

Financial Report
Cystic Fibrosis South Australia Incorporated

For the year ended 31 December 2020

**CYSTIC FIBROSIS SOUTH AUSTRALIA INCORPORATED
FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

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CYSTIC FIBROSIS SOUTH AUSTRALIA INCORPORATED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 \$	2019 \$
INCOME			
Distribution received		36,539	55,011
Dividends received		4,113	5,713
Fundraising event income		155,124	275,778
General donations		131,184	96,962
Grant Income	3	146,196	38,036
Interest received		1,920	7,521
Member subscriptions		8,115	8,785
Other income	4	<u>(1,064)</u>	<u>(468)</u>
		<u>482,127</u>	<u>487,338</u>
EXPENSES			
Administration costs		39,406	43,867
Depreciation Expense		16,828	17,583
Employee benefits expense		254,634	211,705
Finance Cost		2,213	2,861
Fundraising event expense		115,279	223,370
Grant Related Expenses		9,420	4,762
Fair value movement of investment portfolio		(1,663)	(12,512)
Research expense		<u>30,000</u>	<u>40,000</u>
		<u>466,117</u>	<u>531,636</u>
OPERATING SURPLUS/(DEFICIT) FOR THE YEAR		<u>16,010</u>	<u>(44,298)</u>
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE YEAR		<u>16,010</u>	<u>(44,298)</u>

The accompanying notes form part of these financial statements.

CYSTIC FIBROSIS SOUTH AUSTRALIA INCORPORATED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Notes	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	426,188	335,370
Accounts receivable and other receivables	6	9,143	-
Inventories		5,084	4,932
Prepayments		12,130	12,825
TOTAL CURRENT ASSETS		<u>452,545</u>	<u>353,127</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	35,920	52,748
Financial assets	8	76,488	74,825
TOTAL NON-CURRENT ASSETS		<u>112,408</u>	<u>127,573</u>
TOTAL ASSETS		<u>564,953</u>	<u>480,700</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	9	104,775	25,669
Employee benefits	10	8,795	14,032
Funds received in advance	11	16,631	5,930
Lease Liabilities	12	32,006	16,744
TOTAL CURRENT LIABILITIES		<u>162,207</u>	<u>62,375</u>
NON-CURRENT LIABILITIES			
Lease Liabilities	12	6,319	37,908
TOTAL NON-CURRENT LIABILITIES		<u>6,319</u>	<u>37,908</u>
TOTAL LIABILITIES		<u>168,526</u>	<u>100,283</u>
NET ASSETS		<u>396,427</u>	<u>380,417</u>
MEMBER'S FUNDS			
Accumulated funds		380,417	424,715
Surplus/(Deficit) for the year		16,010	(44,298)
TOTAL MEMBER'S EQUITY		<u>396,427</u>	<u>380,417</u>

The accompanying notes form part of these financial statements.

CYSTIC FIBROSIS SOUTH AUSTRALIA INCORPORATED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Retained Profits \$	Total \$
2020		
Balance at 1 January 2020	380,417	380,417
Surplus for the year	16,010	16,010
Balance at 31 December 2020	<u>396,427</u>	<u>396,427</u>
2019		
Balance at 1 January 2019	424,715	424,715
Deficit for the year	(44,298)	(44,298)
Balance at 31 December 2019	<u>380,417</u>	<u>380,417</u>

The accompanying notes form part of these financial statements.

CYSTIC FIBROSIS SOUTH AUSTRALIA INCORPORATED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from members & fundraising events	353,909	366,847
Interest income received	1,920	7,521
Distribution from Vera Lane Memorial Trust	59,745	107,333
Dividends received	4,113	5,713
Donations received	131,184	96,962
Interest & finance cost paid	(2,213)	(2,861)
Payments to suppliers and employees	<u>(441,513)</u>	<u>(570,908)</u>
Net cash provided (used by) operating activities	<u>107,145</u>	<u>10,607</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of principal on leased assets	<u>(16,327)</u>	<u>(15,679)</u>
Net cash provided from financing activities	<u>(16,327)</u>	<u>(15,679)</u>
Net (decrease) in cash and cash equivalents held	90,818	(5,072)
Cash and cash equivalents at beginning of period	335,370	340,442
Cash and cash equivalents at end of year	5 <u>426,188</u>	<u>335,370</u>

There were no cash flows from investing activities during the year

The accompanying notes form part of these financial statements.

