

**KIDSPRESS LIMITED**

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

**ANNUAL REPORT**

**30 JUNE 2016**

# KidsXpress Limited

## Annual Financial Report – 30 June 2016

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This financial report was authorised for issue by the directors on 3<sup>rd</sup> November 2016. The company has the power to amend and reissue this financial report.

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

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

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



Margo Ward

Chief Executive Officer and Executive Director

3 November 2016

Sydney NSW

**KIDSPRESS LIMITED  
DIRECTORS' REPORT**

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Your directors present their report on the company for the year ended 30 June 2016.

**Directors**

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

John Hewson  
Margo Ward  
Paul Hines  
Peter Hogan  
Shannon Richards  
Robert Kelly

Jacquelyn Vanzella was appointed a director on 8 March 2016 and continues in office at the date of this report.

Matt Nacard was a director from the beginning of the financial year until his resignation on 19 November 2015.

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

Shannon Richards  
Kirsty D'Bais

**Principal Activities:**

Childhood trauma has a profound effect in the Australian Community. The long term effects of childhood trauma are often the most visible – broken relationships and families, violence, abuse and neglect, homelessness, drug and alcohol dependence, mental illness, and unemployment.

KidsXpress is an accredited early intervention expressive therapy program for children aged 4-14years, providing a developmentally appropriate environment for children who have experienced trauma in their lives to process their experiences with the support of highly qualified and experienced therapists.

Therapy is delivered through both centre based and outreach programs; the latter of which involves KidsXpress partnering with schools and communities to take our expressive therapy program, which uniquely interfaces music, art, drama, dance movement and play therapies, to those children and families that are unable to attend our therapy centre.

The aim of the KidsXpress program is to help children have better relationships with self and others and to reduce the personal, social and financial burden of the reasons children are referred to the program.

To ensure optimal support for the communities in which we deliver programs, and to ensure the expansion of our impact, we have set the following goals:

1. Increase our provision of expressive therapy to 1,000 children per year by 2019;
2. Develop collaborative training, research and service partnerships, both nationally and internationally;
3. Develop sustainable incomes streams to support current program delivery and expansion.

**Future Key Focus Areas:**

To ensure we continue to meet real need it is important that we maintain our impact and relevance. Accordingly, the focus areas identified last year have progressed as follows:

**1. Leadership**

*Objective:* to further articulate the efficacy of our program to service providers, government, and research communities through applied research investigations; and through such endeavours, to position KidsXpress as a leader within expressive therapy provision in support of children's emotional health and wellbeing.

Key Strategies;

1. Conduct specific efficacy investigations to elucidate the operational strengths of the current KidsXpress therapy model, aligning our applied therapy setting with emerging global research groups focused upon co-led and multi-modal therapy program designs;
2. Conduct longitudinal research studies to understand the longevity of our program outcomes and to identify critical contexts or time points at which further support is required;
3. Liaise with leading therapist training institutions to integrate KidsXpress' staff experience and our empirical evidence base into the training pathway of future therapists;
4. Collaborate with leading research institutions in Australia and overseas to elevate the position of expressive therapy within the intervention consideration set and to contribute empirical evidence to the global evidence base for expressive therapies;
5. Consult collaborative theoretical and applied service partners to continuously pursue better ways of supporting our clients, families, and communities through reflective evaluation of our performance.

## **2. Business**

*Objective:* to develop and implement robust strategies across all aspects of the organisation to support our sustainability and expansion.

Key Strategies;

1. Conduct a review of internal management structures and broader governance requirements;
2. Expand research projects to include international consultation & program review;
3. Expand grass-roots fundraising initiatives with an emphasis on community and public events;
4. Broaden engagement with the corporate sector, and philanthropic trusts and foundations;
5. Explore & develop appropriate social enterprise opportunities;
6. Seek support from relevant government agencies for both advocacy and funding purposes.

## **3. Communications**

*Objective:* to illustrate the impact of and need for the work of KidsXpress and the organisation's unique offering to children, families and communities.

Key Strategies;

1. Develop and implement an effective communications strategy including social media & PR campaign;
2. Increase general awareness of KidsXpress through increased public speaking appearances and taking part in relevant award programs;
3. Develop resources to enhance the brand awareness of KidsXpress within existing and new stakeholder groups.

