffles		5,232,948	5,783,887
Merchandise		1,349,044	1,558,808
Donations		4,822,054	3,645,983
Total		11,404,046	10,988,678
Interest income		106,386	102,237
Other income		79,091	97,076
Total Income		11,589,523	11,187,991
Expenses			
Fundraising	10	5,810,813	6,009,012
Research funding & governance	11	4,073,006	3,536,515
Employee expenses		1,842,311	1,591,411
Depreciation & amortisation		70,185	66,338
Other		719,717	616,565
Total Expenses		12,516,032	11,819,841
Net (Deficit)		(926,509)	(631,850)
Other Comprehensive Income for the Year			-
Total Comprehensive Income for the Year		(926,509)	(631,850)
(Deficit) Attributable to Members of the Entity		(926,509)	(631,850)
Total Comprehensive Income Attributable to Members of the Entity		(926,509)	(631,850)

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

	Note	2016	2015
		$	$
Current Assets			
Cash and cash equivalents	3	4,689,997	5,978,682
Trade and other receivables	4	11,819	412
Inventory		168,350	65,051
Other current assets	5	311,657	1,414,328
Total Current Assets		5,181,823	7,458,473
Non-Current Assets			
Fixed assets	6	70,316	105,263
Intangible assets	7	133,846	98,375
Total Non-Current Assets		204,162	203,638
Total Assets		5,385,985	7,662,111
Current Liabilities			
Trade and other payables	8	860,547	1,186,881
Deferred income		190,532	1,231,043
Provisions		91,727	82,211
Total Current Liabilities	9	1,142,806	2,500,135
Non-Current Liabilities			
Provisions		41,377	33,665
Total Non-Current Liabilities	9	41,377	33,665
Total Liabilities		1,184,183	2,533,800
Net Assets		4,201,802	5,128,311
Accumulated Funds			
Retained surplus		4,201,802	5,128,311

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2016

	Retained Surplus $
Balance at 1 July 2014	5,760,161
Net surplus for the year	(631,850)
Retained surplus 30 June 2015	5,128,311
Balance 1 July 2015	5,128,311
Net deficit for the year	(926,509)
Retained surplus 30 June 2016	4,201,802

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 $	2015 $
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from operations		10,431,221	10,843,837
Cash payments from operations		(11,755,582)	(11,706,776)
Interest received		106,386	97,076
Net cash (used in) / provided by operating activities	**14**	(1,217,975)	(765,863)
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for plant & equipment		(8,242)	(16,696)
Payments for intangible assets		(62,468)	(73,815)
Proceeds from sale of property, plant & equipment			-
Net cash (used in) investing activities		(70,710)	(90,511)
Net (decrease) in cash and cash equivalents held		(1,288,685)	(856,374)
Cash and cash equivalents at the beginning of the financial year		5,978,682	6,835,056
Cash and cash equivalents at the end of the financial year	3	4,689,997	5,978,682

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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 27 August 2016 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

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 2016

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 2016

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 2016

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 2016

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 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 Foundation'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 three 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 2016

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 provision for impairment. 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 three 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 2016

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 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 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation (applicable for annual reporting periods commencing on or after 1 January 2016)*

This standard amends AASB 116 and AASB 138 to establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset and to clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate. The standard also clarifies that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.

This standard is not expected to impact the Company.

— *2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities (applicable for annual reporting periods commencing on or after 1 July 2016)*

This standard makes amendments to AASB 124 to specify consistent related party disclosure requirements for the Australian Government, State Governments, local councils and other not-for-profit public sector entities.

This standard is not expected to impact the Company.

— *AASB/NZ IFRS 15 Revenue from Contracts with Customers, AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15, AASB 2015-8 Effective Date of AASB 15 and AASB 2016-3 Clarifications to AASB 15 (applicable for annual reporting periods commencing on or after 1 January 2018)*

AASB 15 establishes a single, comprehensive framework for revenue recognition, and replaces the previous revenue Standards AASB 118 Revenue and AASB 111 Construction Contracts, and the related Interpretations on revenue recognition Interpretation 13 Customer Loyalty Programmes, Interpretation 15 Agreements for the Construction of Real Estate, Interpretation 18 Transfers of Assets from Customers and Interpretation 131

Revenue—Barter Transactions Involving Advertising Services.

