

Cystic Fibrosis Community Care Ltd

ABN 25 126 031 536

Financial Statements

For the Year Ended 31 December 2022



Cystic Fibrosis Community Care Ltd

ABN 25 126 031 536

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For the Year Ended 31 December 2022

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Cystic Fibrosis Community Care Ltd

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Directors' Report

31 December 2022

The directors present their report, together with the financial statements of the Group, being the group and its controlled entities, for the financial year ended 31 December 2022. The entities are Cystic Fibrosis Community Care Pty Ltd and Cystic Fibrosis New South Wales Pty Ltd.

1. General information

Directors

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

Names	Position	Appointed/Resigned
Katherine Kaspar	Non-Executive Director	
Aleksandar Matijevic	Non-Executive Director	
Cameron Jones	Non-Executive Director	
Rachael Wilmot	Non-Executive Director	
Bruce Jarvis	Non-Executive Director	
Joanne Harrison	Non-Executive Director	
Shane Fennell	Non-Executive Director	
Bryson Vaughan	Non-Executive Director	
Stuart McCulloch	Non-Executive Director	
Karin Knoester	CEO and Company Secretary	Resigned May 2022
Andre Joao Araujo De Carvalho	CEO and Company Secretary	Appointed May 2022

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

Principal activities

The principal activities of the Group during the financial year were:

- Providing programs and services to people living with Cystic Fibrosis, their families and carers
- Fundraising activities to support our service delivery in Victoria and NSW
- Advocacy on behalf of our members in areas such as hospital services, employment, NDIS, welfare, education, childcare, access to medicines
- Information and awareness raising to the broader community
- Promotion of Cystic Fibrosis Carrier Screening

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

Short term objectives

The Group's short term objectives are to:

- Understand and respond to the needs of our members

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Directors' Report

31 December 2022

1. General information (continued)

Short term objectives (continued)

- Provide effective communication to all our stakeholders
- Create an effective and sustainable organisation
- Promote and support research in Cystic Fibrosis
- Maintain strong relationships with service providers and all those who support our work.

Long term objectives

The Group's long term objective is to build a future where lives are unaffected by Cystic Fibrosis.

Strategy for achieving the objectives

To achieve these objectives, the Group has adopted the following strategies:

- Delivering innovative programs and building strong relationships to:
 - Meet the needs of people living with Cystic Fibrosis
 - Reduce isolation
 - Support families and carers
 - Bring greater awareness of Cystic Fibrosis to the wider community
 - Promote and support research into Cystic Fibrosis
 - Reach the almost 1 million unknowing carriers of the Cystic Fibrosis gene change
- Organisational sustainability and financial growth
- Internal business improvement to deliver simple, consistent, quality process and systems
- A culture that supports continuous evaluation, accountability and quality improvement will be embedded across the organisation.

Cystic Fibrosis Community Care Ltd. (CFCC) acknowledges the generous support of a variety of corporate partners, Foundations and Trusts, major donors, bequestors, community fundraiser's and individuals for their support throughout the year. Without active fundraising, grant seeking and partnership building CFCC would not be able to achieve its strategic objectives. CFCC acknowledges the Victorian State Government which provides funding to support our service delivery in Victoria, the State Government of NSW which provides funding to support our service delivery especially our social work services in Cystic Fibrosis clinics in New South Wales.



Directors' Report

31 December 2022

1. General information (continued)

Performance measures

CFCC measures its performance biannually in financial terms as well as in our level of engagement with the community it services. There are key measures around income, program delivery, engagement and partnerships.

Members' guarantee

In the event of the Company being wound up, ordinary members are required to contribute a maximum of \$ 10 each. Honorary members are not required to contribute.

At 31 December 2022 the collective liability of members was \$ NIL (2021: \$ NIL) based on 1,126 current ordinary members (2021: 1,235).

Key relationships and stakeholders

- The interests of all people living with CF, their carers and families are central to our purpose.
- We pursue close and collaborative relationships with the clinical and allied health staff who work with those living with CF, and with researchers who are striving to understand CF better and devise new strategies for treatment.
- We aim to build strong and productive working relationships with our national and state counterparts, and recognise that strong relationships with government, corporate and private benefactors are key to achieving our goals.
- Community fundraiser's and volunteers are an important part of our future and we will focus on building and maintaining strong relationships with those community fundraiser's and volunteers who share our vision and support our work.
- We strive to connect with, and provide information to, the many people in Victoria and New South Wales who are unknowingly healthy carriers of a CF gene change.