## **4. Innovation**

*Objective:* to enhance children's emotional health and wellbeing via innovative service delivery.

Key Strategies;

1. Revise and refine current therapy programs whilst critically considering future developments for therapy programs informed by creative professional insights and/or a strong evidence base;
2. Explore technology enabled and/or online platforms which enable therapeutic engagements to delivered to a broader audience of clients including those in remote and regional areas;
3. Provide innovative & creative workspaces and operating solutions for KidsXpress teams, increasing the accessibility of the program to clients and to enhance efficiency and opportunities for best practice sharing alongside professional development through peer-to-peer support.

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

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**Review of Operations**

As disclosed in the accompanying financial report the company has recorded a deficit of (\$293,545) (2015 surplus: \$237,380) for the year ended 30 June 2016.

Efforts to secure philanthropic support for a Research Project to be undertaken in this period were successful. It is important to note that whilst these funds were received and accounted for in prior year revenue, expenditure relating to the Project was incurred in this period, as evidenced by the significant increase in expenses.

**Dividends Paid or Recommended**

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

**Significant changes in state of affairs**

There have been no significant changes in the state of affairs in the period.

### **Information on Current Directors**

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

Appointed – 8 December 2005

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 (Chief Executive Officer 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 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 10 years and became sole owner in 2007. Paul is 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. 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 30 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.

#### **Shannon Richards (Non-executive Director, Company Secretary and Legal Counsel)**

Appointed – 3 October 2006 (Company Secretary) and 3 May 2011 (Director)

Shannon is a criminal prosecutor within the Office of the Director of Public Prosecutions (DPP) in Sydney. Prior to the DPP, Shannon served in the Royal Australian Navy for over eight years as a legal officer. Shannon remains in the Royal Australian Navy Reserves and holds the rank of Lieutenant Commander. In the Navy, Shannon served as the Deputy Fleet Legal Officer and as a prosecutor in the Office of the Director of Military Prosecutions and has deployed on operations overseas. Before taking a full-time posting in the Navy, Shannon was legal counsel at various investment banks and was in private practice at Minter Ellison. Shannon has been practicing as a solicitor in New South Wales since 2002, is admitted in the High Court of Australia and the Supreme Court of New South Wales and holds a BSc(Hon), LLB(Hon) and LLM from Sydney University. Shannon, along with his partner, is also the co-owner of a dental practice in Sydney.



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

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

**Mathew Nacard (Non-Executive Director)**

Appointed - 21 June 2011

Matt is an Executive Director and Head of Australia / NZ Research for Macquarie Group. Matt joined Macquarie in 2001 in the Australian equities business. In 2005 he transferred with Macquarie to Hong Kong where he was a Regional Property Analyst and then Head of Hong Kong Research, returning to Sydney in 2010. Matt's current responsibilities include the management of Macquarie's highly rated domestic equities research team including the fostering of key institutional relationships and strategic planning for the business. Matt has had involvement in Macquarie linked social programs such as the School for Social Entrepreneurs. Prior to his time at Macquarie, Matt worked at Lend Lease Corporation for 10 years in various property management, leasing and asset management roles. He has a Bachelor of Commerce with merit from UNSW.

**Robert Kelly (Non-Executive Director)**

Appointed – 18 March 2014

Robert Kelly is the Managing Director & CEO of Steadfast, the largest distributor of general insurance in Australia and New Zealand. 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 \$1.5 billion. Robert is also a director of various subsidiaries of Steadfast, the Steadfast Foundation and ACORD International. 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.

**Jacquelyn Vanzella (Non-Executive Director)**

Appointed – 8 March 2016

Jacqui is an Executive Director of the Macquarie Group in the Equity Capital Markets team. She joined Macquarie in 1996. Jacqui advises Australian companies listed on the ASX in relation to equity raisings, capital management and hybrid capital issuance. 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.

