



THE EPILEPSY FOUNDATION OF VICTORIA INCORPORATED

Incorporated in Victoria as an Incorporated Association

Registered No. A00022674D

A.B.N. 75 967 571 784

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2013

THE EPILEPSY FOUNDATION OF VICTORIA INCORPORATED

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2013

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DIRECTORY

Registered Address:	587 Canterbury Road Surrey Hills VIC 3127
Bankers:	Westpac Banking Corporation Bendigo Bank National Australia Bank
Auditor:	Grant Thornton Audit Pty Ltd
The Board:	
Chairman:	Prof. Mark Cook
Deputy Chairman:	Mr. Jim Campbell
Treasurer:	Mr. Peter Gover
Board Members:	Dr. Lindsay Vowels Dr. Christine Walker Ms. Corinne Young Ms. Victoria Funnell Ms. Sally Genser Ms. Kate Marshall Mr. Joseph Azoulay
Public Officer:	Dr. Christine Walker

THE EPILEPSY FOUNDATION OF VICTORIA INCORPORATED

BOARD'S REPORT

The Board of The Epilepsy Foundation of Victoria Incorporated submits the Financial Statements on the incorporated association for the financial year ended 30 June 2013.

BOARD MEMBERS

The following persons were Board Members during the whole of the financial year and up to the date of this report are, unless otherwise stated:

	Date Appointed	Date of Cessation	Board	
			A	B
Prof Mark Cook (Chair)			7	5
Dr Christine Walker			7	6
Mrs Jacqueline Branston		November-12	2	1
Mr Peter Gover	July-12		7	7
Dr Lindsay Vowels			7	3
Ms Sally Genser			7	4
Mr Jim Campbell			7	7
Ms Corinne Young	November-12		5	5
Ms Victoria Funnell		September-13	7	6
Ms Kate Marshall			7	6
Mr Joseph Azoulay	September-13		0	0

A - Number of Meetings Eligible during the year

B - Number of Meetings Attended

CORPORATE INFORMATION

The Epilepsy Foundation of Victoria Incorporated is an incorporated association, incorporated and domiciled in Australia.

The registered office of The Epilepsy Foundation of Victoria Incorporated is located at 587 Canterbury Road Surrey Hills Vic 3127

PRINCIPAL ACTIVITIES

The principal activities of The Epilepsy Foundation of Victoria Incorporated during the financial year were to enhance the quality of life of people living with epilepsy through information, education, advocacy, support services and research.

SIGNIFICANT CHANGES

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

OPERATING RESULT

The loss from ordinary activities for the year amounted to \$40,821 (2012: Loss from ordinary activities of \$99,467).

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration has been received for the year ended 30 June 2013 and can be found on page 8 of this Financial Report.

THE EPILEPSY FOUNDATION OF VICTORIA INCORPORATED

SUB-COMMITTEE MEMBERSHIP AND MEETING ATTENDANCE

	Finance Audit & Risk Management		Research	
	A	B	A	B
Subcommittee Members				
Dr Christine Walker ¹	6	5	2	2
Mrs Jacqueline Branston	-	-	2	1
Dr Lindsay Vowels	-	-	2	1
Mr Jim Campbell ²	6	6	-	-
Mr Peter Gover ³	6	6	-	-
Ms Victoria Funnell	6	3	-	-
Mr Joseph Azoulay (Joined April 2013)	2	2		
Meeting Attendees				
Mr Graeme Shears (Staff)	6	6	2	2
Mr Jeremy Maxwell (Staff)	5	5	-	-
Ms Helen Fraser (Staff)	5	5	-	-
Mr Wayne Pfeiffer (Staff)	5	5	2	2
Mr Jason Rajit (Staff)	6	6	-	-
Dr Kevin Brown (External Researcher)	-	-	2	1
Ms Pauline Brockett (Staff)	-	-	2	2

