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**CYSTIC FIBROSIS AUSTRALIA
ABN 73 104 285 136
(LIMITED BY GUARANTEE)**

**FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

CYSTIC FIBROSIS AUSTRALIA
ABN 73 104 285 136

FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

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**CYSTIC FIBROSIS AUSTRALIA
ABN 73 104 285 136**

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

Your directors present their report on the company for the financial year ended 31 December 2015.

Directors

The names of the directors in office at any time during or since the end of the financial year are:

Patrick O'Connor – Appointed 9 May 2014 – Is an environmental scientist
Mitchell Messer – Appointed 24 April 2003 – Is the CEO of Community Link and Network Western Australia Incorporated
Margaret Walker – Appointed 19 April 2009 – Is a company director
Feliciano Sanchez – Appointed 19 April 2009 – Is a company general manager
Laurence Daly – Appointed 12 July 2013 – Is an accountant
Ross Fraser – Appointed 9 May 2014 – Is a retired business executive
Richard Simons – Appointed 9 May 2014 – Is a company CEO
John Chung – Appointed 16 October 2015 – Is a SMSF Specialist Advisor
Peter Wark – Appointed 16 October 2015 – Is a Conjoint Professor
Nettie Burke – Appointed 2 May 2014 – Is the CFA CEO and Secretary
Reachelle Beasley – Appointed 17 April 2011 and resigned 16 October 2015 – Is a company CEO
Greg Birch – Appointed 17 May 2008 and resigned 20 February 2015 – Is a logistic consultant
Catherine Parker – Appointed 29 April 2013 and resigned 15 August 2015 – Is a lawyer
Simon Martin – Appointed 11 December 2014 and resigned 2 May 2015 – Is a company CEO

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

The following person held the position of company secretary during the financial year:

Nettie Burke – Appointed 2nd May 2015.

The following person held the position of company treasurer during the financial year:

Margaret Walker – Appointed 19 April 2009

Review of Operations

The net loss of the company for the financial year amounted to \$363,931(2014: surplus \$51,669).

Going Concern

The company incurred a loss of \$363,931 for the financial year, resulting in a negative equity position of \$154,128 at 31 December 2015. The Board of Directors continues to take steps to decrease various administration costs for the year ended 31 December 2016 in an attempt to ensure the ongoing viability of the company's operations.

Notwithstanding these measures, the ability of the company to meet its obligations as and when they fall due is dependent on the ability of the company to perform in line with budgets and cash flow projections and successfully generate sufficient funds through fund raising and sponsorship.

The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business and the realisation of assets and settlement of liabilities in the ordinary course of business.

Should the company be unable to continue as a going concern, the company may be required to realise assets at values different from those stated in the financial statements and the classification of assets and liabilities would be affected.

Significant Changes in the State of Affairs

No significant changes in the state of the company's affairs occurred during the financial year.

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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015

Principal Activities

The principal activities of the company during the financial year were as a charitable organisation to advance and improve the treatment of cystic fibrosis in Australia and to promote research in Cystic Fibrosis through management of the Australian Cystic Fibrosis Research Trust.

No significant change in the nature of these activities occurred during the year.

Short-term and Long-term Objectives

The company's short-term objectives are to:

- Promote the awareness and research of cystic fibrosis
- Provide support and services to people with cystic fibrosis and their carers and families (including counselling, information workshops and seminars, case management, comprehensive home care services and professional development for allied health personnel, and financial support to take part in physical activities)

The company's long-term objectives are to:

- Advance and improve the treatment of cystic fibrosis in Australia through continuous research
- Establish and maintain relationships while continuously providing support and services to people with cystic fibrosis

Strategies

To achieve its stated objectives, the company has adopted the following strategies:

- The company strives to work collaboratively with nationwide cystic fibrosis organisations to increase awareness, provide essential services and support research and advocacy initiatives.
- The company establishes and fosters working partnerships with a range of community stakeholders. By actively encouraging and facilitating stakeholder involvement in the entity's activities, the company will be able to achieve its:
 - o Short-term objectives of promoting the awareness of cystic fibrosis and supporting people diagnosed with cystic fibrosis.
 - o Long-term objectives of the advancement of cystic fibrosis treatments and relationship building with the cystic fibrosis community.

