

**KIDSPRESS LIMITED**

**A.B.N. 65 117 488 570**

**ANNUAL REPORT**

**30 JUNE 2009**

# KidsXpress Limited

## Annual Financial Report – 30 June 2009

<b>Contents</b>	<b>Page</b>
Declaration in Respect of Fundraising Appeals	3
Directors Report	4
Auditors Independence Declaration	9
Income Statement	10
Balance Sheet	11
Statement of Changes in Equity	12
Cash Flow Statement	13
Notes to the Financial Statements	14
Directors' Declaration	24
Independent Audit Report to the Members	25

This financial report was authorised for issue by the directors on 24 September 2009. The company has the power to amend and reissue this financial report.

**KIDSPRESS LIMITED  
DECLARATION IN RESPECT OF FUNDRAISING APPEALS**

---

I, Margo Ward, Chief Executive Officer and Executive Director of KidsXpress Limited declare that in my opinion:

- (a) the income statement gives a true and fair view of all income and expenditure of KidsXpress Limited with respect to fundraising appeals; and
- (b) the balance sheet gives a true and fair view of the state of affairs with respect to fundraising appeals; and
- (c) the provisions of the *Charitable Fundraising Act 1991*, the Regulations under the Act and the conditions attached to the authority have been complied with; and
- (d) the internal controls exercised by KidsXpress Limited are appropriate and effective in accounting for all income received and applied by KidsXpress Limited from all its fundraising appeals.



Margo Ward

Chief Executive Officer and Executive Director

24 September 2009  
Sydney NSW

**KIDSPRESS LIMITED  
DIRECTORS' REPORT**

---

Your directors present their report on the company for the year ended 30 June 2009.

**Directors**

The following persons held office as directors during the year up to and including the date of this report:

John Hewson  
Margo Ward  
Paul Hines  
Peter Hogan  
Shaun Standfield  
Stephen Thaxter  
David White  
Kevin Santacatterina

The following persons held office as Company Secretary during the year up to and including the date of this report:

Shannon Richards  
Cheryle Woolford Smith (Joint Company Secretary since 9 June 2009)

**Principal Activities**

Kidspress Limited is a Public Benevolent Institution established to provide a dynamic expressive therapy program that offers a non-threatening and creative environment to children. It provides children with positive, healthy coping mechanisms to face the challenges and stresses that life presents. Kidspress empowers children by providing a creative opportunity to identify, express, enjoy and enhance positive strategies for their lives. These skills will significantly increase the self-esteem and resilience of children and will contribute to their development to healthy adulthood.

Kidspress is for children between the ages of 4-14yrs experiencing difficulty, loss, challenge or trauma. For example, a child who is having chemotherapy, a child whose parents have separated, a child whose sibling is dying, a child who is being bullied at school, a child that has been abused or neglected. Kidspress provides a safe place for children to express their fears and anxieties with highly trained and experienced therapists.

Kidspress allows children to express themselves in a way that they wouldn't otherwise with their parents, family, teachers or friends. Interfacing music, art, dance and drama therapies will assist the children to develop tools for life and grow into confident young people and adults.

Kidspress Limited has been granted Deductible Gift Recipient (DGR) status by the Australian Taxation Office.

Kidspress Limited opened our doors to children in June 2006. Since then, more than 600 children have completed the Kidspress program, 50 children are currently taking part in the program and approximately 100 children are on our waiting list. Our reputation within the community and referring agencies has continued to flourish due to the outstanding results the program has achieved.

The clients of Kidspress come from broken homes, are witnesses to domestic violence, dealing with life without their parents, young children dealing with chronic or terminal illness and many children who have experienced abuse and severe neglect.

Kidspress is not an activity centre, it is not a feel good program, but it is a unique and dynamic program that is focussed on supporting children when they need it most to develop coping mechanisms for life. Kidspress is an early intervention program that is fast becoming an essential component to the long term care of Australian children in need.

**KIDSPRESS LIMITED**  
**DIRECTORS' REPORT (cont)**

---

Below is a summary of the operational issues / activities of KidsXpress Limited:

- KidsXpress Blue Print for therapeutic component of program completed.
- Strategic Plan (5 years) developed in conjunction with Social Ventures Australia.
- Focus groups conducted with Parent/Carer and children in relation to the Strategic Plan.
- 200 children per year completing program 2007/08 – 2006/09 (4 intakes).
- 100% of parents/carers recommend KidsXpress program through evaluations & phone surveys.
- 83.3% of parents/carers surveyed report that KidsXpress has changed the way their child copes or behaves at home 3 months after the program has finished.
- Expansion of therapy program identified through evaluation processes (Logistic study to be completed by end of 2009).
- University of NSW submits an application to Australian Research Council on behalf of KidsXpress. If successful this three (3) year grant will support a research position four (4) days a week.
- KidsXpress was a recipient for MayDay again in 2009. Over \$800,000 was raised on behalf of four (4) charities.
- New KidsXpress Website launched February 2009.
- CEO nominated for 2009 Telstra Business Woman of the Year Awards.
- CEO won Rotary Humanitarian Award October 2008.
- OH&S Manual and Employee Manual ratified by Board.
- New branding and image implemented throughout organisation March 2009.