**Meetings of Directors**

During the financial year, three meetings of directors were held. Attendances by each director were as follows:

<b>Director</b>	<b>Eligible to attend</b>	<b>Attended</b>
John Hewson	3	2
Margo Ward	3	3
Paul Hines	3	3
Peter Hogan	3	3
Shannon Richards	3	1
Matt Nacard	1	-
Robert Kelly	3	2
Jacquelyn Vanzella	2	2

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

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**Insurance of Officers**

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

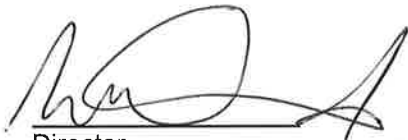
**Environmental Regulations**

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

**Matters Subsequent to the End of the Financial Year**


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

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



Director

3 November 2016  
Sydney NSW



Director

3 November 2016  
Sydney NSW



## Auditor's Independence Declaration

As lead auditor for the audit of KidsXpress Limited for the year ended 30 June 2016, I declare that to the best of my knowledge and belief, there have been:

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

A handwritten signature in black ink, appearing to read 'J. Richardson', is written over a faint, light-colored signature line.

Justine Richardson  
Partner  
PricewaterhouseCoopers

Sydney  
3 November 2016

**KIDSPRESS LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2016**

	Notes	2016 \$	2015 \$
<b>Revenue from continuing operations</b>	3	1,438,549	1,505,153
<b>Expenses</b>			
Employee benefit expenses		1,190,357	890,313
Equipment and facilities		186,858	204,738
Travel		11,929	7,959
Advertising, marketing and event expenses		93,170	82,532
Administration costs		92,987	82,231
Programs and projects		156,793	-
<b>Total expenses</b>		<u>(1,732,094)</u>	<u>(1,267,773)</u>
<b>(Deficit)/surplus before income tax expense</b>	4	(293,545)	237,380
Income tax expense			
<b>(Deficit)/surplus for the year</b>		<u>(293,545)</u>	<u>237,380</u>
Other comprehensive income			
<b>Total comprehensive (deficit)/surplus attributable to members of KidsXpress Limited</b>		<u>(293,545)</u>	<u>237,380</u>

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

**KIDSPRESS LIMITED**  
**BALANCE SHEET**  
**AS AT 30 JUNE 2016**

	Notes	2016 \$	2015 \$
<b>Current Assets</b>			
Cash and cash equivalents	5	385,436	686,879
Trade and other receivables	7	51,122	34,359
<b>Total Current Assets</b>		436,558	721,238
<b>Non Current Assets</b>			
<b>Property, Plant and Equipment</b>			
Property, plant and equipment	8	96,364	122,482
<b>Total Non-Current Assets</b>		96,364	122,482
<b>Total Assets</b>		532,922	843,720
<b>Current Liabilities</b>			
Trade and other payables	9	131,242	158,028
Long Service Leave		71,838	51,573
<b>Total Current Liabilities</b>		203,080	209,601
<b>Non Current Liabilities</b>			
Long service leave		6,971	17,703
<b>Total Non Current Liabilities</b>		6,971	17,703
<b>Total Liabilities</b>		210,051	227,304
<b>Net Assets</b>		322,871	616,416
<b>Equity</b>			
Accumulated funds	10	322,871	616,416
<b>Total Equity</b>		322,871	616,416

The above Balance Sheet should be read in conjunction with the accompanying notes.

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

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Balance at 1 July 2014	\$ 379,036
Total Comprehensive Surplus for the year	<u>237,380</u>
<b>Balance at 30 June 2015</b>	<b>616,416</b>
Balance at 1 July 2015	616,416
Total Comprehensive Deficit for the year	<u>(293,545)</u>
<b>Balance at 30 June 2016</b>	<b><u>322,871</u></b>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**KIDSPRESS LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2016**

	Notes	2016 \$	2015 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts in course of operations (inclusive of goods and services tax)		1,495,506	1,511,265
Cash payments in course of operations (inclusive of goods and services tax)		1,784,355	1,214,291
Interest received		9,659	5,726
Net cash (outflow)/inflow from operating activities	6	(279,190)	302,699
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property plant & equipment	8	(22,251)	(100,464)
Net cash (outflow) from investing activities		(22,251)	(100,464)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Short term loan received		-	-
Short term loan repaid		-	-
Net cash inflow from financing activities		-	-
Net (decrease)/increase in cash and cash equivalents		(301,441)	202,235
Cash and cash equivalents at the beginning of the period		686,879	484,644
<b>Cash and cash equivalents at the end of the period</b>	5	<b>385,436</b>	<b>686,879</b>