AASB 15 introduces a five step process for revenue recognition with the core principle of the new Standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.

AASB 15 will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements..

The company has not yet assessed the impact of this standard.

— *AASB/NZ IFRS 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 (ie 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 *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 not yet assessed the impact of this standard.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 2: OTHER EXPENSES

	2016 $	2015 $
Doubtful debts expense	-	-
Lease expense	164,784	158,509
Auditor Remuneration		
Audit Services	20,500	24,500
Other Services	-	-
Total Auditor Remuneration	20,500	24,500

NOTE 3: CASH AND CASH EQUIVALENTS

	2016 $	2015 $
Cash on hand	760	673
Cash at bank	4,689,237	5,978,009
	4,689,997	5,978,682

Reconciliation of cash at bank:

	2016 $	2015 $
Cash held in operating accounts	598,607	3,887,379
Cash held on term deposit	4,090,630	2,090,630
Total cash at bank	4,689,237	5,978,009

NOTE 4: TRADE AND OTHER RECEIVABLES

	2016 $	2015 $
Current		
Trade receivables	11,819	412
Other receivables	-	-
Provision for impairment	-	-
	11,819	412

	Gross Amount	Past due and Impaired	31-60	61-90	>90	Within initial trade terms
2016						
Trade Receivables	11,819	-	1,000	-	-	10,819
2015						
Trade Receivables	412	-	-	-	-	412

The Company does not hold any financial assets whose terms have been renegotiated, but which otherwise would be past due and impaired. There are no balances within receivables that are impaired and not past due. It is expected that these balances will be received when due.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 5: OTHER CURRENT ASSETS

	2016	2015
	$	$
Deposits paid	75,079	66,158
Prepayments	154,133	1,173,854
GST receivable	82,445	174,316
	311,657	1,414,328

NOTE 6: PROPERTY, PLANT & EQUIPMENT

	2016	2015
	$	$
Office equipment (at cost)	110,942	102,700
Less: accumulated depreciation	(95,834)	(86,992)
	15,108	15,708
Furniture and fittings (at cost)	65,294	65,294
Less: accumulated depreciation	(49,117)	(39,543)
	16,177	25,751
Motor vehicles (at cost)	36,910	36,910
Less: accumulated depreciation	(20,304)	(12,922)
	16,606	23,988
Leasehold improvements (at cost)	86,017	86,017
Less: accumulated depreciation	(65,777)	(52,981)
	20,240	33,036
IT equipment (at cost)	20,638	20,638
Less: accumulated depreciation	(18,453)	(13,858)
	2,185	6,780
Total	70,316	105,263

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 6: FIXED ASSETS (cont)

Movements in Carrying Amounts

	Office equipment	Furniture & fittings	Motor vehicles	Leasehold improvements	IT equipment	Total
	$	$	$	$	$	$
Carrying amount at 1 July 2015	15,708	25,751	23,988	33,036	6,780	105,263
Additions	8,242					8,242
Disposals						
Depreciation expense	(8,842)	(9,574)	(7,382)	(12,796)	(4,595)	(43,189)
Depreciation on disposed assets						
Carrying amount at 30 June 2016	15,108	16,177	16,606	20,240	2,185	70,316

NOTE 7: INTANGIBLE ASSETS

	2016	2015
	$	$
Carrying amount at 1 July	98,375	44,207
Additions	62,468	73,815
Disposals		-
Depreciation expense	(26,997)	(19,647)
Carrying amount at 30 June	133,846	98,375

NOTE 8: TRADE & OTHER PAYABLES

	2016	2015
	$	$
Trade payables	434,129	1,045,358
Accrued expenses	400,279	99,493
PAYG payable	26,139	42,030
	860,547	1,186,881

NOTE 9: PROVISIONS

Current	**2016**	**2015**
	$	$
Employee benefits provision	91,727	82,211
	91,727	82,211
Non Current		
Employee benefits provision	41,377	33,665
Total Provisions	133,104	115,876

