THE KIDS' CANCER PROJECT

FINANCIAL STATEMENT 2020

The Kids' Cancer Project

ABN 13 061 138 181

A Company Limited by Guarantee

Annual Report - 30 June 2020

The Kids' Cancer Project
Responsible Persons' report
30 June 2020

The Responsible Persons present their report, together with the financial statements, on the Company for the year ended 30 June 2020.

Responsible Persons

The following persons were Responsible Persons of the Company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Adrian Fisk (Chairman – Resigned: 16 June 2020)
Doug Cunningham (Chairman – Appointed: 16 June 2020)
Nigel Everard (Deputy Chairman)
Colin Reynolds OAM (Founder)
Simmone Reynolds
Richard Caldow
Sue Anderson
Debra Singh
Cathryn Prowse

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.

Review of Performance

The Company returned a deficit in the year of $69,051 (2019: deficit $550,980).

The Kids' Cancer Project remains focused on maximising the opportunity to invest in high quality research that provides the greatest opportunity to find a cure for childhood cancer. Over the last sixteen years the total committed investment in research has been more than $50 million including $2.6 million for the year ended 30 June 2020.

Over the last twelve months the continuing focus on generating greater operational efficiencies and transitioning to higher performing fundraising channels has seen a 2% improvement in the gross margin – increasing from 61% in the June 30, 2019 financial year to 63% in the June 30, 2020 financial year. This was achieved through the continuing growth in our regular giving program, stronger community engagement activities and the stronger support and engagement with corporate partners. Our focus in 2020/21 and beyond will be to continue delivering increased revenues, while reducing the underlying cost base.

The operating surplus in FY 2020 has increased by $278,772 from the prior year. After adjusting for the Government's Job Keeper payment and associated Coronavirus support payments to business the year on year increase was $114,772. A pleasing result in a challenging environment.

During the year The Kids' Cancer Project utilised $69,051 (2018: $580,980) of reserves accumulated in prior years to fund additional research.

	2020 $	2019 $
Income	8,884,520	8,365,625
Expense	(6,317,295)	(6,077,172)
Surplus Available for Research	2,567,225	2,288,453
Research Funding & Governance	(2,567,225)	(2,288,453)
Additional Cash Released to Fund Research & Governance	(69,051)	(550,980)
Total Research Funding & Governance	(2,636,276)	(2,839,433)
Deficit for the year	(69,051)	(550,980)

The Kids' Cancer Project
Responsible Persons' report
30 June 2020

In the year to 30 June 2020 The Kids' Cancer Project has designated (budgeted) $2.7m to fund research projects throughout Australia.

Contributions on winding up
In the event of the company being wound up, ordinary members are required to contribute a maximum of $100 each.

The total amount that members of the company are liable to contribute if the company is wound up is $900, based on 9 current ordinary members (2019: 12).

Information on the Responsible Persons
Our Board of Responsible Persons is responsible for The Kids' Cancer Project overall performance and compliance, providing strategic direction, effective governance and leadership.

The particulars of the qualifications, experience and special responsibilities of each directors who held office at any time during the year are as follows, noting that all Board members are volunteers:

Adrian Fisk ACA, Mec (Chair - Resigned position 16 June 2020)
Having retired from KPMG as a Senior Partner, Adrian is now Chief Financial Officer and Global Head of Partnerships at Willow. 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.

Doug Cunningham BCom, MBA (Chair – Appointed position 16 June 2020)
Doug is 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 organisations. 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.

Nigel Everard FCPA, BCom, Grad Cert (Mgmt), MBA (Deputy Chair)
Nigel is Managing Director Oceania at one of the largest inflight global catering companies. Prior to this he was the Director of Operations Oceania. He has been 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, quick service restaurants and the not-for-profit sector.

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.

Simmone Reynolds Bachelor of Commerce (Marketing and Management), Masters (Military and Defence Studies)
Simmone is a founding member of The Kids' Cancer Project Board and is an officer in the Australian Army. Simmone is passionate about people and is pursuing further postgraduate study in human resource management. 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.

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.

Sue Anderson BBus, EBMA
Sue is Founder and Director of two Management Consulting Firms, Retail Capabilities and Co Squared. Her specialty lies in applied innovation to support government, property and broad business sectors as they evolve and transform. 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 finding her way in high school and life with a positive outlook.

