CanTeen – The Australian Organisation for Young People Living with Cancer

ACN 052 040 516

Annual Financial Report

for the year ended 31 March 2019

Contents

Directors' report	**2**
Auditors independence declaration	**7**
Consolidated Statement of comprehensive income	**8**
Consolidated Statement of financial position	**9**
Consolidated Statement of changes in equity	**10**
Consolidated Statement of cashflows	**11**
Notes to the Financial Statements	**12**
Directors' declaration	**31**
Declaration by Chair in respect of Fundraising Appeals	**31**
Independent auditor's report	**32**

The financial report covers CanTeen - The Australian Organisation for Young People Living with Cancer and CanTeen Australia Services as a consolidated entity. The financial report is presented in Australian dollars.

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

Both companies have their registered office and principal place of business at:

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 11 July 2019. The group 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 2019.

DIRECTORS

The names and details of the Directors in office during 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 Resigned 26 August 2018
Sean Dondas	Appointed 22 August 2015
Madeleine Way	Appointed 27 August 2017
Kathryn Woodward	Appointed 26 August 2018
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

BOARD SUB-COMMITTEES

The group 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 Committee** comprised Stuart Tucker (Chair), Ravi Underwood, Kieran Schneemann, Sean Dondas, Emilie Adlide, and Suzannah Blinman (19 February 19 only) met during the year on 15 May 2018, 21 August 2018, 13 November 2018, and 19 February 2019.

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 10 July 2018.

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.

		20/05/18	26/08/18*	18/11/18	29/01/19 T	24/02/19	TOTAL	
							Att	Elg
Emilie Adlide	*Appointed 22 August 2015* *Appointed Chair 27 August 2017*	1	1	1	T	1	5	5
Ali Duncan	*Term began 27 August 2011* *Appointed Chair 25 August 2012* *Resigned as Chair 21 May 2017*	1					1	1
Sean Dondas	*Appointed 22 August 2015*	1	1	1	T	1	5	5
Joseph Lynch	*Appointed 1 January 2017*	1	1	1	T		4	5
Madeleine Way	*Appointed 27 August 2017*	1	1	1	T	1	5	5
Kathryn Woodward	*Appointed 26 August 2018*		1	1	T	1	4	4
Kieran Schneemann	*Term began 25 May 2014.*	1	1	1	T	1	5	5
Ravi Underwood	*Term began 12 April 2016.*	1	1			1	3	5
Stuart Tucker	*Term began 27 August 2017*	1	1	1		1	4	5
Suzie Blinman	*Term began 27 August 2017*	1	1	1	T	T	5	5

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 have or have had cancer or who have or have 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 group for the financial year was $173,780 (2018: $1,870,603).

REVIEW OF OPERATIONS

This year saw CanTeen focus on investing prudently in all four strategic pillars of the organisation's vision: treatment and support, research, leadership and sustainability. The investments made in reinforcing the organisation's vision and values have resulted in CanTeen not being able to show as large a surplus/net profit as in previous years.

It must be noted however that whilst these activities are costly, the decisions to invest in the future and continue high standards in current services were made possible by the sound financial position of CanTeen following several years of strong surplus and cash accumulation which ultimately will benefit members in the longer term.

The Board is of the view that CanTeen's mission and purpose is best served by growing the reach and services of the organisation. To that extent, we saw staff costs increase by $1.3m reflecting total headcount increase of 8 to assist on the provision of services. CanTeen, through a partnership with the Commonwealth and State Governments, continued to fund the delivery of a national network of state-wide youth cancer services based in hospitals and which provide specialist treatment and support, for all young cancer patients across Australia. In addition, during the year we saw the funding of five cutting-edge clinical trials for young cancer patients suffering from different types of Sarcoma, Brain Cancer, Leukaemia and Lymphoma.

All the support that CanTeen provides is evidence-based and is guided by our internationally regarded research and evaluation team. We continued to invest in those services with the result being 15 research papers being published in the last 12 months. The organisation also continued to provide psychosocial programs face to face and online which facilitate skill development and peer support to help young people deal with the impact of cancer on their life. This year CanTeen spent $1.1m this year on new research and related activities.

Information is a major need for newly impacted young people and families. Together with improving internal support and reporting functions, the organisation committed over $0.8m to IT and online related activities with a future focus to serving the members better and reaching out to the community.

CanTeen's 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.

