



**EPILEPSY FOUNDATION**

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

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 30 JUNE 2016**

**EPILEPSY FOUNDATION  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2016**

**TABLE OF CONTENTS**

(a) <b>DIRECTORY</b> .....	- 2 -
(b) <b>BOARD'S REPORT</b> .....	- 3 -
(c) <b>DIRECTORS' DECLARATION</b> .....	- 6 -
(d) <b>INDEPENDENT AUDIT REPORT</b> .....	- 7 -
(e) <b>AUDITOR'S INDEPENDENCE DECLARATION</b> .....	- 9 -
(f) <b>STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME</b> ....	- 10 -
(g) <b>STATEMENT OF FINANCIAL POSITION</b> .....	- 11 -
(h) <b>STATEMENT OF CHANGES IN EQUITY</b> .....	- 12 -
(i) <b>STATEMENT OF CASH FLOWS</b> .....	- 13 -
(j) <b>NOTES TO THE FINANCIAL STATEMENTS</b> .....	- 14 -

**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 McMenamin 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 2016.

#### 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)	5	3
Dr Christine Walker	5	5
Mr Peter Gover	5	5
Dr Lindsay Vowels	5	2
Mr Jim Campbell	5	4
Ms Corinne Young (Resigned 20/6/2016)	4	0
Ms Kate Marshall	5	3
Mr Joseph Azoulay	5	4
Ms Lesley McMEnamin	5	4

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.
- Expand the reach of our services.
- 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 ensure no one has to go it alone with epilepsy in Australia.

**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.
- Ensure programs are available to all who need them.

**SIGNIFICANT CHANGES**

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

**OPERATING RESULT**

The profit from ordinary activities for the year amounted to \$8,780 (2015: Loss from ordinary activities of \$510,522).

**AUDITOR'S INDEPENDENCE DECLARATION**

The auditor's independence declaration has been received for the year ended 30 June 2016 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-COMMITEEE 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	3
Mr Joseph Azoulay	5	5
Ms Corinne Young (Resigned 20/6/2016)	4	0
<b>Meeting Attendees</b>		
Mr Graeme Shears (Staff)	5	5
Mr Brendan Lillywhite (Staff)	4	4
Mr Jason Rajit (Staff)	5	5
Ms Bronwen Kohne (Staff)	4	4
Ms Juliette Parker (Staff)	1	1

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 & Risk Management  
Sub-Committee

Dated at Melbourne, Victoria: 24<sup>th</sup> October 2016

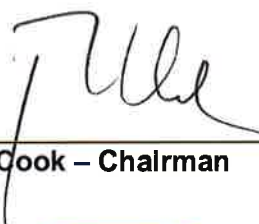
**EPILEPSY FOUNDATION**  
**DIRECTORS' DECLARATION**

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 2016 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:



---

**Prof Mark Cook – Chairman**



---

**Mr. Peter Gover – Chair – Finance Audit & Risk Management  
Sub-Committee**

**Dated at Melbourne, Victoria: 24<sup>th</sup> October 2016**

The Rialto, Level 30  
525 Collins St  
Melbourne Victoria 3000

Correspondence to:  
GPO Box 4736  
Melbourne Victoria 3001

T +61 3 8320 2222  
F +61 3 8320 2200  
E [info.vic@au.gt.com](mailto:info.vic@au.gt.com)  
W [www.grantthornton.com.au](http://www.grantthornton.com.au)

## 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 2016, 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.

### 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.

Grant Thornton Audit Pty Ltd ACN 130 913 594  
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

'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 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 41 127 556 389 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.

In making those risk assessments, the auditor considers internal control relevant to the Group'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 Group'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 financial position as at 30 June 2016 and of their 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, 24 October 2016



The Rialto, Level 30  
525 Collins St  
Melbourne Victoria 3000

Correspondence to:  
GPO Box 4736  
Melbourne Victoria 3001

T +61 3 8320 2222  
F +61 3 8320 2200  
E [info.vic@au.gt.com](mailto:info.vic@au.gt.com)  
W [www.grantthornton.com.au](http://www.grantthornton.com.au)

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

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of Epilepsy Foundation for the year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



Brock Mackenzie  
Partner - Audit & Assurance

Melbourne, 24 October 2016

Grant Thornton Audit Pty Ltd ACN 130 913 594  
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

'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 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 41 127 556 389 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.

