

AUSTRALIAN CYSTIC FIBROSIS RESEARCH TRUST
ABN 90 202 760 228

FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

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AUSTRALIAN CYSTIC FIBROSIS RESEARCH TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

The trustees of the Australian Cystic Fibrosis Research Trust ("ACFRT" or "the trust") present their report on the trust for the financial year ended 31 December 2017.

Trustees

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

Mitchell Messer – became a trustee in 1992

Conrad Guerra – became a trustee in 1992

Paul Dalby – became a trustee in 2009

Margaret Walker – became a trustee in 2014

Dr Patrick O'Connor – appointed a trustee on 16 October 2015

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

Review of Operations

The Trustees report that the operations of the year resulted in a deficit of \$247,707 (2016: deficit \$229,186).

Principal Activities

The principal activities of the trust during the financial year were to advance and improve the treatment of cystic fibrosis in Australia by promoting research in cystic fibrosis.

No significant change in the nature of these activities occurred during the year other than that disclosed in this financial report.

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 trust, the results of those operations, or the state of affairs of the trust in future financial years.

Future Developments

No material change in activities is contemplated by the trust in the forthcoming financial year.

Trustees' benefits

During or since the end of the financial period no Trustee has received or become entitled to receive any benefit by reason of a contract made by the trust or related corporation with a Trustee or with a firm of which a Trustee has a substantial financial interest.

Environmental Regulation

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

Proceedings on Behalf of the Trust

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


AUSTRALIAN CYSTIC FIBROSIS RESEARCH TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

Auditor's Independence Declaration

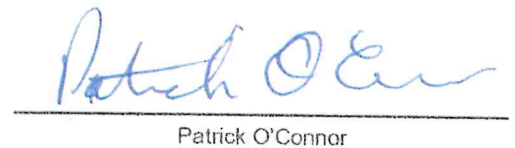
A copy of the auditor's independence declaration as required under s 307C of the *Corporations Act 2001* is set out on page 3.

The trustees' report is signed in accordance with a resolution of the Board of Trustees:



Mitchell Messer

Trustee



Patrick O'Connor

Trustee

Dated at Adelaide this 3rd day of April 2018


AUSTRALIAN CYSTIC FIBROSIS RESEARCH TRUST
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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 2017, 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

5th April 2018

AUSTRALIAN CYSTIC FIBROSIS RESEARCH TRUST
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 \$	2016 \$
INCOME		
Donations received	36,951	59,132
Research funding	66,250	21,250
Interest received	3,745	6,227
TOTAL INCOME	106,946	86,609
EXPENSES		
Funds paid for approved research & PhD grants	(249,653)	(315,735)
Donations	(100,000)	-
Bank Charges	-	(60)
Other expenses	(5,000)	-
TOTAL EXPENSES	(354,653)	(315,795)
Current year deficit before income tax	(247,707)	(229,186)
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	-	-
Net current year surplus/(deficit)	(247,707)	(229,186)

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STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	2017 \$	2016 \$
CURRENT ASSETS			
Cash on hand	2	509,375	458,818
Accounts receivable and other debtors	3	34,875	278,037
TOTAL CURRENT ASSETS		544,250	736,855
TOTAL ASSETS		544,250	736,855
CURRENT LIABILITIES			
Accounts payable and other payables	4	55,102	-
TOTAL CURRENT LIABILITIES		55,102	-
TOTAL LIABILITIES		55,102	-
NET ASSETS		489,148	736,855
EQUITY			
Settled sum		900	900
Retained surplus		488,248	735,955
TOTAL EQUITY		489,148	736,855

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Settled Sum	Retained Earnings	Total
	\$	\$	\$
Balance at 1 January 2016	900	965,141	966,041
Comprehensive income			
Deficit for the year	-	(229,186)	(229,186)
Total comprehensive income	900	735,955	736,855
Balance at 31 December 2016	900	735,955	736,855
Comprehensive income			
Deficit for the year	-	(247,707)	(247,707)
Total comprehensive income	900	488,248	489,148
Balance at 31 December 2017	900	488,248	489,148

AUSTRALIAN CYSTIC FIBROSIS RESEARCH TRUST
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 \$	2016 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from donations, bequests and raffles		363,859	192,867
Grants paid		(317,047)	(349,494)
Interest received		3,745	6,227
Net cash provided by (used in) operating activities	5	50,557	(150,400)
Net increase (decrease) in cash held		50,557	(150,400)
Cash on hand at the beginning of the financial year		458,818	609,218
Cash on hand at the end of the financial year	2	509,375	458,818

AUSTRALIAN CYSTIC FIBROSIS RESEARCH TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The trustees have prepared the financial statements on the basis that the trust 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 trust 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 trustees 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 trustees 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 3rd April 2018 by the Board of Trustees.