CYSTIC FIBROSIS SOUTH AUSTRALIA INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. Basis of Preparation

The financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the Australian Charities and Not-for-profit Commission Act 2012. The committee has determined that the Association is not a reporting entity. The entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared on an accruals basis and are based on historic costs. They do not take into account changing money values or, except where stated specifically, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless stated otherwise, have been adopted in the preparation of these financial statements.

2. Summary of Significant Accounting Policies

(a) Income Tax

The Association is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

(b) Revenue and Other Income

The Association has applied AASB 15 Revenue and AASB 1058 Income of Not-for-Profit Entities using the cumulative effective method.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services.

Revenue generated by the Association is categorised into the following categories:

- Donations and fundraising activities;
- Sale of goods;
- Operating grants;
- Government grants;
- Interest revenue;
- Distribution income; and
- Dividend income

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

CYSTIC FIBROSIS SOUTH AUSTRALIA INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Summary of Significant Accounting Policies (cont'd)

(c) Inventories

Inventories are measured at the lower of cost and net realisable value. The Association's inventories include merchandise for fundraising activities. The cost of inventories includes direct materials and other purchase costs at the time of receipt.

(d) 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 position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing 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.

(e) Plant and Equipment

Plant and equipment is carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all property, plant and equipment is depreciated over the useful lives of the assets to the Association commencing from the time the asset is held ready for use.

Refer to Note 3(i) for a description of the measurement and recognition of right-of-use asset calculated under AASB 16 Leases.

CYSTIC FIBROSIS SOUTH AUSTRALIA INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Summary of Significant Accounting Policies (cont'd)

(f) Financial Instruments

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

Financial instruments (except for trade receivables) 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 expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Financial Assets

Investments in financial assets are initially recognised at cost, which includes transaction costs, and are subsequently measured at fair value, which is equivalent to their market bid price at the end of the reporting period. Movements in fair value are recognised through profit or loss.

(g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

(h) Employee Provisions

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits expected to be settled within one year together with benefits arising from salaries and wages, annual leave and long service leave which will be settled after one year have been measured at their hours owed by current salary rate (excluding on-costs).

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

CYSTIC FIBROSIS SOUTH AUSTRALIA INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Summary of Significant Accounting Policies (cont'd)

(i) Leases

The Association has adopted AASB 16 : Leases using the cumulative effective method. Therefore, the comparative information has not been restated.

At inception of a contract, the Association assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Association where the Association is a lessee.

However, all contracts that are classified as short-term leases (ie a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Association uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Association anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

CYSTIC FIBROSIS SOUTH AUSTRALIA INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 \$	2019 \$
3. Grant Income		
Jobkeeper	85,200	-
Cash Flow Boost	39,076	-
Other Grants	21,920	38,036
	<u>146,196</u>	<u>38,036</u>
4. Other Income		
Opening Stock	(4,252)	(4,566)
Purchases	(1,216)	(154)
Closing Stock	4,404	4,252
Cost of Sales	<u>(1,064)</u>	<u>(468)</u>
5. Cash and Cash Equivalents		
Cash on Hand	69	175
Cash at Bank BankSA	449	149,925
Float	270	270
Bendigo Bank General Account	66,244	-
Bendigo Bank High Interest	274,156	-
Term Deposit 4040946560	-	85,000
Term Deposit 4040947360	-	100,000
Term Deposit 176340172	85,000	-
	<u>426,188</u>	<u>335,370</u>
6. Trade and Other Receivables		
Sundry Debtors	9,143	-
	<u>9,143</u>	<u>-</u>
7. Property, Plant and Equipment		
Plant & Equipment		
At cost	35,283	35,283
Accumulated depreciation	(35,283)	(35,283)
	<u>-</u>	<u>-</u>
Equipment for Home		
At cost	350	350
Accumulated depreciation	(350)	(350)
	<u>-</u>	<u>-</u>
Right-of-Use Asset		
At cost	70,331	70,331
Accumulated depreciation	(34,411)	(17,583)
	<u>35,920</u>	<u>52,748</u>

CYSTIC FIBROSIS SOUTH AUSTRALIA INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$
8. Financial Assets		
Listed shares at valuation	76,488	74,825
9. Trade and Other Payables		
Accounts payable	60,110	9,477
Research donations	500	3,272
Other payables	8,637	9,741
Vera Lane Trust	35,528	3,179
	<u>104,775</u>	<u>25,669</u>
10. Employee Benefits		
Current		
Provision for annual leave	8,795	14,032
Provision for long service leave	-	-
	<u>8,795</u>	<u>14,032</u>
11. Funds Received in Advance		
Grants received in advance	15,696	-
Membership subscription received in advance	935	5,930
	<u>16,631</u>	<u>5,930</u>
12. Lease Liabilities		
CURRENT		
Lease Liabilities	32,006	16,744
	<u>32,006</u>	<u>16,744</u>
NON CURRENT		
Lease Liabilities	6,319	37,908
	<u>6,319</u>	<u>37,908</u>

