THE KIDS' CANCER PROJECT

FY2022 Financial Statement

The Kids' Cancer Project

ABN 13 061 138 181

Annual Report - 30 June 2022

The Responsible Persons present their report, together with the financial statements, on the Company for the year ended 30 June 2022.

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

Doug Cunningham (Resigned - 14/09/2021)
Nigel Everard (Interim Chair – 26/10/2021 to 23/08/2022)
Colin Reynolds OAM (Founder)
Simmone Reynolds
Richard Caldow
Cathryn Prowse
Sue Anderson
Debra Singh
Jessica Glew (Appointed - 26/10/2021)
Kazuma Naito (Appointed - 26/10/2021 and appointed Chair 23/08/2022)
Timothy Blair (Appointed - 26/10/2021)

Principal activities
The Company is established for the public charitable objects that the directors decide having regard to the recommendations of any advisory committee the directors establish. This includes (to the extent they are charitable), but not limited to, funding medical equipment, advocacy and supporting research programs into childhood cancer, clinical trials, survivorship and related research.

Review of Performance
The Company returned a surplus in the year of $472,179 (2021: 562,918).

The key financial objective for The Kids' Cancer Project is a continued investment in high quality research that provides the greatest opportunity to find improved treatments and survival for children with cancer. Over the last sixteen years, the total committed investment in research has been more than $60 million including $3 million for the year ending 30 June 2022.

This past financial year saw the continued transition of our fundraising activities for our donors that provide for greater efficiency and therefore a greater relative contribution to research. The continued year on year improvement in gross margins was two per cent with margins increasing from 66 per cent in the previous financial year to 68 per cent. This was achieved through an increase in high impact donations including regular giving, bear merchandising and continued positive trends in community fundraising, campaigns and corporate partnerships. We continue to work on our cost base as we complete this transition.

The operating surplus in FY2022 was $472,179, down on the prior year, being approximately 5 percent of total revenue. This arose primarily due to a larger commitment to research funding and the support of $317,000 of Job Keeper in the previous year that was reduced to $150,228 in 2022. The current financial year saw a stronger fundraising performance and the benefits of a continued investment in staff capacity and capability particularly in the areas of digital marketing, data management and fundraising, which have a focus on future growth opportunities.

Management will continue to review and explore opportunities for improved fundraising performance and are committed to the continuing transition to higher yielding fundraising programs.

During the year The Kids' Cancer Project accumulated reserve grew by $472,179 (2021: 562,918).

	2022 $	2021 $
Income	9,585,334	9,314,847
Expense	(6,108,155)	(6,019,578)
Surplus Available for Research	3,477,179	3,295,269
Research Funding & Governance	(3,005,000)	(2,732,351)
Surplus / (deficit) for the year	472,179	562,918

In the year to 30 June 2022 The Kids' Cancer Project has designated (budgeted) $3m to fund research projects throughout Australia.

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

The total amount that members of the company are liable to contribute if the company is wound up is $1,000, based on 10 current ordinary members (2021: 8).

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

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

Doug Cunningham BCom, MBA (Resigned 14/09/2021)
Doug is Managing Director at Kimberley-Clark ANZ where he joined early 2019. Prior to this he enjoyed almost three decades at Johnson & Johnson in various roles across Asia Pacific, North America and Africa. He has extensive experience managing sophisticated global retailers and building capability with large multi-cultural organisations. After losing his five-and-a-half-year-old son Murray to brain cancer, Doug became determined to donate his time and business experience to finding cures for the devastating disease through scientific based research.

Nigel Everard CPA, BCom, Grad Cert (Mgmt), MBA (Interim Chair - 26/10/2021 to 23/08/2022)
Nigel is Managing Director Oceania at one of the largest inflight global catering companies. Prior to this he was the Director of Operations Oceania. He has been CFO of a leading Australian quick service restaurant business. Throughout his 20-year career, he has held senior positions in operations, general management, finance, strategy and business improvement. Nigel has been deployed in Asia and Europe working in various industries including automotive, aviation, quick service restaurants and the not-for-profit sector.

Col Reynolds OAM, Founder
Cols' contribution to the lives of children with cancer was officially recognised with an Order of Australia in 2000. Before founding the charity, Col was a tourist coach driver. He dedicated 30 years of his life to his profession, during which time he looked after many high-profile clients including US Secret Service agents and members of the Papal visit of Pope John Paul II.