Key Performance Measures

The company measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial sustainability of the company and whether the company's short-term and long term objectives are being achieved.

Events Subsequent to the End of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Likely Developments and Expected Results of Operations

Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

Environmental Regulation

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Dividends

The Constitution of the company prohibits the payment of dividends.

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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015

Information on Directors Meetings

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

DIRECTORS	DIRECTOR MEETINGS	
	Number eligible to attend	Number attended
Mitchell Messer	7	6
Greg Birch	1	1
Margaret Walker	7	2
Feliciano Sanchez	7	7
Reachelle Beasley	5	4
Catherine Parker	4	4
Laurence Daly	7	6
Ross Fraser	7	7
Patrick O'Connor	7	7
Richard Simons	7	6
John Chung	1	1
Peter Wark	1	1
Nettie Burke	6	6
Simon Martin	1	1

Options

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Indemnification of Officer

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

Proceedings on Behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

Members' Liability

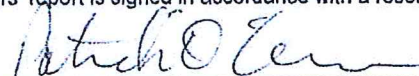
The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$100 each towards meeting any outstanding obligations of the entity. At 31 December 2015, the total amount that members of the company are liable to contribute if the company is wound up is \$1,000 (2014: \$1,000).

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under s 307C of the *Corporations Act 2001* is set out on page 4.

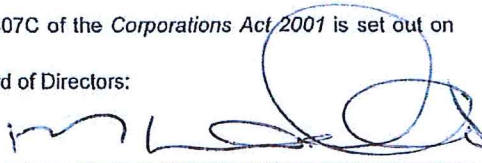
The directors' report is signed in accordance with a resolution of the Board of Directors:

Director



Patrick O'Connor

Director



Margaret Walker

Dated at Sydney this 6th day of May 2016

CYSTIC FIBROSIS AUSTRALIA
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**AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C
OF THE CORPORATIONS ACT 2001**

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2015, there have been no contraventions of:

- i) the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii) any applicable code of professional conduct in relation to the audit.

KMB Auditing Pty Limited



Robert Berman
Director

Sydney

6 May 2016

CYSTIC FIBROSIS AUSTRALIA
ABN 73 104 285 136

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 \$	2014 \$
REVENUE			
Revenue	2	1,815,309	1,768,296
TOTAL REVENUE		<u>1,815,309</u>	<u>1,768,296</u>
EXPENSES			
65 Roses Day expenses		(53,288)	(85,045)
Great Escape expenses		(192,283)	(257,194)
Cystic Fibrosis Conference expenses		(347,776)	(937)
Data registry expenses		(187,169)	(177,066)
Collaborative research project		(413,951)	(93,645)
Specific project costs		(10,000)	(42,700)
Government policy advocacy		(2,405)	(38,272)
Rent		(101,742)	(101,672)
Employee expenses		(650,678)	(626,371)
Depreciation		(3,060)	(5,694)
Meeting expenses		(59,129)	(70,468)
Travel expenses		(28,315)	(7,643)
Other administrative expenses		(129,444)	(209,920)
TOTAL EXPENSES		<u>(2,179,240)</u>	<u>(1,716,627)</u>
Current year profit (loss) before income tax		(363,931)	51,669
Income tax expense		-	-
Net current year profit (loss)		<u>(363,931)</u>	<u>51,669</u>
Other comprehensive income:		-	-
Items that will not be reclassified subsequent to profit or loss		-	-
Items that will be reclassified subsequent to profit or loss when specific conditions are met		-	-
Total other comprehensive income for the year		<u>(363,931)</u>	<u>51,669</u>
Total comprehensive income attributable to members of the entity		<u>(363,931)</u>	<u>51,669</u>

