

# ANNUAL REPORT 2010



CONFIDENT LIVING, DESPITE SEIZURES



EPILEPSY  
ACTION

A U S T R A L I A



## **Vision**

**Confident living, despite seizures**

## **Mission**

**Epilepsy Action Australia undertakes research and advocacy, and delivers innovative, high quality service across Australia to optimise life outcomes for people with epilepsy.**

## **Values**

- **We are determined to make a positive difference in the lives of others.**
- **Our appreciation of diversity and respect for differences in people is reflected in all our interactions.**
- **Success requires us to listen and respond, constantly challenging ourselves to improve and innovate.**
- **We value teamwork in achieving our vision.**

## **Our Services**

**Epilepsy Action Australia provides a wide range of services for people with epilepsy, their carers, families & the broader community including:**

- **Information, support and education**
- **Individual case management**
- **Seizure management planning**
- **Emergency medication and general awareness training**
- **Seizure first aid**
- **Memory workshops**
- **Residential camps for families**
- **Epilepsy nurse support to hospital clinics**
- **Epilepsy 360° quarterly magazine**

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## MESSAGE FROM THE CHAIR

My first year as Chairman of Epilepsy Association, trading as Epilepsy Action Australia, began in a challenging environment at the tail end of the Global Financial Crisis. After a difficult period of navigating the crisis, our focus soon returned to pursuing our strategic goals. A successful application to the Federal Government for funds enabled us to remodel our services and enhance fundraising capability, with particular investment in expansion and upgrade of our Call Centre.

Beginning in 1952 as a local association known as the Epileptic Welfare Association of NSW, over the years Epilepsy Action Australia has developed into the largest provider of specialist epilepsy services in the community for people with epilepsy, their carers, families, and the broader community.

From October 2009 to June 2010 the Board and Management have undertaken a strategic planning process to set the direction of the organisation for its next 3 year phase, through to June 2013. The organisation has reaffirmed its commitment to delivering equitable and consistent services to all people in Australia, building services around health education and interventions that facilitate client self-management.

### Board Update

Throughout the year we were delighted to welcome several new Directors:

- Graham Maloney comes to us with over 35 years experience in senior roles in blue chip financial services organisations. He is now the CEO of Stratagm and also sits on the Board of Circus Oz, and the Victorian Development Board of The Hunger Project. Graham is a Fellow of the Australian Institute of Company Directors.
- Joanne Rees is CEO and founder of Ally Group, a strategic legal advisor whose career spans over 30 years including managing some of the most complex and high profile litigation cases in the country.
- David Boehm has a long standing history with the organisation as one of our major supporters. Based in Hong Kong, David



brings to the Board extensive experience on financing and structuring of public companies, venture capital, international trade and finance, private banking and foreign currencies. He is a Chartered Accountant, Fellow of the Institute of Chartered Accountants in Australia and member of the Hong Kong Society of Accountants.

We said 'farewell' to William Cameron in April 2010 as he ventured overseas for an extended holiday. Will remains connected to the organisation and we look forward to his return.

To assist the Epilepsy Action Australia Board in undertaking its responsibilities, certain duties or tasks are delegated to committees. This year we established several committees consisting of both Directors and independent external individuals with particular industry or technical knowledge.

The Governance Committee is responsible for ongoing review and recommendations to enhance the quality of the Board and oversee all aspects associated with Epilepsy Action Australia's commitment to good governance. I chair this Committee and am joined by fellow Directors Carol Ireland and Sue Ronaldson, and former Directors Richard Herlihy and Graham Cowley.

The Finance, Audit, Compliance and Risk Committee is responsible for assisting the Board in ensuring the organisation is in good fiscal health. This Committee is chaired by

independent Jon Isaacs, who has over sixteen years' experience as a Senior Executive and CEO and over fifteen years as a Board member, serving as Chairman, Director, and Audit and Risk Committee Chair. Jon is joined by Directors Graham Maloney and David Boehm and management representative Rod Hunter-Brittain.

We have also identified the need for a Development Committee, to focus our efforts in profile raising and marketing activities, which will get underway in 2010/11.

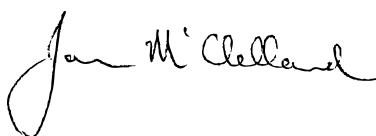
### **Thank you**

On behalf of the Board I would like to express my sincere thanks to the management, staff and volunteers for their dedication and efforts over the past year. Our achievements would not be possible without their hard work, commitment and dedication to serving Australians affected by epilepsy.

I would also like to thank my fellow Directors for their continued strong commitment to Epilepsy Action Australia's vision of confident living, despite seizures and giving so freely of their time, knowledge and expertise.

Above all, I thank the supporters of Epilepsy Action Australia. Without your generosity we would not be able to continue delivering vital and often life saving support and services across the country.

It is an honour to serve as Chairman of Epilepsy Action Australia and I look forward to 2010/11 as we work towards our goals.