Simmone Reynolds BCom
Simmone is a founding member of The Kids' Cancer Project Board and is currently employed with the Australian Defence Force as a Communications Officer. Earlier in her career, Simmone spent nine years working in the fast moving consumer goods sector holding positions in marketing, national account management and category development for blue chip multinationals Unilever Australasia and Nestlé.

Richard Caldow BCom (Finance and Accounting)
Richard has worked as a stockbroker, corporate finance and funds management advisor since 1992. Prior to this he worked in chartered accounting with roles at Ernst & Young and Arthur Andersen. Richard's son Archie was diagnosed with high-risk neuroblastoma at just three years of age. Archie is now living with cancer and attending secondary school.

Sue Anderson BBus, EBMA
Sue is Founder and Director of two Management Consulting Firms, Retail Capabilities and Co Squared. Her specialty lies in applied innovation to support government, property and broad business sectors as they evolve and transform. Sue discovered the importance of research into childhood cancer when her daughter Audrey was diagnosed with an inoperable brain tumour at age five. Audrey is now finding her way in high school and life with a positive outlook.

Debra Singh
Debra was the Group CEO Household Goods for Greenlit Brands overseeing Fantastic Furniture, Plush, OMF and Freedom, and was also an Executive Director on the Board until March 2020 when she transitioned into semi-retirement. She has more than 30 years' experience in General Management, Retail Operations, Organisational Design, Human Resources and Change Management. Prior to this, Debra had a career with Woolworths spanning more than a decade during which she was the first female to lead a trading division. Debra is also a member of the Chief Executive Women's (CEW) organisation.

Cathryn Prowse
Cathryn is a law partner at Colin Biggers & Paisley practising both insurance and employment law. She is in the 2018, 2019 and 2020 editions of The Best Lawyers in Australia in the field of insurance law for her work acting on behalf of professionals and entities facing negligence claims. In the employment space, she acts for employers in unfair dismissal, general protection, discrimination, underpayment OH&S and other workplace-related claims.

Jessica Glew (Appointed - 26/10/2021)
Jessie is Joint Managing Director and Chief Operating Officer (COO) for the BlackWall Limited (ASX:BWF) and its funds. Jessie has been with BlackWall since early 2011. She was made COO in early 2018 and took on the Joint Managing Director role in late 2019. Jessie has a Bachelor of International Communication from Macquarie University and finalising a Bachelor of Property Economics at the University of Technology Sydney.

Kazuma Naito (Appointed - 26/10/2021 and appointed Chair - 23/08/2022)
Kaz Naito most recently served as a Managing Director and the Head of Sales and Marketing for J.P.Morgan Australia and New Zealand for their Markets and Custody businesses. He also served on the Board of J.P.Morgan Securities Australia Limited. Prior to assuming this Australasian role in August 2019, Kaz was the J.P.Morgan Asia Pacific Head of Sales and Trading for the Prime Finance business based in Hong Kong. Kazuma was also a member of J.P.Morgan Global Prime Finance Management Team as well as the Asia-Pacific Sales and Marketing Management team. He also served J.P.Morgan as a Responsible Officer with the Hong Kong Securities and Futures Commission and as an Executive Officer with the Hong Kong Monetary Authority. Prior to his 10 year career at J.P.Morgan, Kaz spent over 15 years working for Goldman Sachs in Hong Kong, London and Tokyo in their Equity Derivatives business. Kaz received a L.L.B from Keio University in Japan. Kaz lives with his wife, Catherine, and their four children on Sydney's Northern Beaches.

Timothy Blair (Appointed - 26/10/2021)
Tim Blair is founder of the Run for Kids Foundation, a philanthropic venture he started in 1994 after a diagnosis of epilepsy. Over the years, Tim has channelled his personal desire to be fitter and healthier into a way to raise awareness and funds for children with cancer. He believes kids are the biggest asset this world has and does all he can to enable them to be the best versions of themselves.