A - Number of Meetings Eligible

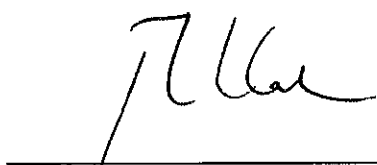
B - Number of Meetings Attended

¹ Chair of Research Sub-Committee

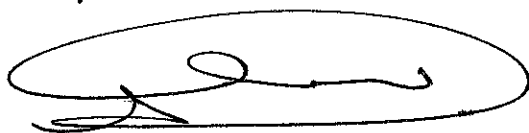
² Chair of Finance Audit and Risk Management Sub-committee from July 2012 to November 2012

³ Chair of Finance Audit and Risk Management Sub-committee from November 2012

Signed in accordance with a resolution of the Board for and on behalf of the Board by:



Prof Mark Cook – Chairman



Mr. Peter Gover – Treasurer

Dated at Melbourne, Victoria:

2013

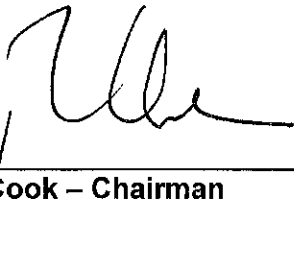
THE EPILEPSY FOUNDATION OF VICTORIA INCORPORATED

BOARD AND CHIEF EXECUTIVE OFFICER DECLARATION

In the opinion of the Board and the Chief Executive Officer, the Financial Report, comprising the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Financial Statements:

1. Present a true and fair view of the financial position of The Epilepsy Foundation of Victoria Incorporated as at 30 June 2013 and its performance for the year ended on the date; and
2. At the date of this statement, there are reasonable grounds to believe that The Epilepsy Foundation of Victoria Incorporated will be able to pay its debts as and when they fall due.
3. In addition, we are not aware at the date of signing this statement of any circumstances which would render any particulars included in the Financial Report to be misleading or inaccurate.

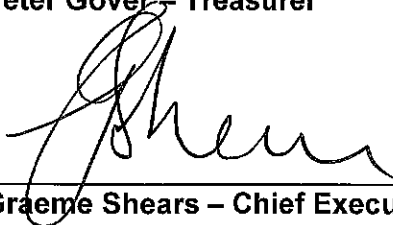
This statement is made in accordance with a resolution of the Board and is signed by:



Prof. Mark Cook – Chairman



Mr. Peter Gover – Treasurer



Mr. Graeme Shears – Chief Executive Officer

Dated at Melbourne, Victoria:

2013



Grant Thornton

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Independent Auditor's Report To the Members of Epilepsy Foundation of Victoria

We have audited the accompanying financial report of Epilepsy Foundation of Victoria (the "Association"), which comprises the statement of financial position as at 30 June 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information to the financial report and the statement by the Directors.

Responsibility of the Directors for the financial report

The Directors of the Association are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Associations Incorporation Reform Act 2012 (Vic), This responsibility includes such internal controls as the Directors determine are necessary to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements and notes, comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards which require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Association's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Ltd is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate or rely on one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 411 27 586 389 and its Australian subsidiaries and related entities. GTIL is not an Australian related entity to Grant Thornton Australia Limited.

Liability limited by a scheme approved under Professional Standards Legislation. Liability is limited in those States where a current scheme applies.

of the Association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

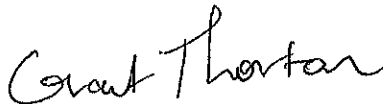
In conducting our audit, we have complied with the applicable independence requirements of the Accounting Professional and Ethical Standards Board.

Auditor's Opinion

In our opinion,

- a the financial report of Epilepsy Foundation of Victoria
 - i presents fairly, in all material respects, the Association's financial position as at 30 June 2013 and of its performance and cash flows for the year then ended ; and
 - ii complies with Australian Accounting Standards - Reduced Disclosure Requirements and the relevant legislation; and

the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



B. A. Mackenzie
Partner - Audit & Assurance

Melbourne, 14 October 2013



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**Auditor's Independence Declaration
To the Directors of Epilepsy Foundation of Victoria**

As lead auditor for the audit of Epilepsy Foundation of Victoria for the year ended 30 June 2013, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of Australian professional ethical pronouncements in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

