CanTeen – The Australian Organisation for Young People Living with Cancer

ACN 052 040 516

Annual Financial Report

for the year ended 31 March 2018

Contents

The financial report covers CanTeen - The Australian Organisation for Young People Living with Cancer as an entity. The financial report is presented in the Australian currency.

CanTeen - The Australian Organisation for Young People Living with Cancer ('CanTeen') is a company limited by guarantee, incorporated and domiciled in Australia.

Its registered office and principal place of business is:

> CanTeen - The Australian Organisation for Young People Living with Cancer
> 75 King Street Newtown NSW 2042

A description of the nature of the entity's operations and its principal activities is included in the nature of operations and principal activities on page 4, which is not part of this financial report.

The financial report was authorised for issue by the directors on 20 July 2018. The company has the power to amend and reissue the financial report.

Directors' report

The Board of Directors of CanTeen - The Australian Organisation for Young People Living with Cancer ("CanTeen") has pleasure in submitting their report for the year ended 31 March 2018.

DIRECTORS

The names and details of the Directors in office during the whole of the financial year and up to the date of the report:

Member Directors	
Emilie Adlide (Hogg) – Chair	Appointed 22 August 2015 Appointed Chair 27 August 2017
Joseph Lynch – Deputy Chair	Appointed 1 January 2017 Appointed Deputy Chair 19 November 2017
Ali Duncan	Appointed 27 August 2011 Appointed Chair 25 August 2012 Resigned as Chair 21 May 2017
Sean Dondas	Appointed 22 August 2015
Madeleine Way	Appointed 27 August 2017
Mathew Gilliland	Appointed 13 June 2012 Appointed Deputy Chair 25 August 2013 Resigned 21 May 2017
Associate Directors	
Ravi Underwood - Treasurer, Secretary, Associate Member, Chief Financial Officer	Appointed 12 April 2016 Appointed Secretary/Treasurer 27 August 2016
Kieran Schneemann – Associate Member, Executive Manager	Appointed 25 May 2014
Stuart Tucker – Associate Member Marketing Executive	Appointed 27 August 2017
Suzannah Blinman – Associate Member, Chief Commercial & Corporate Officer	Appointed 27 August 2017
Michelle Vanzella – Associate Member, Lawyer, Business Development Director	Appointed 28 August 2010 Resigned 21 May 2017

BOARD SUB-COMMITTEES

The company has established the following sub-committees, comprised of Members of the Board, to report to the Board on specific areas:

The **Finance, Governance and Risk Sub-Committee** comprised Ali Duncan (Chair), Kieran Schneemann, Sean Dondas, Ravi Underwood and Matthew Gilliland (16 May 17 only) met during the year on 16 May 2017, 22 August 2017, 14 November 2017, and 20 February 2018.

The **Nomination and Review Sub-Committee** comprised Emilie Adlide (Chair), Ali Duncan, Kieran Schneemann, Joey Lynch, Madeleine Way and Peter Orchard met during the year on 18 September 2017 and 30 November 2017.

Directors' report (continued)

BOARD ATTENDANCE

Details of meetings of the Board of Directors held during the year are given below, including details of attendance at these meetings.

		21/05/17	27/08/17*	23/10/17 T	26/10/17 T	16/11/17	25/02/18	TOTAL Att	TOTAL Elg
Emilie Adlide	*Appointed 22 August 2015 Appointed Chair 27 August 2017*	1	1	T	T	1	1	6	6
Ali Duncan	*Term began 27 August 2011 Appointed Chair 25 August 2012 Resigned as Chair 21 May 2017*	1	1	T	T	T	1	6	6
Mathew Gilliland	*Appointed 13 June 2012 Resigned 21 May 2017*	1						1	1
Sean Dondas	*Appointed 22 August 2015*	1	1	T	T	1		5	6
Joseph Lynch	*Appointed 1 January 2017*	1	1	T	T	1	1	6	6
Madeleine Way	*Appointed 27 August 2017*		1	T	T	1	1	5	5
Kieran Schneemann	*Term began 25 May 2014.*	1	1		T	1	1	5	6
Ravi Underwood	*Term began 12 April 2016.*	1	1	T	T	1	1	6	6
Stuart Tucker	*Term began 27 August 2017*		1	T		1	1	4	5
Suzie Blinman	*Term began 27 August 2017*			T		1	1	3	5
Michelle Vanzella	*Term began 28 August 2010 Resigned 21 May 2017*	1						1	1

T = Teleconference.
Elg = number of meetings for which the Director was a Member of the Board.
Att = number of Board meetings the Director attended.
* Annual General Meeting

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

The principal activity of CanTeen during the financial year was the nation-wide support, development and empowerment of young people living with cancer (YPLWC) – young people aged between 12 and 25 years in Australia who has or has had cancer or who has or has had an immediate family member with cancer. CanTeen provides a variety of services including specialist youth cancer services (improving delivery of health and support services for patients), counselling, peer support programs and information resources as well as research, social policy development and advocacy.