Jan McClelland  
Chairman, Epilepsy Action Australia

## **CEO YEAR IN REVIEW**

Epilepsy Action Australia (EAA) is committed to providing consumer-focussed, professional services and for more than a decade has delivered services nationwide.

In the face of the Global Financial Crisis and increasing service costs EAA's response was to implement measures for efficiency and 'hold' major initiatives, while continuing to deliver services to all requesting them. The organisation has demonstrated continuous improvement in appeals and telemarketing for several years and despite a challenging economic climate this was sustained. A successful application to Federal Government provided funding for EAA to remodel services and enhance fundraising capacity.

### **Commitment to Client Services**

The organisation has high level expertise and a rich base of epilepsy information, particularly vested in our Epilepsy Nurse Educators. The range of services provided includes patient and community education, seizure management planning, case management, emergency medication training, workshops and residential



camp, as well as support to various hospital based clinics. Services are delivered by phone, videoconference and internet, with a physical presence in most states and territories.

A community grant from the NIB Foundation enabled EAA to implement a specialist epilepsy program in the Newcastle/Hunter region, launched in April 2010 at the John Hunter

Children's Hospital by 'ambassador' and Director, Tony Greig. The program includes a weekend residential camp for children and young adults, memory workshops, training in administration of emergency medication and seizure first aid, and working with John Hunter Children's Hospital by providing essential epilepsy information and referral services to patients.

Following the 2008 inaugural Epilepsy: Top of Mind symposium for people living with and affected by epilepsy held in Sydney, an even more successful event was held in Perth in 2009 with over 260 participants. The program involves a comprehensive range of topics with key presenters from the epilepsy sector and the broader community. Plans are underway to hold a symposium in Brisbane in 2010 in collaboration with the Queensland Paediatric Epilepsy Network.

Record numbers attended our residential camps for families affected by epilepsy with 4 camps held in WA, NSW and Queensland incorporating 'adventure therapy', peer support and education. Participant feedback is extremely positive from these events with many commenting that attendance is a "life changing experience."

The referral rate in 2009/10 was a 25% increase from the previous year and we reached over 4,500 people across Australia with our education and training service.

A particular focus this year has been implementing a centralised approach to client intake, assessment and service coordination. This involved redeploying resources to a Central Services team operating from national office and thereby improving overall response times to need and ensuring a consistent and equitable approach for clients, no matter where they live in Australia.

### **Research**

Several years ago EAA approached the George Institute for Global Health to initiate an epilepsy research effort that would produce strong, independent data. After several years of collaboration with 'seed funds' provided by EAA, the Sydney Epilepsy Incidence Study to Measure Illness Consequences (SEISMIC) was launched in June 2010. This first major Australian incidence and impact study of

epilepsy is underway with grants from the National Health and Medical Research Council and Australian Research Council.

A joint initiative of The George Institute for Global Health and Epilepsy Action Australia, now joined by other key partners, SEISMIC will examine the incidence, psychosocial impact and the household economic burden of epilepsy in a large and representative population.

SEISMIC will study a population-based patient cohort over a 4 year period gathering information on the process of care from the first presentation with a seizure through to diagnosis of epilepsy, treatment and follow-up.

### **Fundraising**

Operational fundraising for the year exceeded prior year efforts, a pleasing result in the current economic climate. Direct mail appeals performed well with loyal supporters continuing to give generously and a significant increase in the main revenue line was accomplished with the lottery income increasing by \$356,933 (11%).

Due to investment in improvements to our in-house Call Centre lottery net profit was slightly lower than last year, however this investment increases our capacity to a 30 seat Call Centre, with 12 additional "seats" (licenses and staff) for continued growth.

### **Looking forward**

It has been a challenging but rewarding year and I sincerely thank all supporters and the staff for their dedication and for taking this journey with us.

With a new strategic planning framework in place for 2010 – 2013 our sights are set on some big goals and achievements in the coming years.



Carol Ireland  
CEO and Managing Director,  
Epilepsy Action Australia



**FINANCIAL REPORT FOR  
THE YEAR ENDED 30  
JUNE 2010**

**EPILEPSY ASSOCIATION  
A COMPANY LIMITED BY  
GUARANTEE**

**ABN 61 000 533 791**

# DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 30 June 2010.

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

David Boehm (appointed 30/04/10)	Linda Julian
Sue Ronaldson	Carol Ireland
Caitlin McOmish	Anthony Greig
Jan McClelland	Melanie Sarah Burrows (appointed 31/07/09)
William Robert Cameron (resigned 21/04/10)	Joanne Rees (appointed 08/12/09)
Graham Maloney (appointed 02/10/09)	

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

## Review of Financial Performance

There was a substantial improvement in the financial position of Epilepsy Association in the 2010 financial year.

The Company realised a surplus of \$775,686, a significant improvement from the 2009 deficit of \$210,784.

Funding of \$900,000 was achieved through a successful application to Federal Government, the Get Communities Working stream of Jobs Fund, enabling EAA to remodel services and enhance fundraising capacity, in particular the investment to upgrade the Call Centre.

