

# **KidsXpress Limited**

**ABN: 65 117 488 570**

## **Financial Statements**

**For the Year Ended 30 June 2020**

# KidsXpress Limited

ABN: 65 117 488 570

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For the Year Ended 30 June 2020

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# KidsXpress Limited

ABN: 65 117 488 570

## Directors' Report

30 June 2020

The directors present their report together with the financial statements on KidsXpress Limited ("the Company") for the financial year ended 30 June 2020.

### Information on directors

The names of each person who has been a director during the year and to the date of this report are:

John Hewson (Chairman)  
Margo Ward (Chief Executive Officer)  
Paul Hines  
Peter Hogan  
Robert Kelly  
Jacquelyn Vanzella  
Stuart Byrne (appointed 30/07/2019)

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

### Operating results

The surplus of the Company after providing for income tax amounted to \$ 22,015 (2019: \$ 22,091).

### 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

The following significant change in the state of affairs of the Company occurred during the financial year:

#### *(i) COVID-19 Pandemic*

The lockdown measures resulting from the COVID-19 pandemic saw the temporary suspension of group therapy and a move to remote working practices for all staff from 24<sup>th</sup> March till 25<sup>th</sup> May.

### Background

KidsXpress is a mental health charity that provides trauma-focused programs to help children and caregivers transform the impact of childhood trauma into a life full of potential and a future all children deserve.

Trauma is often a result of Adverse Childhood Experiences (ACEs) which may hinder normal development and include incidents of physical and sexual abuse, neglect, bereavement, loss and other significant adverse events.

One in five Australian children have been exposed to three or more ACEs and some of these children will go on to develop mental ill-health due to the toxic stress resulting from these experiences (Olesen et al 2010). Currently, the total cost of mental ill-health in Australia is estimated at \$50bn - \$60bn per annum (Productivity Commission, Draft Mental Health Report 2019). However, apart from the financial burden to Australian society, the cost of a child's lost life potential is a far greater cost to bear.

# KidsXpress Limited

ABN: 65 117 488 570

## Directors' Report

30 June 2020

### Background

Through the delivery of trauma-focused therapy and education services, KidsXpress is today leading the way in holistic early-intervention children's mental health services by addressing the insidious and cumulative effects of toxic stress before they become entrenched problems in adulthood.

Our nationally accredited Expressive Therapy Programs (AIFS, 2015) combine the creative modalities of music, art, drama and play therapy to support children aged up to 12yrs towards restored healing and wellbeing.

Our Education and Training Services help build the capacity of schools to effectively cater for the emotional and behavioural support needs of all students using a trauma-informed approach. The Foundation component of this project arm has been accredited by the NSW Education Authority Standards (NESA, 2019).

Our Vision is to create a future all children deserve.

Our Purpose is to strengthen the emotional wellbeing of children, their families and their communities.

Our Mission is to transform the lives of children impacted by adversity through leading trauma-informed Expressive Therapy and Education Programs.

### Principal activities

Building upon our existing knowledge and experience, KidsXpress recently commissioned an international review of practice to study the best childhood trauma reparation practices and methodologies being implemented overseas. This led to an evidenced service reform and the construction of an empirical research framework which operated as a trial in late 2019 and formally adopted as a pilot program at the start of the new school year – i.e. January 2020.

The new model sees an expansion of the Centre-based Expressive Therapy Program and a complete overhaul of the previous Outreach Program which is now called the School Partnership Program.

#### *Centre-based Expressive Therapy Program:*

The Centre-based Expressive Therapy program operates out of the KidsXpress Macquarie Park headquarters. The program 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, are based directly in two 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.

Student support is comprised of:

- Individual Therapy
- Group Therapy
- Combined Child/Caregiver Therapy

# **KidsXpress Limited**

**ABN: 65 117 488 570**

## **Directors' Report**

**30 June 2020**

### **Principal activities**

Support for teachers is comprised of:

- One-on-one teacher support
- Classroom observation
- Parent/carer workshops
- Whole-staff professional development trainings
- School wellbeing support-team assistance

The current partner schools are:

- Braddock Public School (Penrith LGA)
- Hampden Park Public School (Lakemba LGA)
- Wilmott Public School

Individual therapy sessions continued via a digital platform for all existing clients.

Our therapists and trauma-informed consultant returned to onsite operations at the Macquarie Park centre and at both schools once normal operations commenced in Term 2 - namely from May 25 onwards. All service delivery except for school parent workshops (as parents/carers are still not permitted onsite) has returned to pre-COVID conditions from this date.

