

EPILEPSY ACTION AUSTRALIA
ABN 61 000 533 791

FINANCIAL REPORT - 30 JUNE 2021

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DIRECTORS' REPORT

The names of and other information on the Directors in office during or since the end of the year are as follows. The Directors were in office for this entire period unless otherwise stated.

Director	Date Appointed	Special EAA Responsibilities
Alistair Daly **B.A., MIRM, MBA**	13 March 2017	Member of the Finance, Audit, Compliance and Risk Committee
Lisa Dive **PH.D Philosophy**	13 November 2015	Member of the Governance Committee
Carol Ireland **Dip Reh. Couns.; FAIM; MFIA**	29 June 2009	Managing Director, Chief Executive Officer, Company Secretary, Member of the Governance Committee, Member of the Fundraising Committee
Martin Lakos	7 December 2020	Member of the Fundraising Committee
Roy Marrett **B.Com FCCA**	25 July 2016	Member of the Finance, Audit, Compliance and Risk Committee
Susan Price **BComm LLB/LLM**	3 September 2014	Chair of the Board; Chair of the Governance Committee, Chair of the Fundraising Committee
Sue Ronaldson **PhD BSc(Hons) DipNEd RN FACN**	7 September 1998	Member of the Governance Committee
Erica Siu-Gregan	20 May 2019	Member of the Fundraising Committee

PRINCIPAL ACTIVITY
The principal activity of the company continues to be being a registered charity providing client support services, education and fundraising for Epilepsy. There were no significant changes in the nature of the principal activities during the year.

OPERATING RESULT
The net result of the company for the financial year after providing for income tax was a surplus of $307,280 (2020: surplus $1,102,754). The company is a not-for-profit entity and is exempt from the payment of income tax.

VISION
Optimal living for people with epilepsy.

MISSION
Epilepsy Action Australia ('EAA') delivers innovative services that increase understanding, raise awareness, develop skills and leverage research to enhance the lives of those living with the condition.

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DIRECTORS' REPORT

KEY STRATEGIES

There are four strategic outcomes that will enable achievement of the EAA vision and mission, and guide service delivery and business operations. The four outcomes agreed by the Board and management team are:

1. Growth in the understanding of epilepsy as a condition; with increasing EAA brand awareness
2. Increasing consumer access to effective specialist interventions and enhance capability to self-manage epilepsy
3. Increasing the knowledge and skills of people supporting those with epilepsy and meeting the learning and training requirements of a diverse range of audiences
4. Investing in research as a core strategy to optimise outcomes for our consumers, ensuring the field of epilepsy research remains relevant, contemporary and life-changing

KEY PERFORMANCE MEASURES

The company's performance over 5 years will be measured against the following program measures:

AWARENESS

- Condition and brand awareness (surveys)
- Media and social media hits, website hits
- Ambassadors, licensed trainers, 'membership' of engagement programs, etc
- Consumers/referrals

KNOWLEDGE AND SKILLS

- Sales
- Uptake of courses
- Participant completions and satisfaction

CONSUMER SERVICES

- Consumer satisfaction
- Service outcomes
- Referrals

RESEARCH

- Research projects and outcomes
- Publications
- Increase in and strengthened partnerships
- Increased consumer involvement in research
- Increased profile for EAA in the community for epilepsy research
- Attracting research funding

LIMITATION OF MEMBERS' LIABILITY

The company is registered under the *Australian Charities and Not-for-profits Commission Act 2012* as a company limited by guarantee. If the company is wound up, its Constitution states that each member is required to contribute a maximum of $10 each towards meeting any outstanding obligations of the company. At 30 June 2021 the number of members was 70 and their collective liability was $700.