B. A. Mackenzie
Partner - Audit & Assurance

Melbourne, 14 October 2013

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THE EPILEPSY FOUNDATION OF VICTORIA INCORPORATED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013**

	Note	2013 \$	2012 \$
Revenue and Other Income			
Fundraising			
Donations	2	1,622,179	1,681,620
Non Deductible Gifts	3	27,739	19,605
Contributions	4	736,679	875,669
Trading	5	686,207	581,924
Government Grants		1,261,432	1,033,744
Interest Income		83,292	481
Service Fees/ Education & Training		159,496	196,989
Sundry Income		180,157	121,045
Trading Income	6	17,484	72,392
Total Revenue from Continuing Operations		4,774,665	4,583,469
Administration Expenses			
Administration Expenses	7	662,504	633,343
Conference and Travel Expenses		30,754	32,432
Depreciation		222,144	140,919
Direct Raffle Expenses		461,817	480,327
Direct Fundraising Expenses		152,554	177,975
Direct Op Shop Expenses		94,791	68,132
Interest Expense		-	50,661
Profit/(Loss) on Sale of Fixed Assets		948	102
Motor Vehicle Expenses		112,973	106,852
Personnel Expenses	8	2,690,822	2,691,474
Property Expenses	9	371,483	280,719
Epilepsy Australia Contributions		14,696	20,000
Total Expenditure from Continuing Operations		4,815,486	4,682,936
Net Surplus/(Deficit) for the Year		(40,821)	(99,467)
Other Comprehensive Income			
Transfer from Capital Reserves		-	160,580
Net Gain from Disposal of Property		-	4,571,707
Total Other Comprehensive Income for the Year		-	4,732,287
Total Comprehensive Income/(Deficit) for the Year		(40,821)	4,632,820

The statement is to be read in conjunction with the attached notes

THE EPILEPSY FOUNDATION OF VICTORIA INCORPORATED

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013**

	Note	2013 \$	2012 \$
Assets			
Current Assets			
Cash & Cash Equivalents	14	1,433,280	318,428
Trade & Other Receivables	10	94,667	197,102
Property Held for Sale	21	-	6,550,000
Total Current Assets		1,527,947	7,065,530
Non-Current Assets			
Property, Plant & Equipment	11	4,941,368	369,639
Total Non-Current Assets		4,941,368	369,639
Total Assets		6,469,315	7,435,169
Liabilities			
Current Liabilities			
Trade Creditors and Accruals	12	280,814	839,986
Interest Bearing Loans	13	-	(8,759)
Revenue Received in Advance		310,075	53,921
Employee Entitlements	15	438,117	403,068
Total Current Liabilities		1,029,006	1,288,216
Non Current Liabilities			
Employee Entitlements	15	69,033	-
Interest Bearing Loans	13	-	734,856
Total Non Current Liabilities		69,033	734,856
Total Liabilities		1,098,039	2,023,072
Net Assets		5,371,276	5,412,097
Funds			
Capital Reserves		-	-
Asset Revaluation Reserve		-	-
Accumulated Surplus		5,371,276	5,412,097
Total Funds		5,371,276	5,412,097

The statement is to be read in conjunction with the attached notes

THE EPILEPSY FOUNDATION OF VICTORIA INCORPORATED

**STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 30 JUNE 2013**

	Capital Reserves	Asset Revaluation Reserve	Accumulated Surplus
Balance at 1 July 2011	160,580	4,349,807	779,277
Transfer to Accumulated Surplus	(160,580)		160,580
Disposal of Land & Building		(4,349,807)	4,571,707
Net Surplus/(Deficit) for the year			(99,467)
Balance at 30 June 2012	-	-	5,412,097
Net Surplus/(Deficit) for the year	-	-	(40,821)
Balance at 30 June 2013	-	-	5,371,276