Directors' report (continued)

RESULTS OF OPERATIONS

The surplus of the company for the financial year was $1,870,603 (2017: $6,152,179).

REVIEW OF OPERATIONS

CanTeen continued to fund the delivery of a national program of state-wide youth cancer services based in hospitals and which provide specialist treatment and support for all young cancer patients across Australia. The highly innovative CanTeen Online Support Platform continued to provide access to professional counselling 7 days per week over extended hours as well as peer support 24/7. Young people living with cancer are also supported by our face to face services in each state and territory where their individual needs are identified and support plans developed and enacted. CanTeen's face to face services include social workers, counsellors and youth workers providing a range of support and programs to help young people meet their needs.

The organisation also continued to provide psychosocial programs which facilitate skill development and peer support to help young people deal with the impact of cancer on their life.

All the support that CanTeen provides is evidence-based and is guided by our internationally regarded research and evaluation unit.

The Now What books provide information to help YPLWC deal with the impact of cancer. These continue to be very popular with e-book versions developed as well as continuing to send out thousands of hard copies free of charge. Further opportunities for detailed information on cancer are available through canteen.org.au.

Our young leaders have been empowered through a significant investment in leadership and company director training.

As part of the 2017 Federal Budget it was announced that $5m had been allocated to CanTeen by the Australian Government, to conduct and support clinical trials for high lethality cancers in young people. The funding will be administered by CanTeen and allocated to clinical trials that are selected by the Clinical Trials Expert Advisory Group set up by CanTeen and comprising eminent researchers and specialist physicians.

During the year the Board approved an Investment Strategy aimed at improving returns on cash balances over the rates on offer from simple term deposits. The policy is very conservative and does not allow for speculative investment.

In February 2016 CanTeen was required to relocate its Sydney & Central Division and Head Office due to the sale and subsequent demolition of its then premises. After an extensive search over many months, a building (called the Trocadero) was identified which suited the needs of the young people we service and the organisation perfectly. Then in mid-2017 the owners put the property on the market. The directors evaluated the costs and benefits of continuing to rent and the real possibility of needing to relocate against purchasing the building. The business case reviewed by the Board indicated a very strong financial benefit accrued to Canteen for the purchase of the building at a reasonable price and management were able to secure that outcome. The Board is strongly of the opinion the purchase of the building at the price paid represents a good investment for the future of the organisation and will greatly benefit members in many years to come.

DIVIDENDS

No dividend has been paid or declared since the start of the financial year (2017: nil).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There are no significant changes in the state of affairs of the company that occurred during the financial year not otherwise disclosed in this report or in the financial statements.

LIKELY DEVELOPMENTS AND FUTURE RESULTS

In the opinion of the Directors there are no likely changes in the operations of the company which will adversely affect the results of the company in subsequent financial years.

ENVIRONMENTAL REGULATION

The Directors have assessed whether there are any significant environmental regulations which apply to the entity and have determined that there are none.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit.

INSURANCE OF OFFICERS

CanTeen paid an insurance premium in respect of a contract insuring each of the Directors of the company named earlier in this report and each executive officer against all liabilities and expenses arising as a result of work performed in their respective capacities, to the extent permitted by law.

AUDITORS INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 60-40 of the Australian Charities and Not-for-Profit Commission (ACNC) Act 2012 is set out on page 6 and forms part of the Directors' Report.

This report has been made in accordance with a resolution of Directors.

Emilie Adlide	Ravi Underwood
Chair	Treasurer

Date: 20 July 2018

Auditor's Independence Declaration

As lead auditor for the audit of CanTeen - The Australian Organisation for Young People Living with Cancer for the year ended 31 March 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

Rosalie Wilkie
Partner
PricewaterhouseCoopers

Sydney
20 July 2018

Statement of Comprehensive Income

YEAR ENDED 31 MARCH 2018	**Note**	**2018**	2017
		$	$
Revenue from continuing operations	2 (a)	**33,525,583**	35,049,389
Total Operating revenue		**33,525,583**	35,049,389
Fundraising expenses	2 (b)	**(11,435,484)**	(11,040,294)
Consulting expenses		**(366,115)**	(297,403)
Direct program expenses		**(5,663,087)**	(4,745,893)
Occupancy expenses including division offices		**(1,853,951)**	(1,953,072)
Personnel expenses including program staff		**(10,962,836)**	(9,616,612)
Transport expenses		**(456,356)**	(473,782)
Other expenses from ordinary activities		**(913,282)**	(770,154)
Total Operating Expenses		**(31,651,111)**	(28,897,210)
Profit before income tax		**1,874,472**	6,152,179
Income tax expense	1 (d)	-	-
Profit for the year		**1,874,472**	6,152,179
Other comprehensive income			
Items that may be reclassified to profit or loss Changes in the fair value of available-for-sale financial assets		**(3,869)**	-
Other comprehensive income for the period net of tax		**(3,869)**	-
Total comprehensive income/surplus for the year		**1,870,603**	6,152,179
Total comprehensive income attributable to Members of CanTeen – The Australian Organisation for Young People Living with Cancer		**1,870,603**	6,152,179

