KidsXpress Limited

ABN: 65 117 488 570

Financial report

For the year ended 30 June 2019

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KIDSXPRESS LIMITED
ABN: 65 117 488 570

DIRECTORS' REPORT

The directors present their report together with the financial report of KidsXpress Limited for the year ended 30 June 2019 and auditor's report thereon.

Directors names

The names of the directors in office at any time during or since the end of the year are:

John Hewson (Chairman)

Margo Ward (Chief Executive Officer)

Paul Hines

Peter Hogan

Robert Kelly

Jacquelyn Vanzella

Margaret Abbott (resigned 15 November 2018)

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

Results

The surplus of the company for the year amounted to $22,091 (2018: surplus of $21,337).

Review of operations

The company continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

Significant changes in state of affairs

There were no significant changes in the company's state of affairs that occurred during the financial year, other than those referred to elsewhere in this report.

KIDSXPRESS LIMITED
ABN: 65 117 488 570

DIRECTORS' REPORT

Principal activities

KidsXpress is a charity you wish didn't need to exist.

Established in 2005, KidsXpress sought to address the lack of services available to support childrenwho were living with the effects of Adverse Childhood Experiences (ACEs). Through the delivery of trauma-focused therapy and education services, KidsXpress is today leading the way in early-intervention child mental health services by addressing the insidious and cumulative effects of toxic stress before they become entrenched problems in adulthood.

Adverse Childhood Experiences (ACEs) are defined as perceived negative events that are outside the control of the child, which may hinder normal development, cause harm or the potential for harm, and are accompanied by stress and suffering. ACEs include family difficulties related to financial struggles, family health problems and losses, parenting impairment due to mental health conditions or alcohol and other drug misuse, marital discord and family conflicts.

One in five Australian children have been exposed to three or more ACEs[1]. The long-term outcome of such trauma and adversity include changes in the child's stress system and hormones, which can affect their developing brain structure and functioning. This can lead to problems with internalising and externalising problems, such as affect regulation, relationship insecurity, poor socialisation, hyperactivity, disruptive behaviour, poor impulse control and overall mental ill-health. Moreover, ACEs are also known to be strongly correlated with adult physical health problems such as smoking, diabetes, alcohol and other drug misuse, obesity and heart disease.[2]

A recent draft report by the Productivity Commission revealed that the cost to the Australian economy of mental ill-health is conservatively, in the order of $43 to $51 billion per year. Additional to this is an approximately $130 billion cost associated with diminished health and reduced life expectancy for those living with mental ill-health. [3]

With 75% of those developing mental illness first experiencing mental ill-health before the age of 25 years,[3] raising the importance of identifying the biggest risk factors (such as ACEs) and early-intervention programs such as the ones delivered by KidsXpress is paramount. The cost of not doing so is significant; student learning outcomes suffer, the cost to taxpayers increases and society loses the potential of another person.

Following a methodology review in the first half of 2019, KidsXpress has tailored its new model to meet international best practice methods and more holistically address the impact of ACEs by working with the children *as well as* their caregiving networks.

The two main arms of the new model are comprised of:

Centre-based Expressive Therapy Program:

Our evidence-based and nationally accredited Expressive Therapy program (AIFS 2015), uniquely interfaces music, art, play and drama into the therapeutic process. Using the restorative capabilities of these creative mediums, our therapists support children in learning how to process their past and present traumatic experiences, build resilience, and develop coping strategies for life which will help prevent their challenges from persisting and worsening as they grow into adults.

Originally delivering therapy in a group setting, this program has now expanded to include individual and caregiver/child therapy to address an increasing number of children referred to our program with complex trauma who would not have previously benefited from a group setting.

School Partnership Program:

This program sees us deeply embedded into high-need communities delivering both our core Expressive Therapy program for children in addition to Trauma-Informed Education and Training Services for caregivers. Teams comprised of two Expressive Therapists, together with a Trauma-Informed Education Consultant, will be based directly in partnering schools for intensive, full-day and whole-school support. When schools are trauma-informed, they are best place to create environments where our youth thrive and have the best possible head start for their adult life.

1. *Olesen, S.C., McDonald, E., Raphael, B., Butterworth, P., Children's exposure to parental and family adversities: findings from a population survey of Australians. Family Matters, 2010. 84: p. 43-52.*

2. *Flaherty, E.G., Thompson, R., Litrownik, A.J., Adverse childhood exposures and reported health at age 12. Academic Pediatrics, 2009. 9: p. 150-156.*

3. *https://www.pc.gov.au/inquiries/current/mental-health/draft*

Short-term and long-term objectives and strategies

Development Plan 2017 - 2020:

Program Goal

1. Deliver the most appropriate short-term therapy intervention to facilitate long-term impact; and
2. Situate KidsXpress school-outreach therapy within TIPS frameworks.

Success Indicators

- Conduct efficacy-based research investigations each year for all service provisions;
- Increased engagement with parents/carers and schools;
- Measurable alleviation of each community's challenges; and
- Tracked referral of children to appropriate onward services post program completion.