CYSTIC FIBROSIS AUSTRALIA
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STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Note	2015 \$	2014 \$
CURRENT ASSETS			
Cash on hand	4	140,957	397,895
Accounts receivable and other debtors	5	64,582	120,009
Inventories on hand	6	-	-
TOTAL CURRENT ASSETS		<u>205,539</u>	<u>517,904</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	<u>305,095</u>	305,356
TOTAL NON-CURRENT ASSETS		<u>305,095</u>	<u>305,356</u>
TOTAL ASSETS		<u>510,634</u>	<u>823,260</u>
CURRENT LIABILITIES			
Accounts payable and other payables	8	221,196	229,632
Provisions	9	105,208	74,207
Borrowings	10	<u>338,358</u>	309,618
TOTAL CURRENT LIABILITIES		<u>664,762</u>	<u>613,457</u>
NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		<u>664,762</u>	<u>613,457</u>
NET ASSETS		<u>(154,128)</u>	<u>209,803</u>
EQUITY			
Retained surplus		<u>(154,128)</u>	209,803
TOTAL EQUITY		<u>(154,128)</u>	<u>209,803</u>

**CYSTIC FIBROSIS AUSTRALIA
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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Retained Surplus \$	Total \$
Balance at 1 January 2014	158,134	158,134
Comprehensive income		
Surplus for the year attributable to members of the entity	51,669	51,669
Other comprehensive income for the year	-	-
Total comprehensive income attributable to members of the entity	<u>209,803</u>	<u>209,803</u>
Balance at 31 December 2014	<u>209,803</u>	<u>209,803</u>
Comprehensive income		
Surplus for the year attributable to members of the entity	(363,931)	(363,931)
Other comprehensive income for the year	-	-
Total comprehensive income attributable to members of the entity	<u>(363,931)</u>	<u>(363,931)</u>
Balance at 31 December 2015	<u>(154,128)</u>	<u>(154,128)</u>

CYSTIC FIBROSIS AUSTRALIA
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 \$	2014 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from donations, bequests and raffles		1,922,915	1,788,790
Payments to suppliers and employees		(2,211,851)	(1,958,298)
Interest received		3,258	2,223
Net cash provided by (used in) operating activities	11	<u>(285,678)</u>	<u>(167,285)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		-	-
Net cash provided by (used in) investing activities		<u>-</u>	<u>-</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings		-	250,000
Net cash provided by (used in) financing activities		<u>-</u>	<u>250,000</u>
Net increase (decrease) in cash held		(285,678)	82,715
Cash on hand at the beginning of the financial year		<u>338,277</u>	<u>305,562</u>
Cash on hand at the end of the financial year	4	<u>52,599</u>	<u>388,277</u>

CYSTIC FIBROSIS AUSTRALIA
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users who are dependent on general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the *Corporations Act 2001*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Corporations Act 2001* and the significant policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous periods unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous periods unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 6th May 2016 by the Board of Directors.

Accounting Policies

(a) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

(b) Inventories on Hand

Inventories are measured at the lower of cost and current replacement cost.

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

(c) Property, Plant and Equipment

Property

Freehold land and buildings are carried at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the statement of profit or loss.

Any accumulated depreciation at the date of revaluation is eliminated against the gross amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and any impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts. In the event the carrying amount of plant and equipment is greater than the recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the company commencing from the time the asset is held ready for use.

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

Class of Fixed Asset	Depreciation Rate	Depreciation Method
Leasehold Improvements	33.33%	Straight-line
Office Equipment	25% - 30%	Straight Line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised immediately in profit or loss. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(d) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are recognised as expenses in profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

The company does not designate any interests in subsidiaries, associates or joint ventures as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains and losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(ii) Financial liabilities

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

**CYSTIC FIBROSIS AUSTRALIA
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Impairment of Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease.

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

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

(f) Employee Benefits

Short-term Employee Benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position.

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

(g) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(h) Cash on Hand

Cash on hand include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(i) Revenue

Non-reciprocal grant revenue is recognised in profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Cystic Fibrosis Australia receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in profit or loss.