The seamless transition to digital therapy served as an opportunity for us to pilot a KidsXpress Telemental Health Services arm. The results of this brief pilot program were mixed. The feedback was that while digital therapy delivery was crucial during the lockdown period as it was the only way that enabled continuity of support to children, due to the "hands on" nature of our program and the younger age group of beneficiaries, there is a clear preference for face-to-face delivery. The same is true of our trauma-informed education services.

Going forward, and should NSW enter into lockdown measures again, we plan to request that our teams continue delivery within the schools due to the essential services nature of our programs.

### **Short-term and long-term objectives**

#### **Development Plan 2017-2020**

##### **Program Goal**

1. Deliver the most appropriate short-term therapy intervention to facilitate long-term impact;
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;
- Tracked referral of children to appropriate onward services post program completion.

# **KidsXpress Limited**

**ABN: 65 117 488 570**

## **Directors' Report**

**30 June 2020**

### **Short-term and long-term objectives**

#### **Training Goal**

1. Increase capacity of caregiving networks to understand the challenges, recognise the symptoms/signs, and enlist / provide appropriate support;
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);
- 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;
2. Ensure all staff (board, management, therapists, office, volunteers, and temps) can effectively represent the organisation to the 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 & brought-in training / education to all staff members.
- Recruit and develop ambassadors to communicate about KidsXpress and our work.

#### **Communication 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;
3. Establish regular multi-stakeholder communications

#### **Success Indicators**

- Number of people talking/engaging with us (advocates) measured online & through CRM;
- 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;
- Demonstrable financial resilience to withstand any unforeseen financial uncertainty.

# KidsXpress Limited

ABN: 65 117 488 570

## Directors' Report

30 June 2020

### Information on directors

John Hewson

Position

Appointed

Experience

Non-Executive Chairman

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.

Margo Ward

Position

Appointed

Experience

Chief Executive Office and Executive Director

8 December 2005

Margo is the founder and Chief Executive Officer of KidsXpress. Margo is a passionate advocate for Children's Mental Health with specific focus on trauma informed care & expressive therapies. Margo is committed to connecting communities to keep our children safe and in doing her part to create a future all children deserve. 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 thirty 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 an Independent Director for Chubb Insurance Australia.

# KidsXpress Limited

ABN: 65 117 488 570

## Directors' Report

30 June 2020

### Information on directors

Paul Hines

Position

Appointed

Experience

Non-Executive Director

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 20 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" in 2015, 2017, and 2018. Paul co-founded KidsXpress and continues to provide significant support both through monetary contributions and allocation of staff resources.

Peter Hogan

Position

Appointed

Experience

Non-Executive Director

8 December 2005

Peter 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 Practising Accountants (CPA Status) and a Member of The Governance Institute of Australia Ltd.



# KidsXpress Limited

ABN: 65 117 488 570

## Directors' Report

30 June 2020

### Information on directors

Robert Kelly

Position

Appointed

Experience

Non-Executive Director

18 March 2014

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 51 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 \$3 billion. Robert is also a director of various subsidiaries of Steadfast, the Steadfast Foundation, the publicly listed Johns Lyng group 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

Position

Appointed

Experience

Non-Executive Director

8 March 2016

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 member of the Australian Institute of Company Directors and is the Chair of the Macquarie Group Collection.

# KidsXpress Limited

ABN: 65 117 488 570

## Directors' Report

30 June 2020

### Information on directors

Stuart Byrne

Position

Appointed

Experience

Non-Executive Director

30 July 2019

Stuart Byrne is one of the top securities law and capital market practitioners in Australia, and is the national head the Equity Capital Markets team at Clayton Utz. His experience advising companies and major investment banks in Australia across the full spectrum of unlisted and listed fund raising transactions. Stuart complements his in-depth understanding of head office work, including corporate governance, continuous disclosure and executive and employee incentive plans, and on mergers and acquisitions, particularly in connection with initial public offerings whilst being an active member of the Law Council Corporations Committee. Stuart is also an avid photographer.