A significant increase in the main revenue line was accomplished with the Lottery income increasing by \$356,933 (11%). Donation income was slightly down on last year by \$71,128 (6%) and Bequests by \$18,113 (6%).

The Principal activities of the company during the financial year were: client support services, education and fundraising.

There has been no significant change in the nature of these activities and the business during the financial year.

There has been no significant matter or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company that would impact the results of those operations, or the state of affairs of the company in future financial years.

## INFORMATION ON DIRECTORS AND SECRETARY

Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of the State.

**David Boehm**      **Director (appointed 30/04/10)**

FCA

Chartered Accountant, Fellow of the Institute of Chartered Accountants in Australia, member of the Hong Kong Society of Accountants; extensive experience on financing and structuring of public companies, venture capital, international trade and finance, private banking and foreign currencies. (Based in Hong Kong)

Special Responsibilities: Member of the Finance, Audit, Compliance and Risk Committee

**Melanie Burrows**      **Director (appointed 31/07/09)**

BA

Experience within the stockbroking/finance industry; currently an Associate Adviser with Bell Potter Securities; previous experience as a fashion goods marketer, and running own consultancy business for retail branding and marketing.

**William Cameron**      **Director (resigned 21/04/10)**

BCom

Associate Adviser with E.L. & C. Baillieu Stockbroking Ltd and representative on EAA's Service Advisory Consumer Group.

**Tony Greig**      **Director**

Television Presenter/Commentator, and former Captain of the England Cricket Team.

**Carol Ireland**      **Director & Company Secretary**

Dip Reh. Couns. AFAIM, MFIA

An extensive background spanning nearly 30 years in the not-for-profit human services sector including chief operations and other senior management roles.

Special Responsibilities: Chief Executive Officer, Member of the Governance Committee

**Linda Julian**      **Director**

MMgt

Management consultant to professional service firms throughout Australasia; expert in strategic management and practice development; prepares funding and appointment submissions for not-for-profits, professional practices, and government; faculty member for advanced post-graduate management course and author of marketing text sold in 13 countries; experienced private and public company director and Board advisor.

Special Responsibilities: Nominated to chair Development Committee which will be established in 2010/11

**Graham Maloney**      **Director (appointed 02/10/09)**

BA, AIAA, FAICD

Over 35 years of experience in senior roles in blue chip financial services organisations. Now CEO of Stratagm which supports individuals through mentoring and coaching, and businesses through consulting and Board roles. Also sits on the Board of Circus Oz, and the Victorian Development Board of The Hunger Project. Is a fellow of the Australian Institute of Company Directors.

Special Responsibilities: Member of the Finance, Audit, Compliance and Risk Committee

**Jan McClelland**      **Director & Chairman**

BA (Hons), BLS

An experienced senior executive and management consultant; former Director General of the NSW Department of Education & Training and Managing Director of NSW TAFE Commission; Fellow of the Australian Institute of Management and the Australian Council of Educational Leaders; Member of the

Australian Institute of Company Directors and the Institute of Public Administration of Australia.

Special Responsibilities: Chairman of the Board, Governance Committee Chair

**Caitlin McOmish** **Director**  
BSc (Hons) PhD  
A research scientist currently doing a post doctorate at New York's Columbia University.

**Joanne Rees** **Director (appointed 08/12/09)**  
BA LLB  
CEO and founder of Ally Group; a strategic legal advisor whose career spans over 30 years including managing some of the most complex and high profile litigation cases in the country.

**Sue Ronaldson** **Director**  
DipNEd BSc (Hons) PhD RN FRCNA  
Extensive nursing, health education and nursing research experience; a Senior Lecturer in the Sydney Nursing School, University of Sydney.

Special Responsibilities: Member of the Governance Committee

No dividends have been paid or declared since the start of the financial year.

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

No indemnities have been given for any person who has been an officer or auditor of the company, but insurance premiums have been paid during or since the end of the financial year for Directors and Officers liability.

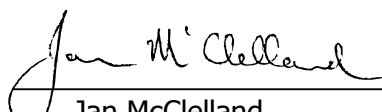
No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings. The company was not a party to any such proceedings during the year.

	Attended	Board Meetings Eligible
Graham Maloney (appointed 02/10/09)	3	3
Joanne Rees (appointed 08/12/09)	1	2
Linda Julian	5	6
Sue Ronaldson	5	6
Carol Ireland	6	6
Caitlin McOmish	2	6
Anthony Greig	1	6
Jan McClelland	6	6
Melanie Sarah Burrows (appointed 31/07/09)	5	5
William Robert Cameron (resigned 21/04/10)	6	6
David Boehm (appointed 30/04/10)	-	-

### **Auditor's Independence Declaration**

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is attached to this financial report.