**Review of Operations**

As disclosed in the accompanying financial report the company has recorded a surplus of \$37,989 (2008 surplus: \$234,074) for the year ended 30 June 2009.

**Dividends Paid or Recommended**

The company is a not-for-profit organisation and hence cannot distribute dividends to members.

**Changes in state of affairs**

Significant Changes in the State of Affairs - there have been no significant changes in the state of affairs in the period.

**Information on Current Directors**

**Dr John Hewson (Non-Executive Chairman),**

Appointed – 8 December 2005

Dr Hewson has worked as an economist for the Australian Treasury (Census and Statistics), the Reserve Bank, the International Monetary Fund and as an advisor to two successive Federal Treasurers and the Prime Minister. His academic career included eleven years as the Professor of Economics, four years as Head of the School of Economics at the University of New South Wales and at Macquarie University. Dr Hewson's political career spanned eight years as the member for Wentworth in the Federal Parliament. He was Shadow Finance Minister, Shadow Treasurer and Shadow Minister for Industry and Commerce and Leader of the Liberal Party and the Coalition in opposition for four years. Since leaving politics in 1995, Dr Hewson has run his own investment banking business and is an active director on the boards of many public and private companies (including GSA) as well as serving as chairman or patron for several not-for-profit organisations. He also writes a regular column for the Australian Financial Review.

**KIDSPRESS LIMITED**  
**DIRECTORS' REPORT (cont)**

**Information on Current Directors (cont.)**

**Margo Ward (Chief Executive Officer and Executive Director),**

Appointed – 8 December 2005

Margo is the visionary and founder of KidsXpress and is committed to empowering children and making a difference that will have life long positive effects. Margo's career expands over multiple areas of child and youth related industries including Manager of the Recreation and Play Therapy Department at Sydney Children's Hospital, Executive Member on the Paediatric Oncology Unit, clinical expertise in paediatric chronic illness groups, adolescents, trauma and bereavement. For three years, Margo was the Centre Manager of LifeForce (a national suicide prevention program). With qualifications and experience in early childhood teaching and family/child therapy spanning over more than fifteen years, Margo has pioneered a number of therapeutic interventions across Australia and has lectured both locally and abroad.

**Paul Hines (Non-Executive Director),**

Appointed – 8 December 2005

Paul is the owner and CEO of General Security Australia Insurance Brokers Pty Ltd (GSA). GSA is a mid sized boutique insurance broker and was integral in establishing KidsXpress. Paul, along with his staff, continues to provide significant support to this Charity both through monetary contributions and allocation of staff resources. Prior to GSA, Paul held senior positions within a major listed corporation.

**Peter Hogan (Non-Executive Director),**

Appointed – 8 December 2005

Peter is currently the Chief Financial Officer of GSA and is a qualified Accountant with over 25 years accounting and management experience within several public and private companies as Company Secretary and/or Chief Financial Officer. Peter holds a Bachelor of Commerce degree from the University of New South Wales and is a member of the following organisations - Australian Society of Certified Practising Accountants (CPA Status); Associate – Institute of Chartered Secretaries and Administrators (ACIS); Member – Australian Society of Corporate Treasurers (MCT)

**Shaun Standfield (Non-Executive Director),**

Appointed – 12 December 2005

Shaun is the General Manager, Australian Intermediaries at QBE Insurance. He has been with the QBE group for 8 years. Shaun is responsible for QBE's Australian Intermediary distribution, this area is responsible for distribution of products and claims management to Australian Brokers and Authorised Representatives. Shaun has held senior insurance roles in workers compensation, sales, claims and operations. Shaun's qualifications include an MBA, Bachelor of Business, Post Graduate in Management, Graduate of the Australian Institute of Company Directors and is a Senior Associate with the Insurance Institute.

**Stephen Thaxter (Non-Executive Director),**

Appointed – 12 December 2006

Stephen Thaxter is a Divisional Director of Macquarie Bank Limited with over twenty years experience in the financial services sector. He manages a team which advises individuals and families on all aspects of investment and wealth management, including the integration of philanthropy into the various financial planning and intergenerational wealth transfer objectives. Prior to joining Macquarie Bank in 1990 he was a practicing chartered accountant with PricewaterhouseCoopers, both in Australia and the United Kingdom.