Debra Singh
Debra was the Group CEO Household Goods for Greenlit Brands overseeing Fantastic Furniture, Plush, OMF and Freedom, and was also an Executive Director on the Board until March 2020 when she transitioned into semi-retirement. 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 as well as holding the position of Non-Executive Director on the Board of the Shaver Shop (ASX: SSG).

Cathryn Prowse LLB (Hons), BEc
Cathryn is a law partner at Colin Biggers & Paisley practising both insurance and employment law. She is in the 2018, 2019 and 2020 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. In the employment space, she acts for employers in unfair dismissal, general protection, discrimination, underpayment OH&S and other workplace-related claims.

Meetings of Responsible Persons
The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2020, and the number of meetings attended by each Responsible Person were:

	Full Board	
	Attended	Eligible
Adrian Fisk	5	6
Colin Reynolds	6	6
Sue Anderson	6	6
Richard Caldow	4	6
Nigel Everard	6	6
Simmone Reynolds	6	6
Debra Singh (Leave of absence - 27 September 2019 to 29 February 2020)	3	4
Doug Cunningham	5	6
Cathryn Prowse	5	6

Held: represents the number of meetings held during the time the Responsible Person held office.

Key Management Personnel Compensation

	Short Term Benefits $	Post-Employment Benefits $	Other Long-Term Benefits $	Termination Benefits $	Total $
2020 Total Compensation	487,840	44,361	27,159	-	559,360
2019 Total Compensation	525,624	46,721	32,099	-	604,444

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.

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:

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

On behalf of the Responsible Persons

Colin Reynolds.

Colin Reynolds OAM	Doug Cunningham
Founder and Director	Chairman

20 October 2020

The Kids' Cancer Project
Responsible Persons' declaration
30 June 2020

In the Responsible Persons' opinion:

- the attached financial statements and notes comply with the Accounting Standards, the Australian Charities and Not-for-profits Commission Act 2012 and New South Wales legislation the Charitable Fundraising Act 1991 and associated regulations, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the Company's financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and

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

On behalf of the Responsible Persons

Colin Reynolds.

Colin Reynolds OAM	Doug Cunningham
Founder and Director	Chairman

20 October 2020

The Kids' Cancer Project
Declaration by the Chief Executive Officer
30 June 2020

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:

- 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 2020;

- 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 2020;

- 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 2019 to 30 June 2020; and

- 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.

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Owen Finegan
Chief Executive Officer

20 October 2020

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General information

The financial statements cover The Kids' Cancer Project as an individual entity. The financial statements are presented in Australian dollars, which is The Kids' Cancer Project's functional and presentation currency.

The Kids' Cancer Project is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 1
789 Botany Road
Rosebery NSW 2018

A description of the nature of the Company's operations and its principal activities are included in the Responsible Persons' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Responsible Persons, on 20 October 2020. The Responsible Persons have the power to amend and reissue the financial statements.

The Kids' Cancer Project
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2020

	Note	2020 $	2019 $
Revenue			
Donations	16	5,600,810	5,041,591
Merchandise	16	1,096,141	1,413,145
Raffles	16	1,967,237	1,868,135
		8,664,188	8,322,871
Interest income		17,431	42,753
Other income		38,901	-
Government assistance – JobKeeper & Cash flow boost		164,000	-
		220,332	42,753
Total revenue		8,884,520	8,365,624
Expenses			
Fundraising expense		(3,213,245)	(3,264,736)
Research funding & governance expense	17	(2,636,276)	(2,839,433)
Employee expenses		(2,110,281)	(2,127,884)
Depreciation & amortisation expense		(177,942)	(56,337)
Other expenses	3	(815,827)	(628,214)
Total expenses		(8,953,571)	(8,916,604)
Deficit before income tax expense		(69,051)	(550,980)
Income tax expense		-	-
Deficit after income tax expense for the year attributable to the members of The Kids' Cancer Project		(69,051)	(550,980)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the members of The Kids' Cancer Project		(69,051)	(550,980)

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.

