

CLIFFORD CRAIG FOUNDATION LTD

FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017



Clifford Craig
FOUNDATION

Health • Research • Hope

CLIFFORD CRAIG FOUNDATION LTD

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CLIFFORD CRAIG FOUNDATION LTD

DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 31 December 2017.

Directors

The names of the directors in office at anytime during or since the end of the year are:

Associate Professor D R McTaggart
Mr K Bassett
Mr G W Arnott
Mrs J Dearing
Mr I J N Routley
Mr M J Roberts
Mr T M O'Meara
Dr J Markos
Mr M Baker
Ms S Purse
Dr J Wettenhall

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

Significant Changes in the State of Affairs

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

Principal Activities

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

The principal activities of the Clifford Craig Foundation Ltd during the financial year were to facilitate high quality medical research in Northern Tasmania in general, and the Launceston General Hospital in particular, to provide inquiry and ongoing improvement in health related issues of relevance to Tasmanians.

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

Objectives

The short term objectives of the Clifford Craig Foundation Ltd are to:

- Provide funding for medical research that will help attract researchers, higher degree students and specialist doctors to work in our region.
- Undertake regular activities to raise funds for research projects.
- Maintain a strong reputation as a respected community-based medical research organisation that focuses on the health needs of Northern Tasmania.

The long term objectives of the Clifford Craig Foundation Ltd are to:

- Raise funds for our work
- Grow our research opportunities
- Tell people who we are and what we do

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

- Proactively build our research funds and strong partnerships with organisations and researchers that share our values in order to open future research opportunities.
- Create ongoing communications activity to increase awareness of the organisation and showcase the medical research being undertaken and funded by the company.
- Maintain strong bonds between the teaching hospitals and health education establishments in our region.
- Broaden and build relationships with volunteers, donors, potential funding sources and the corporate sector to achieve continued fundraising growth.

CLIFFORD CRAIG FOUNDATION LTD

DIRECTORS' REPORT

Director Information

Associate Professor
D R McTaggart
Qualifications

Chairman

Cardiologist, Professor University of Tasmania MBBS,
FRACP, FCSANZ, DDU

Mr G W Arnott
Qualifications

Vice Chairman

Partner, Douglas and Collins. LL.B.

Mr K R Bassett
Qualifications

Vice Chairman

Retired Launceston Manager, Tasmanian Perpetual
Trustees, DipFS(FP), Justice of the Peace

Mrs J Dearing
Qualifications

Company Secretary

Accountant/Tax Agent

Mr I J N Routley
Qualifications

Non-Executive Director

Former Alderman of the City of Launceston. Director and
committee member of several community service and
charitable organisations

Mr M J Roberts
Qualifications

Non-Executive Director

ICT Manager, Island Care, Bachelor of Applied Computing

Mr T M O'Meara
Qualifications

Non-Executive Director

Retired General Manager of the Examiner Newspaper

Dr J Markos
Qualifications

Non-Executive Director

Respiratory and Sleep Physician. Fellow of the Australian
College of Physicians, MBBS, FRACP

Mr M Baker
Qualifications

Non-Executive Director

Group Managing Editor for Fairfax Tasmania. Bachelor of
Arts, Master of Arts

Ms S Purse
Qualifications

Non-Executive Director

Northern Children's Network CEO. Bachelor of
Commerce, CPA

Dr J M Wettenhall
Qualifications

Non-Executive Director

Gastroenterologist and Physician. B.MED.SC, MBBS,
MRACP, FRACP

CLIFFORD CRAIG FOUNDATION LTD

DIRECTORS' REPORT

Company Secretary

The following person held the position of Company secretary at the end of the financial year:

Mrs Jillian Dearing

Meetings of Directors


During the financial year, 10 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

| | Directors' Meetings | |
|-----------------------------------|---------------------|-----------------|
| | Eligible to attend | Number attended |
| Associate Professor D R McTaggart | 10 | 10 |
| Mr Ken Bassett | 10 | 8 |
| Mr Geoff Arnott | 10 | 8 |
| Mrs Jill Dearing | 10 | 9 |
| Mr Ian Routley | 10 | 8 |
| Mr Michael Roberts | 10 | 7 |
| Mr Tom O'Meara | 10 | 10 |
| Dr Jim Markos | 10 | 9 |
| Mr Mark Baker | 10 | 5 |
| Ms Sonia Purse | 10 | 3 |
| Dr John Wettenhall | 10 | 6 |

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out at page 22.