Training Goal

1. Increase capacity of caregiving networks to understand the challenges, recognise the symptoms/signs, and enlist/provide appropriate support; and
2. Generate autonomous funding for KidsXpress through Fee for Service training & professional learning arrangements.

Success Indicators

- Expand professionals' awareness of expressive therapy with concurrent demand for the service (measured by bookings made & evaluation frameworks);
- Delivery of school-focused trauma informed education with concurrent demand for the service (measured by bookings made); and
- Reported increased school capacity & efficacy to support children impacted by trauma.

People Goal

1. Employ outstanding and multidisciplinary staff who are recognised as experts in the sector; and
2. Ensure all staff (board, management, therapists, office, volunteers, and temps) can effectively represent the organisation to external stakeholders.

Success Indicators

- CPD portfolios completed by all staff commensurate with experience and role;
- Professional dissemination of therapists' practice (measured through number of engagements);
- Provide in house & bought-in training / education to all staff members; and
- Recruit and develop ambassadors to communicate about KidsXpress and our work.

Short-term and long-term objectives and strategies (Continued)

Communications Goal

1. Increase understanding of Childhood Trauma & Toxic Stress and the associated costs to children, families, and communities;
2. Communicate the role KidsXpress plays in addressing those challenges at each level; and
3. Establish regular Multi-stakeholder communications.

Success Indicators

- Number of people talking/engaging with us (advocates) measured online & through CRM; and
- Contribution to public event/ publications / conferences

Finance Goal

1. Build our financial capacity so that we can respond to opportunities and threats while maintaining general operations.

Success Indicators

- Increase net assets year on year; and
- Demonstrable financial resilience to withstand any unforeseen financial uncertainty.

After balance date events

No matters or circumstances have arisen since the end of the financial year which 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.

Likely developments

The company expects to maintain the present status and level of operations.

Environmental regulation

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Information on directors

Dr John Hewson	Non-Executive Chairman
Appointed - 8 December 2005	John 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, Dean, Macquarie Graduate School of Management and is currently Professor in the Crawford School ANU. John's business career has included as a Founding Director of Macquarie Bank, Chair, ABN Amro Australia, and GSA, as a Trustee of the IBM Superannuation Fund, and Chair/Director of a host of public and private companies and not-for-profits. John'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. He also writes a couple of newspaper columns per week and speaks and comments widely to various audiences and across the media.

Information on directors (Continued)

Margo Ward	Chief Executive Office and Executive Director
Appointed - 8 December 2005	Margo is the visionary and founder of KidsXpress and is committed to connecting communities to keep our children safe, influencing the emotional wellbeing of our children and creating generational change by inspiring children to thrive. Margo's career extends 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 twenty five years, Margo has pioneered a number of therapeutic interventions across Australia, lecturing and presenting both locally and abroad. Margo has won numerous awards including the Stanford Executive Leadership Scholarship in 2011, the Rotary Humanitarian Service Award and was a finalist in the Ernst & Young Entrepreneur of the year in 2014. In addition to her directorship on the KidsXpress Board, Margo is also a director on the Un LTD board and Chubb Insurance Australia.
Paul Hines	Non-Executive Director
Appointed - 8 December 2005	Paul Hines is the owner and CEO of GSA Insurance Brokers Pty Ltd and has worked within the Insurance Industry for over 25 years. Paul commenced his career with Commercial Union (now CGU) working in various Management positions, before leaving to join GSA as an equity partner in 1995. Paul has been CEO for over 15 years and became sole owner in 2007. Paul has sat on the board of The Property Funds Association (PFA) and is also an active member of the International Young Presidents Organisation (YPO). At the 2008 (NIBA) National Insurance Brokers Association's annual Gala Ball, Paul Hines was awarded NSW QPIB Broker of the year. GSA has won "Medium Broker of the Year" award 2 of the last 3 years. Paul co-founded KidsXpress and continues to provide significant support both through monetary contributions and allocation of staff resources.
Peter Hogan	Non-Executive Director
Appointed - 8 December 2005	Peter is currently the Finance Director of GSA and is a qualified Accountant with over 35 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 Practicing Accountants (CPA Status) and a Member of The Governance Institute of Australia Ltd.

Information on directors (Continued)

Robert Kelly
Appointed - 18 March 2014

Non-Executive Director

Robert is the Managing Director & CEO of Steadfast, the largest distributor of general insurance in Australasia with growing operations in Asia and Europe. He has more than 45 years' experience in the insurance industry. In April 1996, Robert co-founded Steadfast Group Limited (Steadfast), with a vision to band together non-aligned insurance brokerages and adopt a unified approach to the market. In 2013, he led the company to a successful listing on the Australian Securities Exchange (ASX). Steadfast is now an ASX 200 company with a market capitalisation of over $2 billion. Robert is also a director of various subsidiaries of Steadfast, the Steadfast Foundation and ACORD International as well as other international organisations. Robert has been recognised as a leader in the insurance industry in Australia and internationally. He was the Insurance Industry Leader of the Year at the 2011 Annual Australian Insurance Industry Awards and named the second Most Influential Person in the Insurance Industry in 2014, by Insurance News magazine. Robert was one of the finalists in the CEO Magazine's 2015 CEO of the Year Awards and a national finalist for the Eastern Region in the 2016 EY Entrepreneur of the Year program. In March 2014, Robert was awarded the prestigious ACORD Rainmaker Award. In 2016 Robert won the prestigious Lex McKeown Trophy by NIBA. In 2017, Steadfast won 5 awards at the East Coles Corporate Performance Awards for ASX listed companies, Best Company, Best CEO, Best CFO, Best Investment Desirability and Best Growth Prospects.