The highly innovative CanTeen Online Support Platform continued to provide access to professional counselling seven days per week over extended hours as well as peer support 24/7, while a new online community and support for parents was created. 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 implemented. CanTeen's face to face services include social workers, counsellors and youth workers providing a range of individual support and programs to help young people meet their needs.

This year saw the establishment of a formal partnership between Canteen New Zealand and CanTeen Australia. Australian CanTeen is now contracted to deliver a range of services to the New Zealand CanTeen. The net benefits of this arrangement are that young people across both countries will have access to a wider range of support opportunities and the running costs of both organisations have been streamlined.

Directors' report (continued)

Part of our sustainability focus involved re-aligning our fundraising partnership arrangements. Fundraising is the lifeblood of CanTeen and the key to the organisation's future ability to service members. Whilst the new arrangements are already bearing fruit with total income for the year up $4.3m to $37.8m, the costs of raising those funds in the current year have also risen by $3.8m to $15.2m. Most of these costs are a short term investment to increase our donor base over the longer term and we expect these fundraising costs to decrease over the ensuing years.

To further support sustainability, CanTeen broadened its asset base and added a revenue stream in late 2017/18 when it purchased the building which houses the national office, based in Sydney. This resulted in rental savings of $0.5m for the current financial year. CanTeen has continued to build a diversified balance sheet and revenue base through the creation and implementation of an Investment Strategy. Both of these initiatives continued to add financial benefit throughout 2018/19 that will reap longer term benefits to the members.

DIVIDENDS

No dividend has been paid or declared since the start of the financial year (2018: nil).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

LIKELY DEVELOPMENTS AND FUTURE RESULTS

In the opinion of the Directors there are no likely changes in the operations of the group which will adversely affect the results of the group 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 of $9,166 (2018 $9,060) in respect of a contract insuring each of the Directors of the group 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.

Directors' report (continued)

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

Joseph Lynch	Ravi Underwood
Chair	Treasurer
Date: 11 July 2019	

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 2019, 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
11 July 2019

Consolidated Statement of Comprehensive Income

YEAR ENDED 31 MARCH 2019	Note	2019 $	2018 $
Revenue from continuing operations	2 (a)	**37,793,052**	33,525,583
Total Operating revenue		**37,793,052**	33,525,583
Fundraising expenses	2 (b)	**(15,249,501)**	(11,435,484)
Consulting expenses		**(141,518)**	(366,115)
Direct program expenses		**(6,950,071)**	(5,663,087)
Occupancy expenses including division offices		**(1,470,913)**	(1,853,951)
Personnel expenses including program staff		**(12,245,130)**	(10,962,836)
Transport expenses		**(490,767)**	(456,356)
Other expenses from ordinary activities		**(1,090,495)**	(913,282)
Total Operating Expenses		**(37,638,395)**	(31,651,111)
Profit before income tax		**154,657**	1,874,472
Income tax expense	1 (d)	-	-
Profit for the year		**154,657**	1,874,472
Other comprehensive income			
Items that may be reclassified to profit or loss Changes in the fair value of available-for-sale financial assets		**19,123**	(3,869)
Other comprehensive income for the period net of tax		**19,123**	(3,869)
Total comprehensive income/surplus for the year		**173,780**	1,870,603
Total comprehensive income attributable to Members of CanTeen – The Australian Organisation for Young People Living with Cancer		**173,780**	1,870,603

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

Consolidated Statement of Financial Position

AS AT 31 MARCH 2019	Note	2019 $	2018 $
Assets			
Current Assets			
Cash and cash equivalents	17	**1,672,380**	5,613,148
Trade and other receivables	4	**765,665**	555,259
Inventories	5	**163,619**	140,785
Financial Assets at amortised cost	6	**7,720,000**	5,736,579
Other current assets	8	**201,776**	177,878
Total Current Assets		**10,523,440**	12,223,649
Non-Current Assets			
Financial assets at amortised cost	6	**3,238,398**	2,831,813
Financial assets at fair value through other comprehensive income	7	**494,812**	197,065
Property, Plant and equipment	9	**13,159,707**	13,449,902
Intangible assets	10	**996,497**	290,355
Total Non-Current Assets		**17,889,414**	16,769,135
Total Assets		**28,412,854**	28,992,784
Current Liabilities			
Trade and other payables	11	**7,548,751**	8,253,357
Provisions	12	**433,757**	576,109
Total Current Liabilities		**7,982,508**	8,829,466
Non-Current Liabilities			
Provisions	13	**459,608**	366,360
Total Liabilities		**8,442,116**	9,195,826
NET ASSETS		**19,970,738**	19,796,958
MEMBERS' FUNDS			
Reserves	15	**15,254**	(3,869)
Retained surplus	14	**19,955,484**	19,800,827
Total Equity		**19,970,738**	19,796,958