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 10: RESULTS OF ACTIVITIES

		2016	2015
		$	$
	Raffles *		
1)	Gross Revenue from Raffles	5,232,948	5,783,887
	Less: Direct Costs of Raffles (prizes, call centre, printing, mailing, bank and merchant fees)	(3,759,433	(4,304,732)
	Gross Surplus from Raffles	1,473,515	1,479,155
	Gross Margin from Raffles	*28%*	*26%*
	Merchandise		
2)	Gross Revenue from Merchandise	1,349,044	1,558,808
	Less: Direct Costs of Merchandise	(837,475)	(930,881)
	Gross Surplus from Merchandise	511,569	627,927
	Gross Margin from Merchandise	*38%*	*40%*
	Donations		
3)	Gross Revenue from Donations	4,822,054	3,645,983
	Less: Direct Costs of Donations	(1,213,904)	(773,399)
	Gross Surplus from Donations	3,608,150	2,872,584
	Gross Surplus from Donations	*75%*	*79%*
	Gross Revenue from Fundraising	11,404,047	10,988,678
	Less: Direct Costs of Fundraising	(5,810,813)	(6,009,012)
	Gross Surplus from Fundraising	5,593,234	4,979,666
	Gross Margin from Fundraising	*49%*	*45%*

* Raffles are conducted in all Australian States and Territories bar Western Australia and raffle income and costs incurred relate solely to raffle ticket sales. The raffle returns in NSW for six of the seven raffles completed and drawn in the financial year met the minimum regulatory requirements of the NSW Office of Liquor, Gaming & Racing. The Kids' Cancer Project went through a review and tender process of telemarketing services in the last quarter of 2016 financial year and subsequently, a new telemarketing service provider was appointed on 1 July 2016.

Fundraising expenses include specific direct costs, and exclude salaries and allowances and other expenses not directly related to fundraising. The efficiencies of The Kids' Cancer Project fundraising efforts vary and supporters are provided with a wide variety of ways to contribute.

In all its efforts The Kids' Cancer Project continually strives to increase effectiveness and lower costs.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 11: RESEARCH FUNDING & RELATED EXPENDITURE

	2016	2015
	$	$
Neuroblastoma Drug Discovery, UNSW	980,000	880,000
Side Effects of Antitropomyosin Drugs, UNSW	100,000	100,000
Using Antitropomyosin Drugs to Treat Neuroblastoma, UNSW		100,000
Cancer Gene Therapy Program (Brain Cancer), The Children's Hospital at Westmead	723,407	820,000
Tumour Bank, The Children's Hospital at Westmead	350,000	350,000
Neuroblastoma Metastasis, The Children's Hospital at Westmead	50,000	100,000
Cell Organisation in Neuroblastoma, University of Queensland	50,000	100,000
New Drug Targets in Neuroblastoma, Garvan Institute	55,000	110,000
Role of MicroRNA in Neuroblastoma, SA Pathology	100,000	100,000
Preclinical Testing of New Neuroblastoma Drugs, Nationwide Children's Hospital	100,000	100,000
Novel Therapeutic Targets in Paediatric Acute Myeloid Leukaemia, University of Queensland		112,500
Stathmin Regulation of MicroRNA Expression in Neuroblastoma Cells, Children's Cancer Institute	100,000	155,000
Novel Therapies for DIPG, Sydney Children's Hospital		100,000
Improving the Treatment for Infants with Leukaemia, Telethon Institute for Child Health Research	115,000	100,000
Personalised Medicine Pilot, Children's Cancer Institute		68,250
Clonal Analysis to Treat Paediatric Brain Cancer, QIMR Berghofer Medical Research Institute – Joint Venture with Cancer Australia and Cure Cancer Australia		66,572
Improving the Cure Rates of Childhood Brain Cancer – Joint venture Cancer Australia and Cure Cancer Australia	64,562	
ATM analogues combination, Children's Cancer Institute		5,300
The Royal Australasian College of Physicians Scholarship, Royal Australasian College of Physicians	42,779	49,000
Clinical Trial Support	22,031	6,865
ANZCHOG National Tumour Bank Conference	10,909	
Bio – Banking Software - Children's Cancer Institute Australia / Kids Cancer Alliance	213,880	
Cell-cycle checkpoint signalling in paediatric acute myeloid leukaemia - The University of Queensland	112,500	
Identification of Residual Disease and Novel Therapeutic Targets in Acute Myeloid Leukaemia – The University of Queensland (NHMRC)	30,000	
Development of Trilexium as a Therapy for DIPG – Children's Cancer Institute	100,000	
Personalized Medicine – Children's Cancer Institute Australia	273,000	
ANZCHOG Sponsorship	75,000	
DFMO – Clinical Trial – Children's Cancer Institute Australia	170,000	
Late effects – Re-engage - UNSW	99,367	
Research governance	135,571	113,028

