



Epilepsy Foundation

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2022

A.B.N. 75 967 571 784



EPILEPSY FOUNDATION



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DIRECTORY

Registered Address	587 Canterbury Road Surrey Hills VIC 3127
Auditor	BDO Audit Pty Ltd.
The Board	
Chairman	Mr. Joseph Azoulay
Directors	Mr. Jim Campbell Mr. Andrew Macmillan Dr. Christine Walker Ms. Kate Marshall Prof. Mark Cook Ms. Lynne Gallucci Ms. Christine Edwards
Company Secretary	Mr. Graeme Shears Ms Bronwen Köhne

EPILEPSY FOUNDATION



DIRECTORS' REPORT

The Directors of the Epilepsy Foundation submits their report together with the Financial Statements of the Company for the financial year ended 30 June 2022.

DIRECTORS

The following persons held office during the whole of the financial year, unless otherwise stated:

	Board	
	A	B
Prof Mark Cook	5	3
Dr Christine Walker	5	5
Mr Jim Campbell	5	5
Ms Kate Marshall	5	5
Mr Joseph Azoulay (Chair)	5	5
Mr Andrew Macmillan	5	4
Ms Lynne Gallucci	5	5
Ms Christine Edwards	5	3
Mr. Graeme Shears (Company Secretary & CEO)	5	5
Ms. Bronwen Kohne (Company Secretary)	5	5

A - Number of Meetings eligible during the year

B - Number of Meetings attended

CORPORATE INFORMATION

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

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

PRINCIPAL ACTIVITIES

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

SHORT TERM OBJECTIVES

The Company's short-term objectives are to

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

EPILEPSY FOUNDATION

- Raise funds to support research into reducing the impact of epilepsy.

LONG TERM OBJECTIVES

The Company's long-term objective is to ensure no one has to go it alone with epilepsy in Australia. Our vision is to ensure that people with epilepsy have equitable access to education and employment, feel safe and connected in their community and no longer die from their Epilepsy.

STRATEGY FOR ACHIEVING SHORT AND LONG-TERM OBJECTIVES

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

- Undertake research into the impacts of epilepsy on people's lives
- Develop and refine better practice programs in the areas important to people living with epilepsy
- Build community understanding and support.
- Ensure programs are available to all who need them.

To support this, we are developing the Epilepsy Smart Australia Program (ESAP). The Epilepsy Foundation is working collaboratively to ensure that all Australian people, no matter their cultural background, age or location, can access and benefit this program.

We're also working with medical specialists to support cutting edge research through the Australian Epilepsy Research Fund (AERF). We aim to find improved treatments for epilepsy, with the goal of one day discovering a cure, and to identify the best information for supporting people living with epilepsy today.

PERFORMANCE MEASURES

The Epilepsy Foundation measures its performance mainly in

- Increased trend in individuals supported and trained in understanding epilepsy
- Increased trend in funds available to fund research and enable provision of best practice service across Australia.
- Increased in number and state representation in the Australian Epilepsy Research Register.

SIGNIFICANT CHANGES

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

OPERATING RESULT

The loss from ordinary activities for the year amounted to \$103,112 (2021: profit from ordinary activities of \$1,848,557).

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AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration has been received for the year ended 30 June 2022 and can be found on page 10 of this Financial Report.

MEMBERS GUARANTEE

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

ROUNDING OF AMOUNTS

Epilepsy Foundation is a type of Company referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and therefore the amounts contained in this report and in the Financial Statements have been rounded to the nearest dollar.

EPILEPSY FOUNDATION

SUB-COMMITTEE MEMBERSHIP AND MEETING ATTENDANCE

	Finance Audit & Risk Management	
	A	B
Subcommittee Members		
Ms Lynne Gallucci (Chair)	12	11
Mr Jim Campbell	12	12
Mr Dennis Clark	12	9
Meeting Attendees		
Ms Kate Marshall (Director)	2	2
Dr Christine Walker (Director)	1	1
Mr. Graeme Shears (Company Secretary & CEO)	12	12
Ms Bronwen Kohne (Company Secretary)	12	12
Mr Jason Rajit (Staff)	12	12
Mr Brendan Lillywhite (Staff)	3	3
Ms Nicole Coulthard (Staff)	1	1
Ms Helen Smith (Staff)	1	1
Ms Sharmila Lakshamanan (Staff)	1	1
Ms Lisa Wait (Staff)	1	1

A - Number of Meetings eligible

Signed in accordance with a resolution of the Directors by:



Mr. Joseph Azoulay – Chairman



Ms. Lynne Gallucci - Director

Dated at Melbourne, Victoria: 28 October 2022

EPILEPSY FOUNDATION

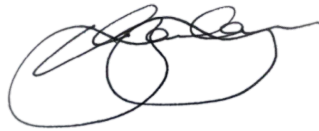
DIRECTORS' DECLARATION

In the Directors' opinion:

- The attached Financial Statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards – Simplified Disclosures, the *Australian Charities and Not-for-profits Commission Regulation 2012*, the Corporations Regulations 2001 and other mandatory professional reporting requirements.
- The attached Financial Statements and notes give a true and fair view of the Company's financial position as at 30 June 2022 and its performance for the financial year ended on that date and
- There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to Section 295(5)(a) of the Corporations Act 2001.