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

Consolidated Statement of Changes in Equity

	Note	Retained Surplus $	Other reserves $	Total equity $
Balance at 1 April 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**
Total profit for the year		154,657	-	**154,657**
Other comprehensive income for the year		-	19,123	**19,123**
Balance at 31 March 2019		**19,955,484**	**15,254**	**19,970,738**

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

Consolidated Statement of Cashflows

YEAR ENDED 31 MARCH 2019	Note	2019 $	2018 $
Cash flows from operating activities:			
Receipts from donations, grant income and other sources		**36,894,472**	37,134,760
Payments to suppliers and employees (inclusive of goods and services tax)		**(37,407,316)**	(31,105,868)
Interest received		**199,404**	382,502
Net cash inflow from operating activities		**(313,440)**	6,411,394
Cash flows (used in) / from investing activities:			
Purchase of property, plant and equipment		**(127,252)**	(13,177,375)
Purchase of computer software		**(812,324)**	(96,612)
Payments for term deposits		**(7,720,000)**	(5,736,579)
Purchase of equity securities		**(297,746)**	(197,065)
Proceeds from redemption of term deposits		**5,736,579**	18,220,000
Purchase of bonds		**(406,585)**	(2,831,813)
Net cash outflow from investing activities		**(3,627,328)**	(3,819,444)
Net increase/(decrease) in cash and cash equivalents		**(3,940,768)**	2,591,950
Cash and cash equivalents at the beginning of the financial year		**5,613,148**	3,021,198
Cash and cash equivalents at the end of the financial year	**17**	**1,672,380**	5,613,148

The above Consolidated 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 a consolidated entity. The financial report is presented in Australian dollars.

(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 2019 reporting periods. The group's assessment of the impact of these new standards and interpretations which may be applicable to the group 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 group for the year ended 31 March 2020. The group has not adopted this standard early. At this stage, the group is not able to estimate the impact of the new rules on the group's financial statements.

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 group has operating lease commitments of $1,112,880. However, the group 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.

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 group'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.

Consolidation of accounts
The accounts have been prepared on a consolidated basis for the group. The only asset of the subsidiary company is a receivable and the only liability is a payable to the parent entity.

(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 and the sale of goods.

Notes to the Financial Statements (continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 group 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 group 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.

(d) Taxes

Income taxes
The group 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 Consolidated Statement of Financial Position.

Cash flows are included in the Consolidated 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.

Notes to the Financial Statements (continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Cash and cash equivalents

For the consolidated statement of cash flow 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 mainly 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.

(h) Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the group. 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. Land is not depreciated.

Depreciation rates are as follows:

Furniture and Fittings	20%	Office Equipment	25%
Computer Equipment	40%	Leasehold Improvements	20%
Motor Vehicles	23%	Freehold 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 consolidated statement of comprehensive income.

Notes to the Financial Statements (continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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. 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 group has an intention and ability to use the asset.

(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.

(m) Financial assets

i) Classification

From 1 April 2018, the group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (OCI) or through profit or loss), and

- those to be measured at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Notes to the Financial Statements (continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Financial assets (continued)

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). The group reclassifies debt investments when and only when its business model for managing those assets changes.

There are no material changes to the financial statements as a result of the change in accounting policies. In the prior year, financial assets at amortised costs were classified as held to maturity assets, and financial assets at fair value through the other comprehensive income were held as available for sale assets.

(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.

(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 (FVPL), 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.

Debt instruments
Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Notes to the Financial Statements (continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Financial assets (continued)

Equity instruments
The group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) Impairment

From 1 January 2018, the group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see note 12(c) for further details.