Meetings of Responsible Persons
The number of meetings of the Company's Board of Responsible Persons ('the Board') held during the year ended 30 June 2022, and the number of meetings attended by each Responsible Person were:

	Full Board	
	Attended	Eligible
Doug Cunningham	3	3
Colin Reynolds	8	8
Sue Anderson	8	8
Richard Caldow	7	8
Nigel Everard	8	8
Simmone Reynolds	8	8
Debra Singh	6	8
Cathryn Prowse	7	8
Jessica Glew	5	5
Kazuma Naito	5	5
Timothy Blair	2	5

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

Key Management Personnel Compensation

	Short Term Benefits $	Post-Employment Benefits $	Other Long-Term Benefits $	Termination Benefits $	Total $
2022 Total Compensation	588,734	55,153	43,379	-	687,266
2021 Total Compensation	513,532	47,469	42,964	-	603,965

Purpose and Objectives

The Company has a single mission: to cure kids' cancer. We know that the only way to cure childhood cancer is through medical research. To that end we select and fund researchers without geographical or institutional barriers.

Childhood cancer claims the lives of more children in Australia than any other disease. Although 80% of children survive childhood cancer, two of the most common childhood cancers, neuroblastoma and brain tumours, still take half of the children they affect.

By supporting world-class research, we aim to make kids' cancer history.

We are committed to understanding the questions that a family asks when their child is newly diagnosed and have used this awareness to guide our priorities for a cure. They are:

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

The Company is guided by eminent medical and research experts who form our international Research Advisory Committee.

On behalf of the Responsible Persons

Nigel Everard
Director

Kazuma Naito
Chair

12 November 2022

The Kids' Cancer Project
Responsible Persons' declaration
30 June 2022

In the Responsible Persons' opinion:

- the attached financial statements and notes comply with the Accounting Standards, the Australian Charities and Not-for-profits Commission Act 2012 and New South Wales legislation the Charitable Fundraising Act 1991 and associated regulations, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Responsible Persons

Nigel Everard	Kazuma Naito
Director	Chair

12 November 2022

The Kids' Cancer Project
Declaration by the Chief Executive Officer
30 June 2022

Declaration by the Chief Executive Officer in respect of fundraising appeals pursuant to Section 7(5) of the Charitable Fundraising Act 1991 – Regulations

I, Owen Finegan, Chief Executive Officer of The Kids' Cancer Project declare, in my opinion:

- The financial report gives a true and fair view of all income and expenditure of the Company with respect to fundraising appeals, for the financial year ended 30 June 2022;
- The statement of financial position gives a true and fair view of the state of affairs with respect to fundraising appeals, as at 30 June 2022;
- The provisions of the Charitable Fundraising Act 1991 and the Regulations and the conditions attached to the authority have been complied with for the period 1 July 2021 to 30 June 2022; and
- The internal controls exercised by the Company are appropriate and effective in accounting for all income received.

It is not always practicable for the Company to establish accounting control over all sources of fundraising activities prior to receipt of the funds by employees of the Company.

Owen Finegan
Chief Executive Officer

12 November 2022

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General information

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

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

Level 1
789 Botany Road
Rosebery NSW 2018

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

The financial statements were authorised for issue, in accordance with a resolution of Responsible Persons, on 26 October 2022. The Responsible Persons have the power to amend and reissue the financial statements.

The Kids' Cancer Project
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2022

	Note	2022 $	2021 $
Revenue			
Donations	17	7,810,334	6,361,868
Merchandise	17	1,264,442	989,538
Raffles	17	310,314	1,644,635
		9,385,090	8,996,041
Interest income		1,016	1,806
Other income		49,000	-
Government grants		150,228	317,000
		200,244	318,806
Total revenue		9,585,334	9,314,847
Expenses			
Fundraising expense		(3,024,421)	(3,004,031)
Research funding & governance expense	18	(3,005,000)	(2,732,351)
Employee expenses		(1,845,887)	(1,978,812)
Depreciation & amortisation expense		(389,944)	(389,395)
Other expenses	3	(847,903)	(647,340)
Total expenses		(9,113,155)	(8,751,929)
Surplus before income tax expense		472,179	562,918
Income tax expense		-	-
Surplus after income tax expense for the year attributable to the members of The Kids' Cancer Project	16	472,179	562,918
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the members of The Kids' Cancer Project		472,179	562,918

During the year we reclassified certain advocacy activities from operating expenses to research recognising the important role that The Kids Cancer Projects plays in advocating for more research into childhood cancer across governments and other organisations.