Jacquelyn Vanzella
Appointed - 8 March 2016

Non-Executive Director

Jacqui is the Chief Operating Officer of the Macquarie Group's Financial Management Group. She joined Macquarie in 1996. Jacqui spent 22 years advising Australian companies listed on the ASX in relation to equity raisings, capital management and hybrid capital issuance. In her current COO role Jacqui has responsibility for strategy, risk, projects, data and transformation across the functions which the Macquarie CFO has responsibility for. Prior to her time at Macquarie Jacqui was a tax adviser at KPMG. Jacqui holds Bachelors of Commerce and Law (Hons) from the Australian National University and a Masters of Law from the University of Melbourne. She is a Chartered Accountant and a member of the Australian Institute of Company Directors. She is the Chair of the Macquarie Group Collection.

Margaret Abbott
Appointed - 15 June 2017

Non-Executive Director

Margie has worked in the field of education for most of her working life from early education through to Secondary level. For the past 15 years Margie has worked in early education supporting young children and their families at this most important time of learning and development. In various capacities over many years Margie has worked with a number of charities and organisations endeavouring to support children and families that face many challenges in their day to day life.

Meetings of directors

Directors	Directors' meetings	
	Number eligible to attend	Number attended
John Hewson	4	3
Margo Ward	4	4
Paul Hines	4	4
Peter Hogan	4	4
Robert Kelly	4	2
Jacquelyn Vanzella	4	4
Margaret Abbott	2	-

KIDSXPRESS LIMITED
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DIRECTORS' REPORT

Members guarantee

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute to a maximum of $10 each towards meeting any outstandings and obligations of the company. At 30 June 2019 the number of members was 4. The combined total amount that members of the company are liable to contribute if the company is wound up is $40.

Indemnification of officers

No indemnities have been given or insurance premiums paid, during or since the end of the year, for any person who is or has been an officer of the company.

Indemnification of auditors

No indemnities have been given or insurance premiums paid, during or since the end of the year, for any person who is or has been an auditor of the company.

Auditor's independence declaration

A copy of the auditor's independence declaration under section 307C of the *Corporations Act 2001* in relation to the audit for the financial year is provided with this report.

Signed on behalf of the board of directors.

Director: ______________________ Director: ______________________

Dated this 21st day of November 2019

KIDSXPRESS LIMITED
ABN: 65 117 488 570

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

	Note	2019 $	2018 $
Revenue and other income	3	**1,819,708**	1,834,237
Less: expenses			
Depreciation and amortisation		**(60,016)**	(59,170)
Employee benefits expense		**(1,372,060)**	(1,387,758)
Occupancy expense		**(122,994)**	(121,999)
Advertising, marketing and event expenses		**(66,292)**	(55,009)
Travel expenses		**(32,619)**	(26,014)
Professional fees		**(31,320)**	(42,313)
Repairs and maintenance expenses		**(21,669)**	(31,514)
Other expenses		**(90,647)**	(89,123)
		(1,797,617)	(1,812,900)
Net surplus		**22,091**	21,337
Other comprehensive income for the year		**-**	-
Total comprehensive income		**22,091**	21,337

The accompanying notes form part of these financial statements.

PITCHER PARTNERS

Level 38, 345 Queen Street
Brisbane, QLD 4000

Postal address
GPO Box 1144
Brisbane, QLD 4001

p. +61 7 3222 8444

The Directors
KidsXpress Limited
Level 2 50 Waterloo Rd
MACQUARIE PARK NSW 2113

Auditor's Independence Declaration

In relation to the independent audit of KidsXpress Limited for the year ended 30 June 2019, to the best of my knowledge and belief there have been no contraventions of APES 110 *Code of Ethics for Professional Accountants*.

PITCHER PARTNERS

WARWICK FACE
Partner

Brisbane, Queensland
21 November 2019

KIDSXPRESS LIMITED
ABN: 65 117 488 570

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	2019 $	2018 $
Current assets			
Cash and cash equivalents	6	**730,381**	500,940
Trade receivables		**33,342**	81,460
Other assets	7	**35,657**	26,227
Total current assets		**799,380**	608,627
Non-current assets			
Property, plant and equipment	8	**100,319**	156,204
Other assets	7	**75,135**	75,135
Total non-current assets		**175,454**	231,339
Total assets		**974,834**	839,966
Current liabilities			
Payables	9	**86,679**	55,962
Provision for employee benefits		**139,647**	184,173
Other liabilities	10	**347,163**	216,000
Total current liabilities		**573,489**	456,135
Non-current liabilities			
Provision for employee benefits		**4,969**	-
Other liabilities	10	**50,708**	60,254
Total non-current liabilities		**55,677**	60,254
Total liabilities		**629,166**	516,389
Net assets		**345,668**	323,577
Equity			
Accumulated surplus		**345,668**	323,577
Total equity		**345,668**	323,577

The accompanying notes form part of these financial statements.