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

**KIDSPRESS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM 01 JULY 2015 TO 30 JUNE 2016**

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**1. Summary of Significant Accounting Policies**

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

**(a) Basis of Preparation**

This general purpose financial report has been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board and the *Australian Charities and Not-for-Profits Commission Act 2012*. KidsXpress Limited (the company) is a not-for-profit entity for the purpose of preparing the financial report.

*Compliance with IFRS*

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

*Historical cost convention*

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

*New and amended standards adopted by the company*

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2015 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

*Early adoption of standards*

The company has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2015.

**(b) Income Tax**

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

**(c) Trade and Other Receivables**

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

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

**(d) Leases**

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

Leased assets are depreciated on a straight-line or diminishing value basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset or over the term of the lease.



**KIDSPRESS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM 01 JULY 2015 TO 30 JUNE 2016**

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

**Leases (cont.)**

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

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

**(e) Financial Instruments**

**Recognition**

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

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest method.

**Financial liabilities**

Non-derivative financial liabilities are recognised at amortised cost using the effective interest method.

**Impairment**

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

**Other**

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

**(f) Impairment of Assets**

At each reporting date, the company reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Comprehensive Income.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**(g) Trade and Other Payables**

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

**KIDSPRESS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM 01 JULY 2015 TO 30 JUNE 2016**

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

**(h) Employee Benefits**

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

**(i) Provisions**

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

**(j) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

**(k) Revenue**

**Donations, Auctions, Sponsorships and Grants**

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

**Other Income**

Revenue from other income comprises of receipts from third party events such as the KidsXpress Dance Challenge, fee for service activities and rental income (subletting premises) and is recognised when it is received or receivable.

**Interest Income**

Interest revenue is recognised on an accruals basis.

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

**(l) Donations In-Kind**

**Assets**

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

**Services**

Services that have been received in kind have not been recognised in the Statement of Comprehensive Income.

**(m) Acquisition of Assets**

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

**(n) Functional and Presentation Currency**

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The

**KIDSPRESS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM 01 JULY 2015 TO 30 JUNE 2016**

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

**Functional and Presentation Currency (cont.)**

financial statements are presented in Australian dollars, which is the company's functional and presentation currency.

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

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

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

Furniture and fixtures – straight line over 3 years

Computer Equipment – straight line over 3 years

Music Equipment – straight line over 2 to 15 years

Leasehold improvements – straight line over the remaining life of the lease

Motor Vehicle – straight line over 4 years.

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

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

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

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

The company evaluates estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

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

**(r) General**

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

**Registered Office**

137 Harrington Street  
Sydney NSW 2000

**Principal Place of Business**

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

**KIDSPRESS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM 01 JULY 2015 TO 30 JUNE 2016**

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

**(s) Operating Lease Disclosures**

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

**2. Financial Risk Management**

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

**(a) Market Risk**

**(i) *Foreign Exchange Risk***

The company is subjected to minimal foreign exchange risk as it has no foreign currency bank accounts and no foreign currency transactions took place during the year ended 30 June 2016.

**(ii) *Interest Risk***

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

**(b) Credit Risk**

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

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

**(c) Liquidity Risk**

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

**KIDSPRESS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM 01 JULY 2015 TO 30 JUNE 2016**

**2. Financial risk management (cont.)**

*Maturities of financial liabilities*

The table below analyses the company's financial liabilities in relation to commitments for expenditure into relevant maturity groupings based on the remaining period at the reporting date to the expected maturity date.