The Kids' Cancer Project
Statement of financial position
As at 30 June 2022

	Note	2022 $	2021 $
Assets			
Current assets			
Cash and cash equivalents	4	3,785,355	2,497,141
Trade and other receivables	5	139,305	27,002
Other assets	6	650,568	740,297
Inventories	7	77,657	9,854
Total current assets		4,652,885	3,274,294
Non-current assets			
Property, plant and equipment	8	193,204	245,956
Right-of-use assets	9	978,418	1,245,259
Intangibles	10	264,958	232,486
Total non-current assets		1,436,580	1,723,701
Total assets		6,089,465	4,997,995
Liabilities			
Current liabilities			
Trade and other payables	11	2,067,904	1,343,294
Lease liabilities	12	260,662	238,088
Employee benefits	13	209,560	157,529
Deferred revenue		123,939	35,000
Total current liabilities		2,662,065	1,773,911
Non-current liabilities			
Lease liabilities	14	814,499	1,076,277
Employee benefits	15	46,794	53,879
Total non-current liabilities		861,293	1,130,156
Total liabilities		3,523,358	2,904,067
Net assets		2,566,107	2,093,928
Equity			
Retained surpluses	16	2,566,107	2,093,928
Total equity		2,566,107	2,093,928

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

The Kids' Cancer Project
Statement of changes in equity
For the year ended 30 June 2022

	Retained profits $	Total equity $
Balance at 1 July 2020	1,531,010	1,531,010
Surplus after income tax expense for the year	562,918	562,918
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	562,918	562,918
Balance at 30 June 2021	2,093,928	2,093,928

	Retained profits $	Total equity $
Balance at 1 July 2021	2,093,928	2,093,928
Surplus after income tax expense for the year	472,179	472,179
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	472,179	472,179
Balance at 30 June 2022	2,566,107	2,566,107

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

The Kids' Cancer Project
Statement of cash flows
For the year ended 30 June 2022

	Note	2022 $	2021 $
Cash flows from operating activities			
Receipts from operations (inclusive of GST)		9,397,726	9,021,757
Payments for operations (inclusive of GST)		(5,302,017)	(6,122,949)
Payments for research (inclusive of GST)		(2,629,712)	(2,411,053)
Interest received		1,016	1,806
Receipts from government grants		150,228	317,000
Net cash from operating activities	24	1,617,241	806,561
Cash flows from investing activities			
Payments for property, plant and equipment	8	(3,232)	(45,207)
Payments for intangibles	10	(99,591)	(38,380)
Proceeds on disposal of property, plant and equipment		13,000	-
Net cash used in investing activities		(89,823)	(83,587)
Cash flows from financing activities			
Repayment of lease liabilities		(239,204)	(217,247)
Net cash used in financing activities		(239,204)	(217,247)
Net increase in cash and cash equivalents		1,288,214	505,727
Cash and cash equivalents at the beginning of the financial year		2,497,141	1,991,414
Cash and cash equivalents at the end of the financial year	4	3,785,355	2,497,141

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

Note 1. Significant accounting policies

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

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

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

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

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

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

Revenue recognition
The Company recognises revenue as follows:

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

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

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

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

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

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

Note 1. Significant accounting policies (continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Note 1. Significant accounting policies (continued)

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

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

The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement profit or loss and other comprehensive income during the financial period in which they are incurred.

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

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

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

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

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. A formal assessment of recoverable amount made when impairment indicators are present (refer to Note 1 (f) for details of impairment).

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

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

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

Note 1. Significant accounting policies (continued)

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

Borrowing costs
Costs in relation to borrowings are capitalised as an asset and amortised on a straight-line basis over the period of the finance arrangement.

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

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

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

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

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

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

The Company provides funding for research, which due to the timing of the funding, can be either fully or partially unpaid at the end of the reporting period. Provision is made for the Company's liability for unpaid awards at the end of the reporting period.

Employee benefits

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

Note 1. Significant accounting policies (continued)

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 using the projected unit credit method. 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.