The statement is to be read in conjunction with the attached notes

THE EPILEPSY FOUNDATION OF VICTORIA INCORPORATED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013**

	Note	2013 \$	2012 \$
Cash flows from operating activities			
Receipts from:			
Public/Customers		3,803,912	3,513,364
Governement Grant		1,251,092	977,988
Payments to Suppliers and Employees		(4,397,526)	(4,670,134)
Net Cash flows from operating activities	14	657,478	(178,782)
Cash flows from investing activities			
Proceeds from Sale of Property, Plant and Equipment		6,019,756	647,285
Interest Received		83,292	481
Purchase of Property, Plant and Equipment		(4,919,577)	(110,344)
Net Cash Flows from investing activities		1,183,471	537,422
Cash flows from financing activities			
Draw Down/(Repayment) of Borrowings		(734,856)	(209,997)
Interest Paid		-	(50,661)
Net Cash Flows from financing activities		(734,856)	(260,658)
Net increase(decrease) in cash and cash equivalents		1,106,093	97,981
Cash and cash equivalents at beginning of year		327,187	229,206
Cash and cash equivalents at end of the year	14	1,433,280	327,187

The statement is to be read in conjunction with the attached notes

THE EPILEPSY FOUNDATION OF VICTORIA INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS

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THE EPILEPSY FOUNDATION OF VICTORIA INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial report is a Tier 2 general purpose financial report, which has been prepared in accordance with the requirements of the Associations Incorporation Reform Act 2012 (Vic), Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. The financial report has also been prepared on a historical cost basis, except for land and buildings, which have been measured at fair value.

The financial report is presented in Australian dollars and all values are rounded to the nearest dollar.

The preparation of the Financial Report requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying The Epilepsy Foundation of Victoria Incorporated's accounting policies.

The accounting policies adopted in preparing the Financial Statements are consistent with those of previous years, except where otherwise stated. Prior year figures have been adjusted, where appropriate, to ensure consistency with current year figures.

1.1 ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

The following new and revised Standards and Interpretations have been adopted in the current period and have affected the amounts reported in these financial statements.

Standards affecting presentation and disclosure

AASB 101 Presentation of Financial Statements	AASB 101 provides the basis for presentation of general purpose financial statements to ensure comparability both with the entity's financial statements of previous periods and with the financial statements of other entities. It sets out overall requirements for the presentation of financial statements, guidelines for their structure and minimum requirements for their content. The current year is the first year in which The Epilepsy Foundation of Victoria Incorporated has presented general purpose financial statements. This given rise to some changes to disclosure in the financial statements.
AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements	AASB 1053 establishes a differential financial reporting framework consisting of two tiers of reporting requirements for general purpose financial statements, comprising Tier 1 Australian Accounting Standards and Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements (RDR). AASB 2010-2 makes amendments to each Standard and Interpretation indicating the disclosures not required to be made by 'Tier 2' entities or inserting 'RDR' paragraphs requiring simplified disclosures for 'Tier 2' entities. The adoption of these standards has resulted in significantly reduced disclosures, largely in respect of related parties and financial instruments.

The following is a summary of the material accounting policies adopted by The Epilepsy Foundation of Victoria Incorporated in the preparation of the Financial Report.

THE EPILEPSY FOUNDATION OF VICTORIA INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

1.2 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are carried at cost less any accumulated depreciation, unless otherwise stated. It is the policy of The Epilepsy Foundation of Victoria Incorporated to have an independent valuation of land and buildings when this is determined by the Board to be materially different to the stated value. The carrying amount of property, plant and equipment is reviewed annually by the members of the Board to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

Non-current assets (items over \$1,000) are capitalised and depreciated to write off the cost or revalued amount of each item of plant and equipment, over its expected useful life to The Epilepsy Foundation of Victoria Incorporated.

Depreciation methods and rates used for each class of depreciable assets are:

	<u>Method</u>	<u>Rate</u>
Furniture & Equipment	Straight Line	20%
Computer Equipment	Straight Line	33%
Motor Vehicles	Straight Line	20%
Leasehold Improvement	Straight Line	7-20%
Building	Straight Line	2%

Depreciation methods and rates of all non-current assets are reviewed on an annual basis. There was no change in the methodology used and rates for the 2013 financial year.

