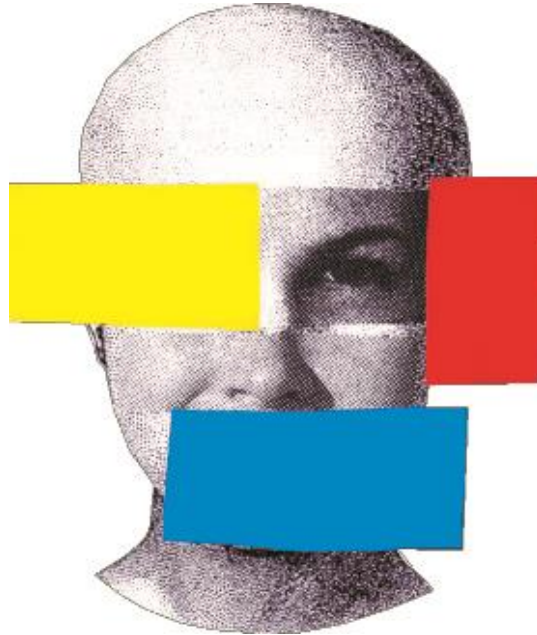


ANNUAL REPORT 2018

AUSTRALIAN CRANIO-MAXILLO FACIAL FOUNDATION



*Australian Cranio-Maxillo Facial
Foundation is a registered
charity (CCP2573) supporting the
Australian Craniofacial Unit
through patient care, family
support, education, training &
research*

| www.craniofacial.com.au

ABN 29 008 155 780

ACMFF Board



PROFESSOR DAVID DAVID
AC
PRESIDENT



MS CLAIRE MILNE
TREASURER



MR DAVID McLEOD
COUNCILLOR



MR NICHOLAS PYNE
COUNCILLOR



MR WALTER FLAPPER
COUNCILLOR



YVETTE WINTER
COUNCILLOR

ACMFF Ambassadors & Staff

Ambassadors: Isobel Redmond, Andrea Ogier, Amelia Digance, Annabel Digance Eran Boyd, Melissa Shortman, Kate Davies and Sharon Forrester-Jones.

Staff: Bob Snewin; CEO, Natalie Munson; Group Accountant, Sharon Thain; Manager Corporate Communication, Sponsorship, PR & Events, Shelley Wong Programs Manager, Maxine Farrow; Volunteer Manager, Rex Symons; Authorised Collector.

2017/18 ANNUAL GENERAL REPORT

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President's Report

I am pleased to say that the ACMFF (the Foundation) had another successful year with respect to its fund raising, financial management and delivery of services to the patients with craniofacial anomalies.

As members and contributors, you are aware that this organisation supports education, research and service in the form of patient support as it has done since its inception.

Among other things, the Foundation has purchased equipment for the WCH Kate Hill Ward which provides Craniofacial patient care, specialized equipment for surgical planning, support to individual patients and in particular, support for the outreach clinics of the ACFU in South East Asia.

Fundraising is not easy in the current climate, however, our staff and supporters have done their usual magnificent job in raising the profile of the organisation, whilst maintaining the focus on our core business viz the patients. Maintaining our presence via newsletters and functions whilst focusing on our successful bequest programme is a challenge that the staff have met with credit.

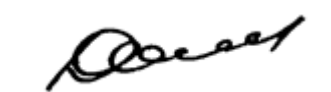
It is particularly gratifying to see the number of patients and their families who undertake forms of fundraising for the Foundation; I acknowledge them, our wonderful ambassadors and other volunteers, without whom, our efforts would be much diminished.

The support from our service clubs remains strong. Ambassador Andrea Ogier and Bob Snewin attend meetings of Apex, Lions, Rotary and Probus presenting updates of the Foundations activities and promoting the work of the ACFU.

Our Ambassadors, Annabel Digance, Isobel Redmond, Eran Boyd, Mel Stephens, Sandy Hausler, Kate Davies (QLD), Andrea Ogier and Amelia Digance reach out for us to a wide spectrum of the community and political sector. I acknowledge our current hard working staff, and those who have moved on during the year after a lengthy service.

I wish to thank my fellow Board members for their contribution; the Board is small and efficient. Claire Milne is our meticulous Treasurer and her results speak for themselves. David McLeod for his wise counsel, Nick Pyne for his financial advice, surgeon Walter Flapper who is our immediate contact with the clinical activities and Yvette Winter for her outstanding contribution concerning corporate probity. For me as Chairman and on behalf of all supporters, I wish to congratulate them for their dedication and the hard work that has brought us to our current very satisfactory position.

The future focus for our efforts will be exploring opportunities for securing our own premises which we believe will strengthen the Foundation's financial position and free up funds for patient support. Delivering health care in the current climate is a moveable feast and the Foundation, is well informed, well connected and dedicated to ensuring that our core purpose, which is to advantage those with craniofacial challenges, is front and centre.



Professor D.J. David AC
President, Australian Cranio-Maxillo Facial Foundation

Bequest Program

The Bequest Program has been very successful with estate bequests exceeding budget expectations. The Australian Cranio-Maxillo Facial Foundation (ACMFF) received \$734,760 in total bequests against a budget of \$350,000 from some wonderfully generous benefactors.

A number of these bequests were provided by existing donors and this year we were able to track some of these back to our advertising and marketing campaigns. There are many who generously leave something in their estate to the Foundation, who truly remain anonymous and we thank them for their gift.

Sponsorship, Grants & Donations

We are pleased to report that our Platinum Sponsorship agreement with Refined Real Estate continued through this financial year. Their generous donation of \$10,000 again in December was welcomed by the Foundation.

Once again we gratefully acknowledge funding from the Australian Executor Trustees and the Apex Foundation.

Throughout the year, the Foundation received donations from various service clubs, including Rotary, Lions and Probus.

Community support remained strong throughout the year with sustained contributions from the general public and loyal regular supporters and, we have seen an increase in donations from those who support us through our Newsletter.