## EPILEPSY FOUNDATION

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
<b>Revenue and Other Income</b>			
Fundraising			
Donations	2	1,927,119	2,266,678
Non Deductible Gifts		59,152	29,284
Contributions		13,541	16,972
Opportunity Shop Income		664,285	635,974
Government Grants		1,302,258	1,252,017
Interest Income		32,869	47,104
Service Fees/ Education & Training		209,466	174,850
Sundry Income		189,887	231,265
Merchandise Income		42,767	45,980
Gain on Sale of Fixed Assets		17,106	21,110
<b>Total Revenue from Continuing Operations</b>		<b>4,458,450</b>	<b>4,721,234</b>
Administration Expenses			
Administration Expenses	3	479,138	454,187
Conference and Travel Expenses		32,674	8,710
Depreciation		233,758	264,126
Direct Fundraising Expenses		477,609	817,463
Direct Op Shop Expenses		137,806	145,101
Motor Vehicle Expenses		69,003	87,712
Personnel Expenses	4	2,725,554	3,216,837
Property Expenses	5	294,128	237,620
<b>Total Expenditure from Continuing Operations</b>		<b>4,449,670</b>	<b>5,231,756</b>
<b>Net Surplus/(Deficit) for the Year</b>		<b>8,780</b>	<b>(510,522)</b>
<b>Other Comprehensive Income</b>			
Movement in Available for sale financial assets		(17,275)	(35,006)
<b>Total Other Comprehensive Income for the Year</b>		<b>(17,275)</b>	<b>(35,006)</b>
<b>Total Comprehensive Income/(Deficit) for the Year</b>		<b>(8,495)</b>	<b>(545,528)</b>

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

**EPILEPSY FOUNDATION**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2016**

	Note	2016 \$	2015 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash & Cash Equivalents	10	760,078	984,151
Trade & Other Receivables	6	254,097	221,560
Inventory		17,913	-
<b>Total Current Assets</b>		<b>1,032,088</b>	<b>1,205,711</b>
<b>Non-Current Assets</b>			
Property, Plant & Equipment	7	4,417,748	4,599,316
Available for Sale Financial Assets	8	471,950	440,287
<b>Total Non-Current Assets</b>		<b>4,889,698</b>	<b>5,039,603</b>
<b>Total Assets</b>		<b>5,921,786</b>	<b>6,245,314</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade Creditors and Accruals	9	265,418	474,225
Revenue Received in Advance		467,428	408,773
Employee Entitlements	11	297,451	449,891
<b>Total Current Liabilities</b>		<b>1,030,297</b>	<b>1,332,889</b>
<b>Non Current Liabilities</b>			
Employee Entitlements	11	53,061	65,502
<b>Total Non Current Liabilities</b>		<b>53,061</b>	<b>65,502</b>
<b>Total Liabilities</b>		<b>1,083,358</b>	<b>1,398,391</b>
<b>Net Assets</b>		<b>4,838,428</b>	<b>4,846,923</b>
<b>Funds</b>			
Net Unrealised Gain\ (Loss) Reserve		(37,966)	(20,691)
Retained Earnings		4,876,394	4,867,614
<b>Total Funds</b>		<b>4,838,428</b>	<b>4,846,923</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 2016**

	<b>Net Unrealised Gain Reserve</b>	<b>Retained Earnings</b>	<b>Total</b>
<b>Balance at 1 July 2014</b>	14,315	5,378,136	5,392,451
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>
Transfer to Net Unrealised Gain Reserve	(17,275)	-	(17,275)
Net Surplus/(Deficit) for the year	-	8,780	8,780
<b>Balance at 30 June 2016</b>	<b>(37,966)</b>	<b>4,876,394</b>	<b>4,838,428</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 2016**

	Note	2016 \$	2015 \$
<b>Cash flows from operating activities</b>			
Receipts from:			
Public/Customers		3,319,691	3,706,030
Government Grant		1,155,161	1,107,593
Payments to Suppliers and Employees		(4,647,773)	(4,873,623)
<b>Net Cash flows from operating activities</b>	10	<b>(172,921)</b>	<b>(60,000)</b>
<b>Cash flows from investing activities</b>			
Proceeds from Sale of Property, Plant and Equipment		91,307	28,780
Proceeds from Sale of Investments		51,782	-
Interest Received		7,743	27,553
Investment Income Received		25,126	19,624
Purchase of Investments		(99,912)	(129,978)
Purchase of Property, Plant and Equipment		(127,198)	(97,948)
<b>Net Cash Flows from investing activities</b>		<b>(51,152)</b>	<b>(151,969)</b>
Net decrease in cash and cash equivalents		(224,073)	(211,969)
Cash and cash equivalents at beginning of year		984,151	1,196,120
<b>Cash and cash equivalents at end of the year</b>	10	<b>760,078</b>	<b>984,151</b>