1.3 EMPLOYEE BENEFITS

The calculation of employee entitlements includes all relevant on-costs and employee entitlements are calculated as follows at reporting date:

1.3.1 WAGES AND SALARIES, ANNUAL LEAVE AND SICK LEAVE

Liabilities for wages and salaries and annual leave are recognised, and are measured as the amount unpaid at current pay rates in respect of employees' services up to that date. Sick leave is non-vesting and a liability is recognised only when the amount of sick leave expected to be taken in future periods exceeds the entitlements expected to accrue in those periods.

1.3.2 LONG SERVICE LEAVE

A liability for long service leave is recognised and is measured as the present value of expected future payments (including on-costs) to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Expected future payments are discounted using interest rates of national government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash flows. The nominal amount of long service leave expected to be paid in the next financial year is included as a current liability.

1.3.3 SUPERANNUATION:

Superannuation Guarantee Levy amounts are paid on behalf of eligible employees. The Epilepsy Foundation of Victoria Incorporated have no other commitments with respect to staff retirement benefits.

1.4 TRADE AND OTHER RECEIVABLES

Trade receivables, which comprise amounts due from sales of merchandise and from services provided are recognized and carried at original invoice amount less an allowance for

THE EPILEPSY FOUNDATION OF VICTORIA INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

any uncollectible amounts. Normal terms of settlement vary from seven to 30 days. The carrying amount of the receivable is deemed to reflect fair value.

An allowance for doubtful debts is made based on a review of all outstanding amounts at reporting date. Bad debts are written off in the period in which they are identified.

1.5 CASH AND CASH EQUIVALENTS

Cash on hand and in banks and short-term deposits are stated at nominal value. For the purpose of the Cash Flow Statement, cash includes cash on hand and cash equivalents, i.e. highly liquid investments with short periods to maturity, which are readily convertible to cash on hand at The Epilepsy Foundation of Victoria Incorporated's option. Outstanding bank overdrafts when they arise are categorised as current liabilities.

1.6 GOODS AND SERVICES TAX

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except, where the amount of GST incurred is not recoverable from the Taxation Authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense. The net amount of GST recoverable from, or payable to, the Taxation Authority is included as part of receivables or payables in the Balance Sheet. The GST component of a receipt or payment is recognised on a gross basis in the Statement of Cash Flows in accordance with Accounting Standard AAS 28 Statement of Cash Flows.

1.7 REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

- (a) Grant income is brought to account when The Epilepsy Foundation of Victoria Incorporated obtains control of the funds which is normally when the Consolidated Entity receives the contribution or the right to receive the income. Where a repayment obligation exists with respect of unspent grant funds, grant income will be recognised in proportion to the related costs.
- (b) Bequests, donations and trading revenue are recognised as revenue on receipt or delivery.
- (c) Membership fees and other income are recognised as revenue upon the rendering of an invoice.
- (d) Interest and rent is brought to account on a time proportionate basis.
- (e) No amounts are included in the financial statements for services donated by volunteers, or donated goods

1.8 TAX

The Epilepsy Foundation of Victoria Incorporated, as a registered charitable organization, is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

1.9 LEASES

Leases of plant and equipment where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred in the Association are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

THE EPILEPSY FOUNDATION OF VICTORIA INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

1.10 FINANCIAL INSTRUMENTS

(a) Initial recognition and measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Effective interest rate method

The effective interest rate method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis for debt instruments other than those financial assets classified as at fair value through profit or loss.

(b) Classification and subsequent measurement

Financial assets at fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or where they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss 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 amortised cost using the effective interest rate method.

Held-to-maturity investments

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

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. They are held at fair value with changes in fair value taken through the financial assets reserve directly to other comprehensive income.

Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

THE EPILEPSY FOUNDATION OF VICTORIA INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

(c) Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

(d) Impairment of financial assets

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

The carrying amount of financial assets including uncollectible trade receivables is reduced by the impairment loss through the use of a provision for impairment account. Subsequent recoveries of amounts previously written off are credited against the provision for impairment account. Changes in the carrying amount of the provision for impairment are recognised in profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss is recognised directly in the financial assets reserve in other comprehensive income.