There has been an increase in Gift in Kind support for our events and we thank those who contributed in this way.

Patient Support

In the past financial year, the Foundation again provided support for ACFU patients and families in need through providing much needed equipment and items that bring comfort to both parents and children.

Some of the recent items included:

- Bottles and throat scopes that assist with feeding and assessment of the Cleft Palate babies.
- Four (4) additional recliner chairs which enable parents to hold their child sooner post operatively allowing more comfort and a place to sleep by their child's side.
- Annual Christmas Picnic inviting over 250 families to participate

In addition, the Foundation keeps the Kate Hill Ward in supply of decorative/comfortable arm splints to assist in the post-operative healing as well as soft spoons, so that patients can begin eating without risk of damaging fragile operative sites.

Research

In the last year, the Foundation continued funding research for Craniosynostosis and commenced funding a new piece of research about Metopic Synostosis, with grant money from the Greatorex Foundation and APEX. Mr. Walter Flapper is in charge of the project.

The Foundation continues to fund the research work that is being done through the Australian Craniofacial Unit. This work continues to be supported with the generous help of the Apex Foundation.

The current major project that is in progress is being done in conjunction with the Department of Psychology at the University of Adelaide. Together, we are looking at children with metopic synostosis, which is one of the common forms of Craniosynostosis. Not all of these children undergo surgery, depending on the severity of their condition. What we are looking at is the neuropsychological and developmental outcomes in the children who have not had surgery and comparing this to those who do not have the condition and also those who have undergone surgery.

In addition the Foundation also contributed \$21,733.09 to the ongoing Craniosynostosis research project that is being managed by Professor Anderson.

International Program

The Foundation has arranged and financed 2 visits of our medical teams to Indonesia during the financial year 2017/2018.

The two visits during the year were undertaken by the same team being Mr Walter Flapper, Dr Ben Grave and Nurse Catherine Cross. The first visit was to Denpasar and Jakarta. This team in partnership with Yayasan Senyum Bali (The Smile Foundation of Bali) and the Yayasan Citra Baru in Jakarta had a very successful trip and were able to share their knowledge and expertise with the local teams. The team also conducted lectures to doctors and other health professionals, which were very well received.

The second outreach visit was to Manado in North Sulawesi where the team spent a week sharing their skills with the local plastic surgeons and neurosurgeons. The Foundation also generously donated a significant amount of surgical equipment to the local surgeons, which they had been unable to access previously, and which will significantly enhance their ability to deliver high quality craniofacial care to their patients.

Fundraising & Events

Our fundraising team is working on new events for 2019/20. We will see the introduction of 3 Major events and smaller boutique gatherings as we strive to retain and increase our demographic in a very competitive market. A number of the Events undertaken this year included:

- *Wonder*, the Movie was an outstanding success with strong support from our followers and helped to raise awareness of “Treacher Collins Syndrome”

- Charity Race Day Event in the Chairman's Room at Morphettsville Racecourse this year gained new supporters and saw strong commitment toward auctions and raffles on the day from those who attended.
- SALA was a new event in 2017 where we enjoyed attendance from a new demographic, as well as new sponsors and auction sales on the night.
- Melbourne Cup at the Botanic Gardens returned for 2017 and again was a success with new sponsorship and demographic in attendance.
- Lunch @ Ellenika was well received as a new event which was supported by Sorbet for fashion; saw another good return for the Foundation with the introduction of our new Ambassador, Eran Boyd.
- The annual Children's Christmas Picnic was enjoyed by nearly 150 people with the Foundation supporting the day along with generous sponsorship from Michael Zorich at the Zorich Group who generously provided us with \$5000 worth of sporting items as Christmas gifts for the children.
- Jazz in the Garden, with James Morrison and the Australian Army Jazz Ensemble was an outstanding success and we hope to bring this back in 2020 with the James and The Cat Empire, which will see us host up to 4,000 people.

Communications

Our CEO Bob Snewin and our Ambassador Andrea Ogier are in demand speakers for community groups about the wonderful work of The Foundation and the Australian Craniofacial Unit.

Our newsletter has again had strong readership and a dedicated focus on patient stories and updates. This has resulted in increased donations via this platform. The introduction of a direct deposit option has been welcomed by many.

The introduction of target coded Bequest advertising has provided us with the ability to track some of the incoming bequests which provides us with vital feedback. Our social media platforms have seen an increase in followers and strong interaction following stories posted.

Volunteers

We are currently reviewing our volunteer program and Maxine Farrow has been instrumental in assisting with this. New child protection screening laws are pending implementation and we are complying with Police Check and DCSI clearances where required. There will be strong focus on recruitment for 2019 to ensure that we meet the needs of patient support and events for the future.

Statutory Accounts

(Please note Statutory Accounts are reproduced in the Annual Report at pages 6 to 34.)

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Directors Report

DIRECTORS (COUNCILLORS) REPORT

Your Directors (Councillors) submit the financial reports of the parent entity and its controlled entities for the financial year ended 30 June 2018.

Directors (Councillors)

The names of the Directors (Councillors) in office at the date of this report are:

Professor David J David	<i>Chair</i>
Ms Claire Milne	<i>Treasurer</i>
Dr Walter Flapper	
Mr David McLeod	
Mr Nicholas Pyne	
Ms Yvette Winter	

Company Secretary

Mr Robert L Snewin Dip Mkt, GAICD, held the position of company secretary at the end of the financial year. Mr Snewin has worked for the Australian Cranio-Maxillo Facial Foundation (the Foundation) for the past 12 years, performing management roles. Mr Snewin was appointed company secretary in December 2005.

Principal Activities:

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

- treatment and rehabilitation of persons with craniofacial deformities;
- research of the etiology, diagnosis and management of craniofacial deformities;
- education of medical practitioners throughout the world in the treatment and rehabilitation of persons with craniofacial deformities; and
- trustee of funds held on behalf of the Australian Craniofacial Unit.

