



**EPILEPSY FOUNDATION**

**A.B.N. 75 967 571 784**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 30 JUNE 2015**

**EPILEPSY FOUNDATION  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2015**

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**DIRECTORY**

<b>Registered Address:</b>	587 Canterbury Road Surrey Hills VIC 3127
<b>Auditor:</b>	Grant Thornton Audit Pty Ltd
<b>The Board:</b>	
<b>Chairman:</b>	Prof. Mark Cook
<b>Directors:</b>	Mr. Jim Campbell Mr. Peter Gover Dr. Lindsay Vowels Dr. Christine Walker Ms. Corinne Young Ms. Lesley McMenemy Ms. Kate Marshall Mr. Joseph Azoulay
<b>Company Secretary:</b>	Mr. Graeme Shears

## EPILEPSY FOUNDATION

### BOARD'S REPORT

The Board of the Epilepsy Foundation submits the Financial Statements on the Company for the financial year ended 30 June 2015.

#### BOARD MEMBERS

The following persons were Board Members during the whole of the financial year, unless otherwise stated:

	Board	
	A	B
Prof Mark Cook (Chair)	7	6
Dr Christine Walker	7	6
Mr Peter Gover	7	7
Dr Lindsay Vowels	7	4
Mr Jim Campbell	7	7
Ms Corinne Young	7	5
Ms Kate Marshall	7	4
Mr Joseph Azoulay	7	5
Ms Lesley McMenamin	7	6

A - Number of Meetings eligible during the year

B - Number of Meetings attended

#### CORPORATE INFORMATION

The Epilepsy Foundation is a company limited by guarantee, incorporated and domiciled in Australia.

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

#### PRINCIPAL ACTIVITIES

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

#### SHORT TERM OBJECTIVES

The company's short term objectives are to

- Expand research to understand the needs of people living with epilepsy and develop evidence based best practice support programs.
- Develop, refine and use person and family centered models of service.
- Develop the capability and tools to evaluate program effectiveness; to continuously improve and build the case for support and investment.
- Build a capable workforce to deliver consistent and high quality outcomes.

## **EPILEPSY FOUNDATION**

### **BOARD'S REPORT (Cont.)**

#### **LONG TERM OBJECTIVES**

The Company's long term objective is to provide people living with epilepsy across Australia to have the support they need so that they can live without fear of discrimination.

#### **STRATEGY FOR ACHIEVING SHORT AND LONG-TERM OBJECTIVES**

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

- Undertake research into the impacts of epilepsy on people's lives
- Develop better practice programs in the areas important to people living with epilepsy
- Build community understanding and support.

#### **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 \$510,522 (2014: Profit from ordinary activities of \$6,860).

The Board approved a budget for the year with a planned loss of (\$286.5K) to enable the Foundation to invest in both the development of better practice materials for people living with epilepsy, and explore ways to increase our philanthropic revenue.

The result reflected a negative variance against budget for operations of (\$50.1k) predominantly as a result of lower than budgeted fundraising income, and a negative variance against non-operating activity of (\$181.7k) predominantly as a result of restructuring designed to reduce our recurrent expenditure

#### **AUDITOR'S INDEPENDENCE DECLARATION**

The auditor's independence declaration has been received for the year ended 30 June 2015 and can be found on page 9 of this Financial Report.

#### **MEMBERS GUARANTEE**

The Epilepsy Foundation is a company limited by guarantee. In the event of and for the purpose of, the winding up of the company, the amount capable of being called up from each member and any person or association who has ceased to be a member in the year prior to the winding up is limited to \$1, subject to the provision of the company's constitution.

**EPILEPSY FOUNDATION  
BOARD'S REPORT (Cont.)**

**SUB-COMMITTEE MEMBERSHIP AND MEETING ATTENDANCE**

	Finance Audit & Risk Management	
	A	B
<b>Subcommittee Members</b>		
Mr Peter Gover <sup>1</sup>	5	5
Mr Jim Campbell	5	5
Mr Joseph Azoulay	5	4
Ms Corinne Young	5	1
<b>Meeting Attendees</b>		
Mr Graeme Shears (Staff)	5	5
Mr Jeremy Maxwell (Staff)	4	4
Mr Wayne Pfeiffer (Staff)	3	3
Mr Brendan Lillywhite (Staff)	2	2
Mr Jason Rajit (Staff)	5	5
Ms Bronwen Kohne (Staff)	4	4

A - Number of Meetings eligible  
B - Number of Meetings attended

<sup>1</sup> Chair of Finance Audit and Risk Management Sub-committee

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

  
\_\_\_\_\_  
**Prof Mark Cook – Chairman**

  
\_\_\_\_\_  
**Mr. Peter Gover – Chair – Finance & Audit Committee**

**Dated at Melbourne, Victoria: 15<sup>th</sup> October 2015**

**EPILEPSY FOUNDATION**  
**DIRECTORS' DECLARATION**

The Directors have determined that the Epilepsy Foundation's general purpose financial report should be prepared in accordance with the accounting policies described in note 1 to the financial statements.