<b>30 June 2016</b>	<b>Within 1 year (\$)</b>	<b>Between 2-5 years (\$)</b>	<b>Over 5 years (\$)</b>
Non-interest bearing payables	104,200	32,528	-
<b>30 June 2015</b>			
Non-interest bearing payables	99,238	136,738	-

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>3. <u>Revenue</u></b>		
Donations-Cash	222,166	212,600
Sponsorship / Grants	784,970	919,836
Benefit received from Fundraising Events & Auctions	312,596	250,971
Interest	9,659	5,726
Other Income	109,158	116,020
	<u>1,438,549</u>	<u>1,505,153</u>
<b>4. <u>Surplus/(deficit) before income tax expense</u></b>		
Superannuation Expense	101,784	70,239
Rental Expense	110,634	113,194
Depreciation	48,369	24,594
<b>5. <u>Cash and cash equivalents</u></b>		
<b>Cash and cash equivalents</b>		
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:		
Cash and cash equivalents	385,436	686,879
	<u>385,436</u>	<u>686,879</u>
N.B. A portion of cash is restricted for specific projects.		
<b>6. <u>Reconciliation of (deficit)/surplus after income tax expense to net cash (used in)/provided by operating activities</u></b>		
(Deficit)/surplus for the year	(293,545)	237,380
Depreciation	48,369	24,594
Increase in trade and other receivables	(16,763)	(26,991)
Decrease in trade creditors	(17,251)	67,716
Net cash (outflow)/inflow from operating activities	<u>(279,190)</u>	<u>302,699</u>

**KIDSPRESS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM 01 JULY 2015 TO 30 JUNE 2016**

<b>7. Trade and other receivables</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Prepayments	29,719	5,100
Debtors	20,652	25,241
GST Recoverable	751	4,018
	<u>51,122</u>	<u>34,359</u>

**a) Impaired Trade Receivables**

There were impaired trade receivables for the company in 2016 of \$1,364 (2015: \$568).

**b) Past due but not impaired**

As of 30 June 2016 there were no past due but not impaired trade receivables (2015: \$Nil).

**c) Other receivables**

There were no amounts that arose from transactions outside the usual operating activities of the company.

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

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

**e) Fair value and credit risk**

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

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

**8. Property, plant and equipment**

	Office Furniture & Equipment \$	Computer Equipment \$	Music Equipment \$	Leasehold Improvements \$	Motor Vehicles \$	Software (\$)	Total \$
<b>At 1 July 2014</b>							
Cost or fair value	8,947	25,613	18,263	27,434	25,000	-	105,257
Accumulated depreciation	(5,955)	(11,901)	(14,452)	(17,483)	(8,854)	-	(58,645)
<b>Net book amount</b>	<b>2,992</b>	<b>13,712</b>	<b>3,811</b>	<b>9,951</b>	<b>16,146</b>	-	<b>46,612</b>
<b>Year ended 30 June 2015</b>							
Opening net book amount	2,992	13,712	3,811	9,951	16,146	-	46,612
Additions	2,153	18,261	-	4,370	75,680	-	100,464
Depreciation charge	(2,168)	(10,141)	(297)	(4,161)	(7,827)	-	(24,594)
<b>Closing net amount</b>	<b>2,977</b>	<b>21,832</b>	<b>3,514</b>	<b>10,160</b>	<b>83,999</b>	-	<b>122,482</b>
<b>At 30 June 2015</b>							
Cost or fair value	11,100	43,874	18,263	31,804	100,680	-	205,721
Accumulated depreciation	(8,123)	(22,042)	(14,749)	(21,644)	(16,681)	-	(83,239)
<b>Net book amount</b>	<b>2,977</b>	<b>21,832</b>	<b>3,514</b>	<b>10,160</b>	<b>83,999</b>	-	<b>122,482</b>