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DIRECTORS' REPORT

MEETINGS OF DIRECTORS

The number of meetings each Director was eligible to attend and actually attended during the financial year is summarised as follows:

	Eligible	Attended
Alistair Daly	7	6
Lisa Dive	7	7
Carol Ireland	7	7
Martin Lakos	4	4
Roy Marrett	7	7
Susan Price	7	7
Sue Ronaldson	7	7
Erica Siu-Gregan	7	7

Signed in accordance with a resolution of the Board of Directors:

Susan Price
Chair

Sydney, 30 August 2021

EPILEPSY ACTION AUSTRALIA
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 $	2020 $
ASSETS			
Current assets			
Cash and cash equivalents	6	860,833	651,738
Trade and other receivables	7	29,786	110,728
Other assets	8	53,505	99,653
Financial assets	9	880,472	726,475
Total current assets		1,824,596	1,588,594
Non-current assets			
Property, plant and equipment	10	22,330	38,423
Intangible assets	11	34,134	58,138
Right-of-use assets	12	699,176	378,798
Total non-current assets		755,640	475,359
TOTAL ASSETS		2,580,236	2,063,953
LIABILITIES			
Current liabilities			
Trade and other payables	13	163,819	219,235
Lease liabilities	14	141,289	135,265
Employee benefits	15	185,509	205,568
Total current liabilities		490,617	560,068
Non-current liabilities			
Lease liabilities	14	558,190	288,468
Employee benefits	15	22,956	14,224
Total non-current liabilities		581,146	302,692
TOTAL LIABILITIES		1,071,763	862,760
NET ASSETS		**1,508,473**	**1,201,193**
FUNDS			
Accumulated funds		1,508,473	1,201,193
TOTAL FUNDS		**1,508,473**	**1,201,193**

The accompanying notes form part of these financial statements

EPILEPSY ACTION AUSTRALIA

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 $	2020 $
Revenue			
Operating revenue	4	3,387,635	5,462,740
Other income	4	182,127	24,315
		3,569,762	5,487,055
Expenses			
Administration expenses		(551,654)	(1,130,150)
Depreciation and amortisation	5	(181,002)	(184,119)
Employee benefits expense		(1,790,744)	(2,225,468)
Events expenses		(67,060)	(10,621)
Fair value loss on financial assets	5	-	(90,239)
Finance costs	5	(11,922)	(16,007)
Loss on disposal of property, plant and equipment	5	-	(3,100)
Loss on sale of financial assets	5	-	(18,925)
Lottery prizes		-	(33,513)
Marketing expenses		(127,971)	(141,686)
Training expenses		(348)	(3,921)
Travel expenses		(4,456)	(35,159)
Other expenses		(527,325)	(491,393)
		(3,262,482)	(4,384,301)
Surplus before income tax		307,280	1,102,754
Income tax expense		-	-
Surplus for the year		307,280	1,102,754
Other comprehensive income for the year		-	-
Total comprehensive income for the year		**307,280**	**1,102,754**

The accompanying notes form part of these financial statements

EPILEPSY ACTION AUSTRALIA

STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 30 JUNE 2021

	Accumulated Funds	Total
	$	$
Balance at 1 July 2019	98,439	98,439
Comprehensive income		
Surplus for the year	1,102,754	1,102,754
Other comprehensive income	-	-
Total comprehensive income for the year	1,102,754	1,102,754
Balance at 30 June 2020	**1,201,193**	**1,201,193**
Balance at 1 July 2020	1,201,193	1,201,193
Comprehensive income		
Surplus for the year	307,280	307,280
Other comprehensive income	-	-
Total comprehensive income for the year	307,280	307,280
Balance at 30 June 2021	**1,508,473**	**1,508,473**

The accompanying notes form part of these financial statements

EPILEPSY ACTION AUSTRALIA

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 $	2020 $
Cash flows from operating activities			
Receipts from customers and government		2,660,122	3,554,797
Payments to suppliers and employees		(3,428,074)	(4,356,382)
Donations, legacies and fundraising income		236,590	123,518
Government grants received		907,480	926,585
Interest received		2,306	5,100
Interest paid - leases		(11,922)	(16,007)
Dividends received		28,130	24,315
Net cash flows from operating activities		394,632	261,926
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		-	474
Proceeds from sale of financial assets		-	436,201
Purchase of property, plant and equipment		(3,990)	(22,469)
Purchase of intangible assets		(7,300)	(11,500)
Purchase of financial assets		-	(427,798)
Net cash flows from investing activities		(11,290)	(25,092)
Cash flows from financing activities			
Repayment of lease liabilities		(174,247)	(115,005)
Net cash flows from financing activities		(174,247)	(115,005)
Net increase (decrease) in cash and cash equivalents		209,095	121,829
Cash and cash equivalents at the beginning of the financial year		651,738	529,909
Cash and cash equivalents at the end of the financial year	6	**860,833**	**651,738**

The accompanying notes form part of these financial statements

EPILEPSY ACTION AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

Note 1 - Corporate information

The financial report includes the financial statements and notes of Epilepsy Action Australia ('the company'). Epilepsy Action Australia is registered as a company limited by guarantee and not having a share capital under the provisions of the *Australian Charities and Not-for-profits Commission Act 2012*.