Donations and bequests are recognised as revenue when received.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

(j) Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from donors and any outstanding grant receipts. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

(k) Accounts Payable and Other payables

Accounts payable and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(l) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(m) Comparative Figures

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

(n) Critical Accounting Estimates and Judgments

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

Key Estimates

(i) Impairment – General

The company assesses impairment at the end of each reporting period by evaluating the conditions and events specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

There were no other significant key estimates made during the reporting period.

Key Judgements

There were no key judgements made during the reporting period.

(o) New Accounting Standards for Application in Future Periods

There are no new Accounting Standards that are issued by the AASB that will have any potential impact on the financial statements of the company

CYSTIC FIBROSIS AUSTRALIA
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 \$	2014 \$
NOTE 2: REVENUE			
Donations		457,784	414,555
Grants		100,000	140,000
Sponsorship- data registry		53,000	2,400
Red Rose merchandise		46,808	117,311
Collaborative research project		447,268	349,396
Cystic Fibrosis Conference income		386,118	25,227
Other fundraising activities		321,073	567,184
Change in property valuation		-	150,000
Interest income		3,258	2,223
		1,815,309	1,768,296

NOTE 3: EXPENSES

Depreciation of plant and equipment	3,060	5,694
Audit fees	6,250	6,250

NOTE 4: CASH ON HAND

Cash at bank	114,566	335,484
Cash at bank – LJ Hooker Fund	82	37,463
Cash on hand	-	300
Cash on deposit	26,309	24,648
	140,957	397,895

Reconciliation of Cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	4	140,957	397,895
Bank overdraft	10	(88,358)	(59,618)
		52,599	338,277

CYSTIC FIBROSIS AUSTRALIA
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 \$	2014 \$
NOTE 5: ACCOUNTS RECEIVABLE AND OTHER DEBTORS		
CURRENT		
Pledges receivable	59,029	89,228
Less: provision for doubtful debts	-	(751)
Total pledges receivable	59,029	88,477
GST receivable	4,144	2,193
Other receivables	1,409	29,339
Total current accounts receivable and other debtors	64,582	120,009
(a) Financial assets classified as loans and receivables		
Trade and other receivables		
- Total current	64,582	120,009
	64,582	120,009

NOTE 6: INVENTORIES

Red Rose Day merchandise – at cost	-	63,649
Less: provision for obsolescence	-	(63,649)
	-	-

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

Land and Buildings

Property - Freehold

At fair value	300,000	300,000
Less: accumulated depreciation	-	-
Total land and buildings	300,000	300,000

Plant and Equipment

Office Equipment

At cost	53,688	53,688
Less: accumulated depreciation	(48,593)	(48,332)
Total plant and equipment	5,095	5,356
Total property, plant and equipment	305,095	305,356

CYSTIC FIBROSIS AUSTRALIA
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 \$	2014 \$
NOTE 8: ACCOUNTS PAYABLE AND OTHER PAYABLES		
CURRENT		
Trade payables	158,171	17,762
Sundry payables and accrued expenses	62,604	174,407
LJ Hooker income holding account	421	37,463
	<u>221,196</u>	<u>229,632</u>

(a) Financial liabilities at amortised cost classified as trade and other payables

Trade and payables		
- Total current	221,196	229,632
- Total non-current	-	-
	<u>221,196</u>	<u>229,632</u>

NOTE 9: PROVISIONS

CURRENT		
Employee entitlements	105,208	74,207
	<u>105,208</u>	<u>74,207</u>
Total employee entitlements	<u>105,208</u>	<u>74,207</u>

NOTE 10: BORROWINGS

CURRENT		
CBA Cheque Account	9,023	59,518
Bank overdraft - secured	79,335	-
Cash advances from Australian Cystic Fibrosis Research Trust (ACFRT) - unsecured	250,000	250,000
	<u>338,358</u>	<u>309,618</u>

The above mentioned bank overdraft from the Commonwealth Bank and is secured by way of a first mortgage over the property. This facility is for an amount of \$100,000 and is subject to an annual review by the bank.