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

Statement of Financial Position

AS AT 31 MARCH 2018	Note	2018 $	2017 $
Assets			
Current Assets			
Cash and cash equivalents	17(a)	**5,613,148**	3,021,198
Trade and other receivables	4	**555,259**	161,561
Inventories	5	**140,785**	157,482
Held to maturity investments	6	**5,736,579**	18,220,000
Other current assets	8	**177,878**	247,407
Total Current Assets		**12,223,649**	21,807,648
Non-Current Assets			
Held to maturity investments	6	**2,831,813**	-
Available-for-sale financial assets	7	**197,065**	-
Property, Plant and equipment	9	**13,449,902**	481,428
Intangible assets	10	**290,355**	422,503
Total Non-Current Assets		**16,769,135**	903,931
Total Assets		**28,992,784**	22,711,579
Current Liabilities			
Trade and other payables	11	**8,253,357**	3,807,191
Provisions	12	**576,109**	604,898
Total Current Liabilities		**8,829,466**	4,412,089
Non-Current Liabilities			
Provisions	13	**366,360**	373,135
Total Liabilities		**9,195,826**	4,785,224
NET ASSETS		**19,796,958**	17,926,355
MEMBERS' FUNDS			
Reserves	15	**(3,869)**	-
Retained surplus	14	**19,800,827**	17,926,355
Total Equity		**19,796,958**	17,926,355

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

	Note	Retained Surplus $	Other reserves $	Total equity $
Balance at 1 April 2016		11,774,176	-	**11,774,176**
Total profit for the year		6,152,179	-	**6,152,179**
Balance at 31 March 2017		**17,926,355**	**-**	**17,926,355**
Total profit for the year		1,874,472	-	**1,874,472**
Other comprehensive income for the year		-	(3,869)	**(3,869)**
Balance at 31 March 2018		**19,800,827**	**(3,869)**	**19,796,958**

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

Statement of Cashflows

YEAR ENDED 31 MARCH 2018	Note	2018 $	2017 $
Cash flows from operating activities:			
Receipts from donations, grant income and other sources		**37,134,760**	39,131,644
Payments to suppliers and employees (inclusive of goods and services tax)		**(31,105,868)**	(29,701,022)
Interest received		**382,502**	388,334
Net cash inflow from operating activities		**6,411,394**	9,818,956
Cash flows (used in) / from investing activities:			
Purchase of property, plant and equipment		**(13,177,375)**	(276,413)
Purchase of computer software		**(96,612)**	(181,745)
Payments for term deposits		**(5,736,579)**	(18,220,000)
Purchase of equity securities		**(197,065)**	-
Proceeds from redemption of term deposits		**18,220,000**	10,720,000
Purchase of bonds		**(2,831,813)**	-
Net cash outflow from investing activities		**(3,819,444)**	(7,958,158)
Net increase/(decrease) in cash and cash equivalents		**2,591,950**	1,860,798
Cash and cash equivalents at the beginning of the financial year		**3,021,198**	1,160,400
Cash and cash equivalents at the end of the financial year	**17(a)**	**5,613,148**	3,021,198

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

Notes to the Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes financial statements for CanTeen - The Australian Organisation for Young People Living with Cancer as an individual entity. The financial report is presented in the Australian currency.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Australian Charities and Not for Profit Commission (ACNC) Act 2012. CanTeen - The Organisation for Young People Living with Cancer is a not for profit entity for the purposes of preparing the financial statements.

Relevant new accounting standards and interpretations
Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2018 reporting periods. The Company's assessment of the impact of these new standards and interpretations which may be applicable to the company is set out below:

Title of standard	Nature of change	Impact
AASB 1058 Income of Non-For-Profit Entities	The AASB has issued a new standard (AASB 15) for the recognition of revenue. This will replace AASB 118 which covers revenue arising from the sale of goods and the rendering of services and AASB 111 which covers construction contracts. Following this, the AASB has released AASB 1058, a new standard for the recognition of income for non-for-profit entities. This is applicable where the not for profit enters into a transaction where consideration to acquire an asset is significantly less than fair value or receives volunteer services). This standard is mandatory for financial years commencing on or after 1 January 2019.	Management is currently assessing the impact of this new standard which will be applicable for the company for the year ended 31 March 2010. At this point, the group does not expect to early adopt this standard. At this stage, the company is not able to estimate the impact of the new rules on the company's financial statements. The company will make more detailed assessments of the impact over the next twelve months.

