



CHILDREN'S TUMOUR FOUNDATION OF AUSTRALIA

ABN 26 148 815 534
AND CONTROLLED ENTITY

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

CHILDREN'S TUMOUR FOUNDATION OF AUSTRALIA

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Financial Report

for the Year Ended 30 June 2018

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CHILDREN'S TUMOUR FOUNDATION OF AUSTRALIA

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Director's Report

Your directors present their report on the company and its controlled entity for the financial year ended 30 June 2018.

Directors

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

	Date Appointed	Date of Cessation	A	B
J Hughes (Chair)	4 Dec 2011	-	5	5
G Bottom	4 Dec 2011	-	2	5
L Dell	23 Dec 2013	-	5	5
H Dudley-Smith	22 Aug 2014	-	5	5
N Hansra	5 May 2012	-	4	5
S Kulmar	22 Aug 2014	-	4	5
A Hilderbrand	26 Nov 2016	-	3	5
N Davis	8 Feb 2017	20-Jul-18	2	2
L Shand	19 Apr 2018	-	2	2
P Krideras	9 Jul 2018	-	-	-
A Robson	9 Jul 2018	-	-	-
A Tse	10 Aug 2018	-	-	-

A – Number of board meetings attended

B – Number of board meetings held during the time the director held office during the year

Principal Activities

The principal activities of the company during the financial year were to:

- provide support to members of the company;
- engage in fundraising activities primarily through the Children's Tumour Foundation of Australia, and
- act as trustee for the Lisa Palmer Foundation.

The company's short-term objectives are to provide information & support to members and their families and to increase public awareness of Neurofibromatosis ("NF").

The company's long-term objectives are to find a cure for NF through funding research.

To achieve these objectives the company has adopted the following strategies:

- Undertake regular fundraising and public awareness activities;
- Provision of support services to individuals and families affected by NF;
- Funding of NF research, and
- Provide advocacy and information service to improve outcomes for NF sufferers.

During the year the consolidated group raised income from fundraising activities of \$1,756,945 (2017: \$1,117,284) and made grants for research, equipment and support services of \$391,917 (2017: \$315,664).

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Director's Report Continued

Information on Directors

John Hughes	Chair
Qualifications	B Comm, FAICD
Experience	<p>Previously Deputy Chair of Fantastic Holdings Ltd., CEO and Managing Director of Thorn Group Ltd. and prior to that Managing Director of Ruralco Holdings Ltd. Over 40 years' director and senior executive experience in a number of leading Australian and International companies including Thorn EMI, Dominos Pizza, Sharp Corporation, Competitive Foods and Grace Bros. Director of Infonet Australia Pty Ltd and Co-Founder of Doves Nest Foundation.</p> <ul style="list-style-type: none">■ Chair of Marketing Committee■ Member of the Lisa Palmer Foundation Committee
Nirmal Hansra	Director
Qualifications	M Comm, FAICD, FGIA, FCA, FCPA
Experience	<p>Chair of Campbell Page Ltd., Non-Executive Director of Eureka Group Holdings Ltd., Link Housing Ltd, Kuringai Financial Services Ltd., Have A Voice Pty Ltd and Council of the Aging NSW. Over 12 years' corporate advisory and board experience and 35 years' senior executive experience as Finance Director/Chief Financial Officer of leading Australian and International companies including Industrea Ltd., Australian Pharmaceutical Industries Ltd., Ruralco Holdings Ltd., Rentworks Ltd., NetComm Australia Pty. Ltd., Fujitsu Australia Ltd. and Texas Instruments Australia Ltd.</p> <ul style="list-style-type: none">■ Chair of Finance, Audit & Risk Committee■ Member of the Lisa Palmer Foundation Committee
Geoff Bottom	Director
Experience	<p>Over 35 years' retail experience and currently Store Manager of Bernardi's Supa IGA in Bathurst NSW. Geoff is actively involved with the Rotary Club of Australia and has received the Paul Harrison Award and the Blue Sapphire Award for fundraisings.</p> <ul style="list-style-type: none">■ Chair of NSW State Committee
Laurence Dell	Director
Qualifications	Masters in Management, BA (Management & Political Science)
Experience	<p>Partner at PwC, based in Melbourne and he leads the enterprise performance improvement practice. He specialises in delivering productivity programs that result in significantly improved and sustainable business performance. With over 15 years' experience, Laurence has led complex performance improvement projects across a range of industries. He is an expert in the telecommunications industry.</p> <ul style="list-style-type: none">■ Chair of Victorian State Committee