The above mentioned cash advance from ACFRT is a non-interest bearing advance. This advance is to be repaid out of the sales proceeds of the Malua Bay property. This property is yet to be sold. The sale is expected to occur during the financial year ended 31 December 2016.

CYSTIC FIBROSIS AUSTRALIA
ABN 73 104 285 136

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 \$	2014 \$
NOTE 11: CASH FLOW INFORMATION		
Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Profit (loss) from operating activities after income tax	(363,931)	51,669
Non-cash flows in profit:		
Depreciation	261	5,694
Changes in the valuation of property	-	(150,000)
Changes in assets and liabilities:		
Decrease (increase) in receivables	55,427	20,494
Decrease (increase) in inventories	-	40,358
Increase (decrease) in payables and other accrued expenses	(8,436)	(115,847)
Increase (decrease) in provisions	31,001	(19,653)
Cash flows from operations	<u>(285,678)</u>	<u>(167,285)</u>

NOTE 12: GOING CONCERN

The financial statements have been prepared on a going concern basis, which assumes that the company will be able to continue its trading activities. The company incurred a loss of \$363,931 for the year ended 31 December 2015 which translated into a negative equity position of \$154,128 at 31 December 2015.

The company's ability to meet its obligations as and when they fall due and continue as a going concern is dependent on a number of factors. The factors include the ability of the company to perform in line with budgets and cash flow projections in addition to achieving, sustainable levels of donations and sponsorship in the future.

The company is currently reviewing its operations to determine any possible cost efficiencies and alternative trading operations. The Directors have determined that the going concern assumption is appropriate for the preparation of the financial statements.

NOTE 13: CONTINGENT LIABILITY

In June 2012, CFA initiated a capital fundraising campaign in the field of cystic fibrosis in conjunction with all State and Territory CF Associations and partially funded by Cystic Fibrosis Western Australia (CFWA). CFWA is a member of CFA but is an entirely separate legal entity distinct from CFA. The above funding was received in 6 tranches during the period June 2012 to December 2014 and amounted to \$545,000. Each tranche was accompanied by a separate legal agreement (a letter signed by the CEO's of CFWA and CFA) that classed the funds received by CFA as an unsecured interest-free loan from CFWA. Repayment of the loan is contingent upon CFA raising sufficient funds from a capital fundraising campaign. Despite this, CFA has recorded the funds received as an income item in the relevant financial reporting periods that each tranche was received. While CFA management understands that the funds are a loan, CFWA has indicated that in the future it may choose to regard the loan as a grant and therefore a contribution to the campaign.

NOTE 14: COMPANY DETAILS

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

2 Richardson Place
North Ryde NSW 2113

CYSTIC FIBROSIS AUSTRALIA
ABN 73 104 285 136

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Cystic Fibrosis Australia, the directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors of the company declare that:

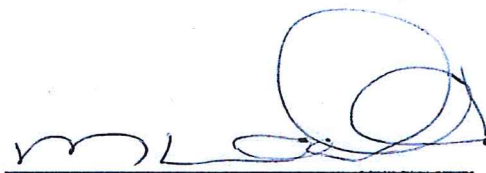
1. The financial statements and notes, as set out on pages 5 to 16, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the company's financial position as at 31 December 2015 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Director



Patrick O'Connor
President

Director



Margaret Walker
Treasurer

Dated this 6th day of May 2016

CYSTIC FIBROSIS AUSTRALIA
ABN 73 104 285 136

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
CYSTIC FIBROSIS AUSTRALIA**

We have audited the accompanying financial report, being a special purpose financial report, of Cystic Fibrosis Australia (the company), which comprises the statement of financial position as at 31 December 2015, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the accounting policies described in Note 1 to the financial report are appropriate to meet the requirements of the *Corporations Act 2001* and to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which have been given to the directors of Cystic Fibrosis Australia,, would be in the same terms if given to the directors as at the time of this auditor's report.