The overall objective of the organisation is to reduce the burden of care and increase the wellbeing and quality of life of people living with CF, and promote broader awareness of CF in the community.

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Directors' Report

31 December 2022

Information on directors

Katherine Kaspar

Qualifications

Experience

Special Responsibilities

Non-Executive Director

BA LLB (Hons) (University of England) Grad Dip (Legal Practice) (ANU) GAICD Grad Advanced Management Program (Harvard)

Originally appointed to the Cystic Fibrosis Victoria Board in 2013, Katherine continued on to the CFCC Ltd Board at the time of amalgamation. She has more than 10 years' experience as a lawyer; specialising in trust and corporate law. She has held positions at two of Melbourne's top tier law firms and has advised some of Australia's largest companies. Katherine also has more than 10 years' experience as a non-executive director on profit-for-member boards. She is currently the CEO of a superannuation fund and has broad executive experience in financial services.

Chairman, Member Investment Sub-Committee, Member of Large Steps Forward Sub-Committee

Aleksandar Matijevic

Qualifications

Experience

Special Responsibilities

Non-Executive Director

BA MBus (IT)

Alex is a highly experienced IT manager with substantial professional experience across 18 countries in strategic planning and execution, business transformation, project delivery, vendor and operational management within operations, service delivery, environment and release management, and workforce management functions. This is within the entertainment, chemicals, consumer goods, and IT industries.

Member Investment Sub-Committee

Cameron Jones

Qualifications

Experience

Special Responsibilities

Non-Executive Director

CA BBus GIA (Cert)

Cameron is the Managing Director of Bio101, a financial services firm providing accounting, tax and company secretarial services specialising in the healthcare sector. A qualified Chartered Accountant, Cameron acts as CFO and Company Secretary for a number of ASX listed companies and Venture Capital investee companies. He has qualifications in Accounting, Governance Practice, and Financial Planning.

Deputy Chairman, Treasurer, Chairman Investment Sub-Committee



Directors' Report

31 December 2022

Information on directors (continued)

Rachael Wilmot

Qualifications

Experience

Non-Executive Director

BA (Media and Comms) Grad Cert Media Sales

With 20 years of media industry experience in senior roles across a variety of different media publishers and agencies, Rachael is a highly experienced media and marketing executive with a track record in delivering outstanding results for clients. She is currently Managing Director of a start-up media agency called Thirty1Twenty1, which specialises in research and consumer insights, communications strategy, media planning/buying and campaign management. Rachael is mother to a four year old daughter with CF named Hope. Her name reflects the optimism her family has for her future. Since Hope's pre-natal diagnosis of CF in 2017, Rachael and her family have become passionate advocates and immersed themselves in the CF community through CFCC. Rachael has played an active role in fundraising and lobbying over the past three years.

Special Responsibilities

Chair, Large Steps Forward Sub-Committee

Bruce Jarvis

Experience

Non-Executive Director

Bruce has been a member of Cystic Fibrosis Community Care for 17 years and has been involved in fundraising, training, assisting in setting up activities and presentations to community organisations. He has served in the Army Reserve for 40 years obtaining rank Major and holding 4 Command Postings. Bruce has held senior positions in several companies with as many as 2000 employees both within Australia and overseas. Bruce currently volunteers with TRSL Victoria (ANZAC House) as Chief Staff Officer Remembrance Services, CFCC and Freemasons Victoria. He bring a wealth of experience at all levels of life.

Special Responsibilities

Member Large Steps Forward Sub-Committee

Joanne Harrison

Qualifications

Experience

Non-Executive Director

MBChB, MRCP, MRCPCH, FRACP, M.Clin Ed.

Joanne is a paediatric respiratory physician at the Royal Children's Hospital in Melbourne, where she cares for patients with a wide range of respiratory conditions. She has been the Cystic Fibrosis Centre Director since 2014 during which time she has overseen a number of initiatives to improve the quality of care provide to the patients with CF. Joanne undertook her training in Glasgow, UK as well as spending time in London, Vancouver, Sydney and Melbourne. She has a passion for providing high quality care to children and their families. Joanne has a long standing interest in medical education and completed a Masters of Clinical Education at Melbourne University in 2019.