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

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

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

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

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

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

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the annual reporting period ended 30 June 2022. The Company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

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

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

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

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

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

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

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

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

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

Note 3. Other expenses

	2022 $	2021 $
Other expenses	820,611	618,404
Audit remuneration	27,292	28,936
	847,903	647,340

Note 4. Current assets - cash and cash equivalents

	2022 $	2021 $
Cash on hand	200	200
Cash at bank	3,661,308	2,373,324
Cash on term deposit	123,847	123,617
	3,785,355	2,497,141

Note 5. Current assets - trade and other receivables

	2022 $	2021 $
Trade receivables	161,286	46,964
Less: Allowance for expected credit losses	(36,000)	(27,000)
	125,286	19,964
Other receivables	14,019	7,038
	139,305	27,002

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

	Expected credit loss rate		Carrying amount	
	2022 %	2021 %	2022 $	2021 $
0 to 3 months overdue	11%	35%	140,672	30,506
Over 6 months overdue	100%	100%	20,614	16,458
			161,286	46,964

Note 6. Current assets - Other assets

	2022 $	2021 $
Accrued income	90,487	5,503
Deposit paid	23,060	66,652
Prepayments	266,506	218,192
GST receivable	111,232	165,852
Research grant prepayments	159,283	284,098
	650,568	740,297

Note 7. Current assets - inventories

	2022 $	2021 $
Bears - at cost	57,657	9,854
Cryptocurrency	20,000	-
	77,657	9,854

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

	2022 $	2021 $
Leasehold improvements - at cost	243,920	243,920
Less: Accumulated depreciation	(91,487)	(50,825)
	152,433	193,095
Fixtures and fittings - at cost	11,423	10,419
Less: Accumulated depreciation	(6,303)	(4,896)
	5,120	5,523
Motor vehicles - at cost	35,856	72,766
Less: Accumulated depreciation	(7,829)	(37,567)
	28,027	35,199
Office equipment - at cost	34,730	32,500
Less: Accumulated depreciation	(27,106)	(20,361)
	7,624	12,139
	193,204	245,956

Reconciliations

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

	Leasehold improvements $	Fixtures and fittings $	Motor vehicles $	Office equipment $	Total $
Balance at 1 July 2020	233,757	5,554	-	11,166	250,477
Additions	-	1,225	35,856	8,126	45,207
Depreciation expense	(40,662)	(1,256)	(657)	(7,153)	(49,728)
Balance at 30 June 2021	193,095	5,523	35,199	12,139	245,956
Additions	-	1,003	-	2,229	3,232
Depreciation expense	(40,662)	(1,406)	(7,172)	(6,744)	(55,984)
Balance at 30 June 2022	152,433	5,120	28,027	7,624	193,204

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

	2022 $	2021 $
Land and buildings - right-of-use	1,623,284	1,623,284
Less: Accumulated depreciation	(644,866)	(378,025)
	978,418	1,245,259

Note 9. Non-current assets - right-of-use assets (continued)

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

	Land and buildings $	Total $
Balance at 1 July 2020	1,512,099	1,512,099
Depreciation expense	(266,840)	(266,840)
Balance at 30 June 2021	1,245,259	1,245,259
Depreciation expense	(266,841)	(266,841)
Balance at 30 June 2022	978,418	978,418

Note 10. Non-current assets - intangibles

	2022 $	**2021 $**
Software - at cost	484,323	478,758
Less: Accumulated amortisation	(313,391)	(246,272)
	170,932	232,486
Capital work in progress	94,026	-
	264,958	232,486

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

	Software $	Capital work in progress $	Total $
Balance at 1 July 2020	266,933	-	266,933
Additions	38,380	-	38,380
Amortisation expense	(72,827)	-	(72,827)
Balance at 30 June 2021	232,486	-	232,486
Additions	5,565	94,026	99,591
Amortisation expense	(67,119)	-	(67,119)
Balance at 30 June 2022	170,932	94,026	264,958

Note 11. Current liabilities - trade and other payables

	2022 $	2021 $
Trade payables	545,067	334,248
Accrued expense	1,498,195	955,302
PAYG payable	24,642	53,744
	2,067,904	1,343,294

Refer to note 19 for further information on financial instruments.