The Directors of the Epilepsy Foundation declare that:

1. The financial statements and notes, as set out on pages 10 to 24 have been prepared in accordance with the Australian Charities and Not-for-Profits Commission Act 2012 including:
  - a. Giving a true and fair view of the Company's financial position as at 30 June 2015 and of its performance for the financial year ended on that date; and
  - b. Complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the Australian Charities and Not-for-profits Commission Regulation 2013.
2. In the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



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**Prof. Mark Cook – Chairman**



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**Mr. Peter Gover – Chair – Finance & Audit Committee**

**Dated at Melbourne, Victoria: 15<sup>th</sup> October 2015**

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## **Independent Auditor's Report To the Members of Epilepsy Foundation**

We have audited the accompanying financial report of Epilepsy Foundation (the "Company"), which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the company .

### **Directors' responsibility for the financial report**

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Act 2012. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### **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. Those standards 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.

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

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view 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 Company'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 independence requirements of the Accounting Professional and Ethical Standards Board and the Australian Charities and Not-for-profits Commission Act 2012.

### **Auditor's opinion**

In our opinion:

- a the financial report of Epilepsy Foundation is in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:
  - i giving a true and fair view of the Company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards- Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Regulation 2013.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



Brock Mackenzie  
Partner - Audit & Assurance

Melbourne, 15 October 2015



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

I declare that to the best of my knowledge and belief, during the year ended 30 June 2015 there have been no contraventions of:

- a the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- b any applicable code of professional conduct in relation to the audit



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



Brock Mackenzie  
Partner - Audit & Assurance

Melbourne, 15 October 2015

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## EPILEPSY FOUNDATION

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$	2014 \$
<b>Revenue and Other Income</b>			
<b>Fundraising</b>			
Donations	2	2,266,678	1,765,522
Non Deductible Gifts		29,284	41,944
Contributions		16,972	566,029
Opportunity Shop Income		635,974	678,911
Government Grants		1,252,017	1,185,843
Interest Income		47,104	39,965
Service Fees/ Education & Training		174,850	203,427
Sundry Income		231,265	224,530
Merchandise Income		45,980	45,714
<b>Total Revenue from Continuing Operations</b>		<b>4,700,124</b>	<b>4,751,886</b>
<b>Expenditure</b>			
Administration Expenses	3	454,187	362,306
Conference and Travel Expenses		8,710	34,868
Depreciation		264,126	258,504
Direct Raffle Expenses		-	369,729
Direct Fundraising Expenses		817,463	369,614
Direct Op Shop Expenses		145,101	161,678
Loss/(Gain) on Sale of Fixed Assets		(21,110)	2,186
Motor Vehicle Expenses		87,712	81,322
Personnel Expenses	4	3,216,837	2,841,308
Property Expenses	5	237,620	248,511
Epilepsy Australia Contributions		-	15,000
<b>Total Expenditure from Continuing Operations</b>		<b>5,210,646</b>	<b>4,745,026</b>
<b>Net Surplus/(Deficit) for the Year</b>		<b>(510,522)</b>	<b>6,860</b>
<b>Other Comprehensive Income</b>			
Movement in Available for sale financial assets		(35,006)	14,315
<b>Total Other Comprehensive Income for the Year</b>		<b>(35,006)</b>	<b>14,315</b>
<b>Total Comprehensive Income/(Deficit) for the Year</b>		<b>(545,528)</b>	<b>21,175</b>

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

**EPILEPSY FOUNDATION**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2015**

	Note	2015 \$	2014 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash & Cash Equivalents	10	984,151	1,196,120
Trade & Other Receivables	6	221,560	80,970
<b>Total Current Assets</b>		<b>1,205,711</b>	<b>1,277,090</b>
<b>Non-Current Assets</b>			
Property, Plant & Equipment	7	4,599,316	4,773,165
Available for Sale Financial Assets	8	440,287	345,315
<b>Total Non-Current Assets</b>		<b>5,039,603</b>	<b>5,118,480</b>
<b>Total Assets</b>		<b>6,245,314</b>	<b>6,395,570</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade Creditors and Accruals	9	474,225	297,332
Revenue Received in Advance		408,773	206,462
Employee Entitlements	11	449,891	402,177
<b>Total Current Liabilities</b>		<b>1,332,889</b>	<b>905,971</b>
<b>Non Current Liabilities</b>			
Employee Entitlements	11	65,502	97,148
<b>Total Non Current Liabilities</b>		<b>65,502</b>	<b>97,148</b>
<b>Total Liabilities</b>		<b>1,398,391</b>	<b>1,003,119</b>
<b>Net Assets</b>		<b>4,846,923</b>	<b>5,392,451</b>
<b>Funds</b>			
Net Unrealised Gain\Loss Reserve		(20,691)	14,315
Retained Earnings		4,867,614	5,378,136
<b>Total Funds</b>		<b>4,846,923</b>	<b>5,392,451</b>