Special Responsibilities

Clinical Advisor

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Directors' Report

31 December 2022

Information on directors (continued)

Shane Fennell

Qualifications

Experience

Special Responsibilities

Non-Executive Director

BBus (Accounting)

Shane is an accomplished chartered management accountant with over 13 years experience in project management with a strong emphasis on process improvement and simplification within the finance sector. Shane is OE Greenbelt certified and has spent his career working within large multinational organisations. Shane is currently General Manager of Contractor Strategy at Australia Post.

Member Investment Sub-Committee/Deputy Chairman

Bryson Vaughan

Qualifications

Experience

Non-Executive Director

BSc (Psych)

Bryson is an experienced Company Director of start-up companies in the philanthropic and telecommunications space. With a background in psychology and career as a business architect, Bryson has a history of managing global projects in a diverse range of sectors including payments and social media. Bryson has extensive experience throughout the charitable sector focusing on community engagement and corporate giving. As someone living with CF who has been involved at all levels of CF organisations within Australia, Bryson uses his own experiences and runs several social media groups to help identify and develop strategy around the needs of people with CF and their carers.

Stuart McCulloch

Qualifications

Experience

Special Responsibilities

Non-Executive Director

BJuris MJuris (Oxford) MAICD

Stuart has practised as a lawyer in the UK and Australia for more than 30 years specialising in Corporate law. Stuart served on the Allen's board between 2006 and 2015 and was Chair of its Audit and Risk Management Committee. Stuart was appointed to the Board of Cystic Fibrosis NSW in 2010 and Cystic Fibrosis Community Care in 2017. Stuart and the Allen's team were integral in the expert preparation of all legal documents required at amalgamation. Stuart has a son living with CF.

Member Investment Sub-Committee / Deputy Chairman

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Directors' Report

31 December 2022

Information on directors (continued)

Andre Araujo De Carvalho

Qualifications

Experience

CEO and Company Secretary

BA (Hons) HR and Marketing

Andre was appointed Chief Executive Officer of Cystic fibrosis Community Care (CFCC) in May 2022, following the resignation of Karin Knoester. Andre was subsequently also appointed as Company Secretary in June 2022. Andre has extensive leadership experience in the not-for-profit sector in Australia and the UK. Prior to CFCC, he was CEO of Inclusion Foundation, a disability organisation championing the lives of people with Down syndrome. Prior to that Andre was CEO of Bully Zero – a national bullying prevention and online safety organisation and prior, he was CEO of Sands Australia – a bereavement support organisation supporting families following the death of a baby. Andre is a member of the Australian Institute of Company Directors.

Meetings of directors

During the financial year, 8 meetings of directors (excluding committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Katherine Kaspar	8	7
Aleksandar Matijevic	8	5
Cameron Jones	8	7
Rachael Wilmot	8	8
Bruce Jarvis	8	7
Joanne Harrison	8	6
Shane Fennell	8	8
Bryson Vaughan	8	8
Stuart McCulloch	8	7
Karin Knoester	3	3
Andre Joao Araujo De Carvalho	6	6

Auditor's independence declaration

The auditor's independence declaration in accordance with section 60-40 of the Australian Charities and Not-For-Profit Commission Act 2012 for the year ended 31 December 2022 has been received and can be found on page 9 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

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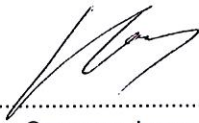


Directors' Report

31 December 2022

Director:

Katherine Kaspar

Director:

Cameron Jones

Dated this^{30th}..... day of^{March}..... 2023

AUDITOR'S INDEPENDENCE DECLARATION

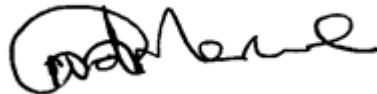
To the Board of Directors of Cystic Fibrosis Community Care Ltd

In accordance with the requirements of the Australian Charities and Not-for-profits Commission Act 2012 and the Corporations Act 2001, in relation to our audit of the consolidated financial report of Cystic Fibrosis Community Care Ltd for the year ended 31 December 2022 to the best of my knowledge and belief, there have been:

- a) No contraventions of the auditor independence requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- b) No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- c) No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is made for the audit of Cystic Fibrosis Community Care Ltd and the entity it controls.