On Behalf of the Directors:



Mr. Joseph Azoulay – Chairman



Ms. Lynne Gallucci - Director

Dated at Melbourne, Victoria: 28 October 2022

INDEPENDENT AUDITOR'S REPORT

To the members of Epilepsy Foundation

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Epilepsy Foundation (the registered entity), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of Epilepsy Foundation, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) Giving a true and fair view of the registered entity's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards - Simplified Disclosures and Division 60 of 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 responsibilities for the audit of the Financial Report* section of our report. We are independent of the registered entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The responsible entities of the registered entity are responsible for the other information. The other information obtained at the date of this auditor's report is information included in directors' report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of responsible entities for the Financial Report

The responsible entities of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosures and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, responsible entities are responsible for assessing the registered entity'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 responsible entities either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

The responsible entities of the registered entity are responsible for overseeing the registered entity's financial reporting process.

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 website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd



Elizabeth Blunt
Director

Melbourne, 28 October 2022

DECLARATION OF INDEPENDENCE BY ELIZABETH BLUNT TO THE DIRECTORS OF EPILEPSY FOUNDATION

As lead auditor of Epilepsy Foundation for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profit Commission Act 2012* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.



Elizabeth Blunt
Director

BDO Audit Pty Ltd

Melbourne, 28 October 2022

EPILEPSY FOUNDATION
STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
Fundraising			
Donations	2	1,610,319	2,270,558
Non Deductible Gifts		39,818	14,094
Contributions		28,895	19,092
Opportunity Shop Income		795,422	717,031
Grants Income		6,839,313	4,183,147
Government COVID-19 Support	3	-	865,700
Interest & Investment Income		28,135	27,900
Service Fees/ Education & Training		401,227	366,809
Sundry Income		167,769	201,338
Merchandise Income		15,800	13,602
Gain on Sale of Fixed Assets		-	15,344
Net Change in Financial Assets held at FVTPL		(4,512)	22,658
Total Revenue from Continuing Operations		9,922,186	8,717,273
Administration Expenses	4	679,547	407,864
Conference and Travel Expenses		20,649	14,073
Depreciation and Amortisation Expense	5	552,719	538,657
Direct Fundraising Expenses		387,246	298,186
Direct Op Shop Expenses		139,854	125,967
Finance Expenses		21,535	25,317
Motor Vehicle Expenses		40,730	39,363
Personnel Expenses	6	7,274,303	4,771,037
Property Expenses	7	124,962	118,910
Grants Expense		783,753	529,342
Total Expenditure from Continuing Operations		10,025,298	6,868,716
Net (Loss)/Surplus for the Year		(103,112)	1,848,557
Other Comprehensive Income			
Gain on the revaluation of Equity instruments at fair value through other comprehensive income		157,202	222,199
Total Other Comprehensive Income for the Year		157,202	222,199
Total Comprehensive Income for the Year		54,090	2,070,756

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

EPILEPSY FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note	2022 \$	2021 \$
Assets			
Current Assets			
Cash & Cash Equivalents	16	12,414,631	12,893,070
Trade & Other Receivables	8	152,381	142,418
Inventory		6,238	13,432
Total Current Assets		12,573,250	13,048,920
Non-Current Assets			
Property, Plant & Equipment	9	4,196,486	4,176,719
Right of Use Asset	10	466,954	487,608
Intangible Assets	11	5,305	-
Financial Assets	12	1,375,522	992,217
Total Non-Current Assets		6,044,267	5,656,544
Total Assets		18,617,517	18,705,464
Liabilities			
Current Liabilities			
Trade Creditors and Other Payables	13	1,308,992	1,060,522
Contract Liability	14	8,189,987	8,675,986
Lease Liability	15	231,093	245,807
Employee Entitlements	17	762,925	624,481
Total Current Liabilities		10,492,997	10,606,796
Non-Current Liabilities			
Employee Entitlements	17	40,189	53,803
Lease Liability	15	255,971	270,595
Total Non-Current Liabilities		296,160	324,398
Total Liabilities		10,789,157	10,931,194
Net Assets		7,828,360	7,774,270
Funds			
Reserves	18	508,698	402,929
Retained Earnings		7,319,662	7,371,341
Total Funds		7,828,360	7,774,270