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Director's Report Continued

Hugo Dudley-Smith	Director
Qualifications	B Civil Engineering (First Class Honours)
Experience	<p>A Managing Director of the independent investment firm , Gresham Advisory Partners. Extensive experience in providing advice in relation to corporate strategy, M&A transactions and capital raisings. Previously worked with Goldman Sachs in London and Sydney.</p> <p>■ Member of Finance, Audit & Risk Committee</p>
Stephen Kulmar	Director
Experience	<p>Chair of Edge & Co. Pty Ltd, Non-Executive Director of Thorn Group Limited and RCG Corporation and Founder of Retail Oasis, a boutique retail marketing service company. Previously Chairman and CEO of IdeaWorks. Over 30 years' experience in retail strategy, brand strategy, channel to market strategy and business development.</p> <p>■ Member of Marketing Committee</p>
Alissa Hilderbrand	Director
Experience	<p>Chief Operating Officer of Beluga Capital and former CEO of Valet Private – Australia's leading Concierge and Travel business catering to High Net Worth Individuals and Families. Over 20 years' experience in a variety of executive roles both in Australia and the United States. Industry experience covering; media, banking, health care, technology, child care and travel.</p> <p>■ Member of Marketing Committee</p>
Nicholas Davis	Director - Resigned 20 July 2018
Qualification	MA Economics (Cambridge); CA, Member of Institute of Chartered Accountants in Australia and New Zealand.
Experience	<p>Over 30 years' professional experience and currently Partner in KPMG, specialising in Audit and CFO advisory services. Previously worked in KPMG in Canada and the UK, as well as with the Australian Securities and Investment Commission.</p> <p>■ Member of Finance, Audit & Risk Committee.</p>
Peter Krideras	Director - Appointed 9 July 2018
Qualifications	Associate Diploma in Business
Experience	<p>Over 20 years' retail experience and currently co-founder and director of Global Market Place which owns Australia's leading online events platform Click Frenzy and number one online publication Power Retail.</p> <p>■ Member of Marketing Committee</p>

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Director's Report Continued

Lisa Barclay Shand	Director - Appointed 19 April 2018
Qualification	BA (First Class Honours)
Experience	Over 30 years' experience as institutional account executive in the Australian equity market working for global investment banks such as ABN Amro, RBS Equities Australia Ltd and Nomura Australia Ltd. Currently Director of Sydney, Morgans Financial. <ul style="list-style-type: none">Member of Finance, Audit & Risk Committee.
Anthony Robson	Director - Appointed 9 July 2018
Qualification	MAppFin, BSc (Mathematics, Statistics), MAICD
Experience	Currently CEO and Managing Director of Yieldbroker Pty Ltd, previously Managing Director and Head of Markets at Barclays Australia and Managing Director at UBS (London and Sydney). Current Member of AFMA Governance Committee, previously Board Member of iSwap Australia, Club Captain and Board Member of Avondale Golf Club. Over 25 years in Financial Markets living and building businesses in Sydney, London and New York. <ul style="list-style-type: none">Member of Finance, Audit & Risk Committee.
Adon Tse	Director - Appointed 10 August 2018
Qualification	Bachelor of Medical & Health Science
Experience	Founder and Managing Director of Royale Group of Companies with over 10 years corporate experience in advisory, funds management & financial and property markets. Active businessman, securities trader and investor in Australia, Hong Kong, Macau and Singapore.. <ul style="list-style-type: none">Member of Finance, Audit & Risk Committee.