CYSTIC FIBROSIS SOUTH AUSTRALIA INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

13. Capital and Leasing Commitments

	2020	2019
	\$	\$
(a) Operating Leases		
Minimum lease payments under non-cancellable operating leases :		
- not later than one year	1,080	1,080
- between one year and five years	<u>1,620</u>	<u>2,700</u>
	<u>2,700</u>	<u>3,780</u>
 (b) Finance Leases		
Minimum lease payments :		
- not later than one year	<u>39,928</u>	<u>59,024</u>
Minimum lease payments	<u>39,928</u>	<u>59,024</u>
 Less : finance charges	<u>(2,020)</u>	<u>(4,372)</u>
Present value of minimum lease payments	<u>37,908</u>	<u>(4,372)</u>

(c) Contracted Commitments

There was no capital commitments contracted at reporting date, not recognised as liabilities (2019 : \$nil)

14. Contingencies

In the opinion of the Committee, the Association did not have any contingencies at 31 December 2020 (31 December 2019: Nil).

15. Events Occurring After the Reporting Date

The COVID-19 pandemic continues to cause significant volatility in equity markets and the Not-for-Profit sector in Australia. Management have assessed the impact of the situation and as the investment portfolio held by the Association is for long-term purposes, any mark to market fluctuations since year end have not been adjusted for on the basis of that long-term strategy remaining.

Apart from the matters disclosed as above, no other events or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

16. Association Details

The registered office and principal place of business of the Association is:
143 - 145 Sturt Street
Adelaide SA 5000

CYSTIC FIBROSIS SOUTH AUSTRALIA INCORPORATED

STATEMENT BY MEMBER'S OF THE COMMITTEE

The Committee has determined that the Association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Committee the financial report as set out on pages 1 to 11:

1. Presents fairly the results of the operations of Cystic Fibrosis South Australia Incorporated as at 31 December 2020 and the state of its affairs for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Cystic Fibrosis South Australia Incorporated will be able to pay its debts as and when they fall due with the continuing support of creditors.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:



.....

Peter Summers
President

Dated this 30th day of April 2021

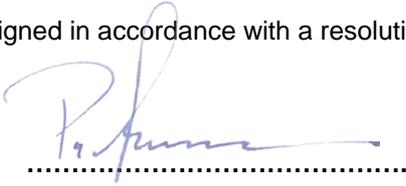
CYSTIC FIBROSIS SOUTH AUSTRALIA INCORPORATED

COMMITTEE'S REPORT

In accordance with Section 35(5) of the Associations Incorporation Act (SA) 1985, the Committee of Cystic Fibrosis South Australia Incorporated hereby states that during the financial year ended 31 December 2020:

- a) i) no officer of the Association;
 - ii) no firm of which an officer is a member; and
 - iii) no body corporate in which an officer has a substantial financial interest, has received or become entitled to receive a benefit as a result of a contract between the officer, firm, or corporate body and the group.
- b) no officer of the group has received directly or indirectly from the Association any payment or other benefit of a pecuniary value.

Signed in accordance with a resolution of the Member's of the Committee:



Peter Summers
President

Dated this 30th day of April 2021

Cystic Fibrosis South Australia Incorporated

Independent auditor's report to members

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial report of Cystic Fibrosis South Australia Incorporated (the Association), which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the committee's report and the statement made by the members of the committee.

In our opinion, except for the possible effects of the matter described in the Basis of Qualified Opinion paragraph, the financial report of Cystic Fibrosis South Australia has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a) giving a true and fair view of the Association's financial position as at 31 December 2020 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Qualified Opinion

As is common for organisations of this type, it is not practicable to maintain an effective system of internal control over fundraising activities until their initial entry in the accounting records. Accordingly, our audit in relation to fundraising activities was limited to amounts recorded.

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 Association in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

ACCOUNTANTS & ADVISORS

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Adelaide SA 5001
Telephone: +61 8 8409 4333
williambuck.com

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 Association's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Committee Members for the Financial Report

The committee members of the Association 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 ACNC Act and the needs of the members. The committee members' responsibility also includes such internal control as the committee members determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee members are responsible for assessing the Association'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 the committee members either intend to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

The committee members are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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.

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our independent auditor's report.

William Buck

William Buck
ABN 38 280 203 274



M. D. King
Partner

Adelaide, 30th day of April 2021