**David White (Non-Executive Director),**

Appointed – 17 October 2007

David is the principal of Zentricity, a consultancy which specialises in hands-on advice on corporate governance, and emphasises the importance of protecting, nurturing and growing the interests of stakeholders in the governance process. He was until recently Executive Director of Governance for Vodafone Australia, with the primary responsibility for governance of Vodafone's operations in Australia and Fiji. He also overruled legal affairs, public policy issues, corporate social responsibility and social investment for Vodafone in those countries. He was the founder and chairman of the Vodafone Australia Foundation and the Vodafone ATH Fiji Foundation, the vehicles by which Vodafone's social and charitable objectives are delivered in Australia and Fiji. David has been admitted as a solicitor for over 30 years.

**KIDSPRESS LIMITED  
DIRECTORS' REPORT (cont)**

**Information on Current Directors (cont.)**

**Kevin Santacatterina (Non-Executive Director),**

Appointed – 17 October 2007

Kevin Santacatterina is currently Associate Director Industry, Westpac. He has 19 years experience in key marketing roles and prior to Westpac held marketing roles within financial services (HSBC, Suncorp, BankWest and Commonwealth Bank) and telecommunications (Telstra). His roles have included product & segment management responsible for market planning, profit management, brand development and ownership of marketing functions end to end. Kevin holds a Bachelor of Business and enjoys keeping fit with a daily training regime.

**Shannon Richards, (Company Secretary and Legal Counsel),**

Appointed – 3 October 2006

Shannon is an officer in the Royal Australian Navy and currently works at Headquarters of Joint Operations Command. Before taking a full-time posting in the Navy, Shannon was the corporate counsel at Investec Bank (Australia) Limited where he was the senior lawyer to Investec's Private Bank team. Shannon has also worked as the National Legal Manager at Rothschild and previous to that he spent three years in private practice at Winter Ellison Lawyers. Shannon has been practicing as a solicitor in New South Wales since 2002 and holds a Bachelor of Science (Honours) and a Bachelor of Law (Honours) and is currently completing a Masters in Law. Shannon enjoys sailing and riding horses in his spare time.

**Meetings of Directors**

The following table sets out the numbers of meetings of the board of directors held to date, and the numbers of meetings attended by each director and Company Secretary:

<b>Director</b>	<b>Number of meetings held while director</b>	<b>Number of meetings attended</b>
John Hewson	8	7
Margo Ward	8	8
Paul Hines	8	8
Peter Hogan	8	8
Shaun Stanfield	8	7
Stephen Thaxter	8	8
David White	8	8
Kevin Santacatterina	8	8
<b>Company Secretary</b>	<b>Number of meetings held while Company Secretary</b>	<b>Number of meetings attended</b>
Cheryle Woolford-Smith	1	1
Shannon Richards	8	4

NB: Shannon Richards accepted an interstate position. Cheryle Woolford-Smith was invited on 9 June 2009 as co-company secretary. David White performed secretary function at meetings 23 September 2008 – 28 April 2009.

**KIDSPRESS LIMITED  
DIRECTORS' REPORT (cont)**

---

**Insurance of Officers**

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company, except for insurance premiums paid in respect of insuring the company's directors and officers against liabilities (other than liabilities arising out of conduct involving a lack of good faith).

**Environmental Regulations**

The company's operations are not subject to any particular and significant environmental regulation under a law of the Commonwealth or of a State or Territory.

**Subsequent Events**

No matter or circumstance has arisen since the end of the financial year that has significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

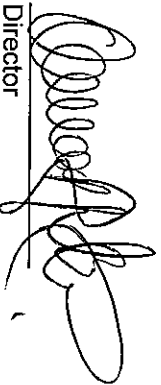
**Auditor**

PricewaterhouseCoopers continues in office in accordance with Section 327 of the *Corporations Act 2001*.

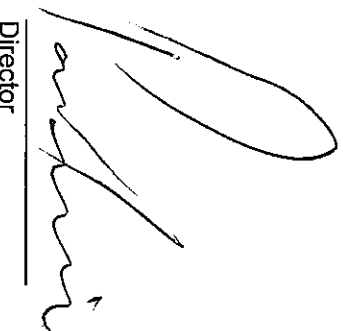
**Auditor's independence declaration.**

A copy of the Auditor's independence declaration as required under section 301C of the *Corporations Act 2001* is set out on page 8.

Signed in accordance with a resolution of the board of directors.