2. OPERATING SURPLUS

	2019	2018
	$	$
(a) Operating surplus is after crediting the following revenues:		
National Bandanna Day income	**1,264,603**	1,391,696
Merchandise	**4,241**	6,664
Telemarketing	**186,318**	319,463
Donations	**420,253**	544,355
Fundraising	**1,641,954**	1,853,019
Grants	**7,156,793**	6,437,958
Regular Giving Program	**25,423,800**	21,540,011
Other direct marketing	**599,778**	592,740
Total fundraising income	**36,697,740**	32,685,906
Bequest income	**425,092**	404,860
Total revenues from core charitable activities	**37,122,832**	33,090,766
Other revenues:		
Interest received – other persons /corporations	**199,404**	382,501
Other revenue	**470,816**	52,316
Total other revenues from ordinary activities	**670,220**	434,817
Total Operating Revenues	**37,793,052**	33,525,583

Notes to the Financial Statements (continued)

2. OPERATING SURPLUS (CONTINUED)

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

	2019 $	2018 $
Depreciation and amortisation:		
Furniture and Fittings	**38,362**	39,144
Office Equipment	**2,159**	1,834
Computer Equipment	**63,549**	33,471
Leasehold Improvements	**75,475**	74,673
Buildings	**239,125**	59,781
Amortisation of IT development and software	**106,185**	228,758
Total depreciation and amortisation	**524,855**	437,661
Fundraising expenses:		
National Bandanna Day expenses	**652,973**	681,439
Regular Giving Program expenses	**13,182,864**	9,198,305
Other fundraising expenses	**1,413,664**	1,555,740
Total fundraising expenses	**15,249,501**	11,435,484
Other expense items:		
Operating lease rentals	**584,321**	423,383
Superannuation contributions	**1,013,076**	882,831
Cost of good sold	**235,789**	315,168

3. INCOME AND EXPENDITURE – FUNDRAISING APPEALS

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

Gross proceeds from fundraising appeals	**36,697,739**	32,685,906
Costs of fundraising appeals	**(15,249,501)**	(11,435,484)
Net surplus obtained from fundraising appeals	**21,448,238**	21,250,422

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

Net surplus obtained from fundraising appeals	**21,448,238**	21,250,422
This was applied to charitable purposes in the following manner:		
Consulting expenses	**(141,518)**	(366,115)
Direct program expenses	**(6,950,071)**	(5,663,087)
Occupancy expenses including division offices	**(1,470,913)**	(1,853,951)
Personnel expenses including program staff	**(12,245,130)**	(10,962,836)
Transport expenses	**(490,767)**	(456,356)
Other expenses	**(1,071,371)**	(917,151)

(22,369,770)	(20,219,496)

Notes to the Financial Statements (continued)

3. INCOME AND EXPENDITURE – FUNDRAISING APPEALS (CONTINUED)

(iii) The deficit of $891,532 (2018: surplus $1,030,926) between the $21,448,238 (2018: $21,250,422) available from fundraising appeals conducted and total expenditure of $22,339,770 (2018: $20,219,496) is included in the operating surplus for the year.

CanTeen is a charity which is mainly funded by public donations and fundraising. Part of our sustainability focus involved re-aligning our fundraising partnership arrangements which has resulted in an increase in costs this financial year. Most of these costs are a short term investment to increase our donor base over the longer term and we expect these fundraising costs to decrease over the ensuing years.

(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

	2019	2018
	$	$
Trade debtors	**771,290**	555,259
Provision for doubtful debtors	**(5,625)**	-
	765,665	555,259

5. CURRENT ASSETS – INVENTORIES

	2019	2018
	$	$
Goods for resale	**163,619**	140,785
	163,619	140,785

6. CURRENT AND NON-CURRENT ASSETS – FINANCIAL ASSETS AT AMORTISED COST

	2019	2018
	$	$
Current Assets		
Term Deposits	**7,720,000**	5,736,579
Non-Current Assets		
Bonds	**3,238,398**	2,831,813

Notes to the Financial Statements (continued)

6. CURRENT AND NON-CURRENT ASSETS – FINANCIAL ASSETS AT AMORTISED COST (CONTINUED)

The group classifies investments as financial assets at amortised cost if:

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

Financial assets at amortised cost 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.

Term deposits currently held have a maturity of between 90 and 183 days earning interest of between 2.70% and 2.85% (2018: 2.47% to 2.65%).

Investment in corporate bonds have been made in order to get a better than bank return on funds over and above the group's short-term operating requirements. Bonds held at report date have been purchased in accordance with CanTeen's Investment Strategy which states that no investment will be considered where its rating is less than Baa3 (Moodys), BBB- (S&P) or BBB- (Fitch).