Operating Results:

The consolidated net result of the Foundation was a surplus of \$331,503 (2017: surplus of \$473,146).

Dividends Paid or Recommended:

The Foundation is a company limited by guarantee and it operates for charitable purposes. It is precluded in its Memorandum and Articles of Association from distributing dividends to members.

Directors Report

Share Options

Being limited by guarantee, the Foundation does not issue shares.

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Foundation, the results of those operations, or the state of affairs of the Foundation in subsequent financial years.

Future Developments and Results

Nil

Information on Directors (Councillors)

David J David, AC	-	President
Qualifications	-	M.D. (Adel), F.R.C.S.(E), F.R.C.S., F.R.A.C.S.T (Hon)
Experience	-	Member of Council since 1987
Nicholas Pyne	-	Member
Qualifications	-	BA (Hon), MBA,Bapp finance
Experience	-	Member of Council since November 2010
David McLeod	-	Member
Qualifications	-	SM, RFD, LL.M (Pub and Int) (Melb), LL. B. (Adel)
Experience	-	Member of Council since October 2006
Yvette Winter	-	Member
Qualifications	-	FACHSM, MCCJ, LLB, B Ed, B Bus (mkt)
Experience	-	Member of Council since November 2016

Directors Report

Claire Milne	-	Treasurer
Qualifications	-	Bachelor of Commerce, GradDip CA, GAICD Member of Chartered Accountants Australia and New Zealand
Experience	-	Member of Council since December 2007
Walter Flapper	-	Member
Qualifications	-	BHB, MBChB, FRACS (plastic & reconstructive surgery), MASurg(Craniofacial)
Experience	-	Member of Council since November 2013

Meetings of Directors (Councillors)

During the financial year, 10 meetings of Directors (Councillors) were held. In attendance were:

	No. Eligible to Attend	No. Attended
David J David	10	9
Nicholas Pyne	10	8
Yvette Winter	10	10
David McLeod	10	7
Claire Milne	10	9
Walter Flapper	10	9

Directors Report

DIRECTORS (COUNCILLORS) REPORT (cont.)

Directors (Councillors) and Auditors Indemnification

The Foundation has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the company or a related body corporate:

- indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings, with the exception of the following matter:

During the financial year the Foundation has insured each of the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in capacity, other than conduct involving a willful breach of duty in relation to the company.

Directors' (Councillors') Benefits

No Director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the chief entity, controlled entity, or a related body corporate with a director, a firm of which a Director is a member or an entity in which a director has a substantial financial interest.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* is set out below.

Signed in accordance with a resolution of the Board of Directors (Councillors).



Dated the 17TH day of OCTOBER 2018


Directors Report

DIRECTORS (COUNCILLORS) REPORT (cont.)

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, I declare that, to the best of my knowledge and belief, there have been:

- (1) No contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (2) No contraventions of any applicable code of professional conduct in relation to the audit.


D G Murdock
Chartered Accountant

Unley
Date: 17/10/18

Directors Declaration

DIRECTORS (COUNCILLORS) DECLARATION

The Directors (Councillors) of the registered entity declare that, in the Directors' (Councillors') opinion:

1. The financial statements and notes, as set out on pages 6 to 34, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - (a) Comply with Australian Accounting Standards; and
 - (b) Give a true and fair view of the financial position of the registered entity as at 30 June 2017 and of its performance for the year ended on that date.
2. There are reasonable grounds to believe that the registered entity will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with subs 60.15 (2) of the *Australian Charities and Not-for-profits Commission Regulation 2013*.



Dated this 17th day of OCTOBER, 2018

Statement of Comprehensive Income

THE AUSTRALIAN CRANIO-MAXILLO FACIAL FOUNDATION
ABN: 29 008 155 780

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

	Notes	Consolidated Group	
		2018	2017
		\$	\$
<u>Revenue and other income</u>			
Fundraising:			
Donations & gifts		259,824	381,126
Legacies & bequests		734,760	528,065
Programmes:			
Grant funding - government		-	-
Grant funding - other		-	-
Professional Development/Secretariats		7,875	2,027
Equipment fund and patient support		28,321	62,429
Investment income		327,422	322,034
Net gain/(loss) on disposal of available for sale investments		-	(7,733)
Net gain on disposal of fixed assets		(615)	-
Total revenue & other income	9(a) 9(b)	1,357,587	1,287,948
<u>Expenditure</u>			
Direct costs of fundraising		324,926	266,436
Programme costs:			
Research		69,733	70,220
Overseas clinics development		132,211	67,197
Professional development/Secretariats		43,353	6,924
Patient support/unit support		106,650	84,105
Management & administration expenses	9(c)	309,141	294,929
Other expenses		40,070	24,991
Total expenditure		1,026,084	814,802
NET SURPLUS/(DEFICIT)		331,503	473,146
Other comprehensive income/(loss)		245,330	342,079
Total comprehensive income/(loss) for the year		576,833	815,225

The Accompanying notes form part of these financial statements

Statement of Financial Position

THE AUSTRALIAN CRANIO-MAXILLO FACIAL FOUNDATION
ABN 29 008 155 780

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Notes	Consolidated Group		Chief Entity	
		2018	2017	2018	2017
		\$	\$	\$	\$
ASSETS					
Current Assets					
Cash and cash equivalents	10	469,876	493,747	51,583	137,610
Trade & other receivables	11	133,800	201,086	-	-
Inventories	12	-	839	-	-
Managed investments	13	2,938,105	2,426,989	-	-
Available-for-sale financial investments	14	3,999,527	3,765,313	-	-
Total current assets		<u>7,541,308</u>	<u>6,887,975</u>	<u>51,583</u>	<u>137,610</u>
Non current assets					
Property plant & equipment	15	18,058	197,209	-	-
Total non current assets		<u>18,058</u>	<u>197,209</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS		<u>7,559,366</u>	<u>7,085,183</u>	<u>51,583</u>	<u>76,364</u>
LIABILITIES					
Current liabilities					
Trade creditors and other payables	16	271,606	329,897	-	-
Provisions	17	42,277	86,636	-	-
Total current liabilities		<u>313,883</u>	<u>416,533</u>	<u>(8,996,158)</u>	<u>(5,132,296)</u>
TOTAL LIABILITIES		<u>313,883</u>	<u>416,533</u>	<u>(8,996,158)</u>	<u>(5,132,296)</u>
NET ASSETS		<u>7,245,483</u>	<u>6,668,650</u>	<u>9,047,741</u>	<u>5,208,660</u>
FUNDS (Equity)					
General funds		5,799,709	5,468,206	10,123,924	5,208,660
Designated funds		702,081	702,081	-	-
Asset revaluation reserve		743,693	498,363	-	-
TOTAL MEMBERS FUNDS	19	<u>7,245,483</u>	<u>6,668,650</u>	<u>10,123,924</u>	<u>5,208,660</u>