Signed in accordance with a resolution of the board of directors:

Director   
Jan McClelland

Dated: 19 October 2010

**AUDITOR'S INDEPENDENCE DECLARATION**  
**UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

**TO THE DIRECTORS OF EPILEPSY ASSOCIATION**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2010 there have been:

- (i) No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) No contraventions of any applicable code of professional conduct in relation to the audit.



\_\_\_\_\_  
Peter Douglas Woodhead  
Principal - Wearne & Co Audit Pty Limited  
Chartered Accountant

Dated: 20 October 2010

# INCOME STATEMENT

## FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 \$	2009 \$
Revenue	2	6,346,339	4,932,662
Employee benefits expense		(2,994,534)	(2,664,993)
Depreciation and amortisation expenses		(59,108)	(92,639)
Other expenses		<u>(2,537,011)</u>	<u>(2,385,814)</u>
<b>Profit (loss) before income tax</b>	<b>3</b>	775,686	(210,784)
Income tax expense		<u>-</u>	<u>-</u>
<b>Profit (loss) for the year</b>		<b><u>775,686</u></b>	<b><u>(210,784)</u></b>
Profit (loss) attributable to member of the company		<u>775,686</u>	<u>(210,784)</u>

# STATEMENT OF COMPREHENSIVE INCOME

## FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 \$	2009 \$
<b>Profit (loss) for the year</b>		775,686	(210,784)
<b>Other comprehensive income:</b>		<u>                    </u>	<u>                    </u>
<b>Other comprehensive income for the year, net of tax</b>		<u>-</u>	<u>-</u>
<b>Total comprehensive income (expense) for the year</b>		<b><u>775,686</u></b>	<b><u>(210,784)</u></b>
Total comprehensive income (expense) attributable to member of the company		<u>775,686</u>	<u>(210,784)</u>

The accompanying notes form part of these financial statements.

# STATEMENT OF FINANCIAL POSITION

## AS AT 30 JUNE 2010

	Note	2010 \$	2009 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	659,942	342,499
Trade and other receivables	6	197,693	176,677
Other current assets	7	496,357	55,861
<b>TOTAL CURRENT ASSETS</b>		<u>1,353,993</u>	<u>575,037</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	67,954	77,448
<b>TOTAL NON-CURRENT ASSETS</b>		<u>67,954</u>	<u>77,448</u>
<b>TOTAL ASSETS</b>		<u>1,421,947</u>	<u>652,485</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	473,600	505,904
Short-term provisions	10	182,680	143,004
Other	11	9,300	22,896
<b>TOTAL CURRENT LIABILITIES</b>		<u>665,580</u>	<u>671,804</u>
<b>TOTAL LIABILITIES</b>		<u>665,580</u>	<u>671,804</u>
<b>NET ASSETS (LIABILITIES)</b>		<u>756,367</u>	<u>(19,319)</u>
<b>EQUITY</b>			
Reserves	12	1,000,000	1,000,000
Retained profits (accumulated losses)		(243,633)	(1,019,319)
<b>TOTAL EQUITY (DEFICIT)</b>		<u>756,367</u>	<u>(19,319)</u>

The accompanying notes form part of these financial statements.

# STATEMENT OF CHANGES IN EQUITY

## AS AT 30 JUNE 2010

	Share Capital \$	Retained Earnings \$	General reserve \$	Total \$
<b>Balance at 1 July 2008</b>	-	(808,535)	1,000,000	191,465
Profit attributable to members of the company		<u>(210,784)</u>		<u>(210,784)</u>
<b>Balance at 30 June 2009</b>	<u>-</u>	<u>(1,019,319)</u>	<u>1,000,000</u>	<u>(19,319)</u>
<b>Balance at 1 July 2009</b>	-	(1,019,319)	1,000,000	(19,319)
Profit attributable to the member of the company		<u>775,686</u>		<u>775,686</u>
<b>Balance at 30 June 2010</b>	<u>-</u>	<u>(243,633)</u>	<u>1,000,000</u>	<u>756,367</u>

# CASH FLOW STATEMENT

## FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 \$	2009 \$
<b>Cash flows from operating activities</b>			
Receipts from donations, grants etc.		6,331,778	4,905,634
Payments to suppliers and employees		(5,979,281)	(5,297,246)
Dividends received		-	4,898
Interest received		<u>14,561</u>	<u>22,130</u>
<b>Net cash provided by (used in) operating activities</b>	<b>18</b>	<u>367,058</u>	<u>(364,584)</u>
<b>Cash flows from investing activities</b>			
Purchase of Property, plant and equipment		(49,614)	(9,016)
Adjustment to control IT Equipment 2008		<u>-</u>	<u>47,631</u>
<b>Net cash provided by (used in) investing activities</b>		<u>(49,614)</u>	<u>38,615</u>
Net increase (decrease) in cash held		317,444	(325,969)
Cash at beginning of financial year		<u>342,499</u>	<u>668,468</u>
Cash at end of financial year	<b>18</b>	659,943	342,499

The accompanying notes form part of these financial statements.