  
\_\_\_\_\_  
Director

24 September 2009  
Sydney NSW

  
\_\_\_\_\_  
Director

24 September 2009  
Sydney NSW



**Insert PWC Auditor's Independence Declaration**

PricewaterhouseCoopers  
ABN 52 780 433 757  
Darling Park Tower 2  
201 Sussex Street  
GPO BOX 2650  
SYDNEY NSW 1171  
DX 77 Sydney  
Australia  
Telephone +61 2 8266 0000  
Facsimile +61 2 8266 9999

## Independent auditor's report to the members of KidsXpress Limited

### Report on the financial report

We have audited the accompanying financial statements of KidsXpress Limited (the company), which comprise the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and statement of cash flow for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for KidsXpress Limited.

### *Directors' responsibility for the financial report*

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

### *Auditor's responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 and fair presentation of the financial report 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 directors, as well as evaluating the overall presentation of the financial report.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

**Independent auditor's report to the members of  
KidsXpress Limited (continued)**

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 *Corporations Act 2001*.

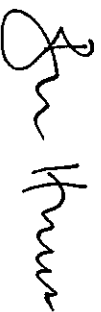
*Auditor's opinion*

In our opinion:

- (a) the financial report of KidsXpress Limited is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the company's financial position as at 30 June 2009 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*
- (b) the financial report and notes also comply with International Financial Reporting Standards as disclosed in Note 1
- (c) the financial report and associated records have been properly kept in accordance with:
  - sections 20 (1), 22 (1-2), 24 (1-3) of the NSW Charitable Fundraising Act 1991 ("the Act");
  - sections 4 (1-3), 7 (1-5), 7 (7), 7 (9), 8, 18, 20 (1-2), 21, 22 and 26 of schedule 1 to the Authority to Fundraise Under the Charitable Fundraising Act dated 1 December 2005; and
  - sections 9 (6) and 10 of the NSW Charitable Fundraising Regulation 2008 ("the Regulations")during the period 1 July 2008 to 30 June 2009
- (d) the money received as a result of fundraising appeals conducted for the period ended 30 June 2009 has been properly accounted for and applied in accordance with the above mentioned sections of the Act and the Regulations.



PricewaterhouseCoopers



B K Hunter  
Partner

Sydney  
24 September 2009

PricewaterhouseCoopers  
ABN 52 780 433 757

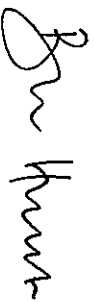
Darling Park Tower 2  
201 Sussex Street  
GPO BOX 2650  
SYDNEY NSW 1171  
DX 77 Sydney  
Australia  
Telephone +61 2 8266 0000  
Facsimile +61 2 8266 9999

## Auditor's Independence Declaration

As lead auditor for the audit of KidsXpress Limited for the year ended 30 June 2009, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of KidsXpress Limited during the period.



B K Hunter  
Partner  
PricewaterhouseCoopers

Sydney  
24 September 2009

**KIDSPRESS LIMITED**  
**INCOME STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2009**

	Notes	2009	2008
		\$	\$
<b>Revenue from continuing operations</b>	3	720,811	754,294
<b>Expenses</b>	4		
Employee benefit expenses		494,321	435,276
Equipment and facilities		92,739	61,596
Travel		1,658	1,306
External services		49,886	1,328
Administration costs		17,271	17,565
Programs and projects		6,613	3,149
Bad Debt		20,334	-
<b>Total expenses</b>		<u>(682,822)</u>	<u>(520,220)</u>
<b>Surplus before income tax expense</b>		37,989	234,074
Income tax expense		-	-
<b>Surplus for the year</b>		<u>37,989</u>	<u>234,074</u>

The above income statement should be read in conjunction with the accompanying notes.

**KIDSPRESS LIMITED**  
**BALANCE SHEET**  
**AS AT 30 JUNE 2009**

	Notes	2009	2008
		\$	\$
<b>Current Assets</b>			
Cash and cash equivalents	9	216,891	134,192
Trade & other receivables	5	231,115	260,867
<b>Total Current Assets</b>		<u>448,006</u>	<u>395,059</u>
<b>Non Current Assets</b>			
Property, Plant and Equipment			
Property, Plant and equipment	7	31,585	31,308
<b>Total Non-Current Assets</b>		<u>31,585</u>	<u>31,308</u>
<b>Total Assets</b>		<u>479,591</u>	<u>426,367</u>
<b>Current Liabilities</b>			
Trade and other payables	6	77,151	61,916
<b>Total Liabilities</b>		<u>77,151</u>	<u>61,916</u>
<b>Net Assets</b>		<u>402,440</u>	<u>364,451</u>
<b>Equity</b>			
Accumulated Funds		402,440	364,451
<b>Total Equity</b>		<u>402,440</u>	<u>364,451</u>

The above balance sheet should be read in conjunction with the accompanying notes.