The accompanying notes form part of these financial statements

Statement of Changes in Equity

THE AUSTRALIAN CRANIO-MAXILLO FACIAL FOUNDATION
ABN 29 008 155 780

STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 30 JUNE 2018

	General fund	W&S McPharlin reserve	Bequest reserve	Equipment reserve	Patient assistance reserve	Asset Revaluatio n reserve	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2016	4,995,060	240,000	387,960	69,094	5,027	156,284	5,853,425
Surplus/(Deficit) attributable to the entity	473,146	-	-	-	-	-	473,146
Total Other comprehensive income (transfers) for the year	-	-	-	-	-	342,079	342,079
Balance at 30 June 2017	5,468,206	240,000	387,960	69,094	5,027	498,363	6,668,650
Surplus/(Deficit) attributable to the entity	331,503	-	-	-	-	-	331,503
Total Other comprehensive income (transfers) for the year	-	-	-	-	-	245,330	245,330
Balance at 30 June 2018	5,799,709	240,000	387,960	69,094	5,027	743,693	7,245,483

The accompanying notes form part of these financial statements

Notes to the Financial Statements

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018

		Consolidated Group	
		2018	2017
		\$	\$
Cash flows from operating activities			
Receipts from activities	(a)	1,426,327	1,149,985
(Payments) to suppliers & employees	(b)	(943,803)	(766,887)
Allocations paid to Australian & Overseas Funds		-	-
Net Cash Provided (used in) Operating Activities	20	482,524	383,098
Cash flows from investing activities			
Payment for property, plant & equipment		(6,395)	(66,338)
Proceeds on sale of property, plant & equipment		-	-
Proceeds on sale of available for sale investments		-	181,899
Sale/(purchase) of managed investments		(500,000)	(550,000)
Purchase of available for sale investments		-	(352,257)
Net Cash Provided by (used in) Investing Activities		(506,395)	(786,696)
Cash flows from financing activities			
Net Cash Provided by (used in) Financing Activities		-	-
Net Increase/(Decrease) in cash held		(23,871)	(403,598)
Cash at the beginning of the financial year		493,747	897,345
Cash at the end of the financial year	10	469,876	493,747

CASH FLOW INFORMATION

(a) Receipts from activities			
Total Income		1,357,587	1,287,948
Change in debtors		67,286	(96,713)
Change in stock on hand		839	1,641
Write-off bad debts		-	-
Shares gifted		-	(50,624)
Loss on sale of property, plant & equipment		615	-
Loss on the sale of available for sale investment		-	7,733
Reclassification of sale of investment parcel from equity			
		1,426,327	1,149,985
(b) Payments to suppliers and employees			
Total Expenses		1,026,084	814,802
Depreciation of P&E		(66,330)	(46,702)
Loss on Derecognition of Assets		(118,601)	-
Loss on Disposal of Asset		-	-
Annual and Long Service Leave Movement		44,359	(5,498)
Creditors & Accruals Movement		58,291	4,285
		943,803	766,887

The accompanying notes form part of these financial statements

Notes to the Financial Statements

THE AUSTRALIAN CRANIO-MAXILLO FACIAL FOUNDATION

ABN 29 008 155 780

NOTES TO THE FINANCIAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

The financial report cover The Australian Cranio-Maxillo Facial Foundation (the Foundation) as an individual entity, incorporated and domiciled in Australia. The Foundation is a company limited by guarantee which operates for charitable purposes and is precluded by its Memorandum and Articles of Association from distributing dividends to its members.

The financial statements were authorised for issue on 16th October 2018 by the Directors of the company.

Note 1 Summary of Significant Accounting Policies

The Directors' have prepared the financial statements on the basis that the Foundation is a non-reporting entity because there are no users dependent on a general purpose financial report. The financial report is therefore a special purpose financial report that has been prepared in order to meet the requirements of the *Corporations Act 2001*.

These special purpose financial statements have been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board.

The Foundation is a Company limited by shares, incorporated and domiciled in Australia. The Foundation is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statement has been prepared in accordance with the following Australian Accounting Standards:

AASB 101	<i>Presentation of Financial Statements</i>
AASB 107	<i>Statement of Cash Flows</i>
AASB 108	<i>Accounting Policies, Changes in Accounting Estimates and Errors</i>
AASB 110	<i>Events after the Reporting Period</i>
AASB 1048	<i>Interpretation of Standards</i>
AASB 1054	<i>Australian Additional Disclosures</i>

No other applicable Accounting Standards, Urgent Issues Group Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

Notes to the Financial Statements

NOTES TO THE FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Basis of preparation

The financial statements, except for the cash flow information, have been prepared on an accrual 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.

Accounting Policies

(a) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

(b) Principals of Consolidation

The financial statements of the consolidated group comprise consolidated accounts of The Australian Cranio-Maxillo Foundation (Parent Entity) as trustee for the:

- Australian Cranio-Maxillo Facial Foundation Australian Aid Fund; and
- Australian Cranio-Maxillo Facial Foundation Overseas Aid Fund.

All inter-entity transactions within the entity have been eliminated on consolidation.

