

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

**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**



**CYSTIC**  
**FIBROSIS**  
**Australia**

Rose Cottage  
2 Richardson Place  
North Ryde NSW 2113  
PO Box 268  
North Ryde NSW 1670

**Cystic Fibrosis Australia**  
(a company limited by guarantee)

ABN 73 104 285 136

**Financial report**

For the year ended 31 December 2018

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# Cystic Fibrosis Australia

(a company limited by guarantee)

## Directors' report

The directors of Cystic Fibrosis Australia (the 'company') present this report for the year ended 31 December 2018.

### Directors

The names of each person who has been a director at any time during, or since the end of, the year are:

<b>Name:</b>	<b>Position</b>	<b>Appointed:</b>	<b>Qualification:</b>
Patrick O'Connor	President	09/05/2014	Is an environmental scientist
Feliciano Sanchez	Vice President	19/04/2009	Is a project manager/engineer
Mitch Messer	Vice President	24/04/2003	Is a Company Director and Consultant
Laurence Daly	Treasurer	12/07/2013	Is an accountant. Appointed as Treasurer 4th August 2017
Ross Fraser	Director	09/05/2014	Is a retired business executive
Jong Chung	Director	16/10/2015	Is an SMSF specialist advisor
Peter Wark	Director	16/10/2015	Is a conjoint professor
Sean Collins	Director	13/02/2016	Is a management and IT consultant
Sarah Kelly	Director	11/02/2017	Is a Lawyer and principal policy officer
Kirsten Dilena	Director	13/10/2017	Is a Lawyer, practicing Management Consultant
Caz (Carolyn) Boyd	Director	01/05/2018	Is a PA for an Associate Clinical Professor of Endocrinology

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

Nettie Burke has held the position of Company Secretary since 2 May 2015.

### Review of Operations

The operating surplus of the financial year amounted to \$93,206 (2017: \$36,356).

### Going Concern

The financial report has been prepared on the basis of the company continuing as a going concern. The directors are of the view that the going concern basis is based upon the reasonable expectation that the company has the support of its' corporate partners, sponsors and creditors to continue to trade on this basis for the foreseeable future. The directors and management have taken appropriate steps to further reduce operating expenditure in the 2019 year and are currently considering strategic opportunities to secure the ongoing viability of the company.

# **Cystic Fibrosis Australia**

(a company limited by guarantee)

## **Directors' report - continued**

### **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 fund cystic fibrosis research.

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 including advocacy, funding, clinical improvement programs and research to people with cystic fibrosis and their families and carer networks.

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 with key stakeholders including the government, the broad cystic fibrosis community, overseas cystic fibrosis entities and the media while continuously improving outcomes for people with cystic fibrosis

### **Strategies**

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

- The company strives to work collaboratively with cystic fibrosis organisations to increase awareness, provide clinical improvement programs in the CF federation and support research and advocacy initiatives.
- The company establishes and fosters working partnerships with a range of stakeholders by facilitating engagement with the community, corporate partners, government and the media.

### **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.

# Cystic Fibrosis Australia

(a company limited by guarantee)

## Directors' report – continued

### Directors' meetings

During the year, eight meetings of directors were held. Attendees by each director were as follows:

Director Names	Directors' meetings	
	Number eligible to attend	Number attended
Patrick O'Connor	8	7
Feliciano Sanchez	8	5
Laurence Daly	8	6
Mitchell Messer	8	8
Ross Fraser	8	7
Richard Simons	4	4
Jong Chung	8	4
Peter Wark	8	3
Sean Collins	8	7
Sarah Kelly	8	8
Kirsten Dilena	8	8
Carolyn Boyd	5	4
Secretary - Nettie Burke CFA CEO		8

### Members' guarantee

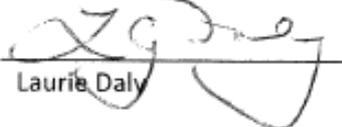
The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. In the event of the company being wound up, the constitution states that each member is required to contribute a maximum of \$100 towards meeting any outstanding obligations of the company. At 31 December 2018 the number of members was 7 (2017: 10).