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

	Accumulated surplus $	Total equity $
Balance as at 1 July 2017	302,240	302,240
Loss for the year	21,337	21,337
Total comprehensive income for the year	21,337	21,337
Balance as at 30 June 2018	323,577	323,577
Balance as at 1 July 2018	323,577	323,577
Profit for the year	22,091	22,091
Total comprehensive income for the year	22,091	22,091
Balance as at 30 June 2019	345,668	345,668

The accompanying notes form part of these financial statements.

KIDSXPRESS LIMITED
ABN: 65 117 488 570

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 $	2018 $
Cash flow from operating activities			
Receipts during course of operations		**2,084,205**	1,990,610
Payments during course of operations		**(1,857,394)**	(1,815,820)
Interest received		**6,761**	6,307
Net cash used in operating activities	11	**233,572**	181,097
Cash flow from investing activities			
Payment for property, plant and equipment		**(4,131)**	(15,291)
Net cash used in investing activities		**(4,131)**	(15,291)
Reconciliation of cash			
Cash at beginning of the financial year		**500,940**	335,134
Net decrease in cash held		**229,441**	165,806
Cash at end of financial year	6	**730,381**	500,940

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and Australian Accounting Standards - Reduced Disclosure Requirements, Interpretations and other applicable authoritative pronouncements of the Australian Accounting Standards Board.

The financial report covers KidsXpress Limited as an individual entity. KidsXpress Limited is a company limited by guarantee, incorporated and domiciled in Australia. KidsXpress Limited is a not-for-profit entity for the purpose of preparing the financial statements.

The financial report was approved by the directors as at the date of the directors' report.

The following are the significant accounting policies adopted by the company in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of preparation of the financial report

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

(b) Revenue

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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

Revenue from auctions, sponsorships, events, fee for service activities and rental income is recognised when it is received or receivable.

Interest revenue is recognised on an accruals basis.

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

(c) Contributions - Grants and Donations

A non-reciprocal contribution or grant is recognised when the entity obtains control of the contribution or grant and it is probable that the economic benefits will flow to the entity, and the amount of the contribution or grant can be measured reliably.

If conditions attached to the contribution or grant that must be satisfied before the entity is eligible to receive the contribution, recognition of contribution or income is deferred until those conditions are met.

A non-reciprocal donation is recognised when the right to receive a donation has been established.

When the entity receives grants but is obliged to give directly approximately equal value to the contributor, recognition of grant income will be deferred until the delivery of service.

(d) Donations in-kind

Assets that have been donated are recognised at fair value as revenue and capitalised as property, plant and equipment and depreciated over their useful lives.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Services that have been received in kind have not been recognised in the statement of profit or loss and other comprehensive income.

(e) Property, plant and equipment

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

Plant and equipment

Plant and equipment is measured on the cost basis.

Depreciation

Land is not depreciated. The depreciable amount of all other property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held available for use, consistent with the estimated consumption of the economic benefits embodied in the asset.

Class of fixed asset	Useful lives	Depreciation basis
Music equipment at cost	3 - 15 years	Straight line
Leasehold improvements at cost	5 years	Straight line
Motor vehicles at cost	4 years	Straight line
Office furniture and equipment at cost	3 years	Straight line
Computer equipment at cost	3 years	Straight line

(f) Intangible assets

Separately acquired intangible assets

Except for indefinite useful life intangible assets, which are not amortised but are tested annually for impairment, intangible assets are amortised over their estimated useful lives commencing from the time the asset is available for use. The amortisation method applied to an intangible asset is consistent with the estimated consumption of economic benefits of the asset. Software is amortised over a period of 3 years.

(g) Income tax

No provision for income tax has been raised as the company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(h) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value adjusted for transaction costs, except where the instrument is classified as fair value through profit or loss, in which case transaction costs are immediately recognised as expenses in profit or loss.

Classification of financial assets

Financial assets recognised by the company are subsequently measured in their entirety at amortised cost.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial instruments (Continued)

Classification of financial liabilities

All financial liabilities recognised by the company are subsequently measured at amortised cost.

Trade and other receivables

Trade and other receivables arise from the company's transactions with its customers and are normally settled within 30 days.

Consistent with both the company's business model for managing the financial assets and the contractual cash flow characteristics of the assets, trade and other receivables are subsequently measured at amortised cost.

(i) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Operating leases

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

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

(j) Employee benefits

(i) Short-term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave and other employee benefits (other than termination benefits) expected to be settled wholly before twelve months after the end of the reporting period are measured at the (undiscounted) amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables in the statement of financial position.

(ii) Long-term employee benefit obligations

The provision for other long-term employee benefits, including obligations for long service leave and annual leave, which are not expected to be settled wholly before twelve months after the end of the reporting period, are measured at the present value of the estimated future cash outflow to be made in respect of the services provided by employees up to the reporting date. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee turnover, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that are denominated in the currency in which the benefits will be paid. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the change occurs.