7. NON-CURRENT ASSETS – FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2019	2018
	$	$
Listed securities		
Equity securities	**494,812**	197,065

Investments are designated as financial assets at fair value through other comprehensive income 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 amortised cost investments) are also included in the fair value through other comprehensive income 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 a profit of $19,123 (2018: loss $3,869) was recognised as other comprehensive income.

Investments in equity securities at report date have been made in accordance with CanTeen's investment policy as stated in note 6.

Notes to the Financial Statements (continued)

8. OTHER CURRENT ASSETS

	2019 **$**	2018 $
Prepayments	**201,776**	177,878

Prepayments consist of payments made for insurance, deposits for programs, and office rent that relate to the next financial year.

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

	2019 **$**	2018 $
Furniture and Fittings		
Cost		
Opening balance	**238,176**	254,974
Additions	**17,095**	14,147
Disposals	**-**	(30,945)
Closing balance	**255,271**	238,176
Accumulated depreciation		
Opening balance	**(132,707)**	(124,508)
Depreciation for the year	**(38,362)**	(39,144)
Disposals	**-**	30,945
Closing balance	**(171,069)**	(132,707)
Net book value	**84,202**	105,469
Leasehold improvements		
Cost		
Opening balance	**456,207**	452,707
Additions	**22,271**	3,500
Disposals	**-**	-
Closing balance	**478,478**	456,207
Accumulated depreciation		
Opening balance	**(246,664)**	(171,991)
Depreciation for the year	**(75,475)**	(74,673)
Disposals	**-**	-
Closing balance	**(322,139)**	(246,664)
Net book value	**156,339**	209,543

Notes to the Financial Statements (continued)

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

	2019 $	2018 $
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	**27,759**	39,176
Additions	**6,376**	-
Disposals	**-**	(11,597)
Closing balance	**34,135**	27,579
Accumulated depreciation		
Opening balance	**(24,291)**	(34,054)
Depreciation for the year	**(2,159)**	(1,834)
Disposals	**-**	11,597
Closing balance	**(26,450)**	(24,291)
Net book value	**7,505**	3,288
Computer Equipment		
Cost		
Opening balance	**230,720**	259,082
Additions	**55,551**	61,663
Disposals	**-**	(90,025)
Closing balance	**286,271**	230,720
Accumulated depreciation		
Opening balance	**(137,404)**	(193,958)
Depreciation for the year	**(63,549)**	(33,471)
Disposals	**-**	90,025
Closing balance	**(200,953)**	(137,404)
Net book value	**85,318**	93,316

Notes to the Financial Statements (continued)

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

	2019	2018
	$	$
Freehold Buildings		
Cost		
Opening balance	**9,598,067**	-
Additions	**27,182**	9,598,067
Disposals	**-**	-
Closing balance	**9,625,249**	9,598,067
Accumulated depreciation		
Opening balance	**(59,781)**	-
Depreciation for the year	**(239,125)**	(59,781)
Disposals	**-**	-
Closing balance	**(298,906)**	(59,781)
Net book value	**9,326,343**	9,538,286
Freehold Land		
Cost		
Opening balance	**3,500,000**	-
Additions	**-**	3,500,000
Disposals	**-**	-
Closing balance	**3,500,000**	3,500,000
Accumulated amortisation		
Opening balance	**-**	-
Amortisation for the year	**-**	-
Disposals	**-**	-
Closing balance	**-**	-
Net book value	**3,500,000**	3,500,000
Total property, plant and equipment, net	**13,159,707**	13,449,902

Notes to the Financial Statements (continued)

10. INTANGIBLE ASSETS

	2019 $	2018 $
IT Development and Software		
Cost		
Opening balance	**1,300,922**	1,343,487
Additions	**812,327**	96,610
Disposals	**-**	(139,175)
Closing balance	**2,113,249**	1,300,922
Accumulated amortisation		
Opening balance	**(1,010,567)**	(920,984)
Amortisation for the year	**(106,185)**	(228,758)
Disposals	**-**	139,175
Closing balance	**(1,116,752)**	(1,010,567)
Net book value	**996,497**	290,355

11.CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

	2019 $	2018 $
Trade payables	**2,432,112**	1,891,194
Deferred income	**4,951,855**	6,049,244
Accruals	**164,784**	312,919
	7,548,751	8,253,357