Note 12. Current liabilities - lease liabilities

	2022 $	2021 $
Lease liability	260,662	238,088

Note 13. Current liabilities - employee benefits

	2022 $	2021 $
Annual leave	166,273	140,710
Long service leave	43,287	16,819
	209,560	157,529

Note 14. Non-current liabilities - lease liabilities

	2022 $	2021 $
Lease liability	814,499	1,076,277

Note 15. Non-current liabilities - employee benefits

	2022 $	2021 $
Long service leave	46,794	53,879

Note 16. Equity - retained surpluses

	2022 $	2021 $
Retained surpluses at the beginning of the financial year	2,093,928	1,531,010
Surplus after income tax expense for the year	472,179	562,918
Retained surpluses at the end of the financial year	2,566,107	2,093,928

Note 17. Results of activities

	2022 $	2021 $
Raffles		
Gross Revenue from Raffles	310,314	1,644,635
Less: Direct Costs of Raffles (prizes, call centre, printing, mailing, bank and merchant fees)	(276,706)	(1,076,227)
Gross Surplus from Raffles	33,608	568,408
Gross Margin from Raffles	*11%*	*35%*
Merchandise		
Gross Revenue from Merchandise	1,264,442	989,538
Less: Direct Costs of Merchandise	(723,907)	(635,731)
Gross Surplus from Merchandise	540,535	353,807
Gross Margin from Merchandise	*43%*	*36%*
Donations		
Gross Revenue from Donations	7,810,334	6,361,868
Less: Direct Costs of Donations	(2,023,807)	(1,292,073)
Gross Surplus from Donations	5,786,527	5,069,795
Gross Margin from Donations	*74%*	*80%*
Gross Revenue from Fundraising	9,385,090	8,996,041
Less: Direct Costs of Fundraising	(3,024,420)	(3,004,031)
Gross Surplus from Fundraising	6,360,670	5,992,010
Gross Margin from Fundraising	*68%*	*67%*

The Kids' Cancer Project is committed to the ongoing improvement in fundraising effectiveness through acquisition and retention of its supporter base and the continuing reduction of relative costs. Our total funds raised in the year have been very strong despite being impacted by the COVID-19 pandemic.

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

- In line with strategy, FY2022 saw the cessation of The Kids' Cancer Projects telemarketing raffle program with a greater focus on high impact regular giving. The traditional telemarketing program was replaced by a smaller digital raffle campaign with four Play for Purpose Raffles being conducted online. The reduction in revenue from this funding stream was $1,334,322 compared with FY2021.
- Overall fundraising income increased by 4.3% compared with the previous year. Year on year improvement in gross margin was 2%, increasing from 66% in FY2021 to 68% in FY2022. This result was achieved via:
  - Increased Bear merchandise sales of $274,904 (27.8%) compared with the previous year. Gross profit margin increased to 43% in FY 2022 from 36% in FY 2021. Digital Bear sales were an area of focus in FY2022, with 13% of Bear sales being attributable to digital.
  - Growth in Regular Giving to over 10,000 donors, with income from this revenue stream increasing by over $588,000 (34.6%) compared with FY2021and breaking $2 million for the first time.
  - Community fundraising grew in FY 2022 by $1,023,000 (67.2%) compared with FY2021 with the introduction of the highly successful national fundraising initiative, the Better Challenge.
- Donations in FY2022 included bequests of $19,201as against FY2021 of $309,733. Excluding bequests, donation gross profit increased year on year by $1,007,264, being an increase of 21%. The key factors supporting this growth included an increase in regular givers to the charity, strong community support, a strategic focus on the major gift program and continued corporate engagement. Donations as a proportion of total gross surplus increased from 85% in FY2021 to 91% in FY2022.

Fundraising expenses include specific direct costs and exclude salaries and allowances and other expenses not directly related to fundraising.