DRY KIRKNESS (AUDIT) PTY LTD



MARIUS VAN DER MERWE CA
Director

Perth
Date: 30 March 2023

Cystic Fibrosis Community Care Ltd

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2022

	2022	2021
	\$	\$
INCOME		
Fundraising, sponsorships, bequests and donations	1,841,100	1,144,571
Gain on disposal of assets	4,801	6,416
Government grants	863,259	858,875
Government subsidies	-	148,600
Interest received	14,578	18,078
Member subscriptions	16,689	12,979
Other income	9,902	342
Dividend income	14,852	2,519
Sales	38,522	32,344
	<u>2,803,703</u>	<u>2,224,724</u>
EXPENSES		
Accounting and audit fees	(58,869)	(69,261)
Client support expenses	(286,852)	(296,344)
Computer expenses	(67,684)	(74,145)
Donations	(67,587)	(115,853)
Consultancy fees	(137,470)	(57,685)
Cost of sales	(14,845)	(17,802)
Depreciation and amortisation expense	(101,600)	(100,034)
Employee expenses	(1,428,155)	(1,320,416)
Fundraising expenses	(136,521)	(64,385)
Impairment losses on financial assets	-	(148,841)
Loss on disposal of assets	(109,213)	-
Membership fees	(89,439)	(75,899)
Other expenses	(167,831)	(125,310)
Finance expenses	(14,495)	(13,538)
	<u>(2,680,561)</u>	<u>(2,479,513)</u>
Surplus / (loss) for the period	<u>123,142</u>	<u>(254,789)</u>
Other comprehensive income, net of income tax		
Total comprehensive income for the year	<u>123,142</u>	<u>(254,789)</u>
Profit attributable to:		
Members of the parent entity	<u>123,142</u>	<u>(254,789)</u>
Total comprehensive income attributable to:		
Members of the parent entity	<u>123,142</u>	<u>(254,789)</u>

The accompanying notes form part of these financial statements.

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Statement of Financial Position As At 31 December 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	3,210,224	3,809,422
Trade and other receivables	5	388,593	20,847
Inventories	6	51,330	45,188
Other financial assets	9	844,257	549,562
Other assets	7	44,791	65,973
TOTAL CURRENT ASSETS		4,539,195	4,490,992
NON-CURRENT ASSETS			
Property, plant and equipment	10	2,330,855	2,376,504
Right-of-use assets	8	-	164,485
TOTAL NON-CURRENT ASSETS		2,330,855	2,540,989
TOTAL ASSETS		6,870,050	7,031,981
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	117,603	102,829
Lease liabilities	8	-	47,422
Contract liabilities	12	325,204	345,570
Employee benefits	13	75,129	172,770
TOTAL CURRENT LIABILITIES		517,936	668,591
NON-CURRENT LIABILITIES			
Lease liabilities	8	-	134,418
TOTAL NON-CURRENT LIABILITIES		-	134,418
TOTAL LIABILITIES		517,936	803,009
NET ASSETS		6,352,114	6,228,972
EQUITY			
Reserves	14	96,400	96,400
Retained earnings	15	6,255,714	6,132,572
TOTAL EQUITY		6,352,114	6,228,972

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity
For the Year Ended 31 December 2022
2022

	Retained Earnings	Asset Realisation Reserve	Total
	\$	\$	\$
Balance at 1 January 2022	6,132,572	96,400	6,228,972
Profit attributable to members	123,142	-	123,142
Transactions with owners in their capacity as owners			
Balance at 31 December 2022	<u>6,255,714</u>	<u>96,400</u>	<u>6,352,114</u>

2021

	Retained Earnings	Asset Realisation Reserve	Total
	\$	\$	\$
Balance at 1 January 2021	6,387,361	96,400	6,483,761
Profit attributable to members	(254,789)	-	(254,789)
Transactions with owners in their capacity as owners			
Balance at 31 December 2021	<u>6,132,572</u>	<u>96,400</u>	<u>6,228,972</u>

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Statement of Cash Flows For the Year Ended 31 December 2022