The company provides services to all those affected by epilepsy, including self-management resources and tools, tailored plans, emotional support and access to a network of specialist providers.

The registered address and principal place of business of the company is:
Suite 7.02, Level 7, 18-20 Orion Road
LANE COVE WEST NSW 2066

The financial statements were approved by the Board of Directors on 30 August 2021.

Note 2 - Basis of preparation

Statement of compliance
These general purpose financial statements have been prepared in compliance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and *Australian Accounting Standards - Simplified Disclosures*. The company is a not-for-profit entity for the purposes of preparing these financial statements.

The company has opted to adopt AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* ahead of its mandatory effective date of 1 July 2021. Other than the change in disclosure requirements, the adoption of AASB 1060 has no significant impact on the financial statements because the company's previous consolidated financial statements complied with *Australian Accounting Standards - Reduced Disclosure Requirements*.

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

Comparatives
Where required by Accounting Standards or to achieve consistency in financial statements presentation, the prior year financial comparatives have been adjusted to conform with current year disclosures and allow comparison with current financial year disclosures.

Critical accounting estimates and judgements
The Directors evaluate estimates and judgements 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.

Key estimates
Impairment - general
The Directors assess impairment at the end of each reporting period by evaluation of conditions and events specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Estimation of useful lives of assets
The estimation of the useful lives of assets has been based on historical experience as well as manufacturers' warranties (for plant and equipment) and turnover policies (for motor vehicles). In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

EPILEPSY ACTION AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

Note 2 - Basis of preparation (continued)

New and revised standards that are effective for these financial statements
Several amendments to Australian Accounting Standards and interpretations are mandatory for the 30 June 2021 reporting period. These include:

AASB 2018-6: Definition of a Business (amendments to *AASB 3*)
AASB 2018-7: Definition of Material (amendments to *AASB 101* and *AASB 108*)
AASB 2019-1: References to the Conceptual Framework (revises the Conceptual Framework for Financial Reporting)
AASB 2020-4: Amendments to AASs - Covid-19-Related Rent Concessions (amendments to *AASB 16*)

The amendments listed above did not have any impact on the amounts recognised in the current or prior periods but may affect future periods.

New standards and interpretations not yet adopted
Certain new accounting standards, amendments and interpretations have been published that are not mandatory for 30 June 2021 reporting periods and have not been early adopted by the company. These include:

AASB 2020-1: Amendments to AASs - Classification of Liabilities as Current or Non-current (effective for the year ending 30 June 2024)

It is not expected that AASB 2020-1 will have a material impact on the company in future reporting periods.

Going concern
The financial statements are prepared on a going concern basis.

The company's Directors have performed a detailed budget analysis for the forthcoming twelve months from adoption of these financial statements and developed plans to manage the business of the company to the expected revenues. The Directors also have initiatives and plans in place to improve the profitability and cash flow of the company in the short term.

On the basis that the 2021-22 forecast results can be achieved, including the receipt of ongoing support from the company's donors, benefactors, sponsors, other givers and the Commonwealth government; and that the financial implications of the COVID-19 virus (refer Note 20) do not significantly impact on the company's ability to pay its debts as and when they become due and payable, the Directors believe that the company is a going concern and that the assets and liabilities will be realised at the values presented in the financial statements.

Note 3 - Significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Goods and services tax (GST)
Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

Income tax
Epilepsy Action Australia is a not-for-profit exempt institution from income tax under Division 50 of the *Income Tax Assessment Act 1997*. Epilepsy Action Australia has deductible gift recipient (DGR) status.

EPILEPSY ACTION AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

Note 3 - Significant accounting policies (continued)

Revenue recognition
Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes including goods and services tax (GST). Revenue is recognised for the major business activities as follows:

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.

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

Donations
Income arising from the contribution of an asset (including cash) is recognised when the following conditions have been satisfied:

(a) the company obtains control of the contribution or the right to receive the contribution;
(b) it is probable that the economic benefits comprising the contribution will flow to the company; and
(c) the amount of the contribution can be measured reliably at the fair value of the consideration received.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of twelve months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

Trade receivables
For all sources of recurrent income, trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the statement of profit or loss and other comprehensive income.