# **NOTES TO THE FINANCIAL STATEMENTS**

## **FOR THE YEAR ENDED 30 JUNE 2010**

This financial report covers Epilepsy Association as an individual entity. Epilepsy Association is a company limited by guarantee, incorporated and domiciled in Australia. Epilepsy Association trades under the business name of Epilepsy Action.

### **1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Basis of Preparation**

The financial statements are a general purpose financial statement that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

#### **(a) Income Tax**

The Company, as a charitable organisation, is exempt from income tax under Section 50-5, of the Income Tax Assessment Act 1997

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2010

### (b) Property, Plant and Equipment

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

#### Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to present values in determining recoverable amounts.

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

Increases in the carrying amount arising on revaluation of property, plant and equipment are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charges against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of comprehensive income and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

#### Depreciation

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

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

Class of Fixed Asset:	Depreciation Rate
IT equipment - at cost	33%
Motor vehicles - at cost	20%
Office furniture and equipment - at cost	20%,33%
Leasehold Improvements - at cost	12.5%

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

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

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2010

### (c) Financial Instruments

#### Initial Recognition and Measurement

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

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

#### Classification and Subsequent Measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as: (i) the amount at which the financial asset or financial liability is measured at initial recognition; (ii) less principal repayments; (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and (iv) less any reduction of impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction cost and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The company does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

#### *(i) Financial assets at fair value through profit or loss*

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short term profit taking, where they are not held for hedging purposes, derivatives not held for hedging purposes, or when 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. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

#### *(ii) Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2010

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

### *(iii) Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period, which will be classified as current assets.

If during the period the company sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire category of held-to-maturity investments would be tainted and would be reclassified as available-for-sale.

### *(iv) Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after the end of the reporting period, which will be classified as current assets.

### *(v) Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

### **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.

### **Impairment**

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

### **(d) Impairment of assets**

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in

# **NOTES TO THE FINANCIAL STATEMENTS**

## **FOR THE YEAR ENDED 30 JUNE 2010**

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

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

### **(e) Employee Benefits**

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

### **(f) Government Grants**

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

### **(g) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

### **(h) Revenue and Other Income**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

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

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

# **NOTES TO THE FINANCIAL STATEMENTS**

## **FOR THE YEAR ENDED 30 JUNE 2010**

### **(i) Goods and Services Tax (GST)**

The company, as a public benevolent institution is registered for the goods and services tax (GST). The tax is paid on revenues from competitive commercial activities and sponsorship. Most input taxes are charged are credited except for expenses related to non creditable transactions. Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

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

### **(j) Comparative Figures**

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

### **(k) Critical Accounting Estimates and Adjustments**

The directors evaluate estimates and judgements incorporated into the financial report 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.

### **(l) Disposal of Surplus**

Annual surplus, Rule 3 of the company's Constitution prohibits the distribution of any surplus to Members. All income must be applied solely towards the promotion of the objects of the company.

Surplus on liquidation, as required by the Charitable Fundraising Act 1991, the Income Tax Assessment Act 1997, Tax ruling TR 2000/12, and Rule 5 of the company's Constitution, being any assets remaining upon the winding up of the company must be applied to the objects or purposes for which they were raised.

### **(m) Donated Services**

Various services are donated to the company by volunteers. No assessment of the value of these services are included in the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 \$	2009 \$
<b>2. REVENUE AND OTHER INCOME</b>			
Sales revenue:			
Sale of goods		19,597	13,589
Other revenue:			
Rendering of services		1,542,657	1,620,456
Dividends received	2(a)	-	4,898
Interest received	2(b)	14,561	22,130
Community Fundraising		44,389	-
Submission Based Fundraising		209,760	-
Sundry Income		2,873	15,184
Government Grants		1,278,347	379,183
Lottery Income		3,234,155	2,877,222
Total Revenue		6,346,339	4,932,662
(a) Dividends received from:			
Other corporations		-	4,898
(b) Interest received from:			
Other corporations		14,561	22,130
<b>3. PROFIT (LOSS) FOR THE YEAR</b>			
<b>Expenses:</b>			
Bad and doubtful debts		4,000	-
Depreciation		59,108	92,639
Employee Entitlements		39,676	(90,584)
<b>4. AUDITORS' REMUNERATION</b>			
Auditors' remuneration		11,750	10,200
<b>5. CASH AND CASH EQUIVALENTS</b>			
Cash on hand		500	500
Cash at bank		659,442	341,999
		659,942	342,499