Members Guarantee

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$100 each towards meeting any outstanding obligations of the entity. At 30 June 2018, the total amount that members of the company are liable to contribute if the company is wound up is \$1,100.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2018 has been received and can be found on the following page.

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



JOHN HUGHES (DIRECTOR)



NIRMAL HANSRA (DIRECTOR)

Dated this day of September 2018

27 September 2018

The Board of Directors
Children's Tumour Foundation of Australia
2/451 Lyons Road West
Five Dock NSW 2046

Dear Board Members

Children's Tumour Foundation of Australia and Controlled Entity

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, I am pleased to provide the following declaration of independence to the Directors of Children's Tumour Foundation of Australia and Controlled Entity.

As lead audit partner for the audit of the financial report of Children's Tumour Foundation of Australia and Controlled Entity for the financial year ended 30 June 2018, I declare that to the best of my knowledge and belief, that there have been no contraventions of:

- (i) the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely



CROWE HORWATH SYDNEY



LEAH RUSSELL
Senior Partner

CHILDREN'S TUMOUR FOUNDATION OF AUSTRALIA

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Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2018

		Consolidated Group	
	NOTE	2018	2017
		\$	\$
Revenue			
Fundraising		390,635	296,209
Donations		1,366,310	821,075
Gross proceeds from fundraising activities	2	1,756,945	1,117,284
Grants received – NSW Health Department		18,727	19,186
Interest received - other		36,841	26,774
Other income		-	91
Total revenue & other income		1,812,513	1,163,335
Operating Expenses			
Employment expenses		465,216	342,841
Fundraising expenses		482,474	115,725
Database cost		104,315	168,846
Advertising & Website cost		2,096	15,389
Accounting fees		53,668	45,120
Occupancy expenses		35,536	32,498
Other administration costs		128,289	41,250
Bank fees		12,797	11,325
Depreciation		3,349	3,889
Total operating expenses		1,287,740	776,883
Operating surplus before grants made	2	524,773	386,452
Grants Made			
Research		191,420	178,420
Support Services		200,497	137,244
Total grants made		391,917	315,664
Net surplus for the year		132,856	70,788
Other comprehensive income for the year		-	-
Total comprehensive income for the year		132,856	70,788

The accompanying notes form part of these financial statements

CHILDREN'S TUMOUR FOUNDATION OF AUSTRALIA

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Consolidated Statement of Financial Position for the year ended 30 June 2018

	NOTE	Consolidated Group	
		2018	2017
		\$	\$
Current Assets			
Cash & cash equivalents	5 (a)	343,783	386,664
Trade and other receivables	6	10,140	36,150
Inventories	7	6,767	10,949
Other financial assets	8	952,144	910,000
Other assets	9	226,836	15,538
Total current assets		1,539,670	1,359,301
Non Current Assets			
Plant and equipment	10	5,245	3,733
Other assets	9	34,976	-
Total non current assets		40,221	3,733
Total assets		1,579,891	1,363,034
Current Liabilities			
Trade and other payables	11	153,625	68,956
Provisions	12	18,700	19,368
Total current liabilities		172,325	88,324
Total liabilities		172,325	88,324
Net Assets		1,407,566	1,274,710
Total Funds			
Retained earnings		1,407,566	1,274,710
Total funds		1,407,566	1,274,710

The accompanying notes form part of these financial statements

CHILDREN'S TUMOUR FOUNDATION OF AUSTRALIA

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Consolidated Statement of Changes in Equity for the year ended 30 June 2018