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

EPILEPSY FOUNDATION
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	Reserves	Retained Earnings	Total
Balance at 1 July 2020	(1,656)	5,705,170	5,703,514
Net Surplus for the year	-	1,848,557	1,848,557
Other Comprehensive Income for the year	222,199	-	222,199
Transfer to/(from) Reserves	182,386	(182,386)	-
Balance at 30 June 2021	402,929	7,371,341	7,774,270
Net Loss for the year	-	(103,112)	(103,112)
Other Comprehensive Income for the year	157,202	-	157,202
Transfer to/(from) Reserves	(51,432)	51,432	-
Balance at 30 June 2022	508,699	7,319,661	7,828,360

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

EPILEPSY FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Receipts from:			
Public/Customers		3,250,854	3,924,395
Government Grants		6,366,812	7,275,200
Lease Finance Interest Paid		(21,535)	(25,317)
Payments to Suppliers and Employees		(9,257,270)	(6,453,045)
Net Cash flows from operating activities		338,861	4,721,233
Cash flows from investing activities			
Proceeds from Sale of Property, Plant and Equipment		-	30,000
Proceeds from Disposal of Investments		100,000	100,000
Interest Received		18,043	15,015
Investment Income Received		10,092	16,184
Purchase of Investments		(330,616)	(250,000)
Purchase of Property, Plant and Equipment		(318,144)	(289,758)
Net Cash Flows used in investing activities		(520,625)	(378,559)
Cash flows from financing activities			
Lease Payments		(296,674)	(334,264)
Net Cash Flows used in financing activities		(296,674)	(334,264)
Net increase in cash and cash equivalents		(478,438)	4,008,410
Cash and cash equivalents at beginning of year		12,893,070	8,884,660
Cash and cash equivalents at end of the year	16	12,414,632	12,893,070

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



NOTES TO THE FINANCIAL STATEMENTS

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NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australia Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Standards did not have any significant impact on the financial performance of the Company.

The following Accounting Standards and Interpretations are most relevant to the Company:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The Company has adopted the revised Conceptual Framework from 1 July 2021. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the company's financial statements.

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

The Company has adopted AASB 1060 from 1 July 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements for key management personnel and related parties.

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures and the *Australian Charities and Not-For-Profit Commission Act 2012*. Epilepsy Foundation is a not-for-profit company for the purpose of preparing the financial statements.

The Financial Statements has also been prepared on an accrual basis and based on historical cost, except for investments, which have been measured at fair value.

The Financial Statement are presented in Australian dollars and all values are rounded to the nearest dollar. The preparation of the Financial Statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Epilepsy Foundation's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1.11.

1.1 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are carried at cost less any accumulated depreciation, unless otherwise stated. Non-current assets (items over \$1,000) are capitalised and depreciated to write off the cost or revalued amount of each item of plant and equipment (excluding land), over its expected useful life to the Epilepsy Foundation. Depreciation methods and rates used for each class of depreciable assets are:

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

Depreciation methods and rates of all non-current assets are reviewed on an annual basis. There was no change in the methodology used and rates for the 2022 financial year.



EPILEPSY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

1.2 EMPLOYEE BENEFITS

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

1.2.1 WAGES AND SALARIES, ANNUAL LEAVE AND SICK LEAVE

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

1.2.2 LONG SERVICE LEAVE

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

Expected future payments are discounted using interest rates of national corporate bond rates, the estimated future cash flows. The nominal amount of long service leave expected to be paid in the next financial year is included as a current liability.

1.2.3 SUPERANNUATION

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

1.3 TRADE AND OTHER RECEIVABLES

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost, less any allowance for expected credit losses. No interest is charged on trade debtors. Trade receivables are generally due for settlement within 30 days.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivable have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

1.4 CASH AND CASH EQUIVALENTS

Cash on hand and in banks and short-term deposits are stated at nominal value. For the purpose of the Cash Flow Statement, cash includes cash on hand and cash equivalents, i.e. highly liquid investments with short periods to maturity, which are readily convertible to cash on hand at the Epilepsy Foundation option.

1.5 GOODS AND SERVICES TAX

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except, where the amount of GST incurred is not recoverable from the Taxation Authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense. The net amount of GST recoverable from, or payable to, the Taxation Authority is included as part of receivables or payables in the Statement of Financial position. The GST component of a receipt or payment is recognised on a gross basis in the Statement of Cash Flows in accordance with Accounting Standard AASB 107 Statement of Cash Flows.