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 \$	2009 \$
<b>6. TRADE AND OTHER RECEIVABLES</b>			
<b>CURRENT</b>			
Trade receivables		35,640	25,803
Less provision for impairment of receivables		<u>(5,000)</u>	<u>(1,000)</u>
		<u>30,640</u>	<u>24,803</u>
Other debtors		<u>167,053</u>	<u>151,874</u>
		<u>197,693</u>	<u>176,677</u>
<b>7. OTHER ASSETS</b>			
<b>CURRENT</b>			
Prepayments		<u>496,357</u>	<u>55,861</u>
<b>8. PROPERTY, PLANT AND EQUIPMENT</b>			
IT equipment - at cost		430,357	405,049
Less accumulated depreciation		<u>(390,866)</u>	<u>(339,232)</u>
		<u>39,491</u>	<u>65,817</u>
Office furniture and equipment - at cost		65,466	41,950
Less accumulated depreciation		<u>(40,336)</u>	<u>(38,165)</u>
		<u>25,130</u>	<u>3,785</u>
Furniture and fittings - at cost		67,610	66,820
Less accumulated depreciation		<u>(64,277)</u>	<u>(58,974)</u>
		<u>3,333</u>	<u>7,846</u>
Leasehold Improvements - at cost		13,896	13,896
Less accumulated depreciation		<u>(13,896)</u>	<u>(13,896)</u>
		<u>-</u>	<u>-</u>
<b>Total property, plant and equipment</b>		<u>67,954</u>	<u>77,448</u>

**(a) Movement in carrying amounts**

For disclosure on movement in carrying amounts please refer to note 19(a) in the end of this financial report.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 \$	2009 \$
<b>9. TRADE AND OTHER PAYABLES</b>			
<b>CURRENT</b>			
Sundry creditors		341,690	161,316
Trade creditors		<u>131,910</u>	<u>344,588</u>
		<u><u>473,600</u></u>	<u><u>505,904</u></u>
<b>10. PROVISIONS</b>			
Provision for annual leave		139,302	96,025
Provision for long service leave		<u>43,378</u>	<u>46,979</u>
		<u><u>182,680</u></u>	<u><u>143,004</u></u>
<b>Analysis of Total Provisions</b>			
Current		<u><u>182,680</u></u>	<u><u>143,004</u></u>
<b>11. OTHER LIABILITIES</b>			
<b>CURRENT</b>			
Income in advance		<u><u>9,300</u></u>	<u><u>22,896</u></u>
<b>12. RESERVES</b>			
<b>General Reserve</b>			
The general reserve records funds set aside for future expansion of the company.			
<b>13. LEASING COMMITMENTS</b>			
<b>Operating Lease Commitments</b>			
Non-cancellable operating leases contracted for but not capitalised in the financial statements			
Payable:			
not later than 12 months		53,261	407,239
between 12 months and 5 years		<u>50,455</u>	<u>323,749</u>
		<u><u>103,716</u></u>	<u><u>730,988</u></u>
<b>14. RELATED PARTY TRANSACTIONS</b>			
Directors were not entitled to and did not receive any benefits during the year. The directors act in an honorary capacity to Epilepsy Action. There were no loans in existence during the year or at balance date that were made, guaranteed or secured by the company to the directors, their partners, relatives or entities under their control or significant influence.			

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010	2009
		\$	\$
<b>15. ECONOMIC DEPENDENCE</b>			
<p>The company is not economically dependent on any one single supplier or client. The company is substantially dependent on one kind of fundraising, lotteries sold via telemarketing. Should legislation relating to lotteries or to procuring buyers of lottery tickets change in respect to registered charities, the company could be significantly affected.</p>			
<b>16. FINANCIAL RISK MANAGEMENT</b>			
<b>Financial Assets</b>			
Cash and cash equivalents		659,942	342,499
<b>Total Financial Assets</b>		<u>659,942</u>	<u>342,499</u>

### Financial Risk Management Policies

The main purpose of non-derivative financial instruments is to raise finance for company operations. The company does not have any derivative instruments at year end.

The finance committee, consisting of senior executives of the company, meets on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The finance committee's overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

The finance committee operates under policies approved by the Board of Directors. Risk management policies are approved and reviewed by the Board on a regular basis. These include credit risk policies and future cash flow requirements.

### Specific Financial Risk Exposures and Management

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

#### (a) Credit risk

Credit risk is managed through maintaining procedures ensuring, to the extent possible, that customers and counterparties to transactions are of sound credit worthiness and includes the utilisation of systems for the approval, granting and renewal of credit limits, the regular monitoring of exposures against such limits and the monitoring of the financial stability of significant customers and counterparties. Such monitoring is used in assessing receivables for impairment.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the finance committee has otherwise cleared as being financially sound. Where the company is unable to ascertain a satisfactory credit risk profile in relation to a customer or counterparty, then risk may be further managed through title retention clauses over goods or obtaining security by way of personal or commercial guarantees over assets of sufficient value which can be claimed against in the event of any default.

#### *Credit risk exposures*

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position. Credit risk also arises through the provision of financial guarantees, as approved at Board level, given to third parties in relation to obligations under its bank bill facility.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2010

The company has no significant concentration of credit risk with any single counterparty or group of counterparties.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality.

Credit risk related to balances with banks and other financial institutions is managed by the finance committee in accordance with approved Board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's (S&P) rating of at least AA-. The following table provides information regarding the credit risk relating to cash and money market securities based on S&P counterparty credit ratings.