Property, plant and equipment
Recognition and measurement
Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income.

Subsequent costs
Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, 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.

EPILEPSY ACTION AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

Note 3 - Significant accounting policies (continued)

Property, plant and equipment (continued)

Carrying Amount

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

Depreciation

The depreciable amount of all property, plant and equipment and capital works in progress, is depreciated on a straight line basis over the asset's useful life to the company commencing from the time the asset is held ready for use.

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

IT equipment	33%
Furniture and equipment	20% - 33%
Motor vehicles	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. 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.

Right-of-use assets

At inception, a right-of-use asset and a lease liability is recognised. Right-of-use assets are included in the *Statement of Financial Position* within a classification relevant to the underlying asset.

Right-of-use assets are initially measured at cost, comprising of the following:

- the amount of the initial measurement of the lease liability
- Any lease payments made at or before the commencement date, less any lease incentives received
- Any initial direct costs incurred
- An estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred either at the commencement date or as a consequence of having used the underlying asset during a particular period

Subsequently, right-of-use assets are measured using a cost model. The right-of-use asset is depreciated to the earlier of the useful life of the asset or the lease term using the straight-line method and is recognised in the statement of profit or loss and other comprehensive income in "Depreciation and amortisation".

The company tests for impairment where there is an indication that a right-of-use asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of a right of use asset is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount. The resulting impairment loss is recognised immediately in surplus or deficit, except where the decrease reverses a previously recognised revaluation increase for the same asset.

The resulting decrease is recognised in other comprehensive income to that extent and reduces the amount accumulated in equity under revaluation surplus, and future depreciation charges are adjusted in future periods to allocate the revised carrying amount, less its residual value, on a systematic basis over its remaining useful life.

EPILEPSY ACTION AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

Note 3 - Significant accounting policies (continued)

Leases
The company leases business premises on an arm's length basis from a third-party lessor. A lease is a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration.

At inception of a contract, it is assessed to determine whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. If the terms and conditions of a contract are changed, it is reassessed to once again determine if the contract is still, or now contains, a lease.

The term of a lease is determined as the non-cancellable period of the lease, together with the periods covered by an option to extend the lease where there is reasonable certainty that the option will be exercised, and periods covered by an option to terminate the lease if there is reasonable certainty that the option will not be exercised.

The assessment of the reasonable certainty of the exercising of options to extend the lease, or not exercising of options to terminate the lease, is reassessed upon the occurrence of either a significant event or a significant change in circumstances that is within the company's control and it affects the reasonable certainty assumptions. The assessment of the lease term is revised if there is a change in the non-cancellable lease period.

The company does not recognise leases that have a lease term of 12 months or less or are of low value as a right-of-use asset or lease liability. The lease payments associated with these leases are recognised as an expense in the statement of profit or loss and other comprehensive income on a straight-line basis over the lease term.

Lease liability
At the commencement date of the lease, the lease liability is initially recognised for the present value of non-cancellable lease payments discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate.

The tenor of a lease includes any renewal period where the lessee is reasonably certain that they will exercise the option to renew. The company has reviewed all its leases and included any extensions where the company assessed it is reasonably certain the lease agreement will be renewed.

The lease payment used in the calculation of the lease liabilities should include variable payments when they relate to an index or rate. Where leases contain variable lease, payments based on an index or rate at a future point in time, the company has used the incremental uplift contained in the lease or the respective Reserve Bank forward-looking CPI target for CPI-related increases.

In the absence of any floor or cap clauses in the lease agreements, the company measures the rent for the year under market review at an amount equal to the rent of the year preceding the market review increased by a fixed rate.

The lease liability is initially measured at the present value of the lease payments that are not yet paid at the commencement date. Lease payments are discounted using the relevant company's incremental borrowing rate. The incremental borrowing rate used for this calculation is dictated by the tenor of the lease and the location of the asset. The incremental borrowing rate is the rate the company would be charged on borrowings, provided by our banking partners. The weighted average incremental borrowing rate is 3.0%. The following lease payments being fixed payments, less any lease incentives receivable are included where they are not paid at the commencement date.