	Consolidated Group	
	Retained Earnings	Total
	\$	\$
Balance at 1 July 2016	1,203,922	1,203,922
Net surplus	70,788	70,788
Other comprehensive income	-	-
Balance at 30 June 2017	<u>1,274,710</u>	<u>1,274,710</u>
Net surplus	132,856	132,856
Other comprehensive income	-	-
Balance at 30 June 2018	<u>1,407,566</u>	<u>1,407,566</u>

The accompanying notes form part of these financial statements

CHILDREN'S TUMOUR FOUNDATION OF AUSTRALIA

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Consolidated Statement of Cash Flows for the year ended 30 June 2018

		Consolidated Group	
	NOTE	2018	2017
		\$	\$
Cash Flows From Operating Activities			
Receipts from supporters and funding sources:			
Fundraising income		390,635	336,203
Donations		1,365,100	827,354
Grants		18,727	19,186
Other income		-	91
Interest income		44,061	14,932
		1,818,523	1,197,766
Operating and fundraising expenses		(1,469,364)	(798,700)
Grants for research, equipment and support services		(345,035)	(282,309)
Net cash provided/ (used) by operating activities	5 (b)	4,124	116,757
Cash Flows from Investing Activities			
Payment for plant and equipment		(4,861)	(1,700)
Net cash used in investing activities		(4,861)	(1,700)
Net increase/(decrease) in cash and cash equivalents		(737)	115,057
Cash and cash equivalents at the beginning of the year		386,664	451,607
Reclassification from/(to) financial asset		(42,144)	(180,000)
Cash and cash equivalents at the end of the year	5 (a)	343,783	386,664

The accompanying notes form part of these financial statements

CHILDREN'S TUMOUR FOUNDATION OF AUSTRALIA

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Notes to the Financial Statements for the year ended 30 June 2018

These consolidated financial statements are for Children's Tumour Foundation of Australia and controlled entity ("Consolidated Group" or "Group"). Children's Tumour Foundation of Australia is a company limited by guarantee, incorporated and domiciled in Australia.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board and the Australian Charities and Not-for-profits Commission Act 2012. Children's Tumour Foundation of Australia is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements were authorised for issue on 24 August 2018 by the directors of the company.

Accounting Policies

(a) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by the company at reporting date. A controlled entity is any entity over which the company has the power to govern the financial and operating policies so as to obtain benefits from its activities. A list of controlled entities is contained in Note 15 to the financial statements.

(b) Impairment of Assets

At the end of each reporting period, the entity reviews the carrying values of its tangible and intangible 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 depreciated replacement cost, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is recognised immediately in the statement of comprehensive income.

(c) Taxation

Income Tax

The company is a charitable institution for the purposes of Australian taxation legislation and is therefore exempt from income tax. This exemption has been confirmed by the Australian Taxation Office. The company holds deductible gift recipient status.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except where the amount of GST incurred is not recoverable from the Australian Taxation Office, in which case it is recognised as part of the cost of acquisition of an asset or as part of an item of expense. Receivables and payables are recognised inclusive of GST. The net amount of GST recoverable from or payable to the Australian Taxation Office is included as part of receivables or payables. Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from or payable to the Australian Taxation Office is classified as operating cash flows.

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Notes to the Financial Statements for the year ended 30 June 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(d) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the group commits itself to either purchase or sell the asset (ie trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost.

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 principle 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 interest. 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.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

(i) *Receivables*

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. All other receivables are classified as non-current assets. Gains or losses are recognised in the profit or loss through the amortisation process and when the financial asset is derecognised.

(ii) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in the profit or loss through the amortisation process and when the financial liability is derecognised.

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Notes to the Financial Statements for the year ended 30 June 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(d) Financial Instruments continued

De-recognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(e) Comparative Figures

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

When an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

(f) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available information. Estimates assume a reasonable expectation of future events.

Key estimate

Impairment

The group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the group that may be indicative of impairment triggers.

Key judgment

Database expense

The future economic benefits from the database are uncertain and therefore the Directors have decided to expense the amounts incurred.