### Meetings of directors

During the financial year, 6 meetings of directors (including committees of directors) were held. Attendance by each director during the year was as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
John Hewson	6	4
Margo Ward	6	6
Paul Hines	6	6
Peter Hogan	6	6
Robert Kelly	6	4
Jacquelyn Vanzella	6	5
Stuart Byrne	5	5

### Events after the reporting date

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially neutral for the company up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

# KidsXpress Limited

ABN: 65 117 488 570

## Directors' Report

30 June 2020

### Members' guarantee

KidsXpress Limited is a company incorporated under the Corporations Act 2001 and is limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of \$10 towards meeting any outstanding obligations of the company. As at 30 June 2020, the number of members was 4 (2019: 4).

At 30 June 2020 the collective liability of members was \$ 40 (2019: \$ 40).

### Indemnification and insurance of officers and auditors

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 KidsXpress Limited.

### Auditor's independence declaration

The directors have received auditor's independence declaration and is set out on page 10 for the year ended 30 June 2020.

Signed in accordance with a resolution of the Board of Directors:

Director: .....

Director: .....

Dated this 19<sup>th</sup> day of November 2020



## **AUDITORS INDEPENDENCE DECLARATION TO THE DIRECTORS OF KIDSXPRESS LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020 there has been:

- (i) no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for profits Commission Act 2012*, in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Dated at Sydney on the 19<sup>th</sup> of November 2020

A handwritten signature in blue ink, appearing to be 'CS' followed by a checkmark.

### **ESV Business Advice and Accounting**

A handwritten signature in blue ink, appearing to be 'Chris Kirkwood'.

**Chris Kirkwood**  
**Partner**

**KidsXpress Limited**

ABN: 65 117 488 570

**Statement of Profit or Loss and Other Comprehensive Income  
For the Year Ended 30 June 2020**

	Note	2020 \$	2019 \$
<b>Revenue and other income</b>	4	<b>1,850,415</b>	1,819,708
<b>Expenditure</b>			
Employee benefits expense		(1,275,483)	(1,372,016)
Depreciation and amortisation		(182,606)	(60,016)
Advertising, marketing and event expenses		(66,949)	(66,293)
Professional fees		(64,684)	(31,320)
Travel expenses		(19,943)	(33,406)
Repairs and maintenance expenses		(25,084)	(21,669)
Occupancy expense		(32,684)	(122,995)
Other expenses		(118,485)	(89,902)
Finance expenses		(42,482)	-
<b>Total expenses</b>		<b>(1,828,400)</b>	(1,797,617)
<b>Surplus before income tax expense</b>		<b>22,015</b>	22,091
Income tax expense		-	-
<b>Surplus after income tax expense for the year</b>		<b>22,015</b>	22,091
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year</b>		<b>22,015</b>	22,091

The accompanying notes form part of these financial statements.

**KidsXpress Limited**

ABN: 65 117 488 670

**Statement of Financial Position  
As At 30 June 2020**

	Note	2020 \$	2019 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	1,142,066	730,381
Trade receivables		2,838	33,342
Other assets	6	11,289	35,657
<b>TOTAL CURRENT ASSETS</b>		<b>1,156,193</b>	<b>799,380</b>
<b>NON-CURRENT ASSETS</b>			
Other assets	6	75,135	75,135
Property, plant and equipment	7	58,174	100,319
Right-of-use assets	8	1,053,464	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,186,773</b>	<b>175,454</b>
<b>TOTAL ASSETS</b>		<b>2,342,966</b>	<b>974,834</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade payables	9	119,760	86,679
Lease liabilities	8	115,155	-
Provision for employee benefits	10	128,808	139,647
Other liabilities	11	542,424	347,163
<b>TOTAL CURRENT LIABILITIES</b>		<b>906,147</b>	<b>573,489</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	8	1,052,724	-
Provision for employee benefits	10	16,412	4,969
Other liabilities	11	-	50,708
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,069,136</b>	<b>55,677</b>
<b>TOTAL LIABILITIES</b>		<b>1,975,283</b>	<b>629,166</b>
<b>NET ASSETS</b>		<b>367,683</b>	<b>345,668</b>
<b>EQUITY</b>			
Accumulated surplus		367,683	345,668
<b>TOTAL EQUITY</b>		<b>367,683</b>	<b>345,668</b>

The accompanying notes form part of these financial statements.