Note 18. Research funding and related expenditure

Research title	2022 $	2021 $
Neuroblastoma Drug Discovery, UNSW	-	39,380
Monash University, National biobank network to support paediatric and AYA cancer research	72,439	62,466
ANZCHOG, partnership to advance national research and clinical trials	158,182	150,000
Telethon Kids Institute, smarter drugs to reduce long-term side effects for childhood brain cancer	-	106,713
Tasmanian Children's and Adolescent / Young Adult Cancer Clinical Trials Royal Hobart Hospital	-	60,925
Telethon Kids Institute, enhancing radiation therapy using brain specific immunotherapy	78,957	74,037
Pre-clinical anti CD-47 therapy, Telethon Kids Institute	-	79,998
Therapeutic targeting transcriptional addiction in paediatric leukaemia's – The University of Melbourne	-	33,529
Cancer Australia PdCCRS - Targeting NAD pathway as a new therapeutic strategy for high risk leukaemia children, Children's Cancer Institute (The University of New South Wales)	-	92,119
Cancer Australia PdCCRS - Application of gene-silencing nanodrugs to inhibit medulloblastoma growth, Children's Cancer Institute (The University of New Soth Wales)	99,518	49,751
'Ready, Steady, School' – development and evaluation of supportive resources for children and adolescents returning to school after cancer – University of New South Wales	-	47,874
Cancer Australia PdCCRS - Targeting the cell cycle regulators CDK4/6 to treat medulloblastoma, Institute for Molecular Bioscience – The University of Queensland	-	65,402
Telethon Kids Institute, Cancer Australia PdCCRS – Intra-operative immunotherapy to prevent relapse in soft tissue sarcoma	-	49,381
Cancer Australia PdCCRS -"Cage fighting" with neuroblastoma: engineering a protein nanocage for targeted ionophoric-copper therapy, Macquarie University	31,963	31,963
Pre-clinical development of novel immune therapy for paediatric cancers – The University of New South Wales	80,000	80,000
Support paediatric & AYA cancer research – ANZCHOG	60,834	176,902
Personalised Medicine – Children's Cancer Institute Australia	-	210,000
ANZCHOG Sponsorship	-	10,000
Children's Cancer Institute, Sarcoma project CBRF	-	50,000
Cancer Australia PdCCRS - Personalised target therapy for adolescent and young adult medulloblastoma patients, Nelune Comprehensive Cancer Centre	66,824	66,824
Understanding genetic basis of chemotherapy-induced cardiomyopathy in paediatric oncology survivors	95,741	195,777
Monash University, A pilot and surgical study of Larotrectinib for treatment of children with newly diagnosed High Grade Glioma	-	22,488
Epigenetic targeted therapy in Diffuse Intrinsic Pontine Glioma (DIPG), Children's Cancer Institute (the University of New South Wales)	-	105,714
Cancer Australia PdCCRS - Targeting Polio like kinase 1 as a novel therapeutic opportunity for DIPG, Children's Cancer Institute (The University of New South Wales)	92,761	92,761
Developing Treatments for vincristine-induced neuropathy, The University of Queensland	94,629	127,989
Development of a non-invasive diagnostic and prognostic assay for adolescent testicular cancer, The University of Queensland	-	17,250
Overcoming therapeutic resistance in high risk acute lymphoblastic leukaemia using novel BH3 mimetc combinations, The Walter and Eliza Hall Institute of Medical Research	-	25,000
Elucidating drug sensitivity and the clonal evolution of PH -like ALL in adolescents, South Australia Health and Medical Research Institute (SAHMRI)	75,738	75,738
Evaluate the late effects and their association with cancer treatment among Australian childhood cancer survivors, Children's Hospital at Westmead Clinical School, The University of Sydney	-	19,789
Reboot Kids. Nutrition Program to prevent obesity and metabolic complications in young cancer survivors recently off treatment, Sydney Children's Hospital Kids Cancer Centre (the University of New South Wales)	83,104	85,051
Advocacy in support of childhood cancer research	426,400	360,000
Clinical trial access	118,400	17,530
ISKS Study – Targeting IL-23 in bone and soft tissues sarcomas, The Garvan Institute		50,000
ANZSA Sarcoma Fellowship Sponsorship	42,500	-

Note 18. Research funding and related expenditure (continued)