(g) New or amended Accounting Standards and Interpretation adopted

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

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

CHILDREN'S TUMOUR FOUNDATION OF AUSTRALIA

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Notes to the Financial Statements
for the year ended 30 June 2018

NOTE 2 STATEMENT SHOWING HOW FUNDS RAISED WERE APPLIED TO CHARITABLE PURPOSES

	Consolidated Group	
	2018	2017
	\$	\$
Gross income from fundraising	1,756,945	1,117,284
Less:		
Direct fundraising expenses	482,474	115,725
Operating expenses	805,266	661,158
Surplus from fundraising	469,205	340,401
Add:		
Income from other sources	55,568	46,051
Operating surplus	524,773	386,452
Less funds applied to:		
Research grants made	191,420	178,420
Support services provided	200,497	137,244
Total funds applied	391,917	315,664
Net operating surplus/(deficit)	132,856	70,788

Revenue is recognised when the group is legally entitled to the income and the amount can be quantified with reasonable accuracy. All revenue is stated net of the amount of goods and services tax (GST).

Fundraising including donations and bequests are recognised as revenue when received.

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

Interest revenue is recognised as it accrues using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Fundraising costs are those incurred in seeking voluntary contributions by donation and do not include costs of disseminating information relating to the activities carried on by the group.

Other administration costs are those incurred in connection with administration of the group and compliance with constitutional and statutory requirements.

Research grants include grants to institutions undertaking research on NF related diseases.

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Notes to the Financial Statements
for the year ended 30 June 2018

NOTE 3 INFORMATION AND DECLARATIONS TO BE FURNISHED UNDER THE CHARITABLE FUNDRAISING ACT 1991

Fundraising Events

Fundraising events held during the year include a gala dinner and auction, fun runs and community events.

Direct costs

Direct costs in relation to these fundraising activities undertaken during the year are disclosed as fundraising expenses. The company supports its members through providing information both over the phone and in newsletters. It also provides grants to institutions undertaking research on NF related diseases.

Fundraising conducted jointly with traders

	Consolidated Group	
	2018	2017
	\$	\$
Revenue from fundraising	170,645	272,806
Total payments to trader	104,315	168,025
Gross contribution	66,330	104,781

NOTE 4 PERFORMANCE RATIOS

Comparisons	Consolidated Group		
	2018	2018	2017
	\$	%	%
Total cost of fundraising / gross income from fundraising	482,474 / 1,756,945	27%	10%
Net surplus from fundraising / gross income from fundraising	1,274,471 / 1,756,945	73%	90%
Total cost of services net of fundraising activities / total operating expenditure	805,266 / 1,287,740	63%	85%
Total costs of services net of fundraising expenses / total income received	805,266 / 1,812,513	44%	57%

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Notes to the Financial Statements for the year ended 30 June 2018

	Note	Consolidated Group	
		2018	2017
		\$	\$

NOTE 5 NOTES TO THE STATEMENT OF CASH FLOW

(a) Reconciliation of Cash

For the purposes of the statement of cash flows, cash at the end of the reporting period as shown in the statement of cash flows is reconciled to the related items in the financial statements as follows:

Cash at Bank	283,280	286,161
Term deposits	60,000	100,000
Cash on hand	503	503
	<u>343,783</u>	<u>386,664</u>

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

(b) Reconciliation of net cash flow from operating activities to operating surplus

Operating surplus	132,856	70,788
Depreciation	3,349	3,889
Decrease/(increase) in receivables	26,010	14,431
Decrease/(increase) in inventories	4,182	(3,537)
Decrease/(increase) in other assets	(246,274)	(10,585)
(Decrease)/increase in payables	84,669	35,733
(Decrease)/increase in provisions	(668)	6,038
	<u>4,124</u>	<u>116,757</u>

NOTE 6 RECEIVABLES

Other receivables	10,140	36,150
16	<u>10,140</u>	<u>36,150</u>

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Notes to the Financial Statements for the year ended 30 June 2018