(e) Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expires 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 derecognized where the related obligations are either discharged, cancelled or expire. The difference between the carrying value 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.

1.11 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The board members evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Association. Actual results may differ from these estimates.

The 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 if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

THE EPILEPSY FOUNDATION OF VICTORIA INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013 \$	2012 \$
NOTE 2: DONATIONS		
Appeals	440,193	459,705
Bequests	162,315	122,738
Community Groups	17,136	22,510
Doorknock	626,578	675,221
General	215,741	170,701
In Memoriam	26,082	8,198
On-line Portal	71,958	70,351
Raffle	44,797	63,241
Trusts and Restricted Donations	17,379	88,955
	1,622,179	1,681,620
 NOTE 3: NON-DEDUCTIBLE GIFTS		
Trivia Challenge	-	19,605
Community Fundraising	27,739	-
	27,739	19,605
 NOTE 4: FUNDRAISING CONTRIBUTIONS		
Events	21,235	26,186
Membership	5,696	5,845
Raffles	689,748	819,320
Sponsorship	20,000	24,318
	736,679	875,669
Less Allocated Costs	(615,809)	(671,126)
Gross Surplus from Fundraising Contributions	120,870	204,543
 NOTE 5: FUNDRAISING TRADING		
Clothing Bins	-	8,000
Opportunity Shops	686,207	573,924
	686,207	581,924
Less Allocated Costs	(330,888)	(284,029)
Gross Surplus from Fundraising Trading	355,319	297,895
 NOTE 6: TRADING INCOME		
Sales – Non Charitable Goods	1,811	2,788
Sales – Charitable Goods	15,673	69,604
	17,484	72,392

THE EPILEPSY FOUNDATION OF VICTORIA INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013	2012
	\$	\$
NOTE 7: ADMINISTRATION EXPENSES		
Advertising	25,177	19,265
Bad Debts	(2,564)	10,727
Bank Charges	21,802	25,822
Computer Related Expenses	123,423	100,129
Postage	89,260	81,279
Photocopying, Printing and Stationery	160,447	122,171
Sundry	199,360	220,483
Telephone	45,599	53,467
	662,504	633,343
 NOTE 8: PERSONNEL EXPENSES		
Salaries	2,228,476	2,396,036
Long Service Leave	110,070	24,119
Consultants' Fees	139,943	60,705
Superannuation	190,383	192,561
WorkCover	19,375	15,059
Other Personnel Expenses	2,575	2,994
	2,690,822	2,691,474
 NOTE 9: PROPERTY EXPENSES		
Cleaning	25,484	21,759
Power and Light	41,560	29,550
Security/Fire Monitoring	8,727	9,323
Rates	4,115	6,545
Rental	188,345	157,659
Equipment Hire	21,813	20,223
Repairs and Maintenance	13,467	19,768
Insurance	18,218	15,892
Relocation Costs	49,754	-
	377,483	280,719
 NOTE 10: RECEIVABLES		
Trade Debtors	34,558	36,078
Provision for Doubtful Debts	(1,590)	(4,154)
	32,968	31,924
Prepayments	28,870	24,827
Sundry Debtors	32,829	140,351
	94,667	197,102

THE EPILEPSY FOUNDATION OF VICTORIA INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 11: PROPERTY, PLANT & EQUIPMENT