Other long-term employee benefit obligations are presented as current liabilities in the statement of financial position if the company does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur. All other long-term employee benefit obligations are presented as non-current liabilities in the statement of financial position.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Goods and services tax (GST)

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

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

(l) Rounding of amounts

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the directors' report and in the financial report have been rounded to the nearest dollar.

(m) New and revised accounting standards effective at 30 June 2019

The company has applied all new and revised Australian Accounting Standards that apply to annual reporting periods beginning on or after 1 July 2018, including AASB 9: *Financial Instruments* (AASB 9).

AASB 9 replaces AASB 139: *Financial Instruments: Recognition and Measurement*. The key changes introduced by AASB 9 in relation to the accounting treatment for financial instruments include:

- simplifying the general classifications of financial assets into those measured at amortised cost and those measured at fair value;
- permitting entities to irrevocably elect, on initial recognition, for gains and losses on equity instruments not held for trading to be presented in other comprehensive income (OCI);
- simplifying the requirements for embedded derivatives, including removing the requirement to separate and measure embedded derivatives at fair value, in relation to embedded derivatives associated with financial assets measured at amortised cost;
- requiring entities that elect to measure financial liabilities at fair value, to present the portion of the change in fair value arising from changes in the entity's own credit risk in OCI, except when it would create an 'accounting mismatch';
- introducing a new model for hedge accounting that permits greater flexibility in the ability to hedge risk, particularly with respect to non-financial items; and
- Introducing a new 'expected credit loss' impairment model (replacing the 'incurred loss' impairment model of previous accounting standard).

In accordance with the transition requirements of AASB 9, the company has elected to apply AASB 9 retrospectively to each prior reporting period presented in the financial statements, with the cumulative impact, if any, of initially applying the new standard recognised as at the beginning of the earliest prior period presented (i.e., as at 1 July 2017). The company has also applied to consequential amendments to AASB 7: *Financial Instruments: Disclosure* to the disclosure of information about the company's financial instruments for the current financial year, and the comparative reporting period.

The application of AASB 9 has not materially impacted the classification and measurement of the company's financial assets and financial liabilities.

Further details of the company's accounting policies in relation to accounting for financial instruments under AASB 9 are contained in note 1(h) .

NOTE 2: ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the company. The company has decided not to early adopt any of these new and amended pronouncements. The company's assessment of the new and amended pronouncements that are relevant to the company but applicable in future reporting periods is set out below.

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

AASB 16 will replace AASB 117: *Leases* and introduces a single lessee accounting model that will require a lessee to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Right-of-use assets are initially measured at their cost and lease liabilities are initially measured on a present value basis. Subsequent to initial recognition:

(a) right-of-use assets are accounted for on a similar basis to non-financial assets, whereby the right-of-use asset is accounted for in accordance with a cost model unless the underlying asset is accounted for on a revaluation basis, in which case if the underlying asset is:

   i. investment property, the lessee applies the fair value model in AASB 140: Investment Property to the right-of-use asset; or

   ii. property, plant or equipment, the lessee can elect to apply the revaluation model in AASB 116: Property, Plant and Equipment to all of the right-of-use assets that relate to that class of property, plant and equipment; and

(b) lease liabilities are accounted for on a similar basis as other financial liabilities, whereby interest expense is recognised in respect of the liability and the carrying amount of the liability is reduced to reflect lease payments made.

AASB 16 substantially carries forward the lessor accounting requirements in AASB 117. Accordingly, under AASB 16 a lessor would continue to classify its leases as operating leases or finance leases subject to whether the lease transfers to the lessee substantially all of the risks and rewards incidental to ownership of the underlying asset, and would account for each type of lease in a manner consistent with the current approach under AASB 117.

The directors of the company has not yet determined the likely impact of the initial application of AASB 16 on its financial statements.

AASB 1058: Income of Not-for-Profit Entities, AASB 15 Revenue from Contracts with Customers, AASB 2016-7: Amendments to Australian Accounting Standards - Deferral of AASB 15 for Not-for-Profit Entities and AASB 2016-8: Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities and AASB 2018-8: Amendments to Australian Accounting Standards - Right-of-Use Assets of Not-for-Profit Entities (applicable for annual reporting periods commencing on or after 1 January 2019).

AASB 1058 replaces the income recognition requirements in AASB 1004: *Contributions* applicable to private sector not-for-profit entities with a model based on the principles of AASB 15: *Revenue from Contracts with Customers*. Consequently, AASB 1058 requires private sector not-for-profit entities to recognise all revenue from contracts with customers when the related performance obligations are satisfied, irrespective of whether the ultimate beneficiary of the goods or services provided by the not-for-profit entity is the grantor of the funds or another entity. An agreement involving a not-for-profit entity would be classified as a contract with a customer if the agreement:

(a) creates enforceable rights and obligations between the parties; and

(b) includes a promise by the not-for-profit entity to transfer a good or service that is sufficiently specific for the entity to determine when the obligation is satisfied.

For contracts with customers that comprise a donation component, AASB 1058 requires such components to be treated as part of the performance obligation(s) unless the entity can demonstrate that component is not related to the promised goods or services.