**KIDSPRESS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2009**

---

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>Total equity at the beginning of the period -</b>		
Accumulated funds	364,451	130,377
<b>Surplus for the year</b>	<b>37,989</b>	<b>234,074</b>
<b>Total equity at the end of the period -</b>		
Accumulated funds	<u>402,440</u>	<u>364,451</u>

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

**KIDSPRESS LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2009**

	Notes	2009	2008
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts in course of operations		488,965	513,199
Cash payments in course of operations		(400,950)	(497,351)
Interest received		9,433	8,823
Net cash provided by operating activities	9	<u>97,448</u>	<u>24,671</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property plant & equipment	7	(14,749)	(40,585)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at the beginning of the period		82,699	(15,914)
<b>Cash and cash equivalents at the end of the period</b>	<b>9</b>	<u>216,891</u>	<u>150,106</u>
		<u>216,891</u>	<u>134,192</u>

The above cash flow statement should be read in conjunction with the accompanying notes.



**KIDSPRESS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM 01 JULY 2008 TO 30 JUNE 2009**

**1. Summary of Significant Accounting Policies**

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes separate financial statements for KidsXpress Limited as an individual entity.

**(a) Basis of Preparation**

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*.

*Compliance with IFRS*

The financial report of KidsXpress Limited also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

*Historical cost convention*

These financial statements have been prepared under the historical cost convention.

**(b) Income Tax**

The company is exempt from income tax under section 50-B of the Income Tax Assessment Act 1997.

**(c) Trade and Other Receivables**

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade and other receivables are usually due for settlement within 30 days from the date of recognition.

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. A provision for doubtful receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

**(d) Leases**

Leases of property, plant and equipment where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the entity are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the fair value of the leased property or the 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 or diminishing value basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the period of the lease.

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

**KIDSPRESS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM 01 JULY 2008 TO 30 JUNE 2009**

**1. Summary of Significant Accounting Policies (Cont)**

**(e) Financial Instruments**

**Recognition**

Financial instruments are initially measured at fair value plus transaction costs (except for financial assets carried at fair value through profit or loss). Subsequent to initial recognition these instruments are measured as set out below.

**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 method.

**Financial liabilities**

Non-derivative financial liabilities are recognised at amortised cost using the effective interest 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 of all other financial assets and liabilities, including discounted cash flow analysis, recent arm's length transactions, reference to similar instruments and option pricing models.

**Impairment**

At each reporting date, the company assesses whether there is objective evidence that a financial asset has been impaired. Impairment losses are recognised in the income statement.

**Other**

The company does not have any financial instruments classified as at fair value through profit or loss, available-for-sale or held-to-maturity.

**(f) Impairment of Assets**

At each reporting date, the company reviews the carrying values of its 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 income statement.

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.

**(g) Trade and Other Payables**

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured and paid within 30 days of recognition.

**(h) Employee Benefits**

Provision is made for the liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured on the basis of the present value of the estimated future cash outflows to be made for those benefits.

**KIDSPRESS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM 01 JULY 2008 TO 30 JUNE 2009**

**1. Summary of Significant Accounting Policies (cont)**  
**(i) 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.

**(j) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

**(k) Revenue**

**Donations & Auctions**

Revenue from donations and auctions is recognised when it is received or receivable.

**Income Streams**

Revenue from Income Streams comprises of receipts from the KidsXpress Dance Challenge and the provision of services such as the Toddlers' Music Group and training workshops, and is recognised when it is received or receivable.

**Interest Income**

Interest revenue is recognised on a time proportion basis using the effective interest rate method.

**Donations In-Kind**

Where the value of the in-kind support/donation is material and a fair value is reasonably determinable the revenue and corresponding expense is recognised when the in-kind support/donation is received.

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

**(l) Acquisition of Assets**

The purchase method of accounting is used for all acquisitions of assets regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given up or liabilities incurred at the date of acquisition plus incidental costs directly attributable to the acquisition.

**(m) Functional and Presentation Currency**

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Australian dollars, which is the company's functional and presentation currency.

**(n) Property, Plant and Equipment**

Property, plant and equipment are brought to account at historical cost less, where applicable, any accumulated depreciation or amortisation. These assets are depreciated over their useful lives. The gain or loss on disposal of all fixed assets is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds of the disposal, and is included in the operating result of the company in the year of disposal.