(c) Property, Plant and Equipment

Property, plant and equipment are measured on the cost basis less depreciation and impairment losses. The carrying amount of plant and equipment is reviewed annually by the Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with them will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Notes to the Financial Statements

NOTES TO THE FINANCIAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

From 1 July 2017 a new capitalisation policy was adopted with the purchase of property, plant and equipment over \$1,000 to be capitalized and recorded as a fixed asset at cost.

A review of assets capitalised in previous financial years identified:

- Assets that were redundant and obsolete. This resulted in an additional \$3,524 of depreciation being brought to account for the financial year ended 30 June 2018.
- Assets that were reflected at cost however were not under the control of the Foundation and were in fact assets that had been gifted to support craniofacial services and patients. This resulted in a loss on derecognition of assets of \$118,601 being brought to account for the financial year ended 30 June 2018.

(d) Depreciation

The depreciable amount of all fixed assets including buildings and any capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the entity commencing from the time the asset is held ready for use.

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

- | | |
|------------------------|---------------|
| • Computers | 33.3% |
| • Furniture & Fittings | 2.5% - 33.3% |
| • Medical Equipment | 10% |
| • Office Equipment | 12.5% - 33.3% |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

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.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(d) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs when the related contractual rights or obligations exist. Subsequent to initial recognition, these instruments are measured as set out below.

Notes to the Financial Statements

NOTES TO THE FINANCIAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or if so designated by management. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the statement of comprehensive income in the period in which they arise.

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 stated at amortized cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the entity's intention to hold these investments to maturity. Any held-to-maturity investments held are stated at amortized cost using the effective interest rate method.

Available-for-sale financial assets

Available for sale financial assets include any financial assets not included in the above categories. These are reflected at fair value. Any unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortization.

Impairment

At each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of an instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

(e) Impairment of assets

At each reporting date, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the

asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Notes to the Financial Statements

NOTES TO THE FINANCIAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

(f) Impairment of assets (cont)

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an asset class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

(g) 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 that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy the vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

For the financial year ending 30 June 2018, the policy for the recognition of employee's long service leave entitlements reflects the current employment trends of the Foundation.

Long service leave entitlements are recognised as follows:

- For 5 to 6 years completed service accrue at 90%
- For 7 years completed service accrue at 100%

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

(h) Provisions

Provisions are recognised when the entity 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.

Notes to the Financial Statements

NOTES TO THE FINANCIAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

(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 3 months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(j) Revenue

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.

Interest revenue is recognised on a proportional basis taking into account interest rates applicable to the financial assets.

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 (GST).

(k) Donations, grants, fundraising, legacies and bequests

The timing of the recognition of donations, grants, fundraising, legacies and bequests is dependent upon when control of these monies is obtained. This is principally when the money is received.

If material monies are obtained on the condition that they be expended in a particular manner and the condition is undischarged as at the reporting date, the nature and amounts pertaining to those undischarged conditions would be disclosed in note 4 to the financial statements.

(l) Goods and services in kind

Goods and services in kind, received free of charge or for nominal consideration, are brought to account at their fair value when and only when:

- a fair value of those goods and services can be reasonably determined;
- the goods and services received in kind would be purchased if not donated; and
- the "fair value" is material.

(m) Fundraising Income and Expenses

Fundraising income has been brought to account in the accounts at the gross amounts received. Direct expenses, which include those costs which are directly attributable to fundraising such as function expenses, promotions and advertising and employees' entitlements, have been shown separately.

(n) Volunteers

The value of services provided by volunteers has not been included in revenue or expenses because of the practical difficulties involved. However, where the hours of volunteer labor are substantial and can be reliably estimated (independently or by the Board of Directors) they would be disclosed in a note to the financial statements.

Notes to the Financial Statements

NOTES TO THE FINANCIAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

(o) Goods and services tax (GST)

The Foundation is registered for GST, with a GST registration number 29 008 155 780

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

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.

(p) Intangibles Software

Software is recorded at cost. Software has a finite life and is carried at cost less any accumulated amortization and impairment losses. It has an estimated useful life of between one and three years. It is assessed annually for impairment.

(q) Comparative Figures

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

When an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

(r) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(s) Critical Accounting Estimates and Judgments

The Directors evaluate estimates and judgments incorporated into the financial statements on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

(t) Adoption of New and Revised Accounting Standards

During the current year the company adopted all of the new and revised Australian Accounting Standards and interpretations applicable to its operations which became mandatory.

Notes to the Financial Statements

NOTES TO THE FINANCIAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

(u) New Accounting Standards for application in Future Periods

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The company has decided against early adoption of these standards. A discussion of those future requirements and their impact on the company follows:

AASB 9: Financial Instruments (December 2010) and associated amending standards (applicable for annual reporting periods commencing on or after 1 January 2017).

These standards will be applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments. The company has not yet determined any potential impact on the financial statements.

AASB 10 replaces parts of AASB 127: Consolidated and Separate Financial Statements and Interpretation 112: Consolidation – Special Purpose Entities. *AASB 10* provides a revised definition of “control” and additional application guidance so that a single control model will apply to all investees.

To facilitate the application of AASB’s 10, 11 and 12, revised versions of AASB127 and AASB128 have also been issued.

(u) New Accounting Standards for application in Future Periods (cont.)

AASB 2013-8 amends AASB 10 by adding an appendix to that standard to explain and illustrate how the principles in AASB 10 apply from the perspective of not for profit entities in the private and public sectors. Similarly, AASB 2013-8 amends AASB 12 by adding an appendix to that standard to explain the concept of a structured entity in a not-for profit context. Neither of these appendices applies to for-profit entities, nor affects the application of AASB 10 or AASB 12 by for-profit entities.

These standards are not expected to significantly impact the company’s financial statements.

Note 2 Related Party Transactions

Remuneration, Retirement Benefits and service Agreements

Income received or due and receivable by the Directors in connection with Management of the Foundation was nil.