Note 3 - Significant accounting policies (continued)

Lease liability (continued)
Subsequently, the lease liability is measured by:

- increasing the carrying amount to reflect interest on the lease liability
- reducing the carrying amount to reflect the lease payments made
- remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments

The unwind of the financial charge on the lease liabilities is recognised in the *Statement of Profit or Loss and Other Comprehensive Income* in "Finance costs" based on the company's incremental borrowing rate.

Financial instruments
Initial recognition and measurement
Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions to the instrument. For financial assets this is equivalent to the date that the company commits itself to either purchase or sell the asset. Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are expensed to profit or loss immediately. Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component.

Classification and subsequent measurement
Financial assets
Financial assets other than those designated and effective as hedging instruments are classified upon initial recognition into the following categories:

- amortised cost
- equity instruments at fair value through other comprehensive income (FVOCI)
- fair value through profit or loss (FVPL)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance income or finance costs, except for impairment of trade receivables which are disclosed with other expenses.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset
- the business model for managing the financial asset

Financial assets at amortised cost
Financial assets are measured at amortised cost if the asset meets the following conditions (and are not designated as FVPL):

- the financial asset is managed solely to collect contractual cash flows
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates

Equity instruments at fair value through other comprehensive income
Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at fair value through other comprehensive income. Subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss unless the dividend clearly represents return of capital. By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

EPILEPSY ACTION AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

Note 3 - Significant accounting policies (continued)

Financial instruments (continued)
Financial assets at fair value through profit or loss
Financial assets that are held within a different business model other than to "hold and collect" or "hold to collect and sell" are categorised at fair value through profit or loss. The initial designation of financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Impairment of financial assets
The impairment requirements as applicable under AASB 9 use more forward-looking information to recognise expected credit losses. Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due, and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument

The Directors considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument. In applying this approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk
- financial instruments that have deteriorated significantly in credit quality since initial recognition and the credit risk is not low
- financial assets that have objective evidence of impairment at reporting date

The loss allowance for the first category is measured as "12-month expected credit loss" and for the second category is measured as "lifetime expected credit losses".

Intangible assets
General
Intangible assets acquired separately are capitalised at fair value as at the date of acquisition. Following initial recognition, the cost model is applied to the class of intangible assets. The useful lives of intangible assets are assessed to be either finite or indefinite. Where amortisation is charged on intangible assets with finite lives, this expense is taken to the statement of comprehensive income through the "depreciation and amortisation" line item. Intangible assets, excluding capitalised development costs, created within the business are not capitalised and expenditure is recognised in profit or loss in the year in which the expenditure is incurred.

Software
Software has a finite useful life and is carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of the software over its estimated useful life of between 3 and 5 years.

Impairment of assets
Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount.

Note 3 - Significant accounting policies (continued)

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

Income received in advance
Income, other than government contract income, that is received before the service to which the payment relates has been provided is recorded as a liability until such time as the service has been provided, at which time it is recognised in the statement of comprehensive income.

Unexpended grants
The company receives grant monies to fund projects either for contracted periods of time or for specific projects irrespective of the period of time required to complete these projects. It is the policy of the company to treat grant monies as revenue in advance in the statement of financial position where the company is contractually obliged to provide the services in a subsequent financial period to when the grant is received or in the case of specific project grants where the project has not been completed.

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 outflows are discounted using market yields on high quality corporate bonds with terms to maturity that match the expected timing of cash flows.

Fair value of assets and liabilities
The company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard. Fair value is the price the company would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the company at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

EPILEPSY ACTION AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

Note 3 - Significant accounting policies (continued)

Fair value of assets and liabilities (continued)
The fair value of liabilities and the company's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Financial impacts of COVID-19
During and subsequent to the end of the financial year there have been considerable economic impacts in Australia and globally arising from the outbreak of the COVID-19 virus and government actions to reduce the spread of the virus. Where practicable, the financial impacts of COVID-19 to the company's financial assets and liabilities have been separately identified and disclosed in the financial statements.