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

J Dearing 

18.04.2018
Date

CLIFFORD CRAIG FOUNDATION LTD
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

| | Note | 2017 \$ | 2016 \$ |
|---|------|----------------|----------------|
| INCOME | | | |
| Donations | 2 | 875,312 | 948,039 |
| Fundraising | 2 | 203,864 | 219,248 |
| Investment income | 2 | 684,678 | 602,784 |
| Sponsorship | | 8,000 | 8,000 |
| | | 1,771,854 | 1,778,071 |
| LESS EXPENDITURE | | | |
| Depreciation and amortisation | 3 | 27,278 | 60,687 |
| Donations and fundraising expenditure | | 197,246 | 173,473 |
| Employee costs | | 262,679 | 279,810 |
| Other operating expenses | | 206,234 | 129,177 |
| Research expenditure | 3 | 538,375 | 645,312 |
| | | 1,231,812 | 1,288,460 |
| NET OPERATING SURPLUS | | 540,042 | 489,611 |
| Other comprehensive income: | | | |
| Items that will be reclassified subsequently to profit or loss | | | |
| Net fair value gains/(losses) | | (3,845) | (6,998) |
| Total other comprehensive income for the year | | (3,845) | (6,998) |
| Total comprehensive income for the year | | 536,197 | 482,613 |

The accompanying notes form part of these financial statements.

These statements should be read in conjunction with the attached compilation report.

CLIFFORD CRAIG FOUNDATION LTD
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

| | Note | 2017 \$ | 2016 \$ |
|--------------------------------------|------|-------------------------|-------------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 5 | 782,348 | 1,408,485 |
| Trade and other receivables | 6 | 264,091 | 218,694 |
| TOTAL CURRENT ASSETS | | <u>1,046,439</u> | <u>1,627,179</u> |
| NON-CURRENT ASSETS | | | |
| Financial assets | 7 | 7,492,052 | 6,342,915 |
| Property, plant and equipment | 8 | 109,647 | 126,933 |
| TOTAL NON-CURRENT ASSETS | | <u>7,601,699</u> | <u>6,469,848</u> |
| TOTAL ASSETS | | <u><u>8,648,138</u></u> | <u><u>8,097,027</u></u> |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 9 | 90,300 | 70,374 |
| Provisions | 10 | 31,384 | 42,186 |
| TOTAL CURRENT LIABILITIES | | <u>121,684</u> | <u>112,560</u> |
| NON-CURRENT LIABILITIES | | | |
| Provisions | 10 | 21,241 | 15,450 |
| TOTAL NON-CURRENT LIABILITIES | | <u>21,241</u> | <u>15,450</u> |
| TOTAL LIABILITIES | | <u>142,925</u> | <u>128,010</u> |
| NET ASSETS | | <u><u>8,505,213</u></u> | <u><u>7,969,017</u></u> |
| EQUITY | | | |
| Retained earnings | | <u>8,505,213</u> | <u>7,969,017</u> |
| TOTAL EQUITY | | <u><u>8,505,213</u></u> | <u><u>7,969,017</u></u> |

The accompanying notes form part of these financial statements.

These statements should be read in conjunction with the attached compilation report.

CLIFFORD CRAIG FOUNDATION LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

| | Retained Earnings | Total |
|---|------------------------------|------------------|
| | \$ | \$ |
| Balance at 1 January 2016 | 7,493,070 | 7,493,070 |
| Comprehensive income | | |
| Surplus for the year | 489,611 | 489,611 |
| Prior year Income adjustment | (6,666) | (6,666) |
| Other comprehensive income for the year | <u>(6,998)</u> | <u>(6,998)</u> |
| Balance at 31 December 2016 | <u>7,969,017</u> | <u>7,969,017</u> |
| Balance at 1 January 2017 | 7,969,017 | 7,969,017 |
| Comprehensive income | | |
| Surplus for the year | 540,042 | 540,042 |
| Other comprehensive income for the year | <u>(3,845)</u> | <u>(3,845)</u> |
| Balance at 31 December 2017 | <u>8,505,214</u> | <u>8,505,214</u> |

The accompanying notes form part of these financial statements.