	Note	2022 \$	2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from donations, member and fundraising		2,373,010	2,167,039
Payments to suppliers and employees		(2,529,225)	(2,321,154)
Donations received		14,852	2,519
Interest received		14,578	18,078
Net cash provided by/(used in) operating activities	17	<u>(126,785)</u>	<u>(133,518)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of plant and equipment		3,677	-
Purchase of property, plant and equipment		(41,992)	(51,879)
Purchase of investments		(399,107)	(506,861)
Proceeds from sale of non-current assets		-	2,456
Net cash provided by/(used in) investing activities		<u>(437,422)</u>	<u>(556,284)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payment of lease liabilities		(34,991)	(52,273)
Net cash provided by/(used in) financing activities		<u>(34,991)</u>	<u>(52,273)</u>
Net increase/(decrease) in cash and cash equivalents held		(599,198)	(742,075)
Cash and cash equivalents at beginning of year		3,809,422	4,551,497
Cash and cash equivalents at end of financial year	4	<u><u>3,210,224</u></u>	<u><u>3,809,422</u></u>

The accompanying notes form part of these financial statements.

Cystic Fibrosis Community Care Ltd

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Notes to the Financial Statements

For the Year Ended 31 December 2022

The financial report covers Cystic Fibrosis Community Care Ltd and its controlled entities ('the Group'). Cystic Fibrosis Community Care Ltd is a not-for-profit Company, registered and domiciled in Australia.

For the first time this year both of the entities within the Group prepared one consolidated financial statements based on the currency of the primary economic environment being Australian dollars (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Comparatives have been updated to reflect consolidated balances of the group which are consistent with prior years audited financial statements of each of the two entities in the Group.

1 Basis of Preparation

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

The financial statements and material accounting policies all comply with the recognition and measurement requirements in Australian Accounting Standards.

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the *Corporations Act 2001*.

First-time adoption of Australian Accounting Standards

Cystic Fibrosis Community Care Ltd and controlled entities, and Cystic Fibrosis Community Care Ltd as an individual parent entity have prepared financial statements in accordance with the Australian Accounting Standards from 01 January 2021.

In accordance with the requirements of AASB 1: First-time Adoption of Australian Accounting Standards, adjustments to the parent entity and consolidated entity accounts resulting from the adoption of Australian Accounting Standards have been applied retrospectively to 2021 comparative figures excluding cases where optional exemptions available under AASB 1 have been applied. These consolidated accounts are the first financial statements of Cystic Fibrosis Community Care Ltd to be prepared in accordance with Australian Accounting Standards.

The accounting policies set out below have been consistently applied to all years presented.

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Group expects to receive in exchange for those goods or services.

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the

Cystic Fibrosis Community Care Ltd

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Notes to the Financial Statements

For the Year Ended 31 December 2022

2 Summary of Significant Accounting Policies (continued)

(a) Revenue and other income (continued)

Revenue from contracts with customers (continued)

recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Group have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific revenue streams

Sales revenue

Events, fundraising and raffles are recognised when received or receivable.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Donations

Donations are recognised at the time the pledge is made.

Grant revenue

Grant revenue is recognised in profit or loss when the Group satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before the Group is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

Other income

Other income is recognised on an accruals basis when the Group is entitled to it.

(b) Income Tax

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

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Notes to the Financial Statements

For the Year Ended 31 December 2022

2 Summary of Significant Accounting Policies (continued)

(c) Goods and services tax (GST)

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

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(d) Volunteer services

No amounts are included in the financial statements for services donated by volunteers.

(e) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first in first out basis.

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

(f) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Land and buildings

Freehold land and buildings are shown at cost or 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 reporting periodic valuations by external independent valuers.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis or diminishing value basis over the asset's useful life to the Group, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	2.5%
Furniture, Fixtures and Fittings	40%
Motor Vehicles	45%

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Notes to the Financial Statements

For the Year Ended 31 December 2022

2 Summary of Significant Accounting Policies (continued)

(f) Property, plant and equipment (continued)

Fixed asset class	Depreciation rate
Office Equipment	40%
Computer Equipment	30%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(g) Financial instruments

Financial instruments are recognised initially on the date that the Group becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Group classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets.

Amortised cost

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

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Notes to the Financial Statements

For the Year Ended 31 December 2022

2 Summary of Significant Accounting Policies (continued)

(g) Financial instruments (continued)

Financial assets (continued)

Fair value through other comprehensive income

Equity instruments

The Group has a number of strategic investments in listed and unlisted entities over which they do not have significant influence nor control. The Group has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trading purposes.