	Note	Consolidated Group	
		2018	2017
		\$	\$
NOTE 7 INVENTORIES			
Goods purchased for resale		6,767	10,949
Inventories comprise goods for resale as part of the group's charitable activities and are measured at the lower of cost and current replacement cost.			
NOTE 8 OTHER FINANCIAL ASSETS			
Term deposits	16	952,144	910,000
Term deposits include deposits held at-call with banks with original maturities of more than three months.			
NOTE 9 OTHER ASSETS			
Current prepaid expenses		222,086	12,288
Deposits		4,750	3,250
		226,836	15,538
Non-Current prepaid expenses		34,976	-
NOTE 10 PLANT AND EQUIPMENT			
Office furniture, computer and other equipment at cost		18,393	13,534
Less: Accumulated depreciation		(13,148)	(9,801)
		5,245	3,733
Movements in Carrying Amounts			
Balance at the beginning of the year		3,733	
Additions		4,861	
Depreciation expense		(3,349)	
Carrying amount at the end of the year		5,245	

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Notes to the Financial Statements for the year ended 30 June 2018

	Note	Consolidated Group	
		2018	2017
		\$	\$

NOTE 10 PLANT AND EQUIPMENT CONTINUED

Property plant and equipment is carried at cost less, where applicable, any accumulated depreciation and any impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of replacement cost and subsequent disposal.

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Plant and equipment 33.33%

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.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised immediately in the statement of comprehensive income.

NOTE 11 TRADE & OTHER PAYABLES

Trade creditors		8,040	10,479
Other creditors		145,585	38,477
Deferred income		-	20,000
Financial liabilities as trade and other payables	16	<u>153,625</u>	<u>68,956</u>

Trade and other creditors represent the liability outstanding at the end of the reporting period for goods and services received by the group during the reporting period which remain unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

The liability of deferred income is the unutilised amounts of grants or donations received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided or the conditions fulfilled within 12 months of receipt of the grant or donation.

CHILDREN'S TUMOUR FOUNDATION OF AUSTRALIA

ABN 26 148 815 534

AND CONTROLLED ENTITY

Notes to the Financial Statements for the year ended 30 June 2018

	Consolidated Group	
	2018	2017
	\$	\$

NOTE 12 PROVISIONS

Annual leave	18,700	19,368
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Provision is made for the group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. 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 at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on corporate bonds with terms to maturity that match the expected timing of cash flows.

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

NOTE 13 CAPITAL AND LEASING COMMITMENTS

Capital Commitments

At reporting date the group has not entered into contracts for capital expenditure which have not been provided for in the financial statements.

Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements

Payable – minimum lease payments:

- not later than 12 months	27,867	27,120
- later than 12 months but not later than five years	2,328	2,260
	30,195	29,380

The property lease commitment is a non-cancellable operating lease contracted for but not capitalised in the financial statements. A new agreement was entered into for the 12 months ending July 2018.

Commitments

The Group has the following grant commitments at 30 June 2018:

Organisation	Purpose	Amount
Royal North Shore Hospital, St Leonards NSW 2065	Clinical trial of Rapamycin for NF - extended for further 2 years to 30 November 2020.	\$333,550
Murdoch Childrens Research Institute Parkville VIC 3052	Co-fund of research fellowship of NF for 2 years starting January 2018.	\$58,000

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Notes to the Financial Statements for the year ended 30 June 2018

NOTE 13 CAPITAL AND LEASING COMMITMENTS CONTINUED

Commitments contracted for not already accrued:

Research grants	133,420	168,420
- not later than 12 months	200,130	101,710
- later than 12 months but not later than five years	333,550	270,130

NOTE 14 PARENT INFORMATION

The following information has been extracted from the books and records of the parent and has been prepared in accordance with the accounting standards.