### Auditor's independence

The auditor's declaration of independence appears on page 4 and forms part of the Directors' Report for the year ended 31 December 2018.

Signed in accordance with a resolution of the directors:

Director:   
Patrick O'Connor

Director:   
Laurie Daly

Dated: 27th March 2019



## **Auditor's declaration of independence**

### **To the Directors of Cystic Fibrosis Australia**

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2018 there have been no contraventions of:

- (i) the auditor independence requirements of Section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit;
- (ii) the *Charitable Fundraising Act 1991(NSW)*; and
- (iii) any applicable code of professional conduct in relation to the audit.

Roberts & Morrow  
Chartered Accountants

Michelle A Paull  
Partner  
Registered Company Auditor Number: 164853

Dated: 6 April 2019

**Cystic Fibrosis Australia**  
(a company limited by guarantee)

**Financial report for the year ended 31 December 2018**

**Statement of profit or loss and other comprehensive income**

	Note	2018 \$	2017 \$
<b>Revenue</b>			
Revenue	3	1,460,484	1,555,325
Profit on sale of previously donated property		-	137,000
<b>Total revenue</b>		<b>1,460,484</b>	<b>1,692,325</b>
<b>Expenditure</b>			
Employees		(632,944)	(556,762)
Research		(9,293)	(40,351)
Great Escape		(161,110)	(150,927)
Data Registry		(258,664)	(188,449)
Specific Projects		(67,508)	(61,285)
65 Roses Day		(3,994)	(21,678)
External conferences		-	(15,936)
Meetings		(18,082)	(24,715)
Rental outgoings		(10,595)	(9,303)
Travel		(10,000)	(10,569)
Government policy advocacy		(17,767)	(11,858)
CF Conference/s		(52,430)	(305,005)
Depreciation		(106)	(143)
Website and IT		(66,198)	-
Administrative		(58,587)	(121,988)
		<b>(1,367,278)</b>	<b>(1,518,969)</b>
<b>Surplus / (deficit) for the year</b>		<b>93,206</b>	<b>173,356</b>
<b>Other comprehensive income</b>			
Items that have been reclassified to Profit & Loss		-	(137,000)
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>(137,000)</b>
<b>Total comprehensive income</b>		<b>93,206</b>	<b>36,356</b>

The statement of profit or loss and other comprehensive income is to be read in conjunction with the attached notes.

**Cystic Fibrosis Australia**  
(a company limited by guarantee)

**Financial report for the year ended 31 December 2018**  
**Statement of financial position as at 31 December 2018**

	Note	2018 \$	2017 \$
<b>Current assets</b>			
Cash and cash equivalents	4	85,591	96,179
Trade and other receivables	5	370,233	146,131
Prepayments		5,000	2,000
		<b>460,824</b>	<b>244,310</b>
<b>Non-current assets</b>			
Property, plant & equipment	6	1,910	2,016
		<b>1,910</b>	<b>2,016</b>
<b>Total assets</b>		<b>462,734</b>	<b>246,326</b>
<b>Current liabilities</b>			
Trade and other payables	7	310,756	261,427
Provisions	8	97,568	64,131
Income received in advance		40,436	-
<b>Total current liabilities</b>		<b>448,760</b>	<b>325,558</b>
<b>Total liabilities</b>		<b>448,760</b>	<b>325,558</b>
<b>Net assets</b>		<b>13,974</b>	<b>(79,232)</b>
<b>Equity</b>			
Members Equity		13,974	(79,232)
<b>Total equity</b>		<b>13,974</b>	<b>(79,232)</b>

The statement of financial position is to be read in conjunction with the attached notes.