EPILEPSY ACTION AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021 $	2020 $
Note 4 - Revenue and other income		
Operating revenue		
Community fundraising	225,575	61,290
Bequests	542,317	2,102,663
Donations	1,079,221	1,313,496
Government grants (refer Note 23)	582,730	708,085
COVID-19 support income	324,750	218,500
Interest income	2,306	5,100
Lottery income	6,824	499,394
Membership	3,954	10,877
Sale of goods	171,597	180,027
Service fees	338,097	245,796
Sponsorship	46,500	-
Submission based fundraising	11,015	62,228
Other operating revenue	52,749	55,284
Total operating revenue	3,387,635	5,462,740
Other income		
Dividends received	28,130	24,315
Fair value gain on financial assets	153,997	-
Total other income	182,127	24,315
Total revenue and other income	3,569,762	5,487,055
Note 5 - Expenses		
Depreciation and amortisation		
Property, plant and equipment	20,083	22,105
Right-of-use assets	129,615	131,408
Software and website	31,304	30,606
Total depreciation and amortisation	181,002	184,119
Finance costs - lease liability	11,922	16,007
Fair value loss on financial assets	-	90,239
Net loss on disposal of property, plant and equipment	-	3,100
Net loss on sale of financial assets	-	18,925
Note 6 - Cash and cash equivalents		
Cash at bank and on hand	576,578	452,550
Deposits at call	284,255	199,188
Total cash and cash equivalents	860,833	651,738
Note 7 - Trade and other receivables		
Current		
Trade receivables	22,191	21,623
Other receivables	7,595	89,105
Total current trade and other receivables	29,786	110,728
Note 8 - Other assets		
Current		
Prepayments	53,505	99,653
Total other assets	53,505	99,653

EPILEPSY ACTION AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

Note 9 - Financial assets

	2021 $	2020 $
Current		
Managed investments	880,472	726,475
Total financial assets	880,472	726,475
Movements in carrying amount		
Opening net carrying amount	726,475	-
Additions	-	1,271,840
Disposals	-	(455,126)
Fair value gain (loss)	153,997	(90,239)
Closing net carrying amount	880,472	726,475

Note 10 - Property, plant and equipment

	Leasehold Improvements $	IT Equipment $	Furniture and Equipment $	Total $
At 30 June 2020				
Cost	27,080	50,974	54,497	132,551
Accumulated depreciation	(10,911)	(31,786)	(51,431)	(94,128)
Net carrying amount	16,169	19,188	3,066	38,423
Movements in carrying amounts				
Opening net carrying amount	16,169	19,188	3,066	38,423
Additions	-	3,758	232	3,990
Depreciation charge for the year	(5,416)	(12,411)	(2,256)	(20,083)
Closing net carrying amount	10,753	10,535	1,042	22,330
At 30 June 2021				
Cost	27,080	54,733	54,729	136,542
Accumulated depreciation	(16,327)	(44,198)	(53,687)	(114,212)
Net carrying amount	10,753	10,535	1,042	22,330

Note 11 - Intangible assets

	Software $	Website $	Total $
At 30 June 2020			
Cost	1,155,937	-	1,155,937
Accumulated amortisation	(1,097,799)	-	(1,097,799)
Net carrying amount	58,138	-	58,138
Movements in carrying amounts			
Opening net carrying amount	58,138	-	58,138
Additions	-	7,300	7,300
Amortisation charge for the year	(31,304)	-	(31,304)
Closing net carrying amount	26,834	7,300	34,134
At 30 June 2021			
Cost	1,155,937	7,300	1,163,237
Accumulated amortisation	(1,129,103)	-	(1,129,103)
Net carrying amount	26,834	7,300	34,134

EPILEPSY ACTION AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021 $	2020 $
Note 12 - Right-of-use assets		
Leased offices - at cost	705,051	671,012
Accumulated depreciation	(5,875)	(292,214)
Total right-of-use assets	699,176	378,798
Movements in carrying amounts		
Opening net carrying amount	378,798	503,860
Additions - new leases	705,051	-
Restatement of carrying amount	-	6,346
Terminated leases	(255,058)	-
Depreciation charge for the year	(129,615)	(131,408)
Closing net carrying amount	699,176	378,798

Leasing information

Epilepsy Action Australia leases it's principal place of business on an arm's length basis from a third party lessor. The lease term commenced in June 2021 and concludes in June 2026. A lease liability has been recognised in the financial statements (refer Note 14) for the discounted value of the lease payments to be made by the company up to and including June 2026.