These investments are carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to retained earnings and is not reclassified to profit or loss.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss (refer to hedging accounting policy for derivatives designated as hedging instruments.)

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

The Group's financial assets measured at FVTPL comprise term deposits and inventories in the statement of financial position.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment and including forward looking information.

Cystic Fibrosis Community Care Ltd

ABN 25 126 031 536

Notes to the Financial Statements

For the Year Ended 31 December 2022

2 Summary of Significant Accounting Policies (continued)

(g) Financial instruments (continued)

Financial assets (continued)

The Group uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Group uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Group in full, without recourse to the Group to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Group in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Group has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Group renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Group measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Group comprise trade payables, bank and other loans and lease liabilities.

Cystic Fibrosis Community Care Ltd

ABN 25 126 031 536

Notes to the Financial Statements

For the Year Ended 31 December 2022

2 Summary of Significant Accounting Policies (continued)

(h) Impairment of non-financial assets

At the end of each reporting period the Group determines whether there is evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

(i) Cash and cash equivalents

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

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

(j) Leases

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Group's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Group's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Cystic Fibrosis Community Care Ltd

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Notes to the Financial Statements

For the Year Ended 31 December 2022

2 Summary of Significant Accounting Policies (continued)

(k) Employee benefits

Provision is made for the Group's liability for employee benefits, those benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

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

(l) Provisions

Provisions are recognised when the Group 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 recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(m) Adoption of new and revised accounting standards

The Group has adopted all standards which became effective for the first time at 31 December 2022, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Group.

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Change in Accounting Policy

In the previous year, the company prepared special purpose financial statements which complied with all recognition & measurement requirements.

In adopting this standard, the company has applied AASB1 First Time Adoption of Australian Accounting Standard.

There is no effect on the transition & description of the change in accounting policies to Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board (AASB).

Cystic Fibrosis Community Care Ltd

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Notes to the Financial Statements For the Year Ended 31 December 2022

4 Cash and Cash Equivalents

	2022	2021
	\$	\$
Cash at bank and in hand	1,826,298	2,453,677
Short-term deposits	1,383,926	1,355,745
	<u>3,210,224</u>	<u>3,809,422</u>

5 Trade and Other Receivables

Trade receivables	<u>388,593</u>	<u>20,847</u>
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6 Inventories

CURRENT

At cost:

Merchandise - VIC	28,364	19,310
Merchandise - NSW	22,966	25,878
	<u>51,330</u>	<u>45,188</u>

Write downs of inventories to net realisable value during the year were \$ NIL (2021: \$ NIL).

7 Other assets

CURRENT

Prepayments	36,443	65,973
Accrued income	8,348	-
	<u>44,791</u>	<u>65,973</u>

8 Leases

Right-of-use assets

Year ended 31 December 2022

	Buildings	Total
Balance at beginning of year	164,485	164,485
Impairment of right-of-use assets	(31,331)	(31,331)
Cancellation of lease	(133,154)	(133,154)
	<u>-</u>	<u>-</u>

Balance at end of year

Year ended 31 December 2021

	Buildings	Total
Balance at beginning of year	281,975	281,975
Impairment of right-of-use assets	(117,490)	(117,490)
	<u>164,485</u>	<u>164,485</u>

Balance at end of year

Cystic Fibrosis Community Care Ltd

ABN 25 126 031 536

Notes to the Financial Statements For the Year Ended 31 December 2022

8 Leases (continued)

Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year	1 - 5 years	> 5 years	Total undiscounted lease liabilities	Lease liabilities included in this Statement Of Financial Position
	\$	\$	\$	\$	\$
2022					
Lease liabilities	-	-	-	-	-
2021					
Lease liabilities	47,422	134,418	-	181,840	-

Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to interest expense on lease liabilities and short-term leases or leases of low value assets are shown below:

	2022	2021
	\$	\$
Interest expense on lease liabilities	(1,039)	(11,591)
Depreciation of right-of-use assets	(17,636)	(46,996)
	<u>(18,675)</u>	<u>(58,587)</u>

9 Other Financial Assets

CURRENT

Investment portfolio

844,257	549,562
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Cystic Fibrosis Community Care Ltd

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Notes to the Financial Statements
For the Year Ended 31 December 2022
10 Property, plant and equipment