**KIDSPRESS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM 01 JULY 2015 TO 30 JUNE 2016**

**Property, plant and equipment (cont.)**

	Office Furniture & Equipment \$	Computer Equipment \$	Music Equipment \$	Leasehold Improvements \$	Motor Vehicles \$	Software \$	Total \$
<b>At 1 July 2015</b>							
Cost or fair value	11,100	43,874	18,263	31,804	100,680	-	205,721
Accumulated depreciation	(8,123)	(22,042)	(14,749)	(21,644)	(16,681)	-	(83,239)
<b>Net book amount</b>	<b>2,977</b>	<b>21,832</b>	<b>3,514</b>	<b>10,160</b>	<b>83,999</b>	<b>-</b>	<b>122,482</b>
<b>Year ended 30 June 2016</b>							
Opening net book amount	2,977	21,832	3,514	10,160	83,999	-	122,482
Additions	-	10,918	288	1,200	-	9,845	22,251
Depreciation charge	(1,525)	(13,323)	(385)	(4,682)	(25,170)	(3,284)	(48,369)
<b>Closing net amount</b>	<b>1,452</b>	<b>19,427</b>	<b>3,417</b>	<b>6,678</b>	<b>58,829</b>	<b>6,560</b>	<b>96,364</b>
<b>At 30 June 2016</b>							
Cost or fair value	11,100	54,792	18,551	33,004	100,680	9,845	227,972
Accumulated depreciation	(9,648)	(35,365)	(15,134)	(26,325)	(41,851)	(3,285)	(131,608)
<b>Net book amount</b>	<b>1,452</b>	<b>19,427</b>	<b>3,417</b>	<b>6,679</b>	<b>58,829</b>	<b>6,560</b>	<b>96,364</b>

	2016 \$	2015 \$
<b>9. <u>Trade and other payables</u></b>		
Trade payables	26,342	35,521
Accruals and provisions	80,979	112,591
Payroll liabilities	23,922	9,916
	131,242	158,028

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

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

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

	2016 \$	2015 \$
Annual leave obligation expected to be settled within 12 months	56,329	52,093

**10. Accumulated funds**

Movements in accumulated funds were as follows:

	2016 \$	2015 \$
Balance 1 July 2015	616,416	379,036
Net (deficit)/surplus for the year	(293,545)	237,380
Balance 30 June 2016	322,871	616,416

**KIDSPRESS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM 01 JULY 2015 TO 30 JUNE 2016**

**11. Company limited by guarantee**

The company does not have share capital.

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

**12. Related party transactions**

**2016**                      **2015**  
\$                                      \$

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

Key Management Personnel Compensation:

Short-term employee benefits	179,318	148,582
Long-term employee benefits	-	20,024
Post-employment benefits	13,295	12,478
Total compensation for Key Management Personnel	192,613	181,084

Related parties of directors have made monetary donations throughout the year.

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

GSA Insurance Brokers, a director related entity, have provided Insurance Broking Services at no charge to KidsXpress. GSA have also donated to KidsXpress.

Steadfast, a director related entity, through the Steadfast Foundation have donated to KidsXpress.

No director other than the Chief Executive Officer received any remuneration during the 2015 and the 2016 years.

**13. Commitments for expenditure**

**Lease commitments: company as lessee**

*Non-cancellable operating leases*

The company leases its premises at 122 Lang Road, Moore Park NSW 2021 under a non-cancellable operating lease which expires 22 October 2017

	<b>2016</b>	<b>2015</b>
	\$	\$
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	104,200	99,238
Later than one year but not later than five years	32,538	136,738
Later than five years	-	-
	136,738	235,976

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

**Capital commitments**

The company had no significant capital commitments at balance date.



**KIDSPRESS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM 01 JULY 2015 TO 30 JUNE 2016**

<b>14. Income and expenditure - Fundraising Appeals</b>	<b>2016</b>	<b>2015</b>
This disclosure is made under the <i>NSW Charitable Fundraising Act (1991)</i> (The Act).	\$	\$
<b>(i) Details of aggregate gross income and total expenses of Fundraising Appeals</b>		
Gross proceeds of Fundraising Appeals (as defined in the Act)	1,428,890	1,499,427
Costs of Fundraising Appeals	(93,170)	(81,660)
Net surplus obtained from Fundraising Appeals	<u>1,335,720</u>	<u>1,417,767</u>
<b>(ii) Statement showing how funds received were applied to charitable purposes</b>		
Net surplus obtained from Fundraising Appeals	<u>1,335,720</u>	<u>1,417,767</u>
This was applied to the charitable purposes in the following manner:		
Expressive therapy program to clients	<u>1,638,924</u>	<u>1,186,113</u>
Balance available to be applied for charitable purposes.	<u>(303,204)</u>	<u>231,654</u>
<b>(iii) Fundraising Appeals conducted during the financial period</b>		
Donations	1,007,136	1,132,436
Benefits received from Fundraising Events & Auctions	312,596	250,971
Other Income	109,158	116,020
	<u>1,428,890</u>	<u>1,499,427</u>