12.CURRENT LIABILITIES- PROVISIONS

	2019 $	2018 $
Rent provision	**6,437**	3,168
Annual leave provision	**427,320**	572,941
	433,757	576,109

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

	2019 $	2018 $
Rent Provision		
Carrying amount at the start of the year	**3,168**	1,249
(Credited)/charged to income statement	**(3,168)**	(1,249)
Transfered from non-current provisions	**6,437**	3,168
Carrying amount at the end of the year	**6,437**	3,168

Notes to the Financial Statements (continued)

13. NON-CURRENT LIABILITIES – PROVISIONS

	2019 $	2018 $
Rent provision	**19,482**	20,813
Long service leave	**440,126**	345,547
	459,608	366,360

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

	2019 $	2018 $
Rent Provision		
Carrying amount at the start of the year	**20,813**	66,808
(Credited)/charged to income statement	**5,106**	(42,827)
Transfered to current provisions	**(6,437)**	(3,168)
Carrying amount at the end of the year	**19,482**	20,813

14. RETAINED SURPLUS

	2019 $	2018 $
Balance 1 April	**19,800,827**	17,926,355
Total profit for the year	**154,657**	1,874,472
Balance at 31 March	**19,955,484**	19,800,827

15. RESERVES

	2019 $	2018 $
Other reserve		
Balance 1 April	**(3,869)**	-
Revaluation of financial assets at fair value through other comprehensive income equity investments	**19,123**	(3,869)
Balance at 31 March	**15,254**	(3,869)

Changes in the fair value and exchange differences arising on translation of investments that are classified as financial assets at fair value through other comprehensive income (e.g. 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.

Notes to the Financial Statements (continued)

16. COMMITMENTS

	2019	2018
	$	$
Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities or payables:		
Not later than one year	**405,978**	448,638
Later than one year but not later than five years	**706,902**	788,840
	1,112,880	1,237,478

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

17. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Reconciliation of cash

	2019	2018
	$	$
Cash at the end of the financial year as shown in the consolidated statement of cash flows is as follows:		
Cash at bank and in hand	**1,672,380**	5,613,148
	1,672,380	5,613,148

18. FINANCIAL INSTRUMENTS

The group 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 group 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 group 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

Notes to the Financial Statements (continued)

18. FINANCIAL INSTRUMENTS (CONTINUED)

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.

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.

	2019	2018
	$	$
Recurring fair value measurements		
Financial assets at fair value through other comprehensive income equity securities	**494,812**	197,065
	494,812	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
	Resigned 26 August 2018
Sean Dondas	Appointed 22 August 2015
Joseph Lynch	Appointed 1 January 2017
Kathryn Woodward	Appointed 26 August 2018
Madeleine Way	Appointed 27 August 2017
Matthew Gilliland	Appointed 13 June 2012
	Resigned 21 May 2017

Notes to the Financial Statements (continued)

20. RELATED PARTY DISCLOSURES (CONT)

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 group in 2018 or 2019.

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. Those roles included in this definition are the Chief Executive Officer; Chief Operating Officer; General Manager, Research and Youth Cancer Services; and General Manager, Divisions (2018: Chief Executive Officer; Chief Operating Officer; General Manager, Research and Youth Cancer Services; and General Manager, Divisions).

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

	2019 **$**	**2018** **$**
Short-term employee benefits	**1,080,950**	1,162,931

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 group 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.

23. PARENT ENTITY

The accounts have been prepared on a consolidated basis for the group. The parent entity financial information is as reflected in the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, and the Consolidated Statement of Cashflows. There have been no guarantees entered into in respect of the subsidiary. There are no contingent liabilities in relation to the parent entity. The parent entity financial information has been prepared on the same basis as the consolidated financial statements.

Notes to the Financial Statements (continued)

23. PARENT ENTITY (CONT)

The entity holds investments in subsidiaries as follows:

Name of entity	Principal activity	Place of incorporation	Ownership
CanTeen Australia Services	Service company	Australia	100%

Directors' declaration

In the directors' opinion:

(a) the financial statements set out on pages 7 to 28 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 2019 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.*

R. Underwood

Joseph Lynch
Chair

Ravi Underwood
Treasurer

Declaration by Chair in respect of Fundraising Appeals

I, Joseph Lynch, 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.

Joseph Lynch
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 2019 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 2019
- 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 2019, 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

PricewaterhouseCoopers

Rosalie Wilkie

Rosalie Wilkie
Partner

Sydney
11 July 2019