These statements should be read in conjunction with the attached compilation report.

CLIFFORD CRAIG FOUNDATION LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017

| | Note | 2017 \$ | 2016 \$ |
|---|------|--------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from operations | | 1,087,176 | 1,288,008 |
| Payments to suppliers & employees | | (733,581) | (545,815) |
| Dividends received | | 373,943 | 376,906 |
| Interest received | | 32,256 | 47,580 |
| GST received | | 76,712 | 64,046 |
| Bequest trust income | | 27,478 | 44,342 |
| Payments for research and research services | | (538,375) | (645,312) |
| Property trust receipts | | 62,062 | 45,510 |
| Net cash provided by operating activities | | <u>387,671</u> | <u>675,265</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Proceeds from sale of plant & equipment | | - | - |
| Proceeds from sale of investment | | 1,919,047 | 2,236,292 |
| Acquisition of property, plant and equipment | | (10,316) | (13,684) |
| Acquisition of investments | | (2,922,538) | (2,994,099) |
| Net cash used in investing activities | | <u>(1,013,807)</u> | <u>(771,491)</u> |
| Net increase/(decrease) in cash held | | (626,136) | (96,226) |
| Cash and cash equivalents at beginning of year | | 1,408,484 | 1,504,710 |
| Cash and cash equivalents at end of financial year | | <u>782,348</u> | <u>1,408,484</u> |

The accompanying notes form part of these financial statements.

These statements should be read in conjunction with the attached compilation report.

CLIFFORD CRAIG FOUNDATION LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

The financial statements cover Clifford Craig Foundation Ltd as an individual entity. Clifford Craig Foundation Ltd is a company domiciled in Launceston, Tasmania. The company is a not for profit entity and is primarily involved in the facilitation of high quality medical research.

The financial statements were authorised for issue on 28 March 2018 by the directors of the company.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards' reduced disclosure requirements of the Australian Accounting Standards Board (AASB) and the Australian Charities and Not for Profits Commission Act 2012.

Australian Accounting Standards set out accounting policies that AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for cash flow information, 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. The amounts presented in the financial statements have been rounded to the nearest dollar.

The accounting policies that have been adopted in the preparation of the financial statements are as follows:

(a) Income Tax

The company is exempt from income tax pursuant to section 50-5 of the Income Tax Assessment Act.

(b) Fair Value of Assets and Liabilities

The company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the company would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs).

These notes should be read in conjunction with the attached compilation report.

CLIFFORD CRAIG FOUNDATION LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

(c) Property, Plant and Equipment

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

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, is depreciated using diminishing value or prime cost over the asset's useful life to the company commencing from the time the asset is held ready for use.

Leasehold improvements and office equipment are carried at cost less, where applicable accumulated depreciation and impairment losses.

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

| Class of Fixed Asset: | Depreciation Rate |
|------------------------------|--------------------------|
| Plant and equipment | 2.5% - 66.7% |
| Motor vehicles | 25% |
| Research Centre | 2% - 50% |

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

(d) Financial Instruments

Initial recognition and measurement

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

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

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

(i) Loans and receivables

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

These notes should be read in conjunction with the attached compilation report.

CLIFFORD CRAIG FOUNDATION LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

(ii) *Available-for-sale investments*

The company's investments in equity securities and certain debt securities are classified as available-for-sale financial assets. Subsequent to initial recognition they are measured at fair value and changes therein, other than impairment losses are recognised directly in equity. When an investment is derecognised, the cumulative gain or loss in equity is transferred to profit or loss. Financial assets are recognised and derecognised at settlement date. The fair value of available-for-sale financial instruments is determined by reference to the quoted bid price at the reporting date.

They are subsequently measured at fair value with any re-measurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

(iii) *Financial liabilities*

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

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired.

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(e) **Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the nominal amounts expected to be paid when the liability is settled, plus any related on-costs. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits.

CLIFFORD CRAIG FOUNDATION LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

(f) 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, and bank overdrafts.

(g) Revenue and Other Income

Donations and fundraising income is recognised as income in the income statement as and when received.

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

Dividend revenue is recognised when the right to receive a dividend has been established.

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

(h) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the company that remain unpaid at the end of the reporting period. The balance is recognised as a current liability.

(i) 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 in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(j) Comparative Figures

When required, comparative figures have been adjusted to improve presentation.