### **(b) Liquidity Risk**

Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The company manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operational, investing and financing activities;
- using derivatives that are only traded in high liquid markets;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk, related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities. Bank overdrafts have been deducted in the analysis as management does not consider that there is any material risk that the bank will terminate such facilities. The bank does however maintain the right to terminate the facilities without notice and therefore the balances of overdrafts outstanding at year end could become repayable within 12 months. Financial guarantee liabilities are treated as payable on demand since the company has no control over the timing of any potential settlement of the liability.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflect the earliest contractual settlement dates and do not reflect management's expectations that banking facilities will roll forward.

#### *Financial assets pledged as collateral*

Certain financial assets have been pledged as security for debt and their realisation into cash may be restricted subject to terms and conditions attached to the relevant debt contracts.

### **c) Market risk**

#### *(i) Interest rate risk*

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The company is also exposed to earnings volatility on floating rate instruments.

Interest rate risk is managed using a mix of fixed and floating rate debt.

The net effective variable interest rate borrowings (i.e. unhedged debt) exposes the company to interest rate risk which will impact future cash flows and interest charges and is indicated by the following floating interest rate financial liabilities.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2010

### Net Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgement, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying values of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the company. Most of these instruments which are carried at amortised cost (i.e. term receivables, loan liabilities) are to be held until maturity and therefore the net fair value figures calculated bear little relevance to the company.

	<b>2010</b>	
	<b>Carrying Amount</b>	<b>Net Fair Value</b>
<b>Financial Assets</b>		
Receivables	197,693	197,693
Total Financial Assets	<u>197,693</u>	<u>197,693</u>
<b>Financial Liabilities</b>		
Trade and other payables	473,600	473,600
Total Financial Liabilities	<u>473,600</u>	<u>473,600</u>
	<b>2009</b>	
	<b>Carrying Amount</b>	<b>Net Fair Value</b>
<b>Financial Assets</b>		
Receivables	231,393	230,393
Total Financial Assets	<u>231,393</u>	<u>230,393</u>
<b>Financial Liabilities</b>		
Trade and other payables	756,992	756,992
Total Financial Liabilities	<u>756,992</u>	<u>756,992</u>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010	2009
		\$	\$
<b>17. COMPANY DETAILS</b>			
The registered office of the company is:			
Epilepsy Association Suite 8 44-46 Oxford Street Epping NSW 2121			
The principal place of business is:			
Epilepsy Association Suite 8 44-46 Oxford Street Epping NSW 2121			
<b>18. CASH FLOW INFORMATION</b>			
<b>(a) Reconciliation of Cash</b>	<b>Note</b>	<b>2010</b>	<b>2009</b>
		\$	\$
Cash at the end of financial year as shown in the Statement of Cash Flows is reconciled to the related items in the statement of financial position as follows:			
Cash		500	500
Cash at Bank		659,443	341,999
		659,943	342,499
		659,943	342,499
<b>(b) Reconciliation of cash flow from operations with profit</b>	<b>Note</b>	<b>2010</b>	<b>2009</b>
		\$	\$
Profit after income tax		775,686	(210,784)
Non-cash flows in profit:			
Depreciation		59,108	92,639
IT equipment adjustment to cost/ provision for depreciation		-	46,827
Changes in Assets & Liabilities:			
(Increase)/Decrease in trade and term debtors		(25,016)	53,716
(Increase)/Decrease in prepayments		(440,496)	(24,539)
Increase/(Decrease) in payables		(45,900)	(252,795)
Increase/(Decrease) in provisions		39,676	(90,584)
Increase/(Decrease) in liabilities		-	20,936
Increase/(Decrease) in provision for doubtful debts		4,000	-
		4,000	-
<b>Net cash provided by (used in) operating activities</b>		367,058	(364,584)

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2010

### 19. (a) MOVEMENT IN CARRYING AMOUNTS

Movements in carrying amounts for each class of property, plant and equipment.

	IT equipment - at cost	Office furniture and equipment - at cost	Furniture and fittings - at cost	Leasehold improvements - at cost	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2008	227,204	3,015	17,267	8,044	255,530
Additions	5,636	3,380	-	-	9,016
Depreciation expense	(167,023)	(2,610)	(9,421)	(8,044)	(187,098)
<b>Carrying amount at 30 June 2009</b>	<b>65,817</b>	<b>3,785</b>	<b>7,846</b>	<b>-</b>	<b>77,448</b>
Additions	25,308	23,516	790	-	49,614
Depreciation expense	(51,634)	(2,171)	(5,303)	(8,044)	(67,152)
<b>Carrying amount at 30 June 2010</b>	<b>39,491</b>	<b>25,130</b>	<b>3,333</b>	<b>-</b>	<b>67,954</b>

### 20. INFORMATION TO BE FURNISHED UNDER THE CHARITABLE FUNDRAISING ACT 1991

#### Details of aggregate gross income and total expenses of Fundraising appeals.

Charitable Fundraising Act 1991 and supporting Charitable Regulations prescribe the manner in which fundraising appeals are conducted, controlled and reported in NSW.