**Cystic Fibrosis Australia**  
(a company limited by guarantee)

**Financial report for the year ended 31 December 2018**

**Statement of changes in equity**

	<b>Retained earnings</b>	<b>Asset Revaluation Reserve</b>	<b>Total equity</b>
Balance at 1 July 2016	(252,588)	137,000	(115,588)
Surplus for the year	173,356	-	173,356
Other comprehensive income	-	(137,000)	(137,000)
<b>Balance at 30 June 2017</b>	<b>(79,232)</b>	<b>-</b>	<b>(79,232)</b>
Surplus for the year	93,206	-	93,206
Other comprehensive income	-	-	-
<b>Balance at 31 December 2018</b>	<b>13,974</b>	<b>-</b>	<b>13,974</b>

The statement of changes in equity is to be read in conjunction with the attached notes.

**Cystic Fibrosis Australia**  
(a company limited by guarantee)

**Financial report for the year ended 31 December 2018**

**Statement of cash flows**

	Note	2018 \$	2017 \$
<b>Cash flows from operating activities</b>			
Receipts from donation, bequests and raffles		1,275,312	1,592,992
Payments to suppliers and employees		(1,287,406)	(1,617,745)
Interest received		1,506	389
		<b>(10,588)</b>	<b>(87,364)</b>
<b>Cash flows from investing activities</b>			
Proceeds from the sale of property, plant & equipment		-	437,000
Payments for property, plant & equipment		-	(340)
		-	<b>436,660</b>
<b>Cash flows from financing activities</b>			
Repayment of borrowings		-	(250,000)
		-	(250,000)
Net increase (decrease) in cash held		(10,588)	99,295
Cash at beginning of financial year		96,179	(3,117)
<b>Cash at end of financial year</b>	4	<b>85,591</b>	<b>96,179</b>

The statement of cash flows is to be read in conjunction with the attached notes.

# Cystic Fibrosis Australia

(a company limited by guarantee)

## Financial report for the year ended 31 December 2018

### Notes to and forming part of the financial statements

#### 1 Corporate information

The financial report of Cystic Fibrosis Australia (the “company”) for the year ended 31 December 2018 was authorised for issue in accordance with a resolution of the directors on 6 April 2019.

Cystic Fibrosis Australia is a not-for-profit entity registered as a charity with the Australian Charities and Not-for-profits Commission (ACNC). The nature of the operations and principal activities of the company are described in the Directors’ Report.

#### 2 Summary of significant accounting policies

##### Financial reporting framework

The Directors have prepared the financial statements on the basis that the company is a non-reporting entity as there are no users dependent upon a general purpose financial report.

The financial report is a special purpose financial report, which has been prepared in accordance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

##### Statement of compliance

The financial statements have been prepared in accordance with the mandatory Australia Accounting Standards applicable to entities reporting under the *Australian Charities and Not-for-profits Commission Act 2012*, the basis accounting specified by all Australian Accounting Standards and Interpretations and the disclosure requirements of Accounting Standards;

AASB 101: Presentation of Financial Statements

AASB 107: Cash Flow Statements

AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors

AASB 1031: Materiality

AASB 1054: Australian Additional Disclosures

##### Basis of preparation

The financial report, except for the cash flow information, has been prepared on an accrual basis and is based on historical costs. The amounts presented in the financial statements have been presented in Australian dollars and rounded to the nearest dollar.

# **Cystic Fibrosis Australia**

(a company limited by guarantee)

## **Financial report for the year ended 31 December 2018**

### **Notes to and forming part of the financial statements**

#### **Going concern**

The financial report has been prepared on the basis of the company continuing as a going concern. The directors are of the view that the going concern basis is based upon the reasonable expectation that the company has the support of its Corporate Partners, sponsors and creditors to continue to trade on this basis for the foreseeable future. The directors and management have taken appropriate steps to further reduce operating expenditure in the 2019 year and are currently considering strategic opportunities to secure the ongoing viability of the company.

#### **Revenue**

Revenue is recognised when the company is legally entitled to the income and the amount can be quantified with reasonable accuracy. Revenue is recognised net of the amounts of goods and services tax (GST) payable to the Australian Taxation Office. Primary sources of revenue are:

##### **I. State and Territory levies**

Member States and Territories are charged an annual levy on a per capita basis based upon each State and Territory's registrations on the data registry. These levies are recorded as revenue on an accruals basis.