**The rates and basis of depreciation are as follows:**

Furniture and fixtures – straight line over 3 years;  
Computer Equipment – straight line over 3 years;  
Music Equipment – straight line over 3 years;  
Leasehold Improvements – straight line over the remaining life of the lease;  
Motor Vehicle – straight line over 4 years.

**KIDSPRESS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM 01 JULY 2008 TO 30 JUNE 2009**

**1. Summary of Significant Accounting Policies (cont)**

**(o) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Authority. In this case, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

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

**(p) Critical Accounting Estimates and Judgments**

The company evaluates estimates and judgments incorporated into the financial report 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.

There were no critical accounting estimates and judgments made by the directors in completing the financial report.

**(q) New Accounting Standards and IIG Interpretations**

Relevant accounting standards and interpretations that have recently been issued or amended and have been adopted for the annual reporting period ended 30 June 2009, are as follows:

Standard/Interpretation	Application date*	Application date for the company*
AASB 101 <i>Presentation of Financial Statements – revised</i> and consequential amendments to other accounting standards resulting from its issue	1 January 2009	1 July 2009

\* **Application date is for annual reporting periods beginning on or after the date shown in the above table.**

The directors anticipate that the adoption of these standards and interpretations in future periods may have the following impacts:

- AASB 101 - The revised AASB 101 is only expected to affect the presentation and disclosure of the financial report. It is not expected to affect recognition and measurement accounting policies.

**(r) General**

This financial report covers an individual entity, KidsXpress Limited. KidsXpress Limited is a public company, limited by guarantee, incorporated and domiciled in Australia.

**Registered Office**

137 Harrington Street  
 SYDNEY NSW 2000

**Principal Place of Business**

Entertainment Quarter  
 The Sound Stage  
 122 Lang Road  
 Moore Park NSW 2021

**KIDSPRESS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM 01 JULY 2008 TO 30 JUNE 2009**

---

**1. Summary of Significant Accounting Policies (cont)**

**(s) Interest Risk**

The company has no significant concentrations of interest risk. The company utilises an interest bearing account for excess cash. Regular transfers of funds minimise the exposure to interest fluctuations, and interest revenue is not considered a significant income source for the company. Interest is not charged on any of its receivables and there are no interest bearing borrowings.

**(t) Operating Lease Disclosures**

The company leases premises at The Sound Stage, 122 Lang Road Moore Park NSW 2021. Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases are charged to the Income Statement on a straight line basis over the period of the lease.

**2. Financial Risk Management**

The company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The company's overall risk management considers the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company. Risk management is carried out by management and the Audit, Risk and Compliance Committee under policies approved by the board of directors. Management and the Audit, Risk and Compliance Committee identify and evaluate financial risk.

**(a) Market Risk**

**(i) Foreign Exchange Risk**

The company is subjected to minimal foreign exchange risk as it has no foreign currency bank accounts and only a few foreign currency transactions took place during the year ended 30 June 2009.

**(ii) Interest Risk**

The company has no interest bearing borrowings or significant concentrations of interest risk.

**(b) Credit Risk**

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. The company utilises interest bearing bank accounts for all cash. Interest revenue is not considered a significant income source for the company. For customers, management assesses the credit quality of the customer, taking into account their financial position, past experience and other factors.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets.

**(c) Liquidity Risk**

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents to meet financial obligations as they fall due. The company manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

**KIDSPRESS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM 01 JULY 2008 TO 30 JUNE 2009**

**2. Financial risk management (continued)**  
*Maturities of financial liabilities*

The tables below analyse the company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the expected maturity date.

	<i>Less than 6 months</i>	<i>6-12 months</i>
<b>30 June 2009</b>	\$	\$
<i>Non-interest bearing payables</i>	4,636	-
<b>30 June 2008</b>	\$	\$
<i>Non-interest bearing payables</i>	6,555	-

**3. Revenue**

Donations-Cash	2009	2008
Corporate Teambuilding	411,156	505,799
Benefit received from Fundraising Auctions	6,200	7,400
Funds received Income Streams	234,492	232,272
Interest	59,494	-
Membership	9,433	8,823
	36	-
	<u>720,811</u>	<u>754,294</u>

**4. Expenses**

Surplus before income tax expense includes the following specific expenses:

Superannuation expense	38,071	35,569
Rental Expense	59,838	44,573
Advertising, Marketing & Events	44,030	27
Depreciation	14,471	9,277

**5. Trade & Other Receivables**

Prepayments	8,702	6,604
Debtors	222,413	254,263
	<u>231,115</u>	<u>260,867</u>

a) **Impaired Trade Receivables**  
There were no impaired trade receivables for the company in 2009 or 2008. \$20,334 was written off in relation to trade receivables owing to KidsXpress at 30 June 2008.

b) **Past due but not impaired**  
As of 30 June 2009 there were no past due but not impaired trade receivables.

c) **Other receivables**  
There were no amounts that arose from transactions outside the usual operating activities of the company.