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

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

Note		Page
1	Statement of Significant Accounting Policies	15
2	Donations	19
3	Administration Expenses	19
4	Personnel Expenses	19
5	Property Expenses	19
6	Receivables	19
7	Property, Plant and Equipment	20
8	Available for Sale Financial Assets	21
9	Trade Creditors and Accruals	21
10	Cash Flows	21
11	Employee Entitlements	22
12	Commitments for Expenditure	22
13	Contingent Liabilities	22
14	Auditor's Remuneration	22
15	Related Party Transactions	22
16	Economic Dependence	22
17	Key Management Compensation	23
18	Financial Risk Management	23
19	Operating Leases	24
20	Subsequent Events	24

# EPILEPSY FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

### 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 *Australian Charities and Not-for-Profit Commission Act 2012*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. A statement of compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) cannot be made due to the foundation applying not-for-profit specific requirement contained in the Australian Accounting Standards.

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 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are carried at cost less any accumulated depreciation, unless otherwise stated.

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 2016 financial year.

#### 1.2 EMPLOYEE BENEFITS

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

#### 1.2.1 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 2016**

### **1.2.2 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.

### **1.2.3 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.

### **1.3 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.

### **1.4 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.

### **1.5 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 2016

### 1.6 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 and donations are recognised as revenue on receipt. If the bequests or donation comes with a specific condition or restriction imposed by the donor, recognition of the donation or bequest is deferred until those conditions are satisfied.
- (c) Trading revenue is recognised as revenue on receipt or delivery
- (d) Membership fees and other income are recognised as revenue upon the rendering of an invoice.
- (e) Interest and rent is brought to account on a time proportionate basis.
- (f) No amounts are included in the financial statements for services donated by volunteers, or donated goods.

### 1.7 TAX

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

### 1.8 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.

### 1.9 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 2016

### (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.

#### 1.10 RESERVES

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

#### 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 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.

#### 1.12 INVENTORIES

Inventories comprises goods for distribution as part of the group's charitable activities. Inventories may be purchase or received by way of donation.

##### Goods held for distribution

Inventories of goods purchased and held for distribution are initially recognised at cost. The cost of bringing each goods to its present location and condition is determined on a first-in, first out basis.

# EPILEPSY FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
<b>NOTE 2: DONATIONS</b>		
Bequests	183,376	88,824
General Donations	1,635,371	2,047,087
Trusts and Restricted Donations	108,372	130,767
	<b>1,927,119</b>	<b>2,266,678</b>

### NOTE 3: ADMINISTRATION EXPENSES

Advertising	31,309	15,377
Bad Debts	5,702	(2,200)
Bank Charges	14,110	14,353
Computer Related Expenses	163,973	149,257
Postage	35,414	47,456
Photocopying, Printing and Stationery	40,111	75,027
Sundry	143,320	113,155
Telephone	45,199	41,762
	<b>479,138</b>	<b>454,187</b>

### NOTE 4: PERSONNEL EXPENSES

Salaries	2,398,515	2,756,550
Long Service Leave	2,822	57,189
Consultants' Fees	94,684	138,789
Superannuation	218,928	242,109
WorkCover	10,029	20,451
Other Personnel Expenses	576	1,749
	<b>2,725,554</b>	<b>3,216,837</b>

### NOTE 5: PROPERTY EXPENSES

Rental	177,353	147,327
Repairs and Maintenance	22,181	11,345
Utilities	20,479	25,274
Other Property Expenses	74,115	53,674
	<b>294,128</b>	<b>237,620</b>

### NOTE 6: RECEIVABLES

Trade Debtors	196,551	158,931
Provision for Doubtful Debts	(6,896)	(2,038)
	189,655	156,893
Prepayments	30,582	29,035
Sundry Debtors	33,860	35,632
	<b>254,097</b>	<b>221,560</b>

## EPILEPSY FOUNDATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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