Total research funding & administrative costs	**4,073,006**	**3,536,515**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 12: LEASE COMMITMENTS

Operating Lease Commitments

	2016	2015
Payable: minimum lease payment	$	$
Not later than 12 months	169,178	171,051
Between 12 months and 5 years	57,125	59,187
Greater than 5 years		-
	226,303	**230,238**

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

NOTE 13: RELATED PARTY DISCLOSURES

Lyndall Stoyles is related to a Director of the Company's telemarketing agency, Contact Centres Australia. Ms Stoyles has no financial interest in Contact Centres Australia and abstained from any discussion relating to them.

NOTE 14: CASH FLOW INFORMATION

Reconciliation of Cash Flow from Operations

	2016 $	2015 $
Reconciliation of cash flow from operations		
Total comprehensive income for the year	(926,509)	(631,850)
Non-cash flows in profit		
- Depreciation and amortisation	70,185	66,338
- Net loss / (profit) on disposal of non-current assets	-	-
Changes in assets & liabilities:		
(increase)/decrease in trade & other receivables	(11,407)	(374)
(increase)/decrease in inventories	(103,300)	(59,733)
(increase)/decrease in other assets	1,102,671	(72,499)
(decrease)/increase in trade & other payables	(326,333)	178,094
(decrease)/increase in provisions	17,228	17,852
(decrease)/increase in deferred income	(1,040,510)	(263,691)
	(1,217,975)	(765,863)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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 (2015: $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.

NOTE 17: FINANCIAL INSTRUMENTS

a. **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:

	2016 $	2015 $
Financial Assets		
Cash and Cash Equivalents	4,689,997	5,978,682
Total Financial Assets	4,689,997	5,978,682
Financial Liabilities		
Trade and other payables	860,567	1,186,881
Total Financial Liabilities	860,567	1,186,881

The Company does not have any derivative instruments at 30 June 2016 (2015: 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.

Interest rate risk

The Company is not exposed to material interest rate risk.

Liquidity risk

The Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 17: FINANCIAL INSTRUMENTS cont

a. Financial Risk Management (cont)

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 Foundation.

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.

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 2016 there were 10 members (2015: 12).

NOTE 20 : COMPANY DETAILS

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE KIDS' CANCER PROJECT

Report on the Financial Report

We have audited the accompanying financial report of The Kids' Cancer Project (the Company) on pages 11 to 30, which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Responsible Person's declaration.

Responsible Persons Responsibility 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 *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the Responsible Persons determine is necessary 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Responsible Persons, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

CHARTERED ACCOUNTANTS & ADVISORS

Sydney Office
Level 29, 66 Goulburn Street
Sydney NSW 2000
Telephone: +61 2 8263 4000

Parramatta Office
Level 7, 3 Horwood Place
Parramatta NSW 2150
PO Box 19
Parramatta NSW 2124
Telephone: +61 2 8836 1500

williambuck.com

William Buck is an association of independent firms, each trading under the name of William Buck across Australia and New Zealand with affiliated offices worldwide. Liability limited by a scheme approved under Professional Standards Legislation other than for acts or omissions of financial services licensees.

Praxity MEMBER GLOBAL ALLIANCE OF INDEPENDENT FIRMS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE KIDS' CANCER PROJECT (CONT)

Auditor's Opinion
In our opinion the accompanying financial report of The Kids' Cancer Project on pages 11 to 30 is 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 2016 and of its performance and cash flows for the year ended on that date; and

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

William Buck

William Buck
Chartered Accountants
ABN 16 021 300 521

Leo Tutt

L.E. Tutt
Partner
Sydney, 18 October 2016