Cost or Fair Value	Land and Buildings	Computer Equipment	Furniture and Equipment	Motor Vehicle	Total
At 1 July 2011	6,222,113	514,743	317,382	434,956	7,489,194
Additions	-	6,550	950	102,844	110,344
Revaluation	-	-	-	-	-
Disposals	(6,222,113)	(2,027)	(2,139)	(133,092)	(6,359,371)
At 30 June 2012	-	519,266	316,193	404,708	1,240,167
Additions	4,524,307	78,185	35,075	282,010	4,919,577
Disposals	-	(310,931)	(241,773)	(190,893)	(743,597)
At 30 Jun 2013	4,524,307	286,520	109,495	495,825	5,416,147
Accumulated Depreciation					
At 1 July 2011	-	415,100	259,369	110,853	785,322
Charge for Year	-	50,867	17,759	72,293	140,919
Disposals	-	(2,027)	(2,138)	(51,548)	(55,713)
At 30 June 2012	-	463,940	274,990	131,598	870,528
Charge for Year	60,342	48,533	25,210	88,059	222,144
Disposals	-	(310,930)	(240,530)	(66,433)	(617,893)
At 30 June 2013	60,342	201,543	59,670	153,224	474,779
Net Carrying Amount					
At 30 June 2012	-	55,326	41,203	273,110	369,639
At 30 June 2013	4,463,965	84,977	49,825	342,601	4,941,368

On 30 June 2011, the 818-830 Burke Road properties were sold for net sale proceeds of \$6.222 million, which reflected the carrying value at 30 June 2011. Settlement was to occur on the 30 June 2012. However, 30 June 2012 occurred on a weekend, hence all parties agreed to a final settlement date on 3 July 2012. The sale was recognised effective 30 June 2012 and the properties classified as Property Held for Sale (Note 21).

On the 17 July 2012 The Epilepsy Foundation of Victoria Incorporated entered into a purchase agreement for a new office building at 587 Canterbury Road, Surrey Hills for gross consideration of \$4.0 Million. Settlement occurred on 17 September 2012.

NOTE 12: TRADE CREDITORS AND ACCRUALS

	Note	2013 \$	2012 \$
Trade Creditors		190,277	105,666
Other Creditors		43,465	42,410
Accruals and deferred Income		47,072	36,910
Deposits Received on Property Held for Sale	21	-	655,000
		280,814	839,986

THE EPILEPSY FOUNDATION OF VICTORIA INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013 \$	2012 \$
NOTE 13: INTEREST BEARING LOANS		
Bank Facilities		
Current Interest Bearing Loans		
Bank Overdraft – Secured by Mortgage	-	(8,759)
Non- Current Interest Bearing Loans		
Bank Loan – Secured by Mortgage	-	734,846
	-	726,087

The Foundation had in place a variable rate home Loan (Facility Limit : \$0(2013), \$911,726(2012)) with the National Australia Bank secured against three of the properties owned by Epilepsy Foundation of Victoria, namely 826-830 Burke Road Camberwell.

NOTE 14: CASH FLOWS

(a) Cash at Bank	1,032,331	317,292
Cash on Hand	979	1,136
Bank Overdraft	-	8,759
Term Deposit	400,000	-
Cash and Cash Equivalents	1,433,310	327,187

(b) Reconciliation of Total Comprehensive Income (Deficit) to Net Cash Inflow (Outflow) From Operating Activities:

Operating Result Net Surplus/(Deficit) for the Year)	(40,821)	(99,467)
Depreciation and Amortisation	222,144	140,919
Loss on Sale of Property, Plant and Equipment	948	102
Doubtful Debt Provision	-	10,727
Interest Paid	-	50,661
Interest Received	(83,292)	(481)
Change in Operating Assets and Liabilities		
Decrease/(Increase) in Receivables	102,435	(73,321)
Increase/(Decrease) in Payables	95,828	(159,465)
Increase/(Decrease) in Revenue in Advance	256,154	(35,142)
Increase (Decrease) in Employee Provisions	104,082	(13,315)
Net Cash Inflow (Outflow) From Operating Activities	657,478	(178,782)

THE EPILEPSY FOUNDATION OF VICTORIA INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013 \$	2012 \$
NOTE 15: EMPLOYEE ENTITLEMENTS		
Annual Leave	221,457	197,787
Long Service Leave	285,693	205,281
	507,150	403,068
Current Liabilities		
Annual Leave	221,457	197,787
Long Service Leave	216,660	205,281
	438,117	403,068
Non-current Liabilities		
Long Service Leave	69,032	-
	69,032	-

During the year there was a change to the basis of calculating Long Service Leave which has generated an additional charge of \$69,033 and the disclosure of a noncurrent liability

NOTE 16: COMMITMENTS FOR EXPENDITURE

As at 30 June 2013, The Epilepsy Foundation of Victoria Incorporated had no outstanding capital commitments (2012 nil).