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) Impairment of Assets

At the end of each reporting period the trust 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 trust 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.

(c) 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.

(d) 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.

AUSTRALIAN CYSTIC FIBROSIS RESEARCH TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

(e) 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.

(f) 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.

(g) 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.

(h) Comparative Figures

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

(i) Critical Accounting Estimates and Judgements

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

**AUSTRALIAN CYSTIC FIBROSIS RESEARCH TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

and are based on current trends and economic data, obtained both externally and within the trust.

Key Estimates

(i) Impairment – General

The trust assesses impairment at the end of each reporting period by evaluating the conditions and events specific to the trust 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.

(j) 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 trust, the results of those operations, or the state of affairs of the trust in future financial years.

(k) 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 trust.

AUSTRALIAN CYSTIC FIBROSIS RESEARCH TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 \$	2016 \$
NOTE 2: CASH AND CASH EQUIVALENTS		
Cash at bank – Commonwealth Bank of Australia		
Working Account	44,302	31,133
Cash Management Account	465,072	427,685
	<u>509,375</u>	<u>458,818</u>
NOTE 3: TRADE AND OTHER RECEIVABLES		
CURRENT		
Pledges receivable	34,875	23,376
Other receivables – Cystic Fibrosis Australia	-	250,000
Other receivables	-	4,661
Total current trade and other receivables	<u>34,875</u>	<u>278,037</u>
NOTE 4: TRADE AND OTHER PAYABLES		
CURRENT		
Other payables	55,102	-
Total current trade and other payables	<u>55,102</u>	<u>-</u>

AUSTRALIAN CYSTIC FIBROSIS RESEARCH TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	\$	\$

NOTE 5: CASH FLOW INFORMATION

Reconciliation of Cash Flow from Operations with Profit after Income Tax

Profit (loss) from operating activities after income tax	(247,707)	(229,186)
Changes in assets and liabilities:		
Decrease (increase) in receivables	243,162	90,306
Increase (decrease) in trade payables and other accrued expenses	55,102	(11,520)
Cash flows from operations	50,557	(150,400)

NOTE 6: CONTINGENT LIABILITIES – APPROVED GRANTS

At year end the Trust has commitments payable to grants previously approved by the Trustees.

Payable within 1 year	124,738	301,357
Payable between 2 and 5 years	105,000	109,738
Total Grant Commitments	229,738	411,095

The payment of these grants is contingent on the grantees completing their obligations in accordance with the terms of their grants.

NOTE 7: TRUST DETAILS

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

Rose Cottage
2 Richardson Place
North Ryde NSW 2113

AUSTRALIAN CYSTIC FIBROSIS RESEARCH TRUST
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TRUSTEES' DECLARATION

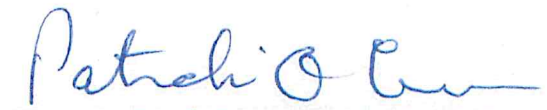
In accordance with a resolution of the trustees of Australian Cystic Fibrosis Research Trust, the trustees have determined that the trust is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial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

The trustees of the trust declare that:

1. The financial statements and notes, as set out on pages 4 to 12, 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 trust's financial position as at 31 December 2017 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 trustees' opinion there are reasonable grounds to believe that the trust will be able to pay its debts as and when they become due and payable.



Mitchell Messer
Trustee



Conrad Guerra
Trustee
Patrick O'Connor

Dated this 3rd day of April 2018

AUSTRALIAN CYSTIC FIBROSIS RESEARCH TRUST
ABN 90 202 760 228

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
AUSTRALIAN CYSTIC FIBROSIS RESEARCH TRUST**

Opinion

We have audited the financial report of Australian Cystic Fibrosis Research Trust (the trust), which comprises the statement of financial position as at 31 December 2017, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including summary of significant accounting policies, and the trustees' declaration.

In our opinion, the financial report of the trust is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the trust's financial position as 31 December 2017 and of its financial performance for the year ended; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1, and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of trust in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the trustees of the trust, would be in the same terms if given to the trustees as at the time of this auditor's report.

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

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 Australian Cystic Fibrosis Research Trust. 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.

Emphasis of Matter- Basis of Accounting

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 trustees' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in this matter.

Responsibilities of the Trustees for the Financial Report

The trustees of the trust are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The trustees' responsibility also includes such internal control as the trustees 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.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the trustees internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the trust to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

KMB Auditing Pty Limited



Robert Berman

Director

Sydney

Dated this 5th day of April 2018