(k) New, Revised or Amending Accounting Standards and Interpretations Adopted

The company has adopted all of the new, revised or amending Accounting Standards and interpretations issued by the AASB that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

- AASB 9: Financial Instruments and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

CLIFFORD CRAIG FOUNDATION LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

The key changes that may affect the company on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income.

The board anticipate that the adoption of AASB 9 will have no financial impact.

- AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-8: Amendments to Australian Accounting Standards - Effective Date of AASB 15).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

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. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented per AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. There are also enhanced disclosure requirements regarding revenue.

Although the directors anticipate that the adoption of AASB 15 may have an impact on the company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

CLIFFORD CRAIG FOUNDATION LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the directors anticipate that the adoption of AASB 16 will impact the company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

(l) Research and Expenditure

Expenditure on research is recognised when incurred.

(m) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the company's functional currency.

(n) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The directors exercise judgement in the allocation of designated donations to appropriate research projects.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

CLIFFORD CRAIG FOUNDATION LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

| | 2017 | 2016 |
|--|----------------|----------------|
| | \$ | \$ |
| 2. REVENUE | | |
| Donations: | | |
| Appeal | 61,191 | 45,363 |
| Bequests | 516,265 | 581,637 |
| General | 116,286 | 106,028 |
| Major gifts | 151,570 | 185,000 |
| Trusts and foundations | 30,000 | 30,011 |
| | 875,312 | 948,039 |
| Fundraising: | | |
| Functions and raffles | 203,864 | 219,248 |
| Investment income: | | |
| Bequest trust income | 27,478 | 44,342 |
| Dividends | 402,783 | 391,303 |
| Interest | 32,256 | 47,580 |
| Net gain/(loss) on sale of investments | 149,492 | 74,049 |
| Trust distributions | 72,669 | 45,510 |
| | 684,678 | 602,784 |
| 3. EXPENSES | | |
| Depreciation and Amortisation: | | |
| Amortisation of leasehold improvements | 9,360 | 38,235 |
| Depreciation - plant and equipment | 8,814 | 10,270 |
| Depreciation - motor vehicles | 9,104 | 12,183 |
| | 27,278 | 60,688 |
| Research expenditure: | | |
| Prior year grants refunded | (19,153) | (2,069) |
| Research centre expenses | 79,477 | 85,615 |
| Research grants paid | 478,051 | 561,766 |
| | 538,375 | 645,312 |
| 4. KEY MANAGEMENT PERSONNEL COMPENSATION | | |
| Total compensation | 127,045 | 123,802 |
| Other Key Management Personnel Transactions | | |
| Amounts paid to company secretary | 1,020 | 930 |

These notes should be read in conjunction with the attached compilation report.

CLIFFORD CRAIG FOUNDATION LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

| | 2017 | 2016 |
|---|----------------------|------------------|
| | \$ | \$ |
| 5. CASH AND CASH EQUIVALENTS | | |
| Cash on hand | 181 | 200 |
| Tasmanian Perpetual Trustees - long term fund | 414,217 | 904,051 |
| ANZ wages accounts | - | 4,054 |
| JB Were cash management account | 220,969 | 291,715 |
| NAB - benefits plus | 4,316 | 2,590 |
| NAB - cheque account | 18,103 | 34,965 |
| NAB - salary sacrifice | 5,000 | 5,000 |
| NAB - cash maximiser | 116,511 | 165,910 |
| NAB - wages account | 3,051 | - |
| | 782,348 | 1,408,485 |
| | 782,348 | 1,408,485 |
| 6. TRADE AND OTHER RECEIVABLES | | |
| CURRENT | | |
| Trade receivables | 56,282 | 23,303 |
| Dividend and trust distributions receivable | 19,301 | - |
| Goods and services tax | 5,603 | 28,652 |
| Withholding tax | - | 676 |
| Other debtors | - | 3,304 |
| Franking credits receivable | 182,905 | 162,759 |
| | 264,091 | 218,694 |
| | 264,091 | 218,694 |
| 7. FINANCIAL ASSETS | | |
| NON-CURRENT | | |
| Available-for-sale financial assets | (a) 7,492,052 | 6,342,915 |
| | 7,492,052 | 6,342,915 |
| (a) Available-for-sale financial assets: | | |
| Shares in listed corporations | 4,340,751 | 3,385,989 |
| Shares in listed trusts | 3,151,301 | 2,956,926 |
| Total available-for-sale financial assets | 7,492,052 | 6,342,915 |
| | 7,492,052 | 6,342,915 |
| 8. PROPERTY, PLANT AND EQUIPMENT | | |
| Plant and equipment | 169,565 | 160,119 |
| Less accumulated depreciation | (126,593) | (117,779) |
| | 42,972 | 42,340 |
| | 42,972 | 42,340 |
| Motor vehicles | 50,072 | 50,072 |
| Less accumulated depreciation | (22,762) | (13,658) |
| | 27,310 | 36,414 |
| | 27,310 | 36,414 |
| Research Centre | 996,121 | 996,751 |
| Less accumulated amortisation | (956,756) | (948,572) |
| | 39,365 | 48,179 |
| | 39,365 | 48,179 |
| Total property, plant and equipment | 109,647 | 126,933 |
| | 109,647 | 126,933 |