NOTE 17: CONTINGENT LIABILITIES

As at 30 June 2013, The Epilepsy Foundation of Victoria Incorporated had no contingent liabilities (2012 nil).

NOTE 18: AUDITOR'S REMUNERATION

For Auditing of the Financial Statements:

Current Year	12,500	11,000
For Other Services	-	-
	12,500	11,000

NOTE 19: RELATED PARTY TRANSACTIONS

(a) Directors Remuneration

There was no remuneration received or due and receivable from The Epilepsy Foundation of Victoria Incorporated in connection with the management of The Epilepsy Foundation of Victoria Incorporated (2012 nil).

(b) Other Transactions:

The Epilepsy Foundation of Victoria Incorporated entered into other transactions, which are insignificant in amount, with Directors in their domestic dealings within normal customer terms and conditions not more favourable than those available in similar arms length dealings.

THE EPILEPSY FOUNDATION OF VICTORIA INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 20: ECONOMIC DEPENDENCE

A significant portion of funding for The Epilepsy Foundation of Victoria Incorporated is obtained from agencies of the Victorian Government and public donations.

NOTE 21: PROPERTY HELD FOR SALE

On 30 June 2011 The Epilepsy Foundation of Victoria entered into a sale agreement for the properties at 818-830 Burke Road, Camberwell for gross consideration of \$6.550 million. Settlement occurred on 3 July 2012. The properties were classified as Property Held For Sale as at 30 June 2012. Part of the proceeds from the sale was used to repay debt in July 2012.

On the 17 July 2012 The Epilepsy Foundation of Victoria Incorporated entered into a purchase agreement for a new office building at 587 Canterbury Road, Surrey Hills for gross consideration of \$4.0 Million. Settlement occurred on 17 of September 2012.

NOTE 22: KEY MANAGEMENT COMPENSATION

There were 4 key management personnel (2012: 4) that have authority for planning, directing and controlling the company's activities, directly or indirectly (other than directors).

The key management personnel compensation included within employee benefits expense is:

	2013	2012
	\$	\$
Short-Term Benefits	595,871	592,021
Post-Employment Benefits	-	-
Other Long Term Benefits	-	-
	<hr/>	<hr/>
	595,871	592,021

NOTE 23: FINANCIAL RISK MANAGEMENT

The Association's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, trade receivables and trade payables.

The Association does not have any derivative instruments at 30 June 2013 (2012: nil).

Specific Financial Risk Exposures and Management

Financial Risks

The main risks the Association is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

Interest Rate Risk

The Association's exposure to market risk for changes in interest rates is minimal as it relates primarily to the Association's at call deposits. The Association does not currently have any interest bearing liabilities. Cash not required for working capital purposes is deposited into a term deposit account.

Liquidity Risk

The Association manages liquidity risk by monitoring cash flows and ensuring that adequate cash balances are maintained.

Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or security, at reporting date for 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 Notes to the Financial Statements.

There are no amounts of collateral held as security at reporting date.

At reporting date, the Association does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Association.

THE EPILEPSY FOUNDATION OF VICTORIA INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 24: OPERATING LEASES

	2013	2012
	\$	\$
Non-cancellable Operating Leases rental payable as follows		
Within one year	110,059	149,945
Between one and five years	82,491	189,923
More Than Five Years	-	
	<u>192,550</u>	<u>339,868</u>

The consolidated entity leases property under operating leases expiring from one to five years. Leases generally provide the entity with a right of renewal at which time all terms are renegotiated. Lease payments are generally increased every year to reflect market rentals or the terms of the lease. None of the leases includes contingent rentals.

During the financial year ended 30 June 2013, \$170,934 was recognised as an expense in the statement of comprehensive income in respect of operating leases (2012: \$145,727).