Related Party Transactions

Mr N Pyne is an employee of Macquarie Private Wealth a division of Macquarie Group Limited. Mr Pyne oversees investment advice to ACMFF. From time to time available for sale investments are purchased and sold in accordance with advice from ACMFF Macquarie Private Wealth Investment Advisor Mr Zappia. whilst Mr Pyne oversees the investment advice he is not a party to any transaction conducted by Macquarie Private Wealth nor receives any compensation.

Notes to the Financial Statements

NOTES TO THE FINANCIAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

Transactions between related parties are on terms and conditions no more favorable than those available to other parties. There were no other transactions between related parties during the financial year.

Note 3 Financial Reporting by Segments

The Foundation operates in only one business segment as a charity. The Foundation operates in one geographical segment (South Australia).

Note 4 Contingent Liabilities

The Directors are not aware of any material contingent liabilities affecting the Foundation.

Note 5 Major Activities

The identity and purpose of each major activity undertaken by the organisation during the year ended 30 June 2018 are summarised below.

Activity 1: Overseas projects - Projects undertaken in the country in which the aid is provided or within Australia for the specific benefit of other countries.

Activity 2: Domestic Projects - Projects undertaken for the benefit of the Australian people and organisations.

Activity 3: Administration - These are overhead costs which relate to the day to day operations of the organisation.

Activity 4: Other - Any other projects, such as research, education or commercial functions.

Note 6 Members' Guarantee

The Company is limited by guarantee. If the Foundation is wound up, the Memorandum of Association states that each member is required to contribute a maximum of \$100 each towards meeting any outstanding obligations of the Company. At 30 June 2018, the number of members was 44.

Pursuant to Section 150 of the Corporations Law as detailed by the ASIC Policy Statement 50, the entity has obtained authorisation to be registered as a company with limited liability without the addition of the word "Limited" to its name.

Note 7 Post Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the economic entity, the results of those operations, or the state of affairs of the entity in subsequent financial years.

Notes to the Financial Statements

NOTES TO THE FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

Note 8 Financial Instruments

(a) Financial Risk Management

The Foundation's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable and managed investments. The entity does not have any derivative instruments at 30 June 2018.

Treasury Risk Management

The Executive of the Board review monthly financial reports prepared by management, and evaluate investments. They have determined that there is no speculative investing of the Foundation's finances. The Board have prepared and accepted an Investment Policy which is designed to protect the assets of the Foundation and spread the exposure to risk.

Financial Risks

The main risks the entity is exposed to through its financial instruments are interest rate and liquidity risk. Interest rate risk is managed by ensuring investments are reviewed regularly.

Foreign Currency Risk

The entity is not exposed to fluctuations in foreign currencies.

Liquidity Risk

This risk is managed by monitoring cash flow forecasts.

Credit Risk

The maximum exposure to credit risk at balance date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and the notes to the financial statements.

Price Risk

The entity is not exposed to any material commodity price risk.

Notes to the Financial Statements

NOTES TO THE FINANCIAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

(b) Interest Rate Risk

The Foundation's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates, is as follows:

2018 Financial Assets	Bank Bills maturing <1yr \$	Fixed Interest Rate maturing 1-5 yrs \$	Non Interest Bearing \$	Total \$
Cash & cash equivalents	469,876	-	-	469,876
Managed investments	2,938,105	-	-	2,938,105
Trade & other receivables	-	-	125,219	125,219
Total financial assets	3,407,981	-	125,219	3,533,200

2017 Financial Assets	Bank Bills maturing <1yr \$	Fixed Interest Rate maturing 1-5 yrs \$	Non Interest Bearing \$	Total \$
Cash & cash equivalents	493,747	-	-	493,747
Managed investments	2,426,989	-	-	2,426,989
Trade & other receivables	-	-	183,656	183,656
Total financial assets	2,920,736	-	183,656	3,104,392

Notes to the Financial Statements

NOTES TO THE FINANCIAL REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

(c) Net fair values

The net fair values of assets and liabilities approximates to their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form. Financial assets where the carrying amount exceeds net fair values have not been written down as the entity intends to hold onto these assets to maturity.

Due to the nature of the financial instruments held by the entity the costs associated with their settlement is calculated at its face value. In the case of debtors an allowance has been made for doubtful debts where appropriate.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

Fair values are generally in line with carrying values.

Notes to and Forming Part of the Accounts

THE AUSTRALIAN CRANIO-MAXILLO FACIAL FOUNDATION
ABN 29 008 155 780

NOTES TO THE FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

		Consolidated Group	
		2018	2017
		\$	\$
Note 9	Revenue, other income & expenses		
	(a) revenue		
	Fundraising:		
	Donations & gifts		
	Social fundraising	149,876	126,603
	Individual donations	96,228	232,403
	Charitable foundations	12,000	10,000
	Foundation membership	720	1,120
	Corporate donors	1,000	11,000
	Gifts in kind	-	-
	Legacies & bequests	734,760	528,065
	Programmes:		
	Grant funding - government	-	-
	Grant funding - other	-	-
	Professional Development/Secretariates	7,875	2,027
	Equipment fund and patient support	28,321	62,429
	Investment income		
	Interest	107,098	98,088
	Dividends	220,324	223,946
	Total revenue	<u>1,358,202</u>	<u>1,295,681</u>
	(b) Other income		
	Net gain/(loss) on disposal of available-for sale investment	-	(7,733)
	Net gain/(loss) on disposal of fixed assets	(615)	-
	Total other income	<u>(615)</u>	<u>(7,733)</u>
	Total revenue and other income	<u>1,357,587</u>	<u>1,287,948</u>
	(c) Management and Administration expenses		
	Wages & salaries	100,116	105,016
	Superannuation expenses	38,896	35,952
	Workers compensation	6,082	6,761
	Computer expenses	15,092	13,888
	Occupancy costs	70,671	68,596
	Professional, Consulting and Recruitment fees	11,174	-
	Lease expenses	4,608	4,320
	Insurance	9,059	9,143
	Accounting and Auditing fees	8,025	8,865
	Subscriptions and Memberships	5,315	6,217
	Communications	5,381	5,752
	Other expenses	34,722	30,419
	Total management and administration expenses	<u>309,141</u>	<u>294,929</u>
	(d) Employee Benefits expenses		
	Fundraising: wages, salaries, on-costs	216,449	208,980
	Programme: wages, salaries, on-costs	11,833	22,013
	Management & Administration: wages, salaries, on-costs	145,094	147,729
	Total employee benefits expenses	<u>373,376</u>	<u>378,722</u>