These notes should be read in conjunction with the attached compilation report.

CLIFFORD CRAIG FOUNDATION LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

| | 2017 \$ | 2016 \$ |
|--|------------|------------|
| 9. TRADE AND OTHER PAYABLES | | |
| CURRENT | | |
| Trade creditors | 64,544 | 41,136 |
| Other creditors | 9,385 | 7,527 |
| Superannuation payable | - | 11,088 |
| Payroll deductions payable | 16,371 | 10,623 |
| | 90,300 | 70,374 |
| 10. PROVISIONS | | |
| CURRENT | | |
| Provision for annual leave | 31,384 | 42,186 |
| | 31,384 | 42,186 |
| NON-CURRENT | | |
| Provision for long service leave | 21,241 | 15,450 |
| | 21,241 | 15,450 |
| 11. EVENTS AFTER THE REPORTING PERIOD | | |
| No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the result of those operations or the state of affairs of the company in future financial years. | | |
| 12. RESERVES | | |
| Financial assets reserve | | |
| The financial assets reserve has now been incorporated in retained earnings as disclosed previously, as it was agreed that there is no value in disclosing the reserve separately. | | |
| 13. RELATED PARTY TRANSACTIONS | | |
| Transactions with related parties | | |
| Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. | | |
| 14. CONTINGENT LIABILITIES AND CONTINGENT ASSETS | | |
| In the opinion of the Directors, the company did not have any contingencies at 31 December 2017 (31 December 2016:None) | | |
| 15. FINANCIAL RISK MANAGEMENT | | |
| The company's financial instruments consist mainly of deposits with banks, listed investments, accounts receivable and payable. | | |

These notes should be read in conjunction with the attached compilation report.

CLIFFORD CRAIG FOUNDATION LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

The totals for each category of financial instruments, measured in accordance with AASB 139 Financial Instruments Recognition and Measurement as detailed in the accounting policies to these financial statements, are as follows:

Financial Assets

| | 2017 \$ | 2016 \$ |
|---|------------------|------------------|
| Cash and cash equivalents | 782,348 | 1,408,485 |
| Receivables | 244,790 | 218,694 |
| Available-for-sale financial assets at fair value | 7,492,052 | 6,342,915 |
| Total Financial Assets | 8,519,190 | 7,970,094 |

Financial Liabilities

| | | |
|------------------------------------|---------------|---------------|
| Trade and other payables | 90,300 | 70,374 |
| Total Financial Liabilities | 90,300 | 70,374 |

16. COMPANY DETAILS

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

Clifford Craig Foundation Ltd
Level 5
Launceston General Hospital
Launceston TAS 7250

17. FUTURE EXPENDITURE COMMITMENTS

(a) Research expenditure commitments

The research expenditure committed below relates to all research projects for which a grant acceptance form has been authorised and returned to the company by the parties undertaking the research.