NOTE 2: ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

When an arrangement does not meet the criteria for a contract with a customer, the inflows are accounted for in accordance with AASB 1058, which requires:

(a) the asset received by the not-for-profit entity to be accounted for in accordance with the applicable Australian Accounting Standard; and

(b) any difference between the consideration given for the asset and its fair value to be recognised in accordance with its substance (such as a contract liability, a financial instrument and/or a contribution by owners), and any residual amount recognised as income.

However, AASB 2018-8 provides a temporary option for not-for-profit entities to not apply the fair value initial measurement requirements for right-of-use assets arising under leases with significantly below-market terms and conditions principally to enable the entity to further its objectives. Electing to initially measure such right-of-use assets at cost rather than fair value has the corresponding effect of reducing the amount of income recognised by the entity under AASB 1058.

AASB 1058 also permits a not-for-profit entity to recognise volunteer services as an asset or expense (as applicable) and any related contributions by owners or revenue as an accounting policy choice, provided that the fair value of the services can be measured reliably.

AASB 15 will provide (except in relation to some specific exceptions, such as lease contracts and insurance contracts) a single source of accounting requirements for all contracts with customers, thereby replacing all current accounting pronouncements on revenue. The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to a customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To give effect to this principle, AASB 15 requires the adoption of the following 5-step model:

1. identify the contract(s) with a customer;
2. identify the performance obligations under the contract(s);
3. determine the transaction price;
4. allocate the transaction price to the performance obligations under the contract(s); and
5. recognise revenue when (or as) the entity satisfies the performance obligations.

AASB 1058, AASB 15, and the applicable amending standards, mandatorily apply to annual reporting periods commencing on or after 1 January 2019, and will be first applied by the Group in the financial year commencing 1 July 2019.

The directors of the company has not yet determined the likely impact of the initial application of AASB 1058 on its financial statements.

	2019 $	2018 $
NOTE 3: REVENUE AND OTHER INCOME		
Revenue and other income is comprised of the following:		
- Grant revenue	**748,022**	756,764
- Donations	**656,109**	582,423
- Fundraising	**274,467**	353,519
- Fees for service	**100,634**	62,250
- Other income	**40,476**	79,281
	1,819,708	1,834,237

KIDSXPRESS LIMITED
ABN: 65 117 488 570

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	$	$

NOTE 4: OPERATING PROFIT

	2019	2018
Profit / (losses) before income tax has been determined after:		
Finance costs	**1,058**	1,058
Depreciation	**60,016**	59,170
Bad and doubtful debts	**1,609**	787

NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION

	2019	2018
Compensation received by key management personnel of the company		
- short-term employee benefits	**132,315**	149,370
- post-employment benefits	**13,775**	13,439
- other long-term benefits	**3,053**	5,237
	149,143	168,046

No director other than the Chief Executive Officer received any remuneration during the 2019 and 2018 financial years.

NOTE 6: CASH AND CASH EQUIVALENTS

	2019	2018
Cash on hand	**60**	84
Cash at bank	**730,321**	500,856
	730,381	500,940

NOTE 7: OTHER ASSETS

	2019	2018
CURRENT		
Prepayments	**35,657**	26,227
NON CURRENT		
Lease deposit	**75,135**	75,135

	2019 $	2018 $
NOTE 8: PROPERTY, PLANT AND EQUIPMENT		
Music equipment at cost	**18,348**	18,348
Accumulated depreciation	**(16,021)**	(15,716)
	2,327	2,632
Leasehold improvements at cost	**80,000**	80,000
Accumulated depreciation	**(24,000)**	(8,000)
	56,000	72,000
Motor vehicles at cost	**176,200**	176,200
Accumulated depreciation	**(146,307)**	(110,083)
	29,893	66,117
Office furniture and equipment at cost	**17,706**	14,014
Accumulated depreciation	**(9,046)**	(4,898)
	8,660	9,116
Computer equipment at cost	**60,645**	60,645
Accumulated depreciation	**(57,206)**	(54,306)
	3,439	6,339
Total property, plant and equipment	**100,319**	156,204

Reconciliations

Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year

	2019 $	2018 $
Music equipment		
Opening carrying amount	**2,632**	3,024
Depreciation expense	**(305)**	(392)
Closing carrying amount	**2,327**	2,632
Leasehold improvements		
Opening carrying amount	**72,000**	1,669
Additions	**-**	80,000
Depreciation expense	**(16,000)**	(9,669)
Closing carrying amount	**56,000**	72,000
Motor vehicles		
Opening carrying amount	**66,117**	103,917
Depreciation expense	**(36,224)**	(37,800)
Closing carrying amount	**29,893**	66,117
Office furniture and equipment		
Opening carrying amount	**9,116**	173
Additions	**3,692**	11,217
Depreciation expense	**(4,148)**	(2,274)
Closing carrying amount	**8,660**	9,116

NOTE 8: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Reconciliations (Continued)

	2019 $	2018 $
Computer equipment		
Opening carrying amount	**6,339**	8,025
Additions	**439**	4,074
Depreciation expense	**(3,339)**	(5,760)
Closing carrying amount	**3,439**	6,339