	2021 $	2020 $
Note 13 - Trade and other payables		
Current		
Trade payables	56,278	65,454
Income in advance	28,479	39,502
Other payables	79,062	114,279
Total current trade and other payables	163,819	219,235
Note 14 - Lease liabilities		
Current		
Lease liabilities	141,289	135,265
Total current lease liabilities	141,289	135,265
Non-current		
Lease liabilities	558,190	288,468
Total non-current lease liabilities	558,190	288,468
Movements in carrying amounts		
Opening net carrying amount	423,733	476,759
Additions - new leases	705,051	-
Repayments	(186,169)	(131,012)
Terminated leases	(255,058)	
Restatement of carrying amount	-	61,979
Interest	11,922	16,007
Closing net carrying amount	699,479	423,733

EPILEPSY ACTION AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	2021 $	2020 $
Note 15 - Employee benefits		
Current		
Annual leave	87,466	98,015
Long service leave	98,043	107,553
Total current employee benefits	185,509	205,568
Non-current		
Long service leave	22,956	14,224
Total non-current employee benefits	22,956	14,224
Movements in carrying amount		
Opening net carrying amount	219,792	217,731
Additional provision recognised	34,781	24,933
Provision utilised during the year	(46,109)	(22,872)
Closing net carrying amount	208,465	219,792

Note 16 - Key management personnel

Remuneration of key management personnel

The aggregate amount of compensation paid to key personnel during the year was:	539,498	755,045

Note 17 - Related party transactions

Directors' remuneration

Non Executive Directors were not entitled to and did not receive any benefits during the year. The Directors act in an honorary capacity to Epilepsy Action Australia. 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.

Note 18 - Economic dependency

The company is not economically dependent on any one single supplier or client. The company is substantially dependent on the ongoing support of benefactors and donors, as well as securing government funding to underwrite various programs and activities.

Note 19 - Limitation of members' liability

The company is incorporated as a company limited by guarantee, and in accordance with the constitution the liability of members in the event of the company being wound up would not exceed $10 per member. At 30 June 2021 the number of members of this company was 70 (2020: 74).

Note 20 - Events occurring after balance date

Subsequent to the end of the financial year, there remains a degree of uncertainty in relation to future economic and other impacts of the COVID-19 pandemic, emergency control measures and progressive withdrawal of Government emergency support.

At the date of signing the financial statements the Directors are unable to determine what financial effects the outbreak of the virus could have on the Company in the coming financial period.

The Directors acknowledge their responsibility to continuously monitor the situation and evaluate this impact including its ability to pay its debts as and when they become due and payable.

There were no other significant events occurring after balance date.

EPILEPSY ACTION AUSTRALIA

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

Note 21 - Charitable fundraising activities

Details of aggregate gross income and total expenses of Fundraising appeals

The *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 included as income 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 and money received from designated appeals are allocated against that appeal if received within 14 weeks of mailing. After this time unless it is 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.

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

Activity	Proceeds $	Cost $	Surplus $	*2021 %*	*2020 %*
Mail Appeals	431,309	199,006	232,303	*46%*	*49%*
Regular Giving	515,410	18,069	497,341	*4%*	*4%*
	946,719	**217,076**	**729,643**	***23%***	***45%***

Note 22 - Auditor's remuneration

	2021 $	2020 $
Fees paid to StewartBrown, Chartered Accountants:		
- Audit of the financial report	26,300	25,500
- Preparation of the financial report	3,800	3,700
Total auditor's remuneration	30,100	29,200

Note 23 - Government grants

The company has recognised government grant revenue from the following levels of government and departments:

Commonwealth		
Department of Health	280,707	442,346
Department of Social Services	4,391	-
	285,098	442,346
State - New South Wales		
Department of Communities and Justice	172,132	127,639
NSW Ministry of Health	125,500	138,100
	297,632	265,739
Total government grants	582,730	708,085

EPILEPSY ACTION AUSTRALIA
ABN 61 000 533 791

FINANCIAL REPORT - 30 JUNE 2021

DIRECTORS' DECLARATION

The Directors of the Epilepsy Action Australia declare that:

1. The financial statements, which comprises the statement of financial position as at 30 June 2021, and the statement of profit or loss and other comprehensive income, statement of changes in funds and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:

   (a) comply with *Australian Accounting Standards - Simplified Disclosures* (including Australian Accounting Interpretations) and the *Australian Charities and Not-for-profits Commission Regulation 2013*; and

   (b) give a true and fair view of the financial position of the company as at 30 June 2021 and of its performance for the year ended on that date.