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

The Kids' Cancer Project
Statement of financial position
As at 30 June 2020

	Note	2020 $	2019 $
Assets			
Current assets			
Cash and cash equivalents	4	1,991,414	2,771,096
Trade and other receivables	5	37,776	42,677
Other assets	6	294,879	421,515
Inventories	7	27,707	107,904
Total current assets		2,351,776	3,343,192
Non-current assets			
Property, plant and equipment	8	250,477	20,962
Right-of-use assets	9	1,512,099	-
Intangibles	10	266,933	89,488
Total non-current assets		2,029,509	110,450
Total assets		4,381,285	3,453,642
Liabilities			
Current liabilities			
Trade and other payables	11	1,130,067	1,540,359
Lease liabilities	12	216,920	-
Employee benefits	13	130,142	75,498
Deferred revenue		20,058	182,477
Total current liabilities		1,497,187	1,798,334
Non-current liabilities			
Lease liabilities	14	1,314,692	-
Employee benefits	15	38,396	55,247
Total non-current liabilities		1,353,088	55,247
Total liabilities		2,850,275	1,853,581
Net assets		1,531,010	1,600,061
Equity			
Retained surpluses		1,531,010	1,600,061
Total equity		1,531,010	1,600,061

The above statement of financial position should be read in conjunction with the accompanying notes

The Kids' Cancer Project
Statement of changes in equity
For the year ended 30 June 2020

	Retained profits $	Total equity $
Balance at 1 July 2018	2,151,041	2,151,041
Deficit after income tax expense for the year	(550,980)	(550,980)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	(550,980)	(550,980)
Balance at 30 June 2019	1,600,061	1,600,061

	Retained profits $	Total equity $
Balance at 1 July 2019	1,600,061	1,600,061
Deficit after income tax expense for the year	(69,051)	(69,051)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	(69,051)	(69,051)
Balance at 30 June 2020	1,531,010	1,531,010

The above statement of changes in equity should be read in conjunction with the accompanying notes

The Kids' Cancer Project
Statement of cash flows
For the year ended 30 June 2020

	Note	2020 $	2019 $
Cash flows from operating activities			
Receipts from operations (inclusive of GST)		8,545,571	8,419,297
Payments for operations (inclusive of GST)		(6,232,388)	(5,966,331)
Payments for research (inclusive of GST)		(2,685,814)	(2,872,304)
Interest received		17,431	42,795
Receipts from government assistance - JobKeeper & Cash flow boost		164,000	-
Net cash used in operating activities	23	(191,200)	(376,543)
Cash flows from investing activities			
Payments for property, plant and equipment	8	(248,924)	(16,051)
Payments for intangibles	10	(224,791)	(13,879)
Net cash used in investing activities		(473,715)	(29,930)
Cash flows from financing activities			
Repayment of lease liabilities		(114,767)	-
Net cash used in financing activities		(114,767)	-
Net decrease in cash and cash equivalents		(779,682)	(406,473)
Cash and cash equivalents at the beginning of the financial year		2,771,096	3,177,569
Cash and cash equivalents at the end of the financial year	4	1,991,414	2,771,096

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
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.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

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

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

The Company has adopted AASB 15 from 1 July 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period. The adoption of this standard did not have a material effect on the financial position or performance of the Company.

The Company has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The adoption of this standard did not have a material effect on the financial position or performance of the Company.

The Company has adopted AASB 1058 from 1 July 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately. Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense. The adoption of this standard did not have a material effect on the financial position or performance of the Company.

Note 1. Significant accounting policies (continued)

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB'), the Australian Charities and Not-for-profits Commission Act 2012 and New South Wales legislation the Charitable Fundraising Act 1991 and associated regulations and the Corporations Act 2001, as appropriate for not-for profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

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

Revenue recognition
The Company recognises revenue as follows:

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of goods
Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

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

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

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

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Note 1. Significant accounting policies (continued)

Income tax
As the Company is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Inventories are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

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

Property, 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 is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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.

Note 1. Significant accounting policies (continued)

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Furniture & fixtures	15% - 20%
Office equipment	25% - 35%
IT equipment	33%
Motor vehicles	20%
Leasehold improvements	15% - 20%

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

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

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).

Right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Intangible assets
Software
Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years. It is assessed annually for impairment.