NOTE 9: PAYABLES

	2019 $	2018 $
CURRENT		
Unsecured liabilities		
Trade creditors	**1,615**	12,403
Sundry creditors and accruals	**85,064**	43,559
	86,679	55,962

NOTE 10: OTHER LIABILITIES

	2019 $	2018 $
CURRENT		
Rent incentive liability	**16,000**	16,000
Income in advance	**51,163**	-
Grants received in advance	**280,000**	200,000
	347,163	216,000
NON CURRENT		
Rent incentive liability	**40,000**	56,000
Straight-line liability	**10,708**	4,254
	50,708	60,254

NOTE 11: CASH FLOW INFORMATION

	2019 $	2018 $
(a) Reconciliation of cash flow from operations with profit		
Profit from ordinary activities after income tax	**22,091**	21,337
Adjustments and non-cash items		
Depreciation and amortisation	**60,016**	59,170
Changes in operating assets and liabilities		
(Increase) / decrease in receivables	**48,118**	(64,509)
(Increase) / decrease in other assets	**(9,430)**	(75,341)
Increase / (decrease) in payables	**30,717**	19,946
Increase / (decrease) in other liabilities	**121,617**	196,254
Increase / (decrease) in provisions	**(39,557)**	24,240
Cash flows from operating activities	**233,572**	181,097

NOTE 12: RELATED PARTY TRANSACTIONS

Macquarie Group Limited, a director related entity, through the Macquarie Group Foundation have donated to KidsXpress in order to fund specific programs during the year.

GSA Insurance Brokers Pty Ltd, a director related entity, have made donations and have provided insurance brokings services at no charge to KidsXpress during the year.

Steadfast Group Limited, a director related entity, through the Steadfast Foundation have donated to KidsXpress during the year.

KidsXpress also received donations from some of its directors during the year.

NOTE 13: CAPITAL AND LEASING COMMITMENTS

Operating lease commitments

	2019 $	2018 $
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
Payable		
- not later than one year	**145,915**	141,736
- later than one year and not later than five years	**383,456**	529,731
- later than five years	**-**	-
	529,371	671,467

The company had a lease on its previous premises at 122 Lang Road, Moore Park NSW 2021, under a non-cancellable operating lease which expired on 22 October 2017. The company entered into a new non-cancellable operating lease agreement for its current premises at Level 2, 50 Waterloo Rd, Macquarie Park NSW 2113 that has a lease term of 5 years commencing on 15 January 2018 to 14 January 2023.

NOTE 14: AUDITOR'S REMUNERATION

During the year the following fees were paid or payable for services provided by the auditor of the company, its related practices and non-related audit firms:

	2019 $	2018 $
Pitcher Partners		
- Audit of financial statements	**10,000**	10,000

NOTE 15: MEMBERS' GUARANTEE

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute to a maximum of $10 each towards meeting any outstandings and obligations of the company. At 30 June 2019 the number of members was 4. The combined total amount that members of the company are liable to contribute if the company is wound up is $40.

NOTE 16: EVENTS SUBSEQUENT TO REPORTING DATE

There has been no matter or circumstance, which has arisen since 30 June 2019 that has significantly affected or may significantly affect:

(a) the operations, in financial years subsequent to 30 June 2019, of the company, or
(b) the results of those operations, or
(c) the state of affairs, in financial years subsequent to 30 June 2019, of the company.

	2019 $	2018 $

NOTE 17: INCOME AND EXPENDITURE - FUNDRAISING APPEALS

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

	2019 $	2018 $
Details of aggregate gross income and total expenses of Fundraising Appeals		
Gross proceeds of Fundraising Appeals (as defined in the Act)	**1,678,598**	1,692,706
Costs of Fundraising Appeals	**(76,096)**	(64,143)
Net surplus obtained from Fundraising Appeals	**1,602,502**	1,628,563
Statement showing how funds received were applied to charitable purposes		
Net surplus obtained from Fundraising Appeals	**1,602,502**	1,628,563
This was applied to the charitable purposes in the following manner:		
Expressive therapy program to clients	**(1,731,943)**	(1,758,486)
Balance available to be applied for charitable purposes	**(129,441)**	(129,923)
Fundraising Appeals conducted during the financial year		
Donations	**1,404,131**	1,339,187
Benefits received from fundraising events and auctions	**274,467**	353,519
	1,678,598	1,692,706

Comparisons of certain monetary figures and percentages

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

	2019 $	2018 $
(Total cost of fundraising appeals)	**(76,096)**	(64,143)
Gross income from fundraising appeals	**1,678,598**	1,692,706
as a %	**(4.5%)**	(3.8%)
Net surplus from fundraising appeals	**1,602,502**	1,628,563
Gross income from fundraising appeals	**1,678,598**	1,692,706
as a %	**95.5%**	96.2%
Total cost of assistance to clients	**1,569,737**	1,524,064
Total expenditure	**1,808,039**	1,812,900
as a %	**86.8%**	84.1%
Total cost of assistance to clients	**1,569,737**	1,524,064
Total revenue received	**1,819,708**	1,834,237
as a %	**86.3%**	83.1%