##### **II. Revenue from Corporate Partners and Sponsors**

The policy of the company is to record Pledges from Corporate Partners and Sponsors as revenue once a mutually binding agreement has been reached.

##### **III. Donations and Bequests**

Revenue from receipt of donations and bequests is recognised as revenue when received.

##### **IV. Fundraising activities**

Revenue from the fundraising activities is recognised as revenue when received.

##### **V. Interest**

Interest revenue is recognised as it accrues.

#### **Expenditure**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to a particular category they have been allocated to activities on a basis consistent with use of the resources.

#### **Cash and cash equivalents**

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any outstanding bank overdrafts.

# Cystic Fibrosis Australia

(a company limited by guarantee)

## Financial report for the year ended 31 December 2018

### Notes to and forming part of the financial statements

#### Account and other receivables

Trade receivables, which comprise amounts due from the community and partners, are recognised and carried at original invoice amount less any allowance for any uncollectable amounts.

An allowance for doubtful debts is made when there is objective evidence that the company will not be able to collect the debts. Bad debts are written off when identified.

#### Furniture and equipment

Furniture and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of furniture and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset.

#### Depreciation

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

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

<b>Class of fixed asset</b>	<b>Depreciation rate</b>
Furniture & Equipment	25% - 30%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

# Cystic Fibrosis Australia

(a company limited by guarantee)

## Financial report for the year ended 31 December 2018

### Notes to and forming part of the financial statements

#### Impairment of assets

At the end of each reporting period, the entity assesses whether there is any indication that an asset may be impaired. 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 to sell 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 the statement of profit or loss and other comprehensive income, unless the asset is carrying a revalued amount in accordance with another standard. Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

#### Accounts and other payables

Trade creditors and other payables represent liabilities for goods and services provided to the company prior to the end of the financial year that are unpaid. The notional amount of the creditors and payables is deemed to reflect fair value.

#### Provisions for Employee benefits

Employee benefits comprise wages and salaries, annual, non-accumulating sick and long service leave, and contributions to superannuation plans.

Liabilities for wages and salaries expected to be settled within 12 months of balance date are recognised in trade and other payables in respect of employees' services up to the reporting date. Liabilities for annual leave in respect of employees' services up to the reporting date which are expected to be settled within 12 months of balance date are recognised in the provision for annual leave. Both liabilities are measured at the amounts expected to be paid when the liabilities are settled.

Provision is made for the company's obligation for long service leave benefits and annual leave benefits not expected to be settled within 12 months. These benefits are measured at the present value of expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the measurement of obligations, the net change in the obligation is recognised in the statement of profit or loss and other comprehensive income under employee benefits expense.

The company's obligation for long term employee benefits are presented as non-current liabilities in the statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after end of the reporting period, in which case the obligations are presented as current liabilities.

# Cystic Fibrosis Australia

(a company limited by guarantee)

## Financial report for the year ended 31 December 2018

### Notes to and forming part of the financial statements

#### Income tax

As a charity registered with the Australian Charities and Not-for-Profits Commission and endorsed by the ATO, the company is exempt from income tax. Accordingly, no provision for income tax has been made.

#### Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except where the amount of GST incurred is not recoverable from the Australian Taxation Office, in which case it is recognised as part of the cost of acquisition of an asset or as part of an item of expense.

Receivables and payables are recognised inclusive of GST. The net amount of GST recoverable from or payable to the Australian Taxation Office is included as part of receivables or payables. Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from or payable to the Australian Taxation Office is classified as operating cash flows.

#### Comparative information

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

#### Critical Accounting Estimates and Judgements

The directors 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 and are based on current trends and economic data, obtained both externally and within the company.