	2018	2017
	\$	\$

STATEMENT OF FINANCIAL POSITION

ASSETS

Current Assets	1,345,148	1,021,550
TOTAL ASSETS	1,385,369	1,025,283

LIABILITIES

Current Liabilities	92,088	54,969
TOTAL LIABILITIES	92,088	54,969

EQUITY

Retained Earnings	1,293,281	970,314
TOTAL EQUITY	1,293,281	970,314

STATEMENT OF PROFIT AND LOSS AND COMPREHENSIVE INCOME

Total Surplus	318,415	227,548
Total Comprehensive Income	318,415	227,548

NOTE 15 CONTROLLED ENTITIES CONSOLIDATED

Children's Tumour Foundation of Australia controls the Lisa Palmer Foundation by virtue of the control tests outlined in AASB 10 Consolidated Financial Statements.

CHILDREN'S TUMOUR FOUNDATION OF AUSTRALIA

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Notes to the Financial Statements for the year ended 30 June 2018

NOTE 16 FINANCIAL RISK MANAGEMENT

The group's financial instruments consist mainly of deposits with banks, receivables and payables.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

		Consolidated Group	
	Note	2018 \$	2017 \$
Financial assets			
Cash and cash equivalents	5 (a)	343,783	386,664
Receivables	6	10,140	36,150
Other financial assets	8	952,144	910,000
Total financial assets		1,306,067	1,332,814
Financial liabilities			
Financial liabilities at amortised cost:			
- trade and other payables	11	153,625	68,956
Total financial liabilities		153,625	68,956

NOTE 17 KEY MANAGEMENT PERSONNEL COMPENSATION

No personnel of the Group are key management personnel as all decisions are made by the board.

NOTE 18 RELATED PARTY TRANSACTIONS

(a) Directors' Compensation

The directors act in an honorary capacity and receive no compensation for their services.

NOTE 19 EVENTS SUBSEQUENT TO REPORTING DATE

There are no material post balance date events or transactions which would affect the financial position and performance of the group.

CHILDREN'S TUMOUR FOUNDATION OF AUSTRALIA

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Notes to the Financial Statements for the year ended 30 June 2018

NOTE 20 TRUST LIABILITIES AND RIGHT OF INDEMNITY

The Company acts as trustee of the Lisa Palmer Foundation Trust. No liabilities have been incurred on behalf of that trust in the company's capacity as corporate trustee.

Liabilities incurred on behalf of the trust are not recognised in Children's Tumour Foundation of Australia as a parent entity, but have been included from a consolidated point of view, when it is not probable that the company will have to meet any of those trust liabilities from its own resources. When it is probable that the Company will have to meet some trust liabilities, the offsetting right of indemnity and deficiency in the indemnity are included in the parent entity numbers.

The assets of the trust, which lie behind the right of indemnity, are not directly available to meet any liabilities of the company acting in its own right. The assets of the trust were sufficient to discharge all liabilities of the trust at 30 June 2018.

The following information has been extracted from the books and records of the Lisa Palmer Foundation and has been prepared in accordance with the accounting standards.

	2018	2017
	\$	\$

STATEMENT OF FINANCIAL POSITION

ASSETS

Cash and cash equivalents	97,036	22,524
Interest receivable	966	5,227
Other financial assets	101,072	310,000
TOTAL ASSETS	199,074	337,751

LIABILITIES

Current Liabilities	80,237	33,355
TOTAL LIABILITIES	80,237	33,355

EQUITY

Retained Earnings	118,837	304,396
TOTAL EQUITY	118,837	304,396

STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

Interest received	5,865	11,660
Research and Equipment grants made	(191,420)	(168,420)
Bank charges	(4) -	
Total Deficit	(185,559)	(156,760)
Total Comprehensive Income	(185,559)	(156,760)

CHILDREN'S TUMOUR FOUNDATION OF AUSTRALIA

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Notes to the Financial Statements
for the year ended 30 June 2018