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

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

	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	\$	\$	%	%
(Total cost) of fundraising appeals /	(93,170)	(81,660)	(6.5%)	(5.4%)
Gross income from fundraising appeals	1,428,890	1,499,427		
Net surplus from fundraising appeals /	1,335,720	1,417,767	93.5%	94.6%
Gross income from fundraising appeals	1,428,890	1,499,427		
Total cost of assistance to clients /	1,460,249	1,005,886	84.3%	79.4%
Total expenditure	1,732,094	1,267,773		
Total cost of assistance to clients /	1,460,249	1,005,886	101.5%	67.2%
Total income received	1,438,549	1,505,153		

**15. Auditor's Remuneration**

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

	2016	2015
	\$	\$
(a) PricewaterhouseCoopers Australia		
Audit and review of financial statements	27,500	Nil

**16. Contingencies**

The company has given a guarantee in respect of its property lease of \$26,421. It is not expected that this payment will eventuate. There are no other contingent liabilities.

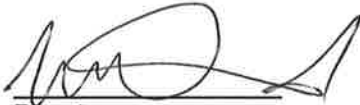
**KIDSPRESS LIMITED  
DIRECTORS' DECLARATION**

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In the directors' opinion:

- (a) the financial statements and notes set out on pages 11 to 24 are in accordance with the *Australian Charities and Not-for-Profits Commissions Act 2012*, including:
  - (i) complying with Accounting Standards, and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the financial year ended on the date; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
- (c) Note 1(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the directors.



Director

3 November 2016  
Sydney NSW



Director

3 November 2016  
Sydney NSW



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

### ***Report on the financial report***

We have audited the accompanying financial report of KidsXpress Limited (the company), which comprises the balance sheet as at 30 June 2016, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

### ***Directors' responsibility 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 *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standards AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

### ***Auditor's responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

### ***Independence***

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

### ***Basis for Qualified Opinion***

Cash from donations and other fund raising activities are a significant source of revenue for the Company. The Company's directors have determined that it is important to establish control over the collection of cash donations and other fund raising 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 Company's financial records. As a result, we are unable to express an opinion as to whether revenue from cash donations and other fund raising activities is complete.

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**PricewaterhouseCoopers, ABN 52 780 433 757**  
Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171  
T: +61 2 8266 0000, F: +61 2 8266 9999, [www.pwc.com.au](http://www.pwc.com.au)

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### *Qualified Opinion*

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph:

- (a) the financial report of KidsXpress Limited is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
- (b) the company's financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

### *Report on Other Legal and Regulatory Requirements Charitable Fundraising Act 1991 (NSW) and Charitable Fundraising Regulations 2008 (NSW)*

We have audited the financial report as required by Section 24(2) of the NSW Charitable Fundraising Act 1991. The directors of the company are responsible for the preparation and presentation of the financial report in accordance with the NSW Charitable Fundraising Act 1991 and the NSW Charitable Fundraising Regulations 2008. Our responsibility is to express an opinion on financial report in accordance with the NSW Charitable Fundraising Act 1991 and the NSW Charitable Fundraising Regulations 2008 based on our audit.

### *Auditor's Opinion*

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph:

- (a) the financial report of KidsXpress Limited has been properly drawn up and associated records have been properly kept during the year ended 30 June 2016 in accordance with:
  - (i) sections 20(1), 22(1-2), 24(1-3) of the NSW Charitable Fundraising Act 1991 (the Act); and
  - (ii) sections 9(6) and 10 of the NSW Charitable Fundraising Regulations 2008 (the Regulations).
- (b) the money received as a result of fundraising appeals conducted by the company during the financial year ended 30 June 2016 has been properly accounted for and applied in accordance with the above mentioned Acts and Regulations

PricewaterhouseCoopers

Justine Richardson  
Partner

Sydney  
3 November 2016