### 3. Revenue

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
State and Territory levies	142,063	-
Donations	237,592	264,626
Corporate Partners	368,770	-
Grants	100,000	4,000
Sponsorship – data registry	145,000	84,516
Sponsorship - other projects	208,279	-
Red Rose merchandise	23,127	36,224
Other revenue	234,147	1,165,570
Interest income	1,506	389
	<b><u>1,460,484</u></b>	<b><u>1,555,325</u></b>

**Cystic Fibrosis Australia**  
(a company limited by guarantee)

**Financial report for the year ended 31 December 2018**

**Notes to and forming part of the financial statements**

**4. Cash and cash equivalents**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Cash at bank	57,360	69,870
Short term deposits	28,231	26,309
	<b>85,591</b>	<b>96,179</b>

**5. Trade and other receivables**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Pledges and sponsorship receivable	288,239	146,131
Trade receivables	81,994	-
	<b>370,233</b>	<b>146,131</b>

**6. Furniture and equipment**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Furniture and Equipment</b>		
At cost	53,688	53,688
Accumulated depreciation	(51,778)	(51,672)
	<b>1,910</b>	<b>2,016</b>

**7. Trade and other payables**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Trade payables	253,950	134,939
Sundry payables and accrued expenses	-	114,537
GST and PAYG payable	17,824	11,951
Employee related liabilities	38,982	-
	<b>310,756</b>	<b>261,427</b>

**8. Provisions – Employee benefits**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Annual leave	62,246	31,791
Long service leave	35,322	32,340
	<b>97,568</b>	<b>64,131</b>

# Cystic Fibrosis Australia

(a company limited by guarantee)

## Financial report for the year ended 31 December 2018

### Notes to and forming part of the financial statements

#### 9. Cash flows from operations

	2018	2017
	\$	\$
<b>Reconciliation of cash flow from operations with profit from ordinary activities</b>		
Surplus from ordinary activities	93,206	173,356
<b>Non cash flows in profit</b>		
Depreciation	106	143
Net loss on sale of assets	-	(137,000)
<b>Changes in assets and liabilities</b>		
(Increase)/decrease in account and other receivables	(224,102)	(93,538)
Increase/(decrease) in account and other creditors	49,329	(23,137)
Increase in income in advance	40,436	
(Increase)/decrease in prepayments	(3,000)	
Increase/(decrease) in employee entitlement provisions	33,437	(7,188)
<b>Net cash provided by operating activities</b>	<b>(10,588)</b>	<b>(87,364)</b>

#### 10. Capital commitments

To the best of the directors' knowledge and belief, there are no known capital commitments at balance date.

#### 11. Contingent assets and liabilities

To the best of the directors' knowledge and belief, there are no known contingent assets or liabilities at balance date.

#### 12. Events after the reporting period

To the best of the directors' knowledge and belief, there have been no significant events since the end of the reporting period requiring disclosure in the financial report.

#### 13. Company details

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

Rose Cottage  
2 Richardson Place  
North Ryde NSW 2113

# Cystic Fibrosis Australia

(a company limited by guarantee)

## Financial report for the year ended 31 December 2018

### Directors' declaration

In accordance with a resolution of the directors of Cystic Fibrosis Australia, the directors declare that in their opinion:

1. The financial statements and notes:

a) comply with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*;

b) comply with the basis of preparation as indicated in Note 2; and

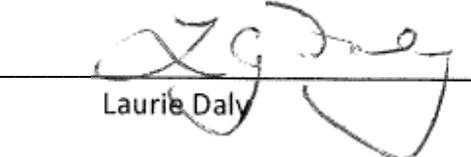
c) give a true and fair view of the financial position of the company as at 31 December 2018 and its performance and cash flows for the year ending on that date.