Donations and bequests are returned as income and only when received at the company's administration offices or deposited to the company's bank accounts. Unsolicited donations, members donations, and bequests are treated as gifts and deposited in the Gift Fund bank account.

Cost of fundraising includes all direct fundraising costs and does not include indirect cost allocation.

Mail appeals, money received from designated appeals are allocated against that appeal if received within 14 weeks of mailing, after 14 weeks unless clearly evident that it is in response to the appeal the money is allocated to unsolicited donations.

Donor acquisition, the primary method is through direct lottery appeal activities.

Lottery allocation, where a lottery is sold in two accounting years the revenue and direct costs are brought to account in the second accounting year, being the year in which the draw takes place.

General fundraising costs relate to the processing of unsolicited donations and planning and development of future fundraising activities.

Activity	Cost	Proceeds	Surplus	2010	2009
	\$	\$	\$	%	%
Lotteries	\$ 2,068,800	\$ 3,234,155	\$ 1,165,355	64	61
Mail Appeals	\$ 304,448	\$ 709,387	\$ 404,939	43	45
Regular Giving	\$ 10,820	\$ 193,356	\$ 182,536	6	6
<b>Total Cost/ Gross</b>	<b>\$ 2,384,068</b>	<b>\$ 4,136,898</b>	<b>\$ 1,752,830</b>	<b>58</b>	<b>56</b>

There were eight lottery campaigns, and four mail appeals (Spring, Christmas, Autumn and Tax appeal) together with the regular giving during the year.

There were additional acquisition for lottery activity during the year that contributed towards the increase in fundraising proceeds.

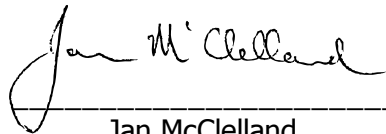
# DIRECTORS' DECLARATION

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 7 to 28 are in accordance with the Corporations Act 2001:
  - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
  - (b) give a true and fair view of the financial position as at 30 June 2010 and of the performance for the year ended on that date of the company
  
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 of Directors.

Director

  
\_\_\_\_\_  
Jan McClelland

Dated: 19 October 2010

# INDEPENDENT AUDIT REPORT

## TO THE MEMBERS OF EPILEPSY ASSOCIATION

We have audited the accompanying financial report of Epilepsy Association (the company) which comprises the statement of financial position as at 30 June 2010 and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the director's declaration.

### *Directors' Responsibility for the Financial Report*

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: 'Presentation of Financial Statements', that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

### *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. These Auditing Standards require that we 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 judgment, 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 entity'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 of the entity'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 Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Epilepsy Association be in the same terms if provided to the directors as at the date of this auditor's report.

### *Auditor's Opinion*

In our opinion:

- (a) The financial report of Epilepsy Association is in accordance with the Corporations Act 2001 including:
  - (i) giving a true and fair view of the company's financial position as at 30 June 2010 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- (b) The financial report also complies with International Financial Reporting Standards as disclosed in Note 1.



Peter Douglas Woodhead  
Principal - Wearne & Co Audit Pty Limited  
Chartered Accountant

Dated: 20 October 2010

## “WORKING TOGETHER”

Epilepsy Action Australia would like to acknowledge some of our partners including:



Epilepsy Action Australia gratefully acknowledges the funding support of Sydney West Area Health Service. The Department of Health's NGO grant program funding specifically supports the delivery of NSW community based health education services provided by Epilepsy Action Australia's registered nurses with expertise in epilepsy.



Epilepsy Action Australia gratefully acknowledges the funding support of Ageing, Disability and Home Care.



The partnership between Epilepsy Action Australia and the Epilepsy Association of Western Australia is a groundbreaking step to improve services for the approximate 17,000 Western Australians with epilepsy. Epilepsy Action Australia service staff are based at the same location as the Epilepsy Association of Western Australia. The two organisations are working together to address the social isolation and the inequity of care of individuals with epilepsy in rural and regional Australia.



In 2007, Epilepsy Action Australia initiated a partnership with The George Institute for Global Health that has led to a major epidemiological research project. This study, Sydney Epilepsy Incidence Study to Measure Illness Consequences (SEISMIC) explores the incidence, psychosocial impact and household economic burden of epilepsy in a large population.



Epilepsy Action Australia has partnered with Livewire ([www.livewire.org.au](http://www.livewire.org.au)) which provides a free, safe and supportive online community for young people, aged over 10 and under 21, living with a serious illness, chronic health condition or disability. It's a place for them to hang out, meet new friends, chat online, share experiences, creatively express themselves and know that they are not alone in their situation. Livewire also offers a community for siblings and shortly for parents or carers of people living with a chronic health condition.

# EDUCATION AND SUPPORT FOR CHILDREN AND ADULTS WITH EPILEPSY AND SEIZURE DISORDERS ACROSS AUSTRALIA



## EPILEPSY ACTION

A U S T R A L I A

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