NOTE 21 COMPANY DETAILS

The principal place of business and registered office of the Company is:

Children's Tumour Foundation of Australia

2/451 Lyons Road West

Five Dock NSW 2046

CHILDREN'S TUMOUR FOUNDATION OF AUSTRALIA

ABN 26 148 815 534

AND CONTROLLED ENTITY

Declaration by Directors

Requirements per the Australian Charities and Not-for-profits Commission Act 2012

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 6 to 22, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and:
 - a. comply with Australian Accounting Standards – Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 30 June 2018 and of the performance for the year ended on that date of the consolidated group.
2. In the directors' opinion there are reasonable grounds to believe that Children's Tumour Foundation of Australia will be able to pay its debts as and when they become due and payable.

The accounts give a true and fair view of all income and expenditure with respect to fundraising appeals.

Requirements per Charitable Fundraising Act 1991

The directors of Children's Tumour Foundation of Australia declare that in our opinion:

- (a) The financial statements give a true and fair view of all income and expenditure of Children's Tumour Foundation of Australia with respect to fundraising appeals for the financial year ended 30 June 2018
- (b) The Statement of Financial Position gives a true and fair view of the state of affairs with respect to fundraising appeal activities as at 30 June 2018.
- (c) The provisions of the Charitable Fundraising Act 1991 and the Regulations under that Act and the conditions attached to the authority to fundraise have been complied with during the year ended 30 June 2018.
- (d) As is common for organisations of this type, it is not practicable to maintain an effective system of internal controls over donations, subscriptions and other fund raising activities until their initial entry in the accounting records.
- (e) the financial statements are properly drawn up in accordance with Australian Accounting Standards as outlined in Note 1 to the accounts; and
- (f) at the date of this statement there are reasonable grounds to believe that the Children's Tumour Foundation of Australia will be able to pay its debts as and when they fall due

This statement is made in accordance with a resolution of the Board of Directors and is signed on behalf of the directors by:



JOHN HUGHES (DIRECTOR)

NIRMAL HANSRA (DIRECTOR)

Dated this day of September 2018

Independent Auditor's Report to the Members of Children's Tumour Foundation of Australia

Report on the Audit of the Financial Report

Qualified Opinion

We have audited the financial report of Children's Tumour Foundation of Australia and Controlled Entity (the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration of the consolidated entity comprising the company and the controlled entity.

In our opinion, except for the possible effects on the financial statements of the matter described in the Basis for Qualification Opinion section of our report, the accompanying financial report of the Group 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 Group's financial position as at 30 June 2018 and of its financial performance and cash flows for the year then ended; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Qualified Opinion

As is common for organisations of this type, it is not practicable for the Group to maintain an effective system of internal control over cash donations and other fundraising activities until their initial entry in the accounting records. Accordingly, our audit of fundraising activities was limited to amounts recorded. We are therefore unable to express an opinion on whether the recorded cash donations and other fundraising activities are complete.

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Group are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

In addition, and with reference to the *Charitable Fundraising Act 1991*, we also report that:

- a. the financial report gives a true and fair view of the financial results of fundraising appeal activities for the financial year the ended 30 June 2018;
- b. the financial report has been properly drawn up and the associated records have been properly kept for the year ended 30 June 2018, in accordance with the *Charitable Fundraising Act 1991 and Regulations*;
- c. money received by the Group as a result of fundraising appeal activities conducted during the year ended 30 June 2018 has been properly accounted for and applied in accordance with the *Charitable Fundraising Act 1991 and Regulations*;
- d. money received by the Group for a specific purpose has been applied for the purpose that it has been raised;
- e. money received and sent overseas have been properly accounted for and those funds were used in meeting the society's charitable objective; and
- f. there are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due.

Crowe Horwath Sydney

CROWE HORWATH SYDNEY

L Russell

LEAH RUSSELL
Senior Partner

Dated at Sydney, this 27th September 2018