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

**EPILEPSY FOUNDATION**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2015**

	<b>Net Unrealised Gain Reserve</b>	<b>Retained Earnings</b>	<b>Total</b>
<b>Balance at 1 July 2013</b>	-	5,371,276	5,371,276
Transfer to Net Unrealised Gain Reserve	14,315	-	14,315
Net Surplus/(Deficit) for the year	-	6,860	6,860
<b>Balance at 30 June 2014</b>	<b>14,315</b>	<b>5,378,136</b>	<b>5,392,451</b>
Transfer to Net Unrealised Gain Reserve	(35,006)	-	(35,006)
Net Surplus/(Deficit) for the year	-	(510,522)	(510,522)
<b>Balance at 30 June 2015</b>	<b>(20,691)</b>	<b>4,867,614</b>	<b>4,846,923</b>

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

**EPILEPSY FOUNDATION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2015**

	Note	2015 \$	2014 \$
<b>Cash flows from operating activities</b>			
Receipts from:			
Public/Customers		3,706,030	3,551,320
Government Grant		1,107,593	1,065,317
Payments to Suppliers and Employees		(4,873,623)	(4,461,129)
<b>Net Cash flows from operating activities</b>	10	<b>(60,000)</b>	<b>155,508</b>
<b>Cash flows from investing activities</b>			
Proceeds from Sale of Property, Plant and Equipment		28,780	66,230
Interest Received		27,553	25,112
Investment Income Received		19,624	5,707
Purchase of Investments		(129,978)	(331,000)
Purchase of Property, Plant and Equipment		(97,948)	(158,717)
<b>Net Cash Flows from investing activities</b>		<b>(151,969)</b>	<b>(392,668)</b>
Net increase(decrease) in cash and cash equivalents		(211,969)	(237,160)
Cash and cash equivalents at beginning of year		1,196,120	1,433,280
<b>Cash and cash equivalents at end of the year</b>	10	<b>984,151</b>	<b>1,196,120</b>

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

**EPILEPSY FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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# EPILEPSY FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

### 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 Not-for-Profit Commission Act 2012, Corporations Act 2001, Australian Accounting Standards-Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board as discussed by the International Accounting Standards. 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 an accrual basis and based on historical cost, except for investments, 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'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

A number of new and revised standards are effective for annual periods beginning on or after 1 January 2015. These amendments have had no significant impact on the entity.

#### 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 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 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.

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 2015 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.

# **EPILEPSY FOUNDATION**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

### **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 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 recognised and carried at original invoice amount less an allowance for 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 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 AASB 107 Statement of Cash Flows.



# EPILEPSY FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

### 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 obtains control of the funds which is normally when the 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. If conditions are attached to a grant which must be satisfied before the Company is eligible to receive the contribution, recognition of the grant is deferred until those conditions are satisfied. The liability for deferred income is the unutilised amounts of grants received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided or the conditions usually fulfilled within twelve months of receipt of the grant.
- (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, as a registered charitable organisation, 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 Company 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.

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 INVESTMENTS

#### (a) Classification and subsequent measurement

Investments are classified as available-for-sale investments in terms of AASB 139 Financial Instruments. Available-for-Sale financial investments are non-derivative financial assets such as primarily equity and debt securities, which either do not have a maturity date or whose maturity date is so far in the future that is unlikely that the Company will hold the investment to maturity. Available-for-Sale financial investments are measured at fair value. The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted prices at the close of business on the balance sheet date. For investments with no active market, fair value is determined using standard valuation techniques.

Unrealised gains and losses are recognised directly in reserves until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in reserves is recognised in surplus or deficit in the statement of profit and loss.

# EPILEPSY FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

### (b) Impairment of financial assets

The Company assesses at each balance sheet date whether a financial asset or group of financial assets is impaired. If there is objective evidence that an available-for-sale financial investment is impaired, an amount comprising the difference between its costs and its current fair value, less any impairment loss previously recognised in surplus or deficit, is transferred from reserves to the statement of profit and loss. Subsequent reversal of impairment losses are not recognised in the statement of profit or loss and other comprehensive income but are recognised directly in reserves until the investment is derecognised.