Notes to and Forming Part of the Accounts

THE AUSTRALIAN CRANIO-MAXILLO FACIAL FOUNDATION
ABN 29 008 155 780

NOTES TO THE FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Consolidated Group	
	2018	2017
	\$	\$
Note 10 Cash & cash equivalents		
Cash at bank and in hand	469,876	493,747
Short term deposits	-	-
Total cash and cash equivalents	<u>469,876</u>	<u>493,747</u>

Cash at bank earns interest at floating rates based on daily deposit rate. Short-term deposits are made for varying periods between one day and three months, depending on cash requirements. These deposits are at market rates.

Note 11 Trade & other receivables

Trade debtors	760	9,185
Less: Provision for doubtful debts	-	-
	<u>760</u>	<u>9,185</u>
Other debtors & receivables	84,225	143,335
Prepayments & other accrued income	48,815	48,566
Total trade & other receivables	<u>133,800</u>	<u>201,086</u>

Note 12 Inventories

Goods purchased for resale	-	839
Donated goods held for distribution	-	-
Total inventories	<u>-</u>	<u>839</u>

Note 13 Managed Investments

Managed investments	<u>2,938,105</u>	<u>2,426,989</u>
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Managed Investments are deposited for varying periods between 3 and 12 months, these deposits are at market rates.

Note 14 Available for sale financial investments

Listed investments at fair value in:

(a) current

Shares	3,292,474	3,054,572
Fixed interest securities	<u>707,053</u>	<u>710,741</u>
	<u>3,999,527</u>	<u>3,765,313</u>

(b) non-current

unsubordinated notes	<u>-</u>	<u>-</u>
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Movement in available-for-sale financial investments

Balance at 1 July	3,765,313	3,223,491
Purchases	422	402,882
Disposals	(1,538)	(197,815)
Revaluation increment	<u>235,331</u>	<u>336,755</u>
Balance at 30 June	<u>3,999,528</u>	<u>3,765,313</u>

All available-for-sale investments are quoted on the Australian Stock Exchange

Shares have no fixed maturity date or coupon rate.

Fixed interest securities include corporate bonds, convertible notes and hybrid securities which have coupon rates varying from 3% to 7% and maturity dates ranging from 2018 to 2025. The market value of these securities fluctuates from time to time.

Exposure to credit currency and market price risk related to available-for-sale investments is disclosed at **note 1**.

Notes to and Forming Part of the Accounts

THE AUSTRALIAN CRANIO-MAXILLO FACIAL FOUNDATION
ABN 29 008 155 780

NOTES TO THE FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

Note 15 Property, plant and equipment

	Computers	Furniture & Fittings	Medical Equipment	Office Equipment	Total
Balance as at 1 July 2016	25,061	5,436	145,847	1,229	177,573
Additions	17,120	499	-	48,719	66,338
Disposals	-	-	-	-	-
Depreciation expense	(12,719)	(876)	(29,558)	(3,549)	(46,702)
Balance as at 1 July 2017	29,462	5,059	116,289	46,399	197,209
Additions	3,395	3,000	-	-	6,395
Disposals	-	(615)	-	-	(615)
Depreciation expense	(19,865)	(1,254)	(28,247)	(16,964)	(66,330)
Loss on Derecognition of asset	(12)	(1,112)	(88,042)	(29,435)	(118,601)
Carrying amount at 30 June 2018	12,980	5,078	-	-	18,058

Note 16 - Trade creditors and other payables

	Consolidated Group	
	2018	2017
	\$	\$
Trade creditors	9,350	20,577
Other creditors	9,766	10,885
Accruals and deferred income	252,490	298,435
	<u>271,606</u>	<u>329,897</u>

Note 17 - Provisions

(a) Current		
Annual Leave	10,384	21,195
Long service leave	31,893	65,441
Total current provisions	<u>42,277</u>	<u>86,636</u>
(b) Non-current		
Annual Leave	-	-
Long service leave	-	-
Total non-current provisions	<u>-</u>	<u>-</u>

Notes to and Forming Part of the Accounts

THE AUSTRALIAN CRANIO-MAXILLO FACIAL FOUNDATION
ABN 29 008 155 780

NOTES TO THE FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

Note 18 Trust Liabilities and Right of Indemnity

The company acts as trustee for the Australian Cranio-Maxillo Facial Foundation Australian Fund and the Australian Cranio-Maxillo Facial Foundation Overseas fund and liabilities have been incurred on behalf of those trusts in the company's Liabilities incurred on behalf of the trust are not recognised in the financial statements when it is not probable that the company will have to meet any of those trust liabilities from its own resources. When it is probable that the company will have to meet some trust liabilities, a liability for the deficiency in trust right of indemnity is brought to account. Liabilities of the Australian Cranio-Maxillo Facial Foundation Australian Fund and the Australian Cranio-Maxillo Facial Overseas Fund were:

	Consolidated Group	
	2018	2017
	\$	\$
Current liabilities		
creditors and borrowings	271,606	329,897
employee provisions	42,277	86,636
Total liabilities	313,883	416,533

Right of indemnities for liabilities incurred by the Australian Cranio-Maxillo Facial Foundation and controlled entities not recorded in the financial statements were:

	Consolidated Group		Parent Entity	
	2018	2017	2018	2017
	\$	\$	\$	\$
The ACMFF Australian Fund	-	-	313,784	416,434
The ACMFF Overseas Fund	-	-	99	99

Each of these entities is registered under the Australian Charities & Not For Profits Commission (ACNC). ACMFF, the parent entity, accounts for and consolidates all of the transactions of the group. The Australian Cranio-Maxillo Facial Foundation Australian Fund and the Australian Cranio-Maxillo Facial Overseas Aid fund do not trade as separate entities.