Notes to the Financial Statements (continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Title of standard	Nature of change	Impact
AASB 16 Leases	AASB 16 was issued in February 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change.	The standard will affect primarily the accounting for the group's operating leases. As at the reporting date, the company has operating lease commitments of $1,237,478. However, the company has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the companies' profit and classification of cash flows.
AASB 9 Financial Instruments	AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.	The company has reviewed its financial assets and liabilities and is expecting the following impact from the adoption of the new standard on 1 January 2018 (applicable to the company's year ended 31 March 2019): • A "fair value through other comprehensive income" (FVOCI) election is expected to be made for equity instruments that are currently classified as available-for-sale and hence there will be no change to the accounting treatment. • Investments in bonds will quality for classification at amortised cost. Accordingly, the company does not expect the new guidance to affect the classification and measurement of these financial assets. However gains or losses realised on the sale of financial assets at FVOCI wil no longer be transferred to profit or loss on sale but instead reclassified below the line from FVOCI reserve to retained earnings. There will be no impact on the company's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit and loss and the company does not have any such liabilities.

Notes to the Financial Statements (continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Historical cost convention

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

Critical accounting estimates

The preparation of financial statements in conformity with Australian Accounting Standards 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. There are no significant areas which involve a high degree of complexity or judgement or where assumptions and estimates are significant to the financial statements of CanTeen - The Australian Organisation for Young People Living with Cancer.

(b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable net of the amount of goods and services tax (GST). Donations to CanTeen are GST free. GST collected by CanTeen is primarily limited to the receipt of funding from the Federal Government.

Sales of goods
Sales revenue represents revenue earned (net of returns, discounts and allowances) from the sale of products. The majority of goods (bandannas and pens) are sold on a consignment basis with sales revenue being recorded when the sales proceeds and unsold goods are returned.

Interest revenue
Interest revenue is recognised when control of the right to receive the interest payment exists.

Voluntary income
Donations, fundraising income and other voluntary income are recognised as revenue when received. The entity takes all steps possible to gain assurance over the completeness of such revenue. However due to the nature of this income it is not possible to achieve absolute assurance regarding its completeness.

Bequest revenue
Bequest revenue is recognised when unconditional control of the right to receive the bequest exists.

(c) Government Grants

Grants from the government including those in relation to clinical trials are recognised when the entity gains control of the contribution, it is probable that the economic benefits from the contribution will flow to the entity and the amount of the contribution can be measured reliably. The entity is considered to gain control of the contribution when it has provided the services outlined in the grant agreement.As such revenue from government grants are deferred and recognised in the profit and loss over the period necessary to match them with the costs that they are intended to compensate.

Notes to the Financial Statements (continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Taxes

Income taxes

The company is exempt from all income taxes. As a consequence no provision has been made.

Goods and services tax

Revenues, expenses and assets are recognised net of the amounts of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). This includes revenue earnt and expenses incurred in relation to National Bandanna Day. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cashflows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

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

(e) Cash and cash equivalents

For cash flow statement presentation purposes, 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.

(f) Trade receivables

Trade and other receivables are recorded at amounts due less any provision for doubtful debts. The carrying value approximates net fair value. Trade and other receivables are non-interest bearing.

Credit risk is minimised in relation to trade receivables due to the predominately cash basis of the business and the counterparty for the existing receivables being the Federal Government.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

(g) Inventories

Inventories (bandannas and pens) are stated at lower of cost and net realisable value. Costs are assigned to individual items of inventory on the basis of weighted average cost.

Notes to the Financial Statements (continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the company. The carrying amount of accounts payable approximates net fair value. Trade and other creditors are non-interest bearing.

(i) Property, plant and equipment

Plant and equipment are carried at cost and depreciated over its useful economic life using the straight-line method. Buildings are also carried at their cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation rates are as follows:

Furniture and Fittings	20%	Computer Software	40%
Office Equipment	25%	Leasehold Improvements	20%
Computer Equipment	40%	Motor Vehicles	23%
Buildings	2.5%		

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. 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. This includes if indicators are identified that the fair value of the building acquired is less than its cost.

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

(j) Intangible assets

IT development and software
Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of materials and service, direct payroll and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight-line basis over periods generally ranging from 3 to 5 years.

IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the company has an intention and ability to use the asset.

Notes to the Financial Statements (continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Employee benefits

i) Wages and Salaries, annual leave and sick leave
Liabilities for wages and salaries including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date, are recognised in provisions in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. No provision is made for non-vesting sick leave as the anticipated pattern of future sick leave taken indicates that accumulated non-vesting leave will never be paid.

ii) Long service leave
The liability for long service leave is measured as 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 corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(l) Leases

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

The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense on a straight-line basis.