	2022	2021
	\$	\$
Land		
At fair value	1,450,000	1,450,000
Buildings		
At fair value	550,000	550,000
Accumulated depreciation	(27,500)	(13,750)
	<u>522,500</u>	<u>536,250</u>
Furniture, fixtures and fittings		
At cost	310,130	334,805
Accumulated depreciation	(49,330)	(36,692)
	<u>260,800</u>	<u>298,113</u>
Motor vehicles		
At cost	-	47,813
Accumulated depreciation	-	(43,363)
	<u>-</u>	<u>4,450</u>
Office equipment		
At cost	111,709	82,619
Accumulated depreciation	(61,875)	(52,316)
	<u>49,834</u>	<u>30,303</u>
Computer equipment		
At cost	113,032	100,130
Accumulated depreciation	(65,311)	(42,742)
	<u>47,721</u>	<u>57,388</u>
Total property, plant and equipment	<u><u>2,330,855</u></u>	<u><u>2,376,504</u></u>

(a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

Valuations of Land and Buildings

The basis of the valuation of land and buildings is fair value. The land and buildings were last revalued on 4 November 2020 based on independent assessment by Charter Keck Cramer, a member of the Australian Property Institute. The directors do not believe that there has been a material movement in fair value since the revaluation date. Valuations are based on current prices for similar properties in the same location and

Notes to the Financial Statements
For the Year Ended 31 December 2022

10 Property, plant and equipment (continued)

(a) Movements in carrying amounts of property, plant and equipment (continued)
condition.

	Land \$	Buildings \$	Furniture, Fixtures and Fittings \$	Motor Vehicles \$
Year ended 31 December 2022				
Balance at the beginning of year	1,450,000	536,250	298,112	4,451
Additions	-	-	-	-
Disposals	-	-	-	(3,677)
Depreciation expense	-	(13,750)	(37,312)	(774)
Balance at the end of the year	1,450,000	522,500	260,800	-

	Office Equipment \$	Computer Equipment \$	Total \$
Year ended 31 December 2022			
Balance at the beginning of year		30,303	57,388
Additions		29,090	12,902
Disposals		-	-
Depreciation expense		(9,559)	(22,569)
Balance at the end of the year		49,834	47,721

	Land \$	Buildings \$	Furniture, Fixtures and Fittings \$	Motor Vehicles \$
Year ended 31 December 2021				
Balance at the beginning of year	1,450,000	550,000	314,921	5,744
Additions	-	-	-	-
Disposals	-	-	-	-
Transfers	-	-	-	-
Depreciation expense	-	(13,750)	(16,809)	(1,293)
Balance at the end of the year	1,450,000	536,250	298,112	4,451

Cystic Fibrosis Community Care Ltd

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Notes to the Financial Statements For the Year Ended 31 December 2022

10 Property, plant and equipment (continued)

(a) Movements in carrying amounts of property, plant and equipment (continued)

	Office Equipment \$	Computer Equipment \$	Total \$
Year ended 31 December 2021			
Balance at the beginning of year	39,638	17,360	2,377,663
Additions	-	81,210	81,210
Disposals	-	(29,331)	(29,331)
Transfers	-	-	-
Depreciation expense	(9,335)	(11,851)	(53,038)
Balance at the end of the year	30,303	57,388	2,376,504

11 Trade and Other Payables

	2022 \$	2021 \$
Trade payables	39,519	58,684
Other payables	78,084	44,145
	<u>117,603</u>	<u>102,829</u>

12 Contract Liabilities

CURRENT

Grant monies received in advance	325,204	305,472
Project commitments received in advance	-	40,098
	<u>325,204</u>	<u>345,570</u>

13 Employee Benefits

Current liabilities

Provision for long service leave	23,674	62,220
Provision for annual leave	48,562	110,550
Provision for time in lieu	2,893	-
	<u>75,129</u>	<u>172,770</u>

Cystic Fibrosis Community Care Ltd

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Notes to the Financial Statements For the Year Ended 31 December 2022

14 Reserves

	2022	2021
	\$	\$
Asset revaluation reserve		
Opening balance	96,400	96,400
	<u>96,400</u>	<u>96,400</u>

15 Retained Earnings

Retained earnings (accumulated losses) at the beginning of the financial year	6,132,572	6,387,361
Surplus / (loss) attributable to members of the entity	<u>123,142</u>	<u>(254,789)</u>
Retained earnings at end of the financial year	<u><u>6,255,714</u></u>	<u><u>6,132,572</u></u>

16 Key Management Personnel Remuneration

The total short term employment benefit paid to key management personnel of the Group for the year was \$285,064.