Note 19 Total funds

(a) Movements in funds

Details of the movement in each reserve are provided in the statement of changes of funds.

(b) Details of reserves and funds included in statement of changes in funds

General reserve

The general reserve represents the funds of the charity that are not designated for particular purposes.

Designated funds

W&S McPharlin reserve and Bequest reserve

These reserves were established as required by the terms of the wills in which ACMFF was named a beneficiary. They are recorded as per the donor's instructions. Use of funds is not restricted.

Equipment reserve and patient assistance reserve

The equipment and patient assistance reserves comprise amounts specifically collected to be used to purchase medical equipment and assist patients of the Australian Craniofacial Unit.

Asset revaluation reserve

This reserve is used to record increases/decreases in the fair value of assets to the extent that such changes relate to an increase/decrease in the value of that class of assets previously recognised in the reserve.

Notes to and Forming Part of the Accounts

THE AUSTRALIAN CRANIO-MAXILLO FACIAL FOUNDATION
ABN 29 008 155 780

NOTES TO THE FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Consolidated Group	
	2018	2017
	\$	\$
Note 20		
Reconciliation of cashflow with operating surplus/(deficit)		
Operating Surplus/(Deficit)	331,503	473,146
<u>Non-Cash Flows in Operating Result</u>		
- depreciation	66,330	46,702
- loss on derecognition of assets	118,601	-
-(profit)/loss on sale of property, plant & equipment	615	-
-(profit)/loss on sale of available for sale investments	-	7,734
- write-off bad debts	-	-
- shares gifted	-	(50,624)
- reclassification of sale of investment parcel from equity	-	-
Changes in Assets & Liabilities		
- Movement in Debtors	67,286	(96,713)
- Movement in Inventories	839	1,641
- Movement in Trade Creditors & Accruals	(58,291)	(4,285)
- Movement in Annual Leave & LSL	(44,359)	5,497
	482,524	383,098

Notes to and Forming Part of the Accounts

**THE AUSTRALIAN CRANIO-MAXILLO FACIAL FOUNDATION
ABN 29 008 155 780**

**NOTES TO THE FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018**

Note 21 - Corporate information

**Registered office of the company
is:**

The Australian Cranio-Maxillo Facial Foundation
226 Melbourne Street
NORTH ADELAIDE SA 5006

The principle place of business is:

The Australian Cranio-Maxillo Facial Foundation
226 Melbourne Street
NORTH ADELAIDE SA 5006

The registered company auditor:

DG Murdock
Chartered Accountant
117 Greenhill Road
UNLEY SA 5061

Independent Audit Report

INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF
THE AUSTRALIAN CRANIO-MAXILLO FACIAL FOUNDATION
ABN 29 008 155 780

Report on the Audit of the Financial Report
Qualified Opinion

I have audited the financial report of The Australian Cranio-Maxillo Facial Foundation, which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible entities' declaration.

In my opinion, except for the effects of the matter described in the *Basis of Qualified Opinion* section of my report, the accompanying financial report of The Australian Cranio-Maxillo Facial Foundation is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the registered entity's financial position as at 30 June 2018 and of its financial performance for the year then ended;

and

- (b) complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis of Qualified Opinion

Cash donations and fund raising are a significant source of fund raising revenue for The Australian Cranio-Maxillo Facial Foundation.

The Australian Cranio-Maxillo Facial Foundation has determined that it is impracticable to establish control over the collection of cash donations prior to entry into its financial records. Accordingly, as the evidence available to me regarding donations and fundraising revenue from this source was limited, my audit procedures with respect to cash donations and fundraising had to be restricted to the amounts recorded in the financial records. I therefore am unable to express an opinion on whether the recorded cash donations and fundraising of The Australian Cranio-Maxillo Facial Foundation are complete.

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the Audit of the Financial Report* section of my report. I am

Independent Audit Report

independent of the registered entity In accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter • Basis of Accounting

I draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the registered entity's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. My opinion is not modified *in* respect of this matter.

Responsibility of the Responsible Entities for the Financial Report

The responsible entities of the registered entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act and the needs of the members, The responsible entities' responsibility also includes such internal control as the responsible entities determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

My 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 my 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.

Independent Audit Report

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

I also:

Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my 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 registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the responsible entities.
- Conclude on the appropriateness of the responsible entities 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 entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the registered entity 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.

I communicate with responsible entities regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Auditor's name and signature:



David Grantley Murdock

Name of firm:

D G Murdock

Auditor's address:

117 Greenhill Road
UNLEY SA 5061

Dated this 17th day of October 2018

Mission Statement

The Australian Cranio-Maxillo Facial Foundation (Craniofacial Australia) encourages and supports:

- The development and provision of patient diagnostic & treatment services that are appropriate & accessible worldwide to people suffering from craniofacial deformities & injuries
- Associated research and teaching activities
- Associated health systems development

Objective

The Australian Craniofacial Unit (ACFU) and Australian Cranio-Maxillo Facial Foundation (ACMFF) led by Professor David are committed to a vision of excellence and seek to educate and empower patients and families alike with world class care, treatment and facilities.

Our Policies

The Australian Cranio-Maxillo Facial Foundation (ACMFF) values people.

We are committed to act in ways that protect the dignity, uniqueness and intrinsic worth of every person. These core values are mirrored in our approach to handling personal information and data.

The ACMFF will ensure that all applicable legislation and industry guidelines are adhered to in relation to handling of personal information.

ACMFF Policies document outlines policies relating to data collection, handling and security; child protection; code of conduct; complaints procedures; use of identifying images, and; the development, funding and implementation of offshore projects.