Notes to the Financial Statements (continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Financial assets

i) Classification

The group classifies its financial assets in the following categories:
- loans and receivables
- held-to-maturity investments, and
- available-for-sale financial assets.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at the end of each reporting period. See note 4,6 and 7 for details about each type of financial asset.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership. When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in the statement of other comprehensive income are presented as gains and losses from investment securities.

(iii) Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Loans and receivables and held-to-maturity investments are subsequently carried at amortised cost using the effective interest method.

Available-for-sale financial assets are subsequently carried at fair value. Gains or losses arising from changes in the fair value of available-for-sale financial assets are recognised as other comprehensive income.

Interest on held-to-maturity investments and loans and receivables calculated using the effective interest method is recognised in the statement of profit or loss as part of revenue from continuing operations. Details on how the fair value of financial instruments is determined are disclosed in note 19.

Notes to the Financial Statements (continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Financial assets (continued)

iv) Impairment

The company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

Assets carried at amortised cost
For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the group may measure impairment on the basis of an instrument's fair value using an observable market price. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

Assets classified as available-for-sale
If there is objective evidence of impairment for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses on equity instruments that were recognised in profit or loss are not reversed through profit or loss in a subsequent period. If the fair value of a debt instrument classified as available-for-sale increases in a subsequent period and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

Notes to the Financial Statements (continued)

2. OPERATING SURPLUS

	2018 $	2017 $
(a) Operating surplus is after crediting the following revenues:		
National Bandanna Day income	**1,391,696**	1,235,761
Merchandise	**6,664**	1,277
Telemarketing	**319,463**	452,419
Donations	**544,355**	218,845
Fundraising excluding grants	**1,853,019**	1,693,572
Grants	**6,437,958**	4,880,449
Regular Giving Program	**21,540,011**	24,098,490
Other direct marketing	**592,740**	628,096
Total fundraising income	**32,685,906**	33,208,909
Bequest income	**404,860**	1,331,948
Total revenues from core charitable activities	**33,090,766**	34,540,857
Other revenues:		
Interest received – other persons / corporations	**382,501**	388,334
Other revenue	**52,316**	120,198
Total other revenues from ordinary activities	**434,817**	508,532
Total Operating Revenues	**33,525,583**	35,049,389

Notes to the Financial Statements (continued)

(b) Operating surplus is after charging the following expenses:

	2018	2017
	$	$
Depreciation and amortisation of property, plant and equipment:		
Furniture and Fittings	**39,144**	37,350
Office Equipment	**1,834**	2,054
Computer Equipment	**33,471**	5,358
Motor Vehicles	**-**	-
Leasehold Improvements	**74,673**	64,023
Buildings	**59,781**	-
Amortisation of Computer Software	**228,758**	167,636
Total depreciation and amortisation	**437,661**	276,421
Fundraising expenses:		
National Bandanna Day expenses	**681,439**	756,968
Regular Giving Program expenses	**9,198,305**	8,453,619
Other fundraising expenses	**1,555,740**	1,829,707
Total fundraising expenses	**11,435,484**	11,040,294
Other expense items:		
Operating lease rentals	**423,383**	974,700
Superannuation contributions	**882,831**	776,027
Cost of good sold	**315,168**	334,587

3. INCOME AND EXPENDITURE – FUNDRAISING APPEALS

(i) Details of aggregate gross income and total expenses of fundraising appeals

Gross proceeds from fundraising appeals	**32,685,906**	33,208,909
Costs of fundraising appeals	**(11,435,484)**	(11,040,294)
Net surplus obtained from fundraising appeals	**21,250,422**	22,168,615

(ii) Statement showing how funds and goods received were applied to charitable purposes

Net surplus obtained from fundraising appeals	**21,250,422**	22,168,615
This was applied to charitable purposes in the following manner:		
Consulting expenses	**(366,115)**	(297,403)
Direct program expenses	**(5,663,087)**	(4,745,893)
Occupancy expenses including division offices	**(1,853,951)**	(1,953,072)
Personnel expenses including program staff	**(10,962,836)**	(9,616,612)
Transport expenses	**(456,356)**	(473,782)
Other expenses including depreciation	**(917,151)**	(770,154)
	(20,219,496)	(17,856,916)

Notes to the Financial Statements (continued)

3. INCOME AND EXPENDITURE – FUNDRAISING APPEALS (CONTINUED)

(iii) The surplus of $1,030,926 (2017: $4,311,699) between the $21,250,422 (2017: $22,168,615) available from fundraising appeals conducted and total expenditure of $20,219,496 (2017: $17,856,916) is included in the operating surplus for the year.