Qualifications

We have obtained appropriate audit evidence regarding revenue from cash donations and other fundraising activities with respect to revenue recorded in the financial records of Cystic Fibrosis Australia. As it is impracticable to establish control over the collection of revenue from these sources prior to entry into the financial records, our audit procedures are necessarily limited to those amounts recorded in these 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.

The financial report of Cystic Fibrosis Australia Limited for the year ended 31 December 2014 was audited by another firm of auditors. We have been unable to obtain sufficient appropriate audit evidence regarding the opening balances and comparatives disclosed in the financial report and the resultant effect, if any on the statement of comprehensive income for the year ended 31 December 2015.

Opinion

In our opinion, except for the effects of such adjustments, if any, on the financial statements, as might have been determined to be necessary had the limitations referred to in the qualifications paragraph not existed;

the financial report of Cystic Fibrosis Australia is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2015 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and complying with the *Corporations Regulations 2001*.

Emphasis of matter

Without modification to the above opinion, we draw attention to note 12 to the financial report which indicates that there is a material uncertainty whether the company will be able to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.


The ability of the company to continue as a going concern is dependent upon the company meeting its budget and cash flow projections and being able to successfully generate sufficient funds through fund raising and sponsorship.

It should be noted that mitigating circumstances do exist in that the company has taken steps to reduce expenditure which will positively contribute to the company's ability to continue as a going concern.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose.

KMB Auditing Pty Limited



Robert Berman

Director

Sydney

6 May 2016



KMB Auditing Pty Limited
ABN 33 119 230 661

Level 15, 37 York Street, Sydney, NSW 2000
Tel +61 2 8277 5000 | Fax +61 2 8277 5050
enquiry@kmbba.com.au | www.kmbba.com.au

CYSTIC FIBROSIS AUSTRALIA
ABN 73 104 285 136

**DISCLAIMER TO THE MEMBERS OF
CYSTIC FIBROSIS AUSTRALIA**

The additional financial data presented on page 21 is in accordance with the books and records of the company which have been subjected to the auditing procedures applied in our statutory audit of the company for the financial year ended 31 December 2015. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Cystic Fibrosis Australia) in respect of such data, including any errors of omissions therein however caused.

KMB Auditing Pty Limited

A handwritten signature in black ink, appearing to read 'Robert Berman', written over a horizontal line.

Robert Berman

Director

Sydney

6 May 2016

CYSTIC FIBROSIS AUSTRALIA
ABN 73 104 285 136

PRIVATE INFORMATION FOR THE DIRECTORS
DETAILED PROFIT AND LOSS
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 \$	2014 \$
INCOME		
Donations	457,784	414,555
Grants	100,000	140,000
Sponsorship – data registry	53,000	2,400
Red Rose merchandise	46,808	117,311
Collaborative research project	447,268	349,396
Cystic Fibrosis conference income	386,118	25,227
Other fundraising activities	321,073	567,184
Interest received	3,258	2,223
Change in the valuation of property	-	150,000
TOTAL INCOME	1,815,309	1,768,296
LESS: EXPENSES		
Advertising, marketing and promotion	442	7,948
Data registry expenses	187,169	177,066
Collaborative research project	413,951	93,645
Depreciation	3,060	5,694
Fundraising expenses	3,605	2,477
Government policy advocacy expenses	2,405	38,272
Meeting expenses	59,129	70,468
Subscriptions - others	3,032	5,057
Legal fees	5,136	9,603
Insurance	6,326	10,760
Rent	101,742	101,672
65 Rose Day – event expenses	53,288	85,045
Great Escape – event expenses	192,283	257,194
Other events – event expenses	9,399	23,936
Stock write-downs	-	40,144
Other indirect expenses	487,595	161,275
Salaries and wages (national secretariat)	553,980	554,984
Superannuation (national secretariat)	48,682	50,881
Employee benefits (national secretariat)	31,001	(3,753)
Employee recruitment fees	17,015	24,259
TOTAL EXPENSES	2,179,240	1,715,690
NET PROFIT (LOSS) FOR THE YEAR	(363,931)	51,669