2. a) There are reasonable grounds to believe that the company will be able to pay all of its debts, and when they become due and payable.

b) In arriving at their decision in Note 2(a) the Directors have taken into account the information contained in Note 1 Going Concern.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profits Regulation 2013*;

Director:   
Patrick O'Connor

Director:   
Laurie Daly

Dated: 27th March 2019

**Cystic Fibrosis Australia**  
(a company limited by guarantee)

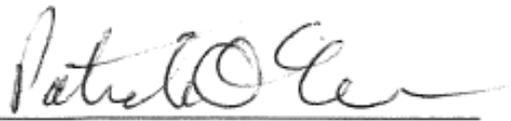
## **Chairman's Declaration**

**Under the *Charitable Fundraising Act (NSW) 1991***

I, Patrick O'Connor, Chairman, of the Board of the Cystic Fibrosis Australia, declare that in my opinion:

- a) the financial statements give a true and fair view of all income and expenditure of Cystic Fibrosis Australia;
- b) the statement of financial position gives a true and fair view of the state of affairs in respect of fundraising appeals;
- c) the provisions of the *Charitable Fundraising Act (NSW) 1991* the Regulations under the Act and the conditions attached to the authority have been complied with; and
- d) the internal controls exercised by Cystic Fibrosis Australia are appropriate and effective in accounting for all income received and applied by the company from any of its fundraising appeals.

Signed,



Patrick O'Connor  
Chairman

North Ryde, NSW

Date: 27th March 2019



## Independent auditor's report

To the members of Cystic Fibrosis Australia

### Opinion

We have audited the accompanying financial report, of Cystic Fibrosis Australia (the company), which comprises the statement of financial position as at 31 December 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and notes comprising a summary of significant accounting policies, and the declaration by those charged with governance.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the company as at 31 December 2018 and of its financial performance and its cash flows for the year then ended in accordance with the basis of preparation in Note 2 to the financial report. Further, the financial report has been prepared in accordance with Division 60 of the Australian Charities and Not-For-Profits Commission Act 2012 and the requirements set out in the Australian Charities and Not-For-Profits Commission Regulations 2013 and the Charitable Fundraising Act (NSW) 1991.

### Opinion Pursuant to the Charitable Fundraising Act (NSW) 1991

In our opinion:

- (i) the financial report gives a true and fair view of the company's financial result of fundraising appeal activities for the financial year ended 31 December 2018;
- (ii) the financial report has been properly drawn up, and the associated records have been properly kept for the period from 1 January 2018 to 31 December 2018, in accordance with the *Charitable Fundraising Act (NSW) 1991* and regulations;
- (iii) money received as a result of fundraising appeal activities conducted during the period from 1 January 2018 to 31 December 2018 has been properly accounted for and applied in accordance with the *Charitable Fundraising Act (NSW) 1991* and regulations
- (iv) there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

### 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 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) and the auditor independence requirements of the Australian Charities and Not-For-Profits Commission Act 2012 that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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### **Material Uncertainty Related to Going Concern**

We draw attention to Note 2 to the financial report which indicates that pledges and sponsorship receivables totalling \$288,239 were outstanding at balance date. A significant proportion of this balance remains outstanding at the date of signing. This indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### **Responsibilities of Management and Those Charged with Governance for the Financial Report**

Management is responsible for the preparation and fair presentation of the financial report in accordance with the basis of preparation outlined in Note 2 to the financial report, in accordance with Division 60 of the Australian Charities and Not-For-Profits Commission Act 2012 and the requirements set out in the Australian Charities and Not-For-Profits Commission Regulations 2013 and have been prepared in accordance with the *Charitable Fundraising Act (NSW) 1991*, and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

### **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 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.

### **Our responsibilities**

As part of an audit in accordance with the Australian Auditing Standards, the auditor exercises professional judgement and maintains professional scepticism throughout the audit. The auditor also:

- Identifies and assesses the risks of material misstatement of the financial report, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for the auditor's opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- Obtains 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 entity's internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by those charged with governance.
- Concludes on the appropriateness of those charged with governance's 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 entity's ability to continue as a going concern. If the auditor concludes that a material uncertainty exists, the auditor is required to draw attention in the auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the auditor's opinion. The auditor's conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluates the overall presentation, structure and content of the financial report, including the disclosures made by those charged with governance.

The auditor communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

Roberts & Morrow  
Chartered Accountants



Michelle A Paull  
137 Beardy Street  
Armidale  
Auditor Registration Number: 164853

Dated: 6 April 2019