17 Cash Flow Information

(a) 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	3,210,224	3,809,704
Bank overdrafts	-	(282)
	<u>3,210,224</u>	<u>3,809,422</u>

Cystic Fibrosis Community Care Ltd

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Notes to the Financial Statements
For the Year Ended 31 December 2022
17 Cash Flow Information (continued)
(b) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2022
	\$
Surplus / (loss) attributable to members of the entity	123,142
Cash flows excluded from profit attributable to operating activities	
Non-cash flows in profit:	
- amortisation	17,637
- depreciation	83,964
- net (gain)/loss on disposal of investments	(4,801)
Unrealised (gain)/losses on investments	109,213
Changes in assets and liabilities:	
- (increase) in trade and other receivables	(376,094)
- decrease in prepayments	29,530
- (increase) in inventories	(6,142)
- increase in trade and other payables	14,773
- (decrease) in contract liabilities	(20,366)
- (decrease) in employee benefits	(97,641)
Cashflows from operations	<u><u>(126,785)</u></u>

18 Auditors' Remuneration

	2022	2021
	\$	\$
Remuneration of the auditor:		
- Audit fees	16,531	14,055
Remuneration of other fees:		
- Other services	4,840	-

Other services include preparation of the Statutory Financial Statements.

19 Contingencies

In the opinion of the Directors, the group did not have any contingencies at 31 December 2022 (31 December 2021:None).

Cystic Fibrosis Community Care Ltd

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Notes to the Financial Statements

For the Year Ended 31 December 2022

20 Events Occurring After the Reporting Date

After the year end, the board of Cystic Fibrosis Community Care Pty Ltd and Cystic Fibrosis New South Wales Pty Ltd signed an agreement to transfer all the assets and liabilities of Cystic Fibrosis New South Wales Pty Ltd to Cystic Fibrosis Community Care Ltd. As a result, the entity Cystic Fibrosis New South Wales Pty Ltd will be deregistered, and all operations will commence under Cystic Fibrosis Community Care Ltd.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

21 Statutory Information

The registered office and principal place of business of the group is:
Cystic Fibrosis Community Care Ltd
282 Neerim Road
Carnegie VIC 3163

Cystic Fibrosis Community Care Ltd

ABN 25 126 031 536



Directors' Declaration

The responsible persons declare that in the responsible persons' opinion:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

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

Responsible person  Responsible person 

Dated this 30th day of March 2023

Cameron Jones - Director

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CYSTIC FIBROSIS COMMUNITY CARE LTD**

Report on the Financial Report

Opinion

We have audited the financial report of Cystic Fibrosis Community Care Ltd ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of profit or loss and other comprehensive income, consolidated 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 other explanatory information and the statement by the board.

In our opinion, the accompanying consolidated financial report of the Group is prepared, in all material respects, in accordance with the Corporations Act 2001, and Australian Charities and Not-for-profits Commission Act 2012, including:

- i) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its financial performance for the year then ended; and
- ii) complying with Australian Accounting Standards as stated in note 1 of the financial report and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis for Opinion

We have 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 Group in accordance with the auditor independence requirements of the Corporations Act 2001, Australian Charities and Not-for-profits Commission Act 2012 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 ethical requirements 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.

Responsibilities of the Board of Directors for the Financial Report

The Board of Directors of the Company is responsible for the preparation of the financial report that gives a true and fair view and has 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, Australian Charities and Not-for-profits Commission Act 2012 and the needs of the members. The Board of Directors' responsibility also includes such internal control as the Board of Directors determines 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 Board of Directors' are 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 the management committee either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

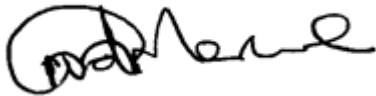
As part of an audit in accordance with the Australia Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess 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 the 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management committee.
- Conclude on the appropriateness of the Board of Directors' 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 Group'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 Group 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 Board of Management 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.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

DRY KIRKNESS (AUDIT) PTY LTD

A handwritten signature in black ink, appearing to read 'Marius van der Merwe', written in a cursive style.

MARIUS VAN DER MERWE CA
Partner

Perth
30 March 2023