**KIDSPRESS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM 01 JULY 2008 TO 30 JUNE 2009**

**d) Foreign exchange and interest rate risk**

Information about the company's exposure to foreign currency risk and interest rate risk in relation to trade and other receivables is provided in note 2.

**e) Fair value and credit risk**

Due to the short-term nature of the receivables, their carrying amount is assumed to approximate their fair value.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. Refer to note 2 for more information on the risk management policy of the Group and the credit quality of the entity's trade receivables.

**6.**

**Payables**

Trade payables	2009	2008
	\$	\$
Accruals	4,636	6,555
GST liability	33,929	24,074
Other liabilities	29,633	25,871
Trade payables and accruals	8,953	5,416
	<u>77,151</u>	<u>61,916</u>

Trade payables and accruals are non-interest bearing. They are usually unsecured and due within 30 days of recognition.

**Amount not expected to be settled within the next 12 months**

Accruals include accruals for annual leave. The entire obligation is presented as current, since the company does not have an unconditional right to defer settlement. However, based on past experience, the company does not expect all employees to take the full amount of accrued leave within the next 12 months. The following amount reflects leave that is not expected to be taken within the next 12 months.

Annual leave obligation expected to be settled after 12 months	2009	2008
	27,432	16,800

**Property, Plant & Equipment**

	Office Furniture & Equipment \$	Computer Equipment \$	Music Equipment \$	Leasehold Improvements \$	Motor Vehicles \$	Total \$
<b>At 1 July 2007</b>	-	-	-	-	-	-
Cost or fair value	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-
Net book amount	-	-	-	-	-	-
<b>Year ended 30 June 2008</b>						
Opening net book amount	-	-	-	-	-	-
Additions	-	-	11,140	11,945	17,500	40,585
Disposals	-	-	-	-	-	-
Depreciation charge	-	-	(3,685)	(1,582)	(4,010)	(9,277)
Closing net amount	-	-	<b>7,455</b>	<b>10,363</b>	<b>13,490</b>	<b>31,308</b>
<b>At 30 June 2008</b>						
Cost or fair value	-	-	11,140	11,945	17,500	40,585
Accumulated depreciation	-	-	(3,685)	(1,582)	(4,010)	(9,277)
Net book amount	-	-	<b>7,455</b>	<b>10,363</b>	<b>13,490</b>	<b>31,308</b>

**KIDSPRESS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM 01 JULY 2008 TO 30 JUNE 2009**

**7. Property, Plant & Equipment (continued)**

	Office Furniture & Equipment \$	Computer Equipment \$	Music Equipment \$	Leasehold Improvements \$	Motor Vehicles \$	Total \$
<b>At 1 July 2008</b>						
Cost or fair value	-	-	11,140	11,945	17,500	40,585
Accumulated depreciation	-	-	(3,685)	(1,582)	(4,010)	(9,277)
Net book amount	-	-	7,455	10,363	13,490	31,308
<b>Year ended 30 June 2009</b>						
Opening net book amount	-	-	7,455	10,363	13,490	31,308
Additions	423	8,815	221	5,289	-	14,748
Disposals	-	-	-	-	-	-
Depreciation charge	(35)	(1,932)	(3,732)	(4,397)	(4,375)	(14,471)
Closing net amount	388	6,883	3,944	11,255	9,115	31,585
<b>At 30 June 2009</b>						
Cost or fair value	423	8,815	7,676	15,652	13,490	46,056
Accumulated depreciation	(35)	(1,932)	(7,417)	(5,979)	(8,385)	(23,748)
Net book amount	388	6,883	259	9,673	5,105	22,308

**8. Accumulated Funds**

Movements in accumulated funds were as follows:

	2009 \$	2008 \$
Balance 1 July 2008	364,451	130,377
Net surplus for the year	37,989	234,074
Balance 30 June 2009	402,440	364,451

**9. Cash Flow Information**

**(a) Reconciliation of cash and cash equivalents**

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:

Cash and cash equivalents	216,891	134,192
	216,891	134,192

**(b) Reconciliation of surplus after income tax expense to net cash provided by operating activities**

Surplus for the year	37,989	234,074
Depreciation	14,471	9,277
Change in operating assets and liabilities (Decrease) in trade creditors	29,752	(257,194)
Increase in other operating liabilities	(1,919)	(4,369)
Net cash inflow (outflow) from operating activities	17,154	42,883
	97,448	24,671



**KIDSPRESS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM 01 JULY 2008 TO 30 JUNE 2009**

**10. Company Limited by Guarantee**

The company does not have share capital. It is a public company limited by guarantee under the Corporations Act 2001.