**KidsXpress Limited**

ABN: 65 117 488 570

**Statement of Changes in Equity  
For the Year Ended 30 June 2020****2020**

	<b>Accumulated surplus</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2019</b>	<b>345,668</b>	<b>345,668</b>
Surplus after income tax expense for the year	22,015	22,015
Other comprehensive income for the year, net of tax	-	-
<b>Total comprehensive income for the year</b>	<b>22,015</b>	<b>22,015</b>
<b>Balance at 30 June 2020</b>	<b>367,683</b>	<b>367,683</b>

**2019**

	<b>Accumulated surplus</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2018</b>	<b>323,577</b>	<b>323,577</b>
Surplus after income tax expense for the year	22,091	22,091
Other comprehensive income for the year, net of tax	-	-
<b>Total comprehensive income for the year</b>	<b>22,091</b>	<b>22,091</b>
<b>Balance at 30 June 2019</b>	<b>345,668</b>	<b>345,668</b>

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 2020

	<b>Note</b>	<b>2020</b> \$	<b>2019</b> \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers		2,079,841	2,084,205
Payments to suppliers and employees		(1,538,825)	(1,857,394)
Interest received		5,893	6,761
Income taxes paid		(42,482)	-
Net cash provided by operating activities	18	<u>504,427</u>	<u>233,572</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of property, plant and equipment		-	(4,131)
Net cash (used in) investing activities		<u>-</u>	<u>(4,131)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Payment of lease liabilities		(92,742)	-
Net cash (used in) financing activities		<u>(92,742)</u>	<u>-</u>
Net increase in cash and cash equivalents held		411,685	229,441
Cash and cash equivalents at beginning of year		<u>730,381</u>	<u>500,940</u>
Cash and cash equivalents at end of financial year	5	<u><u>1,142,066</u></u>	<u><u>730,381</u></u>

The accompanying notes form part of these financial statements.



## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2020**

#### **1 Basis of Preparation**

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

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

The following are 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.

#### **New or amended Accounting Standards and Interpretations adopted**

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

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

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

#### *AASB 15 Revenue from Contracts with Customers*

The company has adopted AASB 15 from 1 July 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

The adoption of this standard has had no effect over the comparative period and thus balances have not been restated. The adoption of this standard has no impact on current year balances.

#### *AASB 1058 Income of Not-for-Profit Entities*

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

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2020**

#### **1 Basis of Preparation**

##### **New or amended Accounting Standards and Interpretations adopted**

services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

The adoption of this standard has had no effect over the comparative period and thus balances have not been restated. The adoption of this standard has no impact on current year balances.

##### *AASB 16 Leases*

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

The Company has adopted *AASB 16 Leases* using the modified retrospective (cumulative catch-up) method from 1 July 2019 and therefore the comparative information for the year ended 30 June 2019 has not been restated and has been prepared in accordance with *AASB 117 Leases* and associated Accounting Interpretations.

The Company has recognised right-of-use assets of \$1,193,926 and lease liabilities of \$1,260,634 at 1 July 2019, for leases previously classified as operating leases.

The weighted average lessee's incremental borrowing rate applied to lease liabilities at 1 July 2019 was 3.50%.

	\$
Operating lease commitments at 30 June 2019 financial statements	529,371
Add:	
Extension options reasonably certain to be exercised not included in the commitments note	940,666
Less:	
Lease commitments discounted based on the weighted average incremental borrowing rate	(209,403)
<b>Lease liabilities recognised at 1 July 2019</b>	<b><u>1,260,634</u></b>

#### **2 Summary of Significant Accounting Policies**

##### **(a) Revenue and other income**

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the Company obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

When grant revenue is received whereby the Company incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2020**

#### **2 Summary of Significant Accounting Policies**

##### **(a) Revenue and other income**

KidsXpress Limited receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of profit or loss and other comprehensive income.

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 customer.

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

Donations are recognised at the time the pledge is made.

Interest revenue is recognised on an accruals basis.

Other income is recognised on an accruals basis when the Company is entitled to it.

##### **(b) Income Tax**

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

##### **(c) Goods and services tax (GST)**

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

##### **(d) Property, plant and equipment**

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

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

##### **Depreciation**

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2020**

#### **2 Summary of Significant Accounting Policies**

##### **(d) Property, plant and equipment**

###### **Depreciation**

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

The estimated useful lives used for each class of depreciable asset are shown below:

<b>Fixed asset class</b>	<b>Useful life</b>
Music equipment	3-15 years
Motor Vehicles	4 years
Office Equipment	3 years
Computer Equipment	3 years
Leasehold improvements	5 years

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

##### **(e) 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 benefit of the asset. Software is amortised over a period of 3 years.