2. In the opinion of the Directors 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.

Susan Price
Chair

Sydney, 30 August 2021

EPILEPSY ACTION AUSTRALIA
ABN 61 000 533 791

FINANCIAL REPORT - 30 JUNE 2021

DIRECTORS' DECLARATION UNDER THE CHARITABLE FUNDRAISING ACT 1991

In the opinion of the Directors of Epilepsy Action Australia:

(i) The financial statements and notes thereto give a true and fair view of all income and expenditure with respect to fundraising appeals conducted by the company for the year ended 30 June 2021; and

(ii) The statement of financial position as at 30 June 2021 gives a true and fair view of the state of affairs of the company with respect to fundraising appeals conducted by the company; and

(iii) The provisions of the *Charitable Fundraising Act 1991*, the regulations under that Act, and the conditions attached to the authority to fundraise have been complied with by the company; and

(iv) The internal controls exercised by the company are appropriate and effective in accounting for all income received and applied by the company from any of its fundraising appeals.

This declaration is made in accordance with a resolution of the Board of Directors.

Susan Price
Chair

Sydney, 30 August 2021

StewartBrown
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EPILEPSY ACTION AUSTRALIA
ABN 61 000 533 791

FINANCIAL REPORT - 30 JUNE 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EPILEPSY ACTION AUSTRALIA

Opinion

We have audited the financial report of Epilepsy Action Australia which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in funds 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.

In our opinion, the accompanying financial report of Epilepsy Action Australia is 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 2021 and of its financial performance for the year then ended, and

b) complying with *Australian Accounting Standards - Simplified Disclosures* and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibility for the Audit of the Financial Report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the Directors of the company, would be in the same terms if given to the Directors as at the time of this auditor's report.

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

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* and for such internal control as the Directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

The Directors are responsible for overseeing the company's financial reporting process.

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EPILEPSY ACTION AUSTRALIA
ABN 61 000 533 791

FINANCIAL REPORT - 30 JUNE 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EPILEPSY ACTION AUSTRALIA

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at *The Auditing and Assurance Standards Board* and the website address is http://www.auasb.gov.au/Home.aspx

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In addition, our audit report has also been prepared for the members of the company in accordance with section 24(2) of the *Charitable Fundraising Act 1991*. Accordingly, we have performed additional work beyond that which is performed in our capacity as auditors pursuant to the *Australian Charities and Not-for-profits Commission Act 2012*. These additional procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the *Charitable Fundraising Act 1991* and Regulations.

It should be noted that the accounting records and data relied upon for reporting on fundraising appeal activities are not continuously audited and do not necessarily reflect after the event accounting adjustments and the normal year-end financial adjustments for such matters as accruals, prepayments, provisioning and valuations necessary for year-end financial report preparation.

The performance of our statutory audit included a review of internal controls for the purpose of determining the appropriate audit procedures to enable an opinion to be expressed on the financial report. This review is not a comprehensive review of all those systems or of the system taken as a whole and is not designed to uncover all weaknesses in those systems.

The audit opinion expressed in this report pursuant to the *Charitable Fundraising Act 1991* has been formed on the above basis.

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EPILEPSY ACTION AUSTRALIA
ABN 61 000 533 791

FINANCIAL REPORT - 30 JUNE 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EPILEPSY ACTION AUSTRALIA

Auditor's opinion

Pursuant to the requirements of Section 24(2) of the *Charitable Fundraising Act 1991* we report that, in our opinion:

a) the financial report gives a true and fair view of the financial result of fundraising appeal activities for the financial year ended 30 June 2021; and

b) the financial report has been properly drawn up, and the associated records have been properly kept for the period 1 July 2020 to 30 June 2021, in accordance with the *Charitable Fundraising Act 1991* and Regulations; and

c) money received as a result of fundraising appeal activities conducted during the period 1 July 2020 to 30 June 2021 has been properly accounted for and applied in accordance with the *Charitable Fundraising Act 1991* and Regulations; and

d) at the date of this report there are reasonable grounds to believe that company will be able to pay its debts as and when they become due and payable.

StewartBrown
Chartered Accountants

S.J. Hutcheon
Partner

30 August 2021

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