(iv) Fundraising appeals conducted during the financial period

Regular Giving Program
National Bandanna Day
Public, Corporate and Trust Donations
Events
Telemarketing
Direct Mail

4. CURRENT ASSETS – TRADE AND OTHER RECEIVABLES

	2018 $	2017 $
Trade debtors	**555,259**	161,561
Provision for doubtful debtors	**-**	-
	555,259	161,561

5. CURRENT ASSETS – INVENTORIES

	2018 $	2017 $
Goods for resale	**140,785**	157,482
	140,785	157,482

6. CURRENT AND NON CURRENT ASSETS – HELD-TO-MATURITY ASSETS

	2018 $	2017 $
Current Assets		
Term Deposits	**5,736,579**	18,220,000
Non Current Assets		
Bonds	**2,831,813**	-

The company classifies investments as held-to-maturity if:

- they are non-derivative financial assets
- they are quoted in an active market
- they have fixed or determinable payments and fixed maturities
- the company intends to, and is able to, hold them to maturity.

Notes to the Financial Statements (continued)

Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the end of the reporting period, which would be classified as current assets.

7. NON- CURRENT ASSETS – AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2018	2017
	$	$
Listed securities		
Equity securities	**197,065**	-

Investments are designated as available-for-sale financial assets if they do not have fixed maturities and fixed or determinable payments, and management intends to hold them for the medium to long-term. Financial assets that are not classified into any of the other categories (at FVPL, loans and receivables or held-to-maturity investments) are also included in the available-for-sale category.

The financial assets are presented as non-current assets unless they mature, or management intends to dispose of them within 12 months of the end of the reporting period.

During the year $3,869 (2017: $0) was recognised as other comprehensive income.

8. OTHER CURRENT ASSETS

	2018	2017
	$	$
Prepayments	**177,878**	247,407

Notes to the Financial Statements (continued)

9. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT

	2018	2017
	$	$
Furniture and Fittings		
Cost		
Opening balance	**254,974**	222,282
Additions	**14,147**	36,667
Disposals	**(30,945)**	(3,975)
Closing balance	**238,176**	254,974
Accumulated depreciation		
Opening balance	**(124,508)**	(91,133)
Depreciation for the year	**(39,144)**	(37,350)
Disposals	**30,945**	3,975
Closing balance	**(132,707)**	(124,508)
Net book value	**105,469**	130,466
Leasehold improvements		
Cost		
Opening balance	**452,707**	304,564
Additions	**3,500**	177,255
Disposals	**-**	(29,112)
Closing balance	**456,207**	452,707
Accumulated depreciation		
Opening balance	**(171,991)**	(137,080)
Depreciation for the year	**(74,673)**	(64,023)
Disposals	**-**	29,112
Closing balance	**(246,664)**	(171,991)
Net book value	**209,543**	280,716

Notes to the Financial Statements (continued)

9. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	2018 $	2017 $
Motor vehicles		
Cost		
Opening balance	**2,393**	2,393
Additions	**-**	-
Disposals	**-**	-
Closing balance	**2,393**	2,393
Accumulated depreciation		
Opening balance	**(2,393)**	(2,393)
Depreciation for the year	**-**	-
Disposals	**-**	-
Closing balance	**(2,393)**	(2,393)
Net book value	**-**	-
Office Equipment		
Cost		
Opening balance	**39,176**	52,794
Additions	**-**	3,236
Disposals	**(11,597)**	(16,854)
Closing balance	**27,579**	39,176
Accumulated depreciation		
Opening balance	**(34,054)**	(48,854)
Depreciation for the year	**(1,834)**	(2,054)
Disposals	**11,597**	16,854
Closing balance	**(24,291)**	(34,054)
Net book value	**3,288**	5,122

	2018 $	2017 $
Computer Equipment		
Cost		
Opening balance	**259,082**	199,827
Additions	**61,663**	59,255
Disposals	**(90,025)**	-
Closing balance	**230,720**	259,082
Accumulated depreciation		
Opening balance	**(193,958)**	(188,600)
Depreciation for the year	**(33,471)**	(5,358)
Disposals	**90,025**	-
Closing balance	**(137,404)**	(193,958)
Net book value	**93,316**	65,124

Notes to the Financial Statements (continued)

9. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Freehold Buildings		
Cost		
Opening balance	**-**	-
Additions	**9,598,067**	-
Disposals	**-**	-
Closing balance	**9,598,067**	-
Accumulated depreciation		
Opening balance	**-**	-
Depreciation for the year	**(59,781)**	-
Disposals	**-**	-
Closing balance	**(59,781)**	-
Net book value	**9,538,286**	-
Freehold Land		
Cost		
Opening balance	**-**	-
Additions	**3,500,000**	-
Disposals	**-**	-
Closing balance	**3,500,000**	-
Accumulated amortisation		
Opening balance	**-**	-
Amortisation for the year	**-**	-
Disposals	**-**	-
Closing balance	**-**	-
Net book value	**3,500,000**	-
Total property, plant and equipment, net	**13,449,902**	481,428