Impairment of non-financial assets
Non-financial assets are reviewed for impairment at the end of each reporting period or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount in the statement of profit or loss and other comprehensive income.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Note 1. Significant accounting policies (continued)

Trade and other payables
These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Provisions
Provisions are recognised when the Company has a present (legal or constructive) obligation as a result of a past event, it is probable the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

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.

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Note 1. Significant accounting policies (continued)

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the annual reporting period ended 30 June 2020. The Company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic
Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Fair value measurement hierarchy
The Company is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Estimation of useful lives of assets
The Company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Lease term
The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Employee benefits provision
As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Lease make good provision
A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

Note 3. Other expenses

	2020 $	2019 $
Other expenses	789,822	606,218
Audit remuneration	26,005	21,996
	815,827	628,214

Note 4. Current assets - cash and cash equivalents

	2020 $	2019 $
Cash on hand	200	500
Cash at bank	1,868,381	1,677,375
Cash on term deposit	122,833	1,093,221
	1,991,414	2,771,096

Note 5. Current assets - trade and other receivables

	2020 $	2019 $
Trade receivables	58,750	34,625
Less: Allowance for expected credit losses	(21,000)	-
	37,750	34,625
Other receivables	26	8,052
	37,776	42,677

Allowance for expected credit losses
The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	Expected credit loss rate 2020 %	Expected credit loss rate 2019 %	Carrying amount 2020 $	Carrying amount 2019 $
Not overdue	-	-	-	16,489
0 to 3 months overdue	-	-	2,000	2,500
Over 6 months overdue	37%	-	56,750	15,636
			58,750	34,625

Note 6. Current assets - Other assets

	2020 $	2019 $
Accrued income	-	57,048
Deposit paid	13,249	26,388
Prepayments	145,540	170,674
GST receivable	136,090	167,405
	294,879	421,515

Note 7. Current assets - inventories

	2020 $	2019 $
Bears - at cost	27,707	107,904

Note 8. Non-current assets - property, plant and equipment

	2020 $	2019 $
Leasehold improvements - at cost	243,920	86,016
Less: Accumulated depreciation	(10,163)	(86,016)
	233,757	-
Fixtures and fittings - at cost	9,194	73,036
Less: Accumulated depreciation	(3,640)	(65,646)
	5,554	7,390
Office equipment - at cost	24,375	136,224
Less: Accumulated depreciation	(13,209)	(122,652)
	11,166	13,572
	250,477	20,962

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Leasehold improvements $	Fixtures and fittings $	Office equipment $	Total $
Balance at 1 July 2018	-	5,755	9,462	15,217
Additions	-	3,252	12,799	16,051
Depreciation expense	-	(1,617)	(8,689)	(10,306)
Balance at 30 June 2019	-	7,390	13,572	20,962
Additions	243,921	-	5,003	248,924
Disposals - cost	(86,017)	(63,842)	(116,852)	(266,711)
Disposals - depreciation	86,017	63,842	116,852	266,711
Depreciation expense	(10,164)	(1,836)	(7,409)	(19,409)
Balance at 30 June 2020	233,757	5,554	11,166	250,477

Note 9. Non-current assets - right-of-use assets

	2020 $	2019 $
Land and buildings - right-of-use	1,623,284	-
Less: Accumulated depreciation	(111,185)	-
	1,512,099	-

Note 10. Non-current assets - intangibles

	2020 $	2019 $
Software - at cost	440,376	295,697
Less: Accumulated amortisation	(173,443)	(206,209)
	266,933	89,488

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Software $
Balance at 1 July 2018	119,798
Additions	13,879
Amortisation expense	(44,189)
Balance at 30 June 2019	89,488
Additions	224,791
Disposals - cost	(80,114)
Disposals - depreciation	80,114
Amortisation expense	(47,346)
Balance at 30 June 2020	266,933

Note 11. Current liabilities - trade and other payables

	2020 $	2019 $
Trade payables	904,153	388,730
Accrued expense	195,622	1,088,130
PAYG payable	30,292	63,499
	1,130,067	1,540,359

Refer to note 18 for further information on financial instruments.