#### 1.11 RESERVES

Other components of equity include Net Unrealised Gain Reserve which comprises gains and losses relating to investments.

#### 1.12 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 Company. 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.

# EPILEPSY FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
<b>NOTE 2: DONATIONS</b>		
Bequests	88,824	27,933
General	2,047,087	1,576,321
Trusts and Restricted Donations	130,767	161,269
	<b>2,266,678</b>	<b>1,765,522</b>

### NOTE 3: ADMINISTRATION EXPENSES

Advertising	15,377	28,827
Bad Debts	(2,200)	5,735
Bank Charges	14,353	6,625
Computer Related Expenses	149,257	110,894
Postage	47,456	10,675
Photocopying, Printing and Stationery	75,027	46,210
Sundry	113,155	115,491
Telephone	41,762	37,849
	<b>454,187</b>	<b>362,306</b>

### NOTE 4: PERSONNEL EXPENSES

Salaries	2,756,550	2,436,955
Long Service Leave	57,189	53,477
Consultants' Fees	138,789	107,921
Superannuation	242,109	221,994
WorkCover	20,451	20,007
Other Personnel Expenses	1,749	954
	<b>3,216,837</b>	<b>2,841,308</b>

### NOTE 5: PROPERTY EXPENSES

Cleaning	19,601	22,193
Power and Light	19,483	18,025
Security/Fire Monitoring	3,713	5,124
Rates	5,791	5,915
Rental	165,267	167,020
Equipment Hire	8,037	7,067
Repairs and Maintenance	11,345	18,265
Insurance	4,383	4,901
	<b>237,620</b>	<b>248,511</b>

## EPILEPSY FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015 \$	2014 \$
<b>NOTE 6: RECEIVABLES</b>		
Trade Debtors	158,931	35,219
Provision for Doubtful Debts	(2,038)	(4,844)
	156,893	30,375
Prepayments	29,035	14,356
Sundry Debtors	35,632	36,239
	<b>221,560</b>	<b>80,970</b>

#### NOTE 7: PROPERTY, PLANT & EQUIPMENT

	Land and Buildings	Computer Equipment	Furniture and Equipment	Motor Vehicle	Total
<b>Cost</b>					
At 1 July 2013	4,524,307	286,520	109,495	495,825	5,416,147
Additions	19,092	48,833	2,030	88,763	158,718
Disposals	-	(91,670)	-	(123,834)	(215,504)
<b>At 30 June 2014</b>	<b>4,543,399</b>	<b>243,683</b>	<b>111,525</b>	<b>460,754</b>	<b>5,359,361</b>
Additions	7,388	31,009	5,999	53,552	97,948
Disposals	-	(829)	-	(56,369)	(57,198)
<b>At 30 June 2015</b>	<b>4,550,787</b>	<b>273,863</b>	<b>117,524</b>	<b>457,937</b>	<b>5,400,111</b>
<b>Accumulated Depreciation</b>					
At 1 July 2013	60,342	201,543	59,670	153,224	870,528
Charge for Year	107,114	47,111	15,629	88,650	222,144
Disposals	-	(91,670)	-	(55,417)	(617,893)
<b>At 30 June 2014</b>	<b>167,456</b>	<b>156,984</b>	<b>75,299</b>	<b>186,457</b>	<b>586,196</b>
Charge for Year	108,243	48,182	15,671	92,030	264,126
Disposals	-	(524)	-	(49,003)	(49,527)
<b>At 30 June 2015</b>	<b>275,699</b>	<b>204,642</b>	<b>90,970</b>	<b>229,484</b>	<b>800,795</b>
<b>Net Carrying Amount</b>					
<b>At 30 June 2014</b>	<b>4,375,943</b>	<b>86,699</b>	<b>36,226</b>	<b>274,297</b>	<b>4,773,165</b>
<b>At 30 June 2015</b>	<b>4,275,088</b>	<b>69,221</b>	<b>26,554</b>	<b>228,453</b>	<b>4,599,316</b>

# EPILEPSY FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
<b>NOTE 8: AVAILABLE FOR SALE FINANCIAL ASSETS</b>		
<b>Available for sale financial assets</b>		
Listed Debt Securities	412,788	345,315
Listed Securities	27,499	-
	<b>440,287</b>	<b>345,315</b>

These assets are stated at fair value. The securities are denominated in AUD and are publicly traded in Australia. See note 1.10 for a description of the accounting policy.