10. INTANGIBLE ASSETS

	2018 **$**	2017 $
Computer Software		
Cost		
Opening balance	**1,343,487**	1,275,285
Additions	**96,610**	181,744
Disposals	**(139,175)**	(113,542)
Closing balance	**1,300,922**	1,343,487
Accumulated amortisation		
Opening balance	**(920,984)**	(866,890)
Amortisation for the year	**(228,758)**	(167,636)
Disposals	**139,175**	113,542
Closing balance	**(1,010,567)**	(920,984)
Net book value	**290,355**	422,503

Notes to the Financial Statements (continued)

11. CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

	2018 $	2017 $
Trade payables	**1,891,194**	622,515
Deferred income	**6,049,244**	2,645,816
Accruals	**312,919**	538,860
	8,253,357	3,807,191

12. CURRENT LIABILITIES- PROVISIONS

	2018 $	2017 $
Rent provision	**3,168**	1,249
Annual leave provision	**572,941**	603,649
	576,109	604,898

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

	2018 $	2017 $
Rent Provision		
Carrying amount at the start of the year	**1,249**	2,083
(Credited)/charged to income statement	**(1,249)**	(2,083)
Transfered from non-current provisions	**3,168**	1,249
Carrying amount at the end of the year	**3,168**	1,249

13. NON-CURRENT LIABILITIES – PROVISIONS

	2018 $	2017 $
Rent provision	**20,813**	66,808
Long service leave	**345,547**	306,327
	366,360	373,135

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

	2018 $	2017 $
Rent Provision		
Carrying amount at the start of the year	**66,808**	24,971
(Credited)/charged to income statement	**(42,827)**	43,086
Transfered to current provisions	**(3,168)**	(1,249)
Carrying amount at the end of the year	**20,813**	66,808

Notes to the Financial Statements (continued)

14. RETAINED SURPLUS

	2018 $	2017 $
Balance 1 April	**17,926,355**	11,774,176
Total profit for the year	**1,874,472**	6,152,179
Balance at 31 March	**19,800,827**	17,926,355

15.RESERVES

	2018 $	2017 $
Available-for-sale financial assets reserve		
Balance 1 April	**-**	-
Revaluation of available-for-sale-equity investments	**(3,869)**	-
Balance at 31 March	**(3,869)**	-

Changes in the fair value and exchange differences arising on translation of investments that are classified as available-for-sale financial assets (eg equities), are recognised in other comprehensive income and accumulated in a separate reserve within equity. Amounts are reclassified to profit or loss when the associated assets are sold or impaired, see accounting policy note 1(m) for details.

16. COMMITMENTS

	2018 $	2017 $
Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, payables:		
Not later than one year	**448,638**	941,601
Later than one year but not later than five years	**788,840**	2,546,794
	1,237,478	3,488,395

Assets the subject of operating leases are commercial premises, motor vehicles and photocopiers.

Notes to the Financial Statements (continued)

17. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of cash

	2018 $	2017 $
Cash at the end of the financial year as shown in the statement of cash flows is as follows:		
Cash at bank and in hand	**5,613,148**	3,021,198
	5,613,148	3,021,198

18. FINANCIAL INSTRUMENTS

The company is exposed to certain risks arising from its use of financial instruments.

In the Director's opinion, there is no material difference between the book value and fair value of any financial instruments.

The Company has some exposure to credit risk and interest rate risk in relation to its trade receivables, term deposits and bonds and equity securities acquired within the financial year.

(a) Interest Rate Risk Exposures

Interest rate risk is the risk that the value of financial assets will fluctuate due to changes in market interest rates. Exposures arise predominately from interest bearing term deposits and bonds that the company intends to hold to maturity. In the Director's opinion, fluctuations in the carrying amount of these term deposit and bonds are not expected to have a material impact on the financial statements. The company's income and operating cash flows and the value of its other financial assets and liabilities are largely independent of changes in market interest rates.

(b) Credit Risk

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount directly. The other receivables are assessed collectively to determine whether there is objective evidence that an impairment has been incurred but not yet been identified. For these receivables the estimated impairment losses are recognised in a separate provision for impairment. The group considers that there is evidence of impairment if any of the following indicators are present:

- significant financial difficulties of the debtor
- probability that the debtor will enter bankruptcy or financial reorganisation, and
- default or delinquency in payments (more than 90 days overdue).