Note 12. Current liabilities - lease liabilities

	2020 $	2019 $
Lease liability	216,920	-

Note 13. Current liabilities - employee benefits

	2020 $	2019 $
Annual leave	130,142	75,498

Note 14. Non-current liabilities - lease liabilities

	2020 $	2019 $
Lease liability	1,314,692	-

Note 15. Non-current liabilities - employee benefits

	2020 $	2019 $
Long service leave	38,396	55,247

Note 16. Results of activities

	2020 $	2019 $
Raffles *		
Gross Revenue from Raffles	1,967,237	1,868,135
Less: Direct Costs of Raffles (prizes, call centre, printing, mailing, bank and merchant fees)	(1,419,540)	(1,273,938)
Gross Surplus from Raffles	547,697	594,197
Gross Margin from Raffles	*28%*	*32%*
Merchandise		
Gross Revenue from Merchandise	1,096,141	1,413,145
Less: Direct Costs of Merchandise	(663,861)	(759,888)
Gross Surplus from Merchandise	432,280	653,257
Gross Margin from Merchandise	*39%*	*46%*
Donations		
Gross Revenue from Donations	5,600,810	5,041,591
Less: Direct Costs of Donations	(1,129,846)	(1,230,908)
Gross Surplus from Donations	4,470,964	3,810,683
Gross Margin from Donations	*80%*	*76%*
Gross Revenue from Fundraising	8,664,188	8,322,871
Less: Direct Costs of Fundraising	(3,213,247)	(3,264,734)
Gross Surplus from Fundraising	5,450,941	5,058,137
Gross Margin from Fundraising	*63%*	*61%*

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 COVID 19 pandemic.

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

Note 16. Results of activities (continued)

- Though the number of raffles increased from three to four this financial year, their relative performance was lower. The gross surplus on raffles fell by $46,500, going from $594,197 to $547,697. The average revenue per raffle fell by 20% which contributed to the lower year on year margins. Given that this continuing reduction in raffle revenue has been a trend over the last three years, it reinforces the importance of transitioning towards the higher performing fundraising streams. This reduction in raffle dependence is reflected in that raffles as a percentage of total gross surplus has gone from 12% to 10% year on year.
- With the higher number of raffles in FY2020 as compared to FY2019 there was a lower focus on bear merchandising and bear fundraising activity in FY2020. The combination of direct, digital and telemarketing bear activity saw gross surplus in FY2020 of $432,280 as compared to FY2019 of $653,257. With the reduction in bear activity, there was a corresponding reduction in gross margins going from 46% in FY2019 to 39% in FY 2020. This reduction in margin arises through a combination of higher underlying cost of bear stock (inventory) and the continuing development of new digital channels which have a higher initial upfront cost. It is expected that the relative cost of digital will reduce significantly through targeted digital bears programs and improved analysis.
- Donations in FY2020 included Bequests of $70,066 as against FY2019 of $169,430. Excluding Bequests donation gross profit increased by $759,645, being an increase of 21%. The key factors supporting this growth was the continuing increase in our regular giving base, an active community network of supporters and solid growth in corporate partnerships. Donations as a proportion of total gross surplus has increased from 75% in FY2019 to 82% in FY2020.

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.