	Land and Buildings	Computer Equipment	Furniture and Equipment	Motor Vehicle	Total
<b>Cost</b>					
At 1 July 2014	4,543,399	243,683	111,525	460,754	5,359,361
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>
Additions	13,696	12,765	17,128	83,620	127,209
Disposals	-	(26,945)	-	(207,098)	(234,043)
<b>At 30 June 2016</b>	<b>4,564,483</b>	<b>259,683</b>	<b>134,652</b>	<b>334,459</b>	<b>5,293,277</b>
<b>Accumulated Depreciation</b>					
At 1 July 2014	167,456	156,984	75,299	186,457	586,196
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>
Charge for Year	109,624	44,210	13,944	65,979	233,757
Disposals	-	(26,737)	-	(132,286)	(159,023)
<b>At 30 June 2016</b>	<b>385,323</b>	<b>222,115</b>	<b>104,914</b>	<b>163,177</b>	<b>875,529</b>
<b>Net Carrying Amount</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>
<b>At 30 June 2016</b>	<b>4,179,160</b>	<b>37,568</b>	<b>29,738</b>	<b>171,282</b>	<b>4,417,748</b>

# EPILEPSY FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
<b>NOTE 8: AVAILABLE FOR SALE FINANCIAL ASSETS</b>		
<b>Available for sale financial assets</b>		
Listed Debt Securities	371,580	412,788
Listed Securities	100,370	27,499
	<b>471,950</b>	<b>440,287</b>

These assets are stated at fair value. The securities are denominated in AUD and are publicly traded in Australia.

### NOTE 9: TRADE CREDITORS AND ACCRUALS

Trade Creditors	122,001	220,415
Other Creditors	66,599	44,894
Accruals and deferred Income	76,818	208,916
	<b>265,418</b>	<b>474,225</b>

### NOTE 10: CASH FLOWS

(a) Cash at Bank	759,128	983,301
Cash on Hand	950	850
Cash and Cash Equivalents	<b>760,078</b>	<b>984,151</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>8,780</b>	<b>(510,522)</b>
Depreciation and Amortisation	233,758	264,126
Gain on Sale of Property, Plant and Equipment	(17,106)	(21,110)
Investment Income Received	(25,126)	(27,553)
Interest Received	(7,744)	(19,624)
<b>Change in Operating Assets and Liabilities</b>		
Increase in Receivables	(30,990)	(125,911)
Increase in Other Assets	(1,546)	(14,680)
Increase in Inventories	(17,913)	-
Increase/(Decrease) in Payables	(208,807)	147,229
Increase/(Decrease) in Revenue in Advance	58,654	286,587
Increase/(Decrease) in Employee Provisions	(164,881)	(38,542)
<b>Net Cash Outflow From Operating Activities</b>	<b>(172,921)</b>	<b>(60,000)</b>

# EPILEPSY FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	2016 \$	2015 \$
<b>NOTE 11: EMPLOYEE ENTITLEMENTS</b>		
Annual Leave	145,197	171,971
Long Service Leave	205,315	343,422
	<u>350,512</u>	<u>515,393</u>
<b>Current Liabilities</b>		
Annual Leave	145,197	171,971
Long Service Leave	152,254	277,920
	<u>297,451</u>	<u>449,891</u>
<b>Non-current Liabilities</b>		
Long Service Leave	53,061	65,502
	<u>53,061</u>	<u>65,502</u>

### NOTE 12: COMMITMENTS FOR EXPENDITURE

As at 30 June 2016, The Epilepsy Foundation had no outstanding capital commitments (2015: nil).

### NOTE 13: CONTINGENT LIABILITIES

As at 30 June 2016, The Epilepsy Foundation had no contingent liabilities (2015: nil).

### NOTE 14: AUDITOR'S REMUNERATION

For Auditing of the Financial Statements:

Current Year	13,000	12,500
	<u>13,000</u>	<u>12,500</u>

### 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 (2015: 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 2016

### NOTE 17: KEY MANAGEMENT COMPENSATION

There were 3 key management personnel (2015: 4) 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:

	2016	2015
	\$	\$
Key Management Compensation	360,567	723,840
	<u>360,567</u>	<u>723,840</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 2016 (2015: 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 2016

#### NOTE 19: OPERATING LEASES

	2016	2015
	\$	\$
Non-cancellable operating leases payable as follows		
Within one year	193,055	138,601
Between one and five years	262,002	280,954
More Than Five Years	-	-
	<u>455,057</u>	<u>419,555</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 2016, \$177,353 was recognised as an expense in the statement of Profit or Loss and Other Comprehensive Income in respect of operating leases (2015: \$147,327).

#### NOTE 20: SUBSEQUENT EVENTS

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