Receivables for which an impairment provision was recognised are written off against the provision when there is no expectation of recovering additional cash. Impairment losses are recognised in profit or loss within other expenses. Subsequent recoveries of amounts previously written off are credited against other expenses. There are no impaired receivables as at the end of the reporting period.

Notes to the Financial Statements (continued)

19. FAIR VALUE MEASUREMENT

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements.

	2018	2017
	$	$
Recurring fair value measurements		
Available-for-sale- equity securities	**197,065**	-
	197,065	-

The valuation technique used to value these equity securities is the use of quoted market prices.

20. RELATED PARTY DISCLOSURES

The following persons held the position of Director of CanTeen - The Australian Organisation for Young People Living with Cancer during all of the past two financial years, unless otherwise stated:

Member Directors	
Emilie Adlide (Chair)	Appointed 22 August 2015 Appointed Chair 27 August 2017
Ali Duncan	Appointed 27 August 2011 Appointed Chair 25 August 2012 Resigned as Chair 21 May 2017
Sean Dondas	Appointed 22 August 2015
Joseph Lynch	Appointed 1 January 2017
Matthew Gilliland	Appointed 13 June 2012 Resigned 21 May 2017
Lachlan Korvin	Appointed 25 August 2012 Resigned 27th November 2016

Associate Directors	
Ravi Underwood (Treasurer / Secretary)	Appointed 12 April 2016 Appointed Treasurer / Secretary 27 August 2016
Kieran Schneemann	Appointed 25 May 2014
Stuart Tucker	Appointed 27 August 2017
Suzannah Blinman	Appointed 27 August 2017
Michelle Vanzella	Appointed 28 August 2010 Resigned 21 May 2017

No Directors of the entity received, or were due to receive, remuneration (including brokerage, commissions, bonuses, and salaries), directly or indirectly, from the company in 2017 or 2018.

Notes to the Financial Statements (continued)

20. RELATED PARTY DISCLOSURES (CONT)

Key Management Personnel Compensation

CanTeen - The Australian Organisation for Young People Living with Cancer considers key management personnel to be an employee who has the authority and responsibility for planning, directing and controlling the activities of the company:

Details of remuneration of key management personnel are set out below:

	2018 $	2017 $
Short-term employee benefits	**1,162,931**	1,035,157

No related party activities occurred during the period or prior period.

21. CONTINGENT LIABILITIES

At the date of this report there are no known contingent liabilities to which the company may be liable other than the bank guarantees totalling $64,682.

22. SUBSEQUENT EVENTS

No matters have occurred since the balance sheet date that will impact the financial report at balance date.

Directors' declaration

In the directors' opinion:

(a) the financial statements set out on pages 7 to 30 are in accordance with the *Australian Charities and Not for Profit Commission (ACNC) Act 2012* including:

1. complying with Accounting Standards and *the ACNC Act*; and other mandatory professional reporting requirements, and
2. giving a true and fair view of the company's financial position as at 31 March 2018 and of its performance, as represented by the results of its operations, changes in equity and its cash flows for the year ended on that date; and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The declaration is made in accordance with a resolution of the directors and is signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013.*

Emilie Adlide
Chair

R. Underwood

Ravi Underwood
Treasurer

Declaration by Chair in respect of Fundraising Appeals

I, Emilie Adlide, Chair of CanTeen - The Australian Organisation for Young People Living with Cancer (CanTeen) declare that in my opinion:

a) the accounts give a true and fair view of all income and expenditure with respect to fundraising appeals; and

b) the Statement of Financial Position gives a true and fair view of the state of affairs of the organisation with respect to fundraising appeals and

c) money received as a result of fundraising appeals conducted during that year has been properly accounted for and applied in accordance with this Act and the regulations; and

d) the provisions of the Charitable Fundraising Act 1991 and the regulations under that Act and the conditions attached to the authority have been complied with by the organisation.

Emilie Adlide
Chair

Independent auditor's report

To the members of CanTeen - The Australian Organization for Young People Living with Cancer

Our qualified opinion

In our opinion, except for the possible effects of the matter described in the *Basis for qualified opinion* section of our report, the accompanying financial report of CanTeen - The Australian Organization for Young People Living with Cancer (the Company) is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

(a) giving a true and fair view of the Company's financial position as at 31 March 2018 and of its financial performance for the year then ended

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

What we have audited

The financial report comprises:

- the statement of financial position as at 31 March 2018
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the directors' declaration.

Basis for qualified opinion

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

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

Independence

We are independent of the Company in accordance with 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.

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Other information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual financial report for the year ended 31 March 2018, including the Directors' Report, but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information identified above 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 on the other information obtained prior to the date of this auditor's report, 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 directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and *Australian Charities and Not-for-profits Commission (ACNC) Act 2012* 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 Company 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

PricewaterhouseCoopers

Rosalie Wilkie
Partner

Sydney
20 July 2018