##### **(f) Cash and cash equivalents**

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

##### **(g) Leases**

###### **Right-of-use asset**

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

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

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2020**

#### **2 Summary of Significant Accounting Policies**

##### **(g) Leases**

###### **Right-of-use asset**

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

###### **Lease liability**

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

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

##### **(h) Employee benefits**

###### *Short-term employee benefits*

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

###### *Other long-term employee benefits*

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

##### **(i) New Accounting Standards and Interpretations not yet mandatory or early adopted**

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

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2020**

#### **3 Critical Accounting Estimates and Judgments**

Those charged with governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

##### **Coronavirus (COVID-19) pandemic**

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

##### **Lease term**

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

##### **Incremental borrowing rate**

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

##### **Employee benefits provision**

As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

## KidsXpress Limited

ABN: 65 117 488 570

### Notes to the Financial Statements For the Year Ended 30 June 2020

#### 4 Revenue and Other Income

	2020	2019
	\$	\$
Revenue and other income is comprised of the following:		
- Donations	556,565	656,109
- Revenue from contracts with customers	1,104,660	1,123,123
- Other income	189,189	40,476
	<u>1,850,414</u>	<u>1,819,708</u>

#### Disaggregation of revenue from contracts with customers

Revenue from contracts with customers has been disaggregated as follows:

Revenue from contracts with customers		
- Fees for service	61,511	100,634
- Training / program grants	626,738	383,490
- Organisation funding	39,987	364,532
- Fundraising / event income	376,424	274,467
- Revenue from contracts with customers	<u>1,104,660</u>	<u>1,123,123</u>

#### 5 Cash and Cash Equivalents

	2020	2019
	\$	\$
Cash at bank	1,141,416	730,321
Cash in hand	650	60
Total cash and cash equivalents	<u>1,142,066</u>	<u>730,381</u>

#### 6 Other Assets

	2020	2019
	\$	\$
CURRENT		
Prepayments	<u>11,289</u>	<u>35,657</u>
NON-CURRENT		
Term deposit	<u>75,135</u>	<u>75,135</u>

## KidsXpress Limited

ABN: 65 117 488 570

### Notes to the Financial Statements For the Year Ended 30 June 2020

#### 7 Property, plant and equipment

##### Office furniture and equipment

At cost

17,706 17,706

Accumulated depreciation

(14,015) (9,046)

Total office furniture and equipment

3,691 8,660

##### Motor vehicles

At cost

176,200 176,200

Accumulated depreciation

(165,187) (146,307)

Total motor vehicles

11,013 29,893

##### Music equipment

At cost

18,348 18,348

Accumulated depreciation

(16,318) (16,021)

Total music equipment

2,030 2,327

##### Computer equipment

At cost

61,084 60,645

Accumulated depreciation

(59,644) (57,206)

Total computer equipment

1,440 3,439

##### Leasehold Improvements

At cost

80,000 80,000

Accumulated amortisation

(40,000) (24,000)

Total leasehold improvements

40,000 56,000

**Total property, plant and equipment**

**58,174 100,319**



## KidsXpress Limited

ABN: 65 117 488 570

### Notes to the Financial Statements For the Year Ended 30 June 2020

#### 7 Property, plant and equipment

##### (a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Music equipment \$	Office furniture and equipment \$	Motor Vehicles \$	Computer Equipment \$	Leasehold Improvements \$	Total \$
<b>Year ended 30 June 2020</b>						
Balance at the beginning of year	2,327	8,660	29,893	3,439	56,000	100,319
Additions	-	-	-	439	-	439
Depreciation expense	(297)	(4,969)	(18,880)	(2,438)	(16,000)	(42,584)
<b>Balance at the end of the year</b>	<b>2,030</b>	<b>3,691</b>	<b>11,013</b>	<b>1,440</b>	<b>40,000</b>	<b>58,174</b>

## Notes to the Financial Statements

### For the Year Ended 30 June 2020

#### 8 Leases

The Company has applied AASB 16 using the modified retrospective (cumulative catch-up) method and therefore the comparative information has not been restated and continues to be reported under AASB 117 and related Interpretations.

##### Right-of-use assets

	2020	2019
	\$	\$
Right of use asset	1,193,926	-
Less: Accumulated depreciation	(140,462)	-
<b>Total right of use asset</b>	<b>1,053,464</b>	<b>-</b>

The company leases land and buildings under agreements of five years with the option to extend.

##### Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year	1 - 5 years	> 5 years	Total
	\$	\$	\$	\$
<b>2020</b>				
Lease liabilities	115,155	1,052,724	-	1,167,879

#### 9 Trade and Other Payables

	2020	2019
	\$	\$
<b>CURRENT</b>		
Trade payables	47,336	1,615
Sundry payables and accrued expenses	65,979	85,064
Deferred rent payable	6,445	-
	<b>119,760</b>	<b>86,679</b>

#### 10 Employee Benefits

	2020	2019
	\$	\$
<b>CURRENT</b>		
Provision for long service leave	62,542	70,004
Provision for annual leave	66,266	69,643
	<b>128,808</b>	<b>139,647</b>
<b>NON-CURRENT</b>		
Provision for long service leave	16,412	4,969

## KidsXpress Limited

ABN: 65 117 488 570

### Notes to the Financial Statements For the Year Ended 30 June 2020

#### 11 Other Liabilities

	2020	2019
	\$	\$
<b>CURRENT</b>		
Grants received in advance	353,345	280,000
Income in advance	189,079	51,163
Rent incentive liability	-	16,000
	<u>542,424</u>	<u>347,163</u>
	<b>2020</b>	<b>2019</b>
	\$	\$
<b>NON-CURRENT</b>		
Rent incentive liability	-	40,000
Straight-line liabilities	-	10,708
	<u>-</u>	<u>50,708</u>

#### 12 Members' Guarantee

The Company is incorporated under the *Australian Charities and Not-for-profits Commission Act 2012* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 10 each towards meeting any outstandings and obligations of the Company. At 30 June 2020 the number of members was 4 (2019: 4).

#### 13 Key Management Personnel Remuneration

The totals of remuneration paid to the key management personnel of KidsXpress Limited during the year are as follows:

	2020	2019
	\$	\$
Short-term employee benefits	156,342	132,315
Post-employment benefits	43,271	13,775
Other long-term benefits	-	3,053
	<u>199,613</u>	<u>149,143</u>

#### 14 Contingencies

In the opinion of those charged with governance, the Company did not have any contingencies at 30 June 2020 (30 June 2019: None).

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2020**

#### **15 Capital and Leasing Commitments**

##### **Operating Leases**

	2020	2019
	\$	\$
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
- not later than one year	1,352	145,915
- between one year and five years	4,394	383,456
	<u>5,746</u>	<u>529,371</u>

The operating lease commitment as at year end included above relates to low value asset and has not been accounted for in accordance with *AASB 16 Leases*.

#### **16 Auditors' Remuneration**

	2020	2019
	\$	\$
Audit and preparation of general-purpose financial statements		
ESV Business Advice and Accounting	6,500	-
Pitcher Partners	-	10,000
<b>Total</b>	<u>6,500</u>	<u>10,000</u>

#### **17 Related Parties**

##### **Transactions with related parties**

Macquarie Group Limited, a director related entity, through the Macquarie Group Foundation have donated 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.,

**Notes to the Financial Statements**  
**For the Year Ended 30 June 2020****18 Cash Flow Information****(a) Reconciliation of result for the year to cashflows from operating activities**

Reconciliation of net income to net cash provided by operating activities:

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Profit for the year	<b>22,015</b>	22,091
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation and amortisation	<b>182,606</b>	60,016
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	<b>30,503</b>	48,118
- (increase)/decrease in other assets	<b>24,365</b>	(9,430)
- increase/(decrease) in trade and other payables	<b>33,071</b>	30,717
- (increase)/decrease in other liabilities	-	121,617
- increase/(decrease) in provisions	<b>605</b>	(39,557)
- increase/(decrease) in deferred income	<b>211,262</b>	-
Cashflows from operations	<b>504,427</b>	<b>233,572</b>