The amount which is capable of being called up in the event of winding up of the company is not to exceed \$10 per member by virtue of the company's constitution.

**11. Related Party Transactions**

Key Management Personnel are those persons who have the authority and responsibility for planning, directing and controlling the activities of the company.

Key Management Personnel Compensation:

Short-term employee benefits	120,218	100,113
Post-term employee benefits	9,920	9,010
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payment	-	-

Total compensation for Key Management Personnel	130,138	109,123
---	---------	---------

General Securities Australia Insurance Broking Pty Ltd, a director-related entity, provided insurance broking services and received no fees for the services provided.

QBE Insurance Australia Ltd, a director-related entity, provided heavily reduced insurance to the company.

Macquarie Bank Ltd, a director-related entity, provided donations to the company, through its foundation.

No director other than the Chief Executive Officer received any remuneration during the 2008 and the 2009 years.

**12. Commitments for Expenditure**

**Lease Commitments: Company as Lessee**

*Non-cancellable operating leases*

The company leases its premises at 122 Lang Road, Moore Park NSW 2021 under a non-cancellable operating lease expiring within four years.

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

Within one year	54,688	50,000
Later than one year but not later than five years	132,909	162,500
Later than five years	-	-
	187,597	212,500

The company's operating lease comprises lease of premises. The company's lease does not provide for purchase options or unusual escalation clauses.

**Capital Commitments**

The company had no significant capital commitments at balance date.

**KIDSPRESS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM 01 JULY 2008 TO 30 JUNE 2009**

**13. Income and expenditure - Fundraising Appeals**

**2009**                      **2008**

This disclosure is made under the NSW Charitable Fundraising Act (1991).

**(i) Details of aggregate gross income and total expenses of Fundraising Appeals**

Gross proceeds of Fundraising Appeals (as defined in the Act)	711,342	745,471
(Costs) of Fundraising Appeals	(44,030)	(215)
Net surplus obtained from Fundraising Appeals	<u>667,312</u>	<u>745,256</u>

**(ii) Statement showing how funds received were applied to charitable purposes**

Net surplus obtained from Fundraising Appeals	<u>667,312</u>	<u>745,256</u>
This was applied to the charitable purposes in the following manner: Expressive therapy program to clients	<u>505,230</u>	<u>442,698</u>
Balance available to be applied for charitable purposes.	<u>162,082</u>	<u>302,558</u>

**(iii) Fundraising Appeals conducted during the financial period**

Donations- Cash	411,156	505,799
Donations- In kind/Services	-	-
Benefits received from Fundraising Auctions	234,492	232,272
Income Streams	59,494	-
Corporate Teambuilding	6,200	7,400
	<u>711,342</u>	<u>745,471</u>

**(iv) Comparisons of certain monetary figures and percentages**

The following figures and percentages exclude sales revenue and expenditure on commercial activities.

	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	%	%	%	%
(Total cost) of fundraising appeals /	(44,030)	(215)	(6.2%)	0.0%
Gross Income from fundraising appeals	711,342	745,471		
Net surplus from fundraising appeals /	667,312	745,256	93.8%	100.0%
Gross Income from fundraising appeals	711,342	745,471		
Total cost of assistance to clients /	505,230	442,698	74.0%	85.1%
Total expenditure	682,822	520,220		
Total cost of assistance to clients /	505,230	442,698	70.1%	58.7%
Total income received	720,811	754,294		

**14. Auditors Remuneration**

PricewaterhouseCoopers has audited the financial report on a pro-bono basis and received no remuneration for this year and the prior year.

**15. Contingencies**

It is the directors view that contingent liabilities will not give rise to any liabilities other than those disclosed in the financial statement and notes.

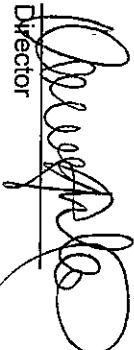
**KIDSPRESS LIMITED  
DIRECTORS' DECLARATION**

---

In the directors opinion:

- (e) the financial statements and notes set out on pages 9 to 23 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the company's financial position as at 30 June 2009 and of its performance for the financial year ended on the date; and
- (f) 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 directors.

  
Director

24 September 2009  
Sydney NSW

  
Director

24 September 2009  
Sydney NSW

**PWC Audit Report to be inserted**