Research expenditure

| | | |
|----------------------------|----------------|----------------|
| Not later than 1 years | 431,087 | 449,515 |
| between 1 year and 5 years | 157,308 | 131,552 |
| | 588,395 | 581,067 |

CLIFFORD CRAIG FOUNDATION LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

17. FUTURE EXPENDITURE COMMITMENTS (CONT'D)

Reconciliation of Committed Research

| Project Description | Balance 1/01/2017 | Adjustments | Less Paid | Plus Committed | Balance 31/12/2017 |
|---|------------------------------|--------------------|----------------------|---------------------------|-------------------------------|
| Proj 105 - Genetic Heart Registry | - | - | - | 2,000 | 2,000 |
| Proj 143 - EMP in COPD - Dr Sohal | 19,603 | - | (19,603) | | - |
| Proj 144 - CKD Indent & Management - Dr Radford | 21,193 | - | (21,193) | | - |
| Proj 145 - CC Vaccine Trial - Dr Flanagan | 80,547 | - | (80,547) | 163,636 | 163,636 |
| Proj 152 - Novel Approach for Inflammatory Bowel Disease - Dr Eri | 34,687 | - | (34,687) | | - |
| Proj 153 - Ameliorating EMT in COPD - Dr Sohal | 72,727 | - | (36,364) | | 36,364 |
| Proj 154 - Joint Replacement - Dr Bird | 47,241 | - | (23,620) | | 23,621 |
| Proj 155 - Blood Injections - Dr Mulford | 39,500 | - | (19,750) | | 19,750 |
| Proj 156 - Osteoarthritis - D Jovic | 23,091 | - | (23,091) | | - |
| Proj 157 - Primary care - M Unwin | 22,009 | - | (22,009) | | - |
| Proj 158 - Perfect Trial - Dr Edis | 7,273 | (7,273) | - | | - |
| Proj 159 - Fasting - Dr Best | 19,105 | - | (19,105) | 11,818 | 11,818 |
| Proj 160 - Is (NIV) Superior to (HFNP) Oxygen Therapy - Lanthe Boden | 72,727 | - | (36,364) | | 36,363 |
| Proj 161 - SPICE Trial - Dr Brain | 34,545 | - | (34,545) | | - |
| Proj 162 - TARGET Trial - Dr Brain | 51,818 | - | (36,364) | | 15,454 |
| Proj 167 - Rehab for Hip and Knee Replacement - Churchill | - | - | - | 21,250 | 21,250 |
| Proj 168 - Active Anti Cancer Treatments - Durieux | - | - | - | 10,584 | 10,584 |
| Proj 169 - Improving Bariatric Surgery Outcomes - Mercer | - | - | - | 36,203 | 36,203 |
| Proj 170 - Reducing Ear and Lung Infections - Tristram | - | - | - | 19,000 | 19,000 |
| Proj 171 - Epithelial Mesenchymal Transition - Sohal | - | - | - | 43,958 | 43,958 |
| Proj 172 - Zinc Controls Glucose Metabolism in Muscle - Myers | - | - | - | 21,460 | 21,460 |
| Proj 173 - Comparing Surgical Fixation With Plaster Casting - Mulford | - | - | - | 6,791 | 6,791 |
| Proj 174 - Low Level Laser Therapy and Heart Attack Recovery - Barthwal | - | - | - | 70,818 | 70,818 |
| Proj 175 - Diagnosing Palpitations - Bala | - | - | - | 7,960 | 7,960 |
| Proj 176 - Gut microbiota - Eri | - | - | - | 6,364 | 6,364 |
| Advance Trainee Research Scholarships | 15,000 | - | (5,000) | 5,000 | 15,000 |
| Honours Scholarship | 15,000 | - | - | - | 15,000 |
| Nursing Honours Scholarship | 5,000 | 5,000 | (10,000) | 5,000 | 5,000 |
| | 581,067 | (2,273) | (422,242) | 431,842 | 588,395 |

These notes should be read in conjunction with the attached compilation report.

CLIFFORD CRAIG FOUNDATION LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

18. DESIGNATED DONATIONS

(a) Research expenditure commitments

From time to time, donations are received for specific research projects and included in the profit/(loss) from ordinary activities in the year of receipt. Whilst these amounts are earmarked for expenditure on specific projects, they are not formally committed for expenditure until a grant acceptance form has been authorised and returned to the company by the parties undertaking the research.

As a result, included in the balance of retained earnings at year end are donations and allocations made in current and previous years towards specific research projects.

The Victoria League grant designated donation includes an adjustment for notional interest earned at 2% less an administration fee of 1%. The P Hewitt Scholarship Fund designated donation includes an adjustment for notional interest of 2%. The above are special arrangements approved by the board of directors.