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2020**

#### **19 Income and Expenditure - Fundraising Appeals**

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

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Details of aggregate gross income and total expenses of Fundraising Appeals</b>		
Gross proceeds of Fundraising Appeals (as defined in the Act)	<b>1,599,714</b>	1,678,598
Cost of Fundraising Appeals	<b>(71,405)</b>	(76,096)
Net surplus obtained from Fundraising Appeals	<b>1,528,309</b>	1,602,502
<b>Statement showing how funds received were applied to charitable purposes</b>		
Net surplus obtained from Fundraising Appeals	<b>1,528,309</b>	1,602,502
This was applied to the charitable purposes in the following manner:		
Expressive therapy programs to clients	<b>(1,700,297)</b>	(1,731,943)
Balance available to be applied for charitable purposes	<b>(171,988)</b>	(129,441)
<b>Fundraising Appeals conducted during the financial year</b>		
Donations	<b>1,223,290</b>	1,404,131
Benefits received from fundraising events and auctions	<b>376,424</b>	274,467
	<b>1,599,714</b>	1,678,598
<b>Comparisons of certain monetary figures and percentages</b>		
<b>The following figures and percentages exclude sales revenue and expenditure on commercial activities</b>		
(Total cost of fundraising appeals)	<b>(71,405)</b>	(76,096)
Gross income from fundraising appeals	<b>1,599,714</b>	1,678,598
as a %	<b>(5)%</b>	(5)%
Net surplus from fundraising appeals	<b>1,528,309</b>	1,602,502
Gross income from fundraising appeals	<b>1,599,714</b>	1,678,598
as a %	<b>96 %</b>	96 %
Total cost of assistance to clients	<b>1,700,297</b>	1,569,737
Total expenditure	<b>1,828,402</b>	1,808,039
as a %	<b>93 %</b>	87 %
Total cost of assistance to clients	<b>1,700,297</b>	1,569,737
Total revenue received	<b>1,850,415</b>	1,819,708
as a %	<b>92 %</b>	86 %

## **KidsXpress Limited**

ABN: 65 117 488 570

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2020**

### **20 Events after the end of the Reporting Period**

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially neutral for the company up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

## KidsXpress Limited

ABN: 65 117 488 570

### Directors' Declaration

#### *Declaration under the Charitable Fundraising Act (NSW) 1991:*

The directors declare that:

- 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 2020;
- the statement of financial position gives a true and fair view of the state of affairs with respect to fundraising appeal activities as at 30 June 2020;
- the provision 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 year ended 30 June 2020; and
- 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 19<sup>th</sup> day of November 2020



## KidsXpress Limited

ABN: 65 117 488 570

### Directors' Declaration

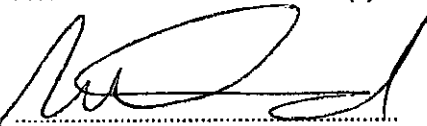
#### ***Declaration under the Australian Charities and Not-for-profit Commission Regulation 2013:***

The directors declare that:

- the financial statements and note present fairly the entity's financial position as at 30 June 2020 and performance for the year then ended in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the Australian Charities and Not-for-profit Commission Amendment Regulation 2013 and other mandatory professional reporting requirements; and
- 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 19<sup>th</sup> day of November 2020



## INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF KIDSXPRESS LIMITED

### Opinion

We have audited the financial report, being a general purpose (reduced disclosure regime) financial report, of KidsXpress Limited (the 'Company'), which comprises the statement of financial position as at 30 June 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statements of cash flow for the year then ended, summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of KidsXpress Limited is in accordance with Division 60 of the *Australian Charities and Not-for-Profit Commission Act 2012*, including:

- a) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation*.

### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act* 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*, which has been given to the directors of the Company, 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

### Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

## **INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF KIDSPRESS LIMITED**

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

[http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.

### **Report on the requirements of the NSW Charitable Fundraising Act 1991 and the NSW Charitable Fundraising Regulations 2015**

We have audited the financial report as required by the Section 24(2) of the NSW Charitable Fundraising Act 1991. 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 appeal activities pursuant to the NSW Charitable Fundraising Act 1991 and the NSW Charitable Fundraising Regulations 2015.

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.

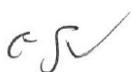
## **INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF KIDSXPRESS LIMITED**

### **Opinion**

In our opinion:

- a) the financial report of KidsXpress Limited has been properly drawn up and associated records have been properly kept during the financial year ended 30 June 2020, in all material respects in accordance with:
  - i) sections 20(1), 22(1-2), 24(1-3) of the NSW Charitable Fundraising Act 1991; and
  - ii) sections 10(6) and 11 of the NSW Charitable Fundraising Regulations 2015.
- b) the money received as a result of fundraising appeals conducted by the Company during the financial year ended 30 June 2020 has been properly accounted for and applied, in all material respects, in accordance with the above-mentioned Act and Regulations.

Dated at Sydney on the 24<sup>th</sup> of November 2020



**ESV Business Advice and Accounting**



**Chris Kirkwood**  
**Partner**