### NOTE 9: TRADE CREDITORS AND ACCRUALS

Trade Creditors	220,415	216,296
Other Creditors	44,894	57,147
Accruals and deferred Income	208,916	23,889
	<b>474,225</b>	<b>297,332</b>

### NOTE 10: CASH FLOWS

(a) Cash at Bank	983,301	845,270
Cash on Hand	850	850
Term Deposit	-	350,000
Cash and Cash Equivalents	<b>984,151</b>	<b>1,196,120</b>

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

<b>Operating Result Net Surplus/(Deficit) for the Year</b>	<b>(510,522)</b>	<b>6,860</b>
Depreciation and Amortisation	264,126	258,504
Gain on Sale of Property, Plant and Equipment	(21,110)	2,186
Investment Income Received	(27,553)	(5,707)
Interest Received	(19,624)	(25,112)
<b>Change in Operating Assets and Liabilities</b>		
Decrease/(Increase) in Receivables	(125,911)	(817)
Decrease/(Increase) in Other Assets	(14,680)	14,514
Increase/(Decrease) in Payables	147,229	36,672
Increase/(Decrease) in Revenue in Advance	286,587	(103,613)
Increase (Decrease) in Employee Provisions	(38,542)	(27,979)
<b>Net Cash Inflow (Outflow) From Operating Activities</b>	<b>(60,000)</b>	<b>155,508</b>

# EPILEPSY FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015 \$	2014 \$
<b>NOTE 11: EMPLOYEE ENTITLEMENTS</b>		
Annual Leave	171,971	193,447
Long Service Leave	343,422	305,878
	<b>515,393</b>	<b>499,325</b>
<b>Current Liabilities</b>		
Annual Leave	171,971	193,447
Long Service Leave	277,920	208,730
	<b>449,891</b>	<b>402,177</b>
<b>Non-current Liabilities</b>		
Long Service Leave	65,502	97,148
	<b>65,502</b>	<b>97,148</b>

### NOTE 12: COMMITMENTS FOR EXPENDITURE

As at 30 June 2015, The Epilepsy Foundation had no outstanding capital commitments (2014 nil).

### NOTE 13: CONTINGENT LIABILITIES

As at 30 June 2015, The Epilepsy Foundation had no contingent liabilities (2014 nil).

### NOTE 14: AUDITOR'S REMUNERATION

For Auditing of the Financial Statements:

Current Year	12,500	12,500
For Other Services	-	-
	<b>12,500</b>	<b>12,500</b>

### NOTE 15: RELATED PARTY TRANSACTIONS

(a) Directors Remuneration

There was no remuneration received or due and receivable from The Epilepsy Foundation in connection with the management of The Epilepsy Foundation (2014 nil).

(b) Other Transactions:

The Epilepsy Foundation 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 arm's length dealings.

### NOTE 16: ECONOMIC DEPENDENCE

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

# EPILEPSY FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

### NOTE 17: KEY MANAGEMENT COMPENSATION

There were 4 key management personnel (2014: 5) that have authority for planning, directing and controlling the Company's activities, directly or indirectly (other than directors) during the financial year.

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

	2015	2014
	\$	\$
Key Management Compensation	723,840	720,610
	<u>723,840</u>	<u>720,610</u>

### NOTE 18: FINANCIAL RISK MANAGEMENT

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

The Company does not have any derivative instruments at 30 June 2015 (2014: nil).

#### Specific Financial Risk Exposures and Management

##### *Financial Risks*

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

##### *Interest Rate Risk*

The Company's exposure to market risk for changes in interest rates is minimal as it relates primarily to the Company's at call deposits as well as listed debt securities. The Company 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 Company 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 Company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Company.

##### *Price risk*

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. Price risk arises from available-for-sale equity securities. The Company's investment portfolio is actively managed through the Finance & Risk Management Committee consisting of appointed Board members. The primary goal of the Company's investment strategy is to maximise investment returns. The Committee seeks to invest for the medium to long term in investment grade securities listed on the Australian Stock Exchange.

## EPILEPSY FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

#### NOTE 19: OPERATING LEASES

	2015 \$	2014 \$
Non-cancellable operating leases payable as follows		
Within one year	138,601	107,175
Between one and five years	280,954	57,153
More Than Five Years	-	-
	<u>419,555</u>	<u>164,328</u>

The 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.

During the financial year ended 30 June 2015, \$147,327 was recognised as an expense in the statement of Profit or Loss and Other Comprehensive Income in respect of operating leases (2014: \$152,147).

#### NOTE 20: SUBSEQUENT EVENTS

No adjusting or significant non-adjusting events have occurred post balance date.