Details of movements in the designated donations included in retained profits for the year ended 31 December 2017 are as follows:

| | Balance 1/01/2017 | Specific Donations | Expenditure | General Allocations | Balance 31/12/2017 |
|--|------------------------------|-------------------------------|--------------------|--------------------------------|-------------------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Cancer Research | 374,943 | 2,397 | - | - | 377,340 |
| Cancer Research - Victoria League Grant | 308,488 | - | - | 3,085 | 311,573 |
| Gerontology General | 60,886 | - | 34,510 | - | 26,376 |
| NW Projects General | 361,284 | - | - | - | 361,284 |
| Paediatrics | 46,227 | 1,333 | - | - | 47,560 |
| Prostate Cancer | 127,462 | - | - | - | 127,462 |
| Tas Wound Care | 10,000 | - | - | - | 10,000 |
| Addisons | 400 | - | - | - | 400 |
| Parkinsons Disease | 150 | - | - | - | 150 |
| Cardiovascular Disease | 55,187 | 1,244 | - | - | 56,431 |
| Ovarian Cancer | 9,500 | - | - | - | 9,500 |
| Renal | 3,000 | - | - | - | 3,000 |
| Respiratory | - | - | - | - | - |
| Diabetes | 4,031 | - | - | - | 4,031 |
| Surgery | - | 30,000 | 30,000 | - | - |
| Infectious Diseases | 5,350 | 500 | 5,350 | - | 500 |
| Orthopaedic Surgery | 500 | - | 500 | - | - |
| Mental Health | 10,000 | - | - | - | 10,000 |
| Palliative Care | - | 10,570 | - | - | 10,570 |
| LGH Professional Development | - | 2,500 | 2,500 | - | - |
| LGH Equipment | - | 50 | - | - | 50 |
| Fund | 110,618 | - | - | 2,212 | 112,830 |
| D Huish Memorial Lecture 2009-18 | 44,027 | - | 2,884 | - | 41,142 |
| | 1,532,053 | 48,594 | 75,744 | 5,297 | 1,510,200 |

These notes should be read in conjunction with the attached compilation report.

CLIFFORD CRAIG FOUNDATION LTD

DIRECTORS' DECLARATION

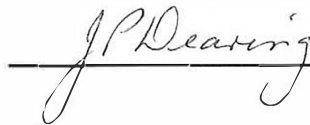
In accordance with a resolution of the directors of Clifford Craig Foundation Ltd, the directors of the company declare that:

1. The financial statements and notes as set out on pages 5 to 20 presents fairly the company's financial position as at 31 December 2017 and its performance for the year ended on that date in accordance with Australian Accounting Standards and the Australian Charities and Not for Profits Commission Act 2012; and
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Director



Director



18th April 2018



Auditor's Independence Declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

To: the Directors of Clifford Craig Foundation Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 31 December 2017 there have been:

- i. no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Andrew Gray

Partner

Launceston

18 April 2018



Independent Auditor's Report

To the members of Clifford Craig Foundation Ltd

Opinion

We have audited the **Financial Report**, of Clifford Craig Foundation Ltd (the Company).

In our opinion, the accompanying **Financial Report** of the Company is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

- i. giving a true and fair view of the Company's financial position as at 31 December 2017, and of its financial performance and its cash flows for the year ended on that date; and
- ii. complying with *Australian Accounting Standards – Reduced Disclosure Requirements* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

The **Financial Report** comprises:

- i. Statement of financial position as at 31 December 2017.
- ii. Statement of comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended.
- iii. Notes including a summary of significant accounting policies.
- iv. Directors' declaration of the Company.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 auditor independence requirements of the *ACNC 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 fulfilled our other ethical responsibilities in accordance with the Code.

Other information

Other Information is financial and non-financial information in Clifford Craig Foundation Ltd's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors



are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Directors' Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- i. Preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosures Requirements and the ACNC Act 2012.
- ii. Implementing necessary internal control 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.
- iii. Assessing the Company's ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they 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 objective is:

- i. to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- ii. 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. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Report.

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

We also:

- i. Identify and assess the risks of material misstatement of the Financial Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- ii. 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 registered Company's internal control.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- iv. Conclude on the appropriateness of the 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 registered Company'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 registered Company to cease to continue as a going concern.
- v. 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 Directors of the registered Company 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.

KPMG

KPMG

Andrew Gray
Partner

Launceston

18 April 2018