KIDSXPRESS LIMITED
ABN: 65 117 488 570

DIRECTORS' DECLARATION

Declaration under the Australia Charities and Not-for-profit Commission Regulation 2013:

The directors declare that:

1. the financial statements and notes present fairly the entity's financial position as at 30 June 2019 and performance for the year then ended in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Amendment Regulation 2013* and other mandatory professional reporting requirements; and

2. there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013.*

Director: ______________________ Director: ______________________

Dated this 21st day of November 2019

KIDSXPRESS LIMITED
ABN: 65 117 488 570

DIRECTORS' DECLARATION

Declaration under the Charitable Fundraising Act (NSW) 1991:

The directors declare that:

1. the financial report gives a true and fair view of all income and expenditure of KidsXpress Limited with respect to fundraising appeal activities for the financial year ended 30 June 2019;

2. the statement of financial posision gives a true and fair view of the state of affairs with respect to fundraising appeal activities as at 30 June 2019;

3. the provisions of the *Charitable Fundraising Act 1991 (NSW)* and *Charitable Fundraising Regulations 2015 (NSW)* and the conditions attached to the authority have been complied with for the financial year ended 30 June 2019; and

4. the internal controls exercised by KidsXpress Limited are appropriate and effective in accounting for all income received and applied from any fundraising appeals.

This declaration is made in accordance with a resolution of the Board of Directors of KidsXpress Limited.

Signed in accordance with the *Charitable Fundraising Act 1991 (NSW)* and the *Charitable Fundraising Regulations 2015 (NSW)*.

Director: ______________________ Director: ______________________

Dated this 21st day of November 2019

Level 38, 345 Queen Street
Brisbane, QLD 4000

Postal address
GPO Box 1144
Brisbane, QLD 4001

p. +61 7 3222 8444

Independent Auditor's Report to the Members of KidsXpress Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of KidsXpress Limited (the "Registered Entity"), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including a summary of significant accounting policies, and the directors' declaration.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial report of the Registered Entity is 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 Registered Entity's financial position as at 30 June 2019 and of its financial performance for the year then ended; and

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

Basis for Qualified Opinion

Cash from donations and other fundraising activities are a significant source of revenue for the Registered Entity. The Registered Entity's directors have determined that it is important to establish control over the collection of cash donations and other fundraising activities prior to entry into its financial records. Accordingly, as the evidence available to us regarding revenue from cash donations and other fundraising activities was limited, our audit procedures with respect to revenue from these sources had to be restricted to the amounts recorded in the Registered Entity's financial records. As a result, we are unable to express an opinion as to whether revenue from cash donations and other fundraising activities is complete.

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 Registered Entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the directors of the Registered Entity, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the Registered Entity's directors' report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are [I am] required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Report.

Management of the Registered Entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the ACNC Act, and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Registered Entity'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 management either intends to liquidate the Registered Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Registered Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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 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 the financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Registered Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by responsible entities.
- Conclude on the appropriateness of the responsible entity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Registered Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Registered Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements Charitable Fundraising Act 1991 (NSW) and Charitable Fundraising Regulations 2015 (NSW)

Opinion

We have audited the financial report of the Registered Entity as required by the *Charitable Fundraising Act 1991 (NSW)* and the Ch*aritable Fundraising Regulations 2015 (NSW).*

In our opinion:

(a) the Financial Report gives a true and fair view of the Registered Entity's financial result of fundraising appeal activities for the financial year ended 30 June 2019;

(b) the Financial Report has been properly drawn upon, and the associated records have been properly kept for the period from 1 July 2018 to 30 June 2019, in accordance with the *Charitable Fundraising Act 1991 (NSW)* and the *Charitable Fundraising Regulations 2015 (NSW)*.

(c) the money received as a result of fundraising appeals conducted by the Registered Entity during the financial year ended 30 June 2019 has been properly accounted for and applied in accordance with the *Charitable Fundraising Act 1991 (NSW)* and the *Charitable Fundraising Regulations 2015 (NSW)*.

(d) there are reasonable grounds to believe that the Registered Entity will be able to pay its debts as and when they fall due.

Responsibility of Management

The directors of the Registered Entity are responsible for the preparation and presentation of the financial report in accordance with the *Charitable Fundraising Act 1991 (NSW)* and the *Charitable Fundraising Regulations 2015 (NSW)*. Our responsibility is to express an opinion on the financial report in accordance with the *Charitable Fundraising Act 1991 (NSW)* and the *Charitable Fundraising Regulations 2015 (NSW)* based on our audit.

Auditor's Responsibilities

Our procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising activities pursuant to the *Charitable Fundraising Act 1991 (NSW)* and the *Charitable Fundraising Regulations 2015 (NSW).*

Because of the inherent limitations of any assurance engagement, it is possible that fraud, error or non-compliance may occur and not be detected. An audit is not designed to detect all instances of non-compliance with the requirements described in the above-mentioned Acts and Regulations as an audit is not performed continuously throughout the period and the audit procedures performed in respect of compliance with these requirements are undertaken on a test basis. The audit opinion expressed in this report has been formed on the above basis.

Pitcher Partners

PITCHER PARTNERS

WARWICK FACE
Partner

Brisbane, Queensland
21 November 2019