Murdoch Institute, Pharmacogenetics real-time implementation of rare toxicity predisposition	132,500	-
Children's Cancer Institute, UNSW, Epigenetic targeted therapy in Diffuse Intrinsic Pontine Glioma (DIPG)	84,979	-
Children's Cancer Institute, Cancer Australia PdCCRS, Enhanced polyamine depletion as a novel therapy for aggressive childhood cancers	79,998	-
Institute of Molecular Bioscience -The University of Queensland, PdCCRS, To determine the molecular basis of resistance to CDK4/6 inhibition	140,274	-
Telethon Kids Institute, Preclinical drug testing pipeline to evaluate the efficacy of PARP inhibitors for infants with acute lymphoblastic leukaemia.	95,939	-
University of Western Australia, PdCCRS, Intra-operative immunotherapy to prevent relapse in soft tissue sarcoma	98,763	-
The University of Melbourne, Sir Peter MacCallum Dept Oncology, Targeting altered serine metabolism in MLL re-arranged paediatric AML	54,585	-
The University of Newcastle, Pharmaco- phospho-proteo genomics of paediatric High Grade Gliomas (HGG)	50,000	-
Cancer Australia, PdCCRS, Identification of megakaryocyte and platelet bone marrow niches	50,000	-
The University of Queensland, Reducing the long-term side effects of chemotherapy in cancer survivors	49,690	-
UNSW, iBounce - a digital health education program to improve childhood cancer survivor's self-efficacy to engage in physical activity	49,965	-
UNSW, Children's Cancer Institute, Exploiting the DNA damage response in paediatric sarcoma	43,608	-
UNSW, Children's Cancer Institute, Simultaneous detection of chemotherapy resistance and targeted agent sensitivity using single cell sequencing of residual malignant tissues	55,000	-
Queensland University of Technology, From Bench to Bedside - Developing and Osteosarcoma precision oncology workflow	49,862	-
Hudson Institute of Medical Research, Identification of a sarcoma molecular prognostic and therapy resistance signature	66,101	-
Sydney Children's Hospital Foundation, Clinical translation of CAR T cell therapy for the treatment of sarcoma	50,000	-
Telethon Kid's Institute, Connect 1903, A Pilot and Surgical Study of Larotrectinib for treatment of children with newly diagnosed High Grade Glioma with NTKR	16,922	-
Medical Research Future Fund - Brain Cancer Research Grant	158,824	-
	3,005,000	2,732,351

Note 19. Financial instruments

Financial risk management objectives

The Company's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company uses derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The Company uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Responsible Persons ('the Board'). These policies include identification and analysis of the risk exposure of the Company and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Company's operating units. Finance reports to the Board on a monthly basis.

Note 19. Financial instruments (continued)

	2022 $	2021 $
Financial Assets		
Cash and Cash Equivalents	3,785,355	2,497,141
Financial Liabilities		
Trade and other payables	2,067,904	1,343,294

Market risk

Foreign currency risk
The company do not undertake transactions denominated in foreign currency and is not exposed to foreign currency risk through foreign exchange rate fluctuations.

Price risk
The Company is not exposed to any significant price risk.

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

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Company obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Company does not hold any collateral.

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

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

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

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

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

Note 20. Capital management

Management controls the capital of the Company to ensure that adequate cash flows are generated to fund research programs and that returns from investments are maximised.

Risk management policies are approved and reviewed by the Board on a regular basis. These include credit risks and policies and future cash flow requirements.

Management effectively manages the Company's capital by assessing the Company's financial risks and responding to changes in these risks and the market. There have been no changes in the strategy adopted by management to control the capital of the Company since the previous financial year.

Note 21. Contingent liabilities

A bank guarantee for $122,833 has been established with a third party in relation to the property lease rental and is in place for the term of the lease (2021: $123,617).

Note 22. Related party transactions

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

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

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

Note 23. Events after the reporting period

No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Note 24. Reconciliation of surplus after income tax to net cash from operating activities

	2022 $	2021 $
Surplus after income tax expense for the year	472,179	562,918
Adjustments for:		
Depreciation and amortisation	389,944	389,395
Net gain on disposal of property, plant and equipment	(13,000)	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(112,303)	10,776
Decrease/(increase) inventories	(67,803)	17,853
Decrease/(increase) in other assets	89,729	(445,418)
Increase/(decrease) in employee benefits	44,946	42,870
Increase/(decrease) in deferred income	88,939	14,942
Increase/(decrease) in trade and other payables	724,610	213,225
Net cash from operating activities	1,617,241	806,561

The Kids' Cancer Project

Independent auditor's report to members

Report on the Audit of the Financial Statements

Opinion

We have audited the financial report of The Kids' Cancer Project (the Company), which comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Responsible Persons' declaration.

In our opinion the financial report of The Kids' Cancer Project has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

a. giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
b. complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

The Responsible Persons are responsible for the other information. The other information comprises the information included in the Responsible Persons' report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Responsibilities of the Responsible Persons for the Financial Report

The Responsible Persons of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, the ACNC Act and the needs of the members. The Responsible Persons responsibility also includes such internal control as the Responsible Persons determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

The Responsible Persons are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

This description forms part of our independent auditor's report.

William Buck

William Buck
Accountants & Advisors
ABN 16 021 300 521

Leo Tutt

L.E. Tutt
Partner
Sydney, 12th November 2022

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