Note 17. Research funding and related expenditure

Research title	2020 $	2019 $
Neuroblastoma Drug Discovery, UNSW	155,516	113,375
Cancer Gene Therapy Program (Brain Cancer), The Children's Hospital at Westmead	102,094	287,000
Tumour Bank, The Children's Hospital at Westmead	101,824	66,628
Improving Treatments for Infant Acute Lymphoblastic Leukaemia, Telethon Kids Institute	132,158	90,000
Improving Chemotherapy Regimens for Medulloblastoma,	127,163	129,178
Medulloblastoma, QIMR Berghofer Medical Research Institute Clinical Trial Support (Tasmania)	-	163,960
The Royal Australasian College of Physicians Scholarship, Royal Australasian College of Physicians	-	90,000
Clinical Trial Support (Tasmania)	46,667	70,000
Personalised disease monitoring for improved outcomes in childhood AML – The University of Queensland	-	109,796
Therapeutic targeting transcriptional addiction in paediatric leukaemia's – The University of Melbourne	100,586	129,070
Exploring better and safer treatments for osteosarcoma – La Trobe University	61,356	130,000
Reversing glucocorticoid resistance in paediatric ALL – University of New South Wales	2,429	50,000
'Ready, Steady, School' – development and evaluation of supportive resources for children and adolescents returning to school after cancer – University of New South Wales	57,874	132,880
Targeting the cell cycle regulators CDK4/6 to treat medulloblastoma – The University of Queensland	65,398	149,957
Synthetic retinoid therapy for DIPG – Sydney Children's Hospital	3,500	65,500
Development of Trilexium as a Therapy for DIPG – Children's Cancer Institute	-	135,000
Pre-clinical development of novel immune therapy for paediatric cancers – The University of New South Wales	60,000	80,000
Support paediatric & AYA cancer research – ANZCHOG	138,119	99,828
Personalized Medicine – Children's Cancer Institute Australia	252,000	280,000
ANZCHOG Sponsorship	183,314	150,000
Targeting FACT to inhibit MYCN-driven transcription in neuroblastoma	3,572	98,000
Understanding genetic basis of chemotherapy-induced cardiomyopathy in paediatric oncology survivors	193,075	8,479
Epigenetic targeted therapy in DIPG	94,286	-
Targeting Polio like kinase 1 as a novel therapeutic opportunity for DIPG	92,760	-
3d Printers and mini brains - New approaches for brain cancer research	119,821	-
Developing Treatments for vincristine-induced neuropathy	33,360	-
Development of a non invasive diagnostic and prognostic assay for adolescent testicular cancer	32,750	-
Overcoming therapeutic resistance in high risk acute lymphoblastic leukaemia using novel BH3 mimetc combinations	75,000	-
Elicidating drug sensitivity and the clonal evolution of PH -like ALL in adolescents	56,804	-
Evaluate the late effects and their association with cancer treatment among Australian childhood cancer survivors	19,789	-
Reboot Kids. Nutrition Program	41,883	-
Research governance & Administration	10,053	5,347
Advocacy in support of childhood cancer research	273,125	205,433
	2,636,276	2,839,431

Note 18. Financial instruments

Financial risk management objectives
The Company's activities expose it to a variety of financial risks: including interest rate risk, credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Company and appropriate procedures, controls and risk limits. Finance reports to the Board on a monthly basis.

	2020 $	2019 $
Financial Assets		
Cash and Cash Equivalents	1,991,414	2,771,096
Financial Liabilities		
Trade and other payables	1,130,067	1,540,359

Market risk

Interest rate risk
The Company is not exposed to material interest rate risk.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Company obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the 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 hold any collateral.

The Company has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Company based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Liquidity risk
Vigilant liquidity risk management requires the Company to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Company manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 19. 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 20. Contingent liabilities

A bank guarantee for $122,833 has been established with a third party in relation to the property lease rental and is in place for the term of the lease (2019: $90,630).

Note 21. Related party transactions

Transactions with related parties
There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Note 22. Events after the reporting period

Given the ever-changing conditions in relation to the global COVID-19 pandemic the Board are unable to quantify or estimate the current and long-term financial effects of COVID-19 on the Company as at the date of signing this report. The Board will continue to assess the situation as it develops.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Note 23. Reconciliation of deficit after income tax to net cash used in operating activities

	2020 $	2019 $
Deficit after income tax expense for the year	(69,051)	(550,980)
Adjustments for:		
Depreciation and amortisation	177,942	56,337
Interest on leases	23,095	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	4,901	(18,492)
Decrease/(increase) in other assets	-	(37,375)
Decrease/(increase) inventories	80,197	122,926
Decrease/(increase) in other assets	126,636	-
Increase/(decrease) in employee benefits	37,793	(5,726)
Increase/(decrease) in deferred income	(162,420)	(8,533)
Increase/(decrease) in trade and other payables	(410,293)	65,300
Net cash used in operating activities	(191,200)	(376,543)

William Buck

The Kids' Cancer Project

Independent auditor's report to 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 2020, 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 2020 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 (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

The Responsible Persons are responsible for the other information. The other information comprises the information included in the Responsible Persons' report for the year ended 30 June 2020, 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.

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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, the ACNC Act and the needs of the members. The Responsible Persons responsibility also includes 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:

https://www.auasb.gov.au/auditors_responsibilities/ar8.pdf

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, 20th October 2020

THE KIDS' CANCER PROJECT

Science. Solutions. Survival.

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The Kids Cancer Project

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