EPILEPSY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

1.6 REVENUE RECOGNITION

(a) Government Grants

Grant funds received by the Company that do not have sufficiently specific and enforceable performance obligations are recognised as income on receipt of the funds. Grant funds received by the Company that have sufficiently specific and enforceable performance obligations, in accordance with AASB 15, are recognised as a contract liability on receipt and are recognised as revenue, over time, as the Company satisfies its performance obligations.

(b) Fundraising and Donations

Fundraising and donation income are recognised when the company gains control of the funds and are only recognised as income when the funds have been provided to further the Company's objectives for no consideration or where consideration is significantly less than the funds provided and when the funds provided do not give rise to an obligation.

(c) Bequests

Bequest received by the company that do not have sufficiently specific and enforceable performance obligations are recognised as income on receipt of the funds. Bequests received by the Company that have sufficiently specific and enforceable performance obligations, in accordance with AASB 15, are recognised as a contract liability on receipt and are recognised as revenue, over time, as the Company satisfies its performance obligations.

(d) Other revenue

Other revenue includes rent received, interest received from investments, membership fees and gains from sale of fixed assets. Other revenue is recognised as it is earned.

1.7 TAX

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

1.8 FINANCIAL INSTRUMENTS

Financial assets are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Such assets are subsequently measured at either amortised costs or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred, when there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either:

- (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or
- (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets at fair value through other comprehensive income include equity investments which the company intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.



Impairment of financial assets

The company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Classification of financial liabilities

The Company's financial liabilities include trade and other payables. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

1.9 FAIR VALUE MEASUREMENT

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, and where applicable, with external sources of data.

The three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, are:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability



1.10 LEASES

Right to use assets and liabilities

Initial measurement of the right-of-use asset

At the commencement date, a lessee shall measure the right-of-use asset at cost. The cost of the right of use asset shall comprise the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentive received; any initial direct costs incurred by the lessor; and an estimate of costs to be incurred by the lessee 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 condition of the lease. The lessee incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

Initial measurement of the lease liability

At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at the date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

Subsequent measurement of the right-of-use asset

After the commencement date, a lessee shall measure the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. The right-of-use asset is depreciated over the lease period.

Subsequent measurement of the lease liability

After the commencement date, a lessee shall measure the lease liability by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

1.11 CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.



Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Employee benefits provision

As discussed in note 1.2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Fair value measurement hierarchy

The company is required to classify all assets and liabilities, measured at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include the use of observable inputs that require significant adjustments based on unobservable inputs.

1.12 INVENTORIES

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

Goods held for distribution

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

**EPILEPSY FOUNDATION****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

	2022	2021
	\$	\$
NOTE 2: DONATIONS		
Bequests	385,678	1,153,638
General Donations	1,190,484	1,062,504
Trusts and Restricted Donations	34,157	54,416
	1,610,319	2,270,558
NOTE 3: GOVERNMENT COVID-19 SUPPORT		
Government Job Keeper and COVID-19 Support	-	840,700
State Government Support	-	25,000
	-	865,700
NOTE 4: ADMINISTRATION EXPENSES		
Advertising	24,818	16,927
Computer Related Expenses	195,289	224,252
Other Administration Expenses	404,672	120,558
Telephone	54,768	46,127
	679,547	407,864
NOTE 5: DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation Expenses	284,998	240,177
Amortisation Expense – Intangibles	1,265	-
Amortisation for Right of Use Asset	266,456	298,480
	552,719	538,657
NOTE 6: PERSONNEL EXPENSES		
Salaries	4,195,305	3,453,574
Long Service Leave	65,994	62,361
Superannuation	420,281	315,743
WorkCover	31,546	25,124
Consultants' Fees	1,644,156	767,982
Service Delivery Partner Expenses	911,742	144,764
Other Personnel Expenses	5,279	1,489
	7,274,303	4,771,037
NOTE 7: PROPERTY EXPENSES		
Rental	2,758	2,307
Repairs and Maintenance	34,135	19,351
Utilities	20,905	19,852
Other Property Expenses	67,164	77,400
	124,962	118,910

**EPILEPSY FOUNDATION****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

	2022 \$	2021 \$
NOTE 8: RECEIVABLES		
Trade Debtors	32,994	40,738
Provision for expected credit losses	(4,737)	(15,923)
	<u>28,257</u>	<u>24,815</u>
Prepayments	54,121	51,418
Sundry Debtors	70,003	66,185
	<u>152,381</u>	<u>142,418</u>

NOTE 9: PROPERTY, PLANT & EQUIPMENT

	Land and Buildings	Computer Equipment	Furniture and Equipment	Motor Vehicles	Total
Cost					
At 1 July 2020	4,772,445	459,525	149,174	254,327	5,635,471
Additions	98,052	91,472	38,082	62,152	289,758
Disposals	(5,418)	-	(4,225)	(52,219)	(61,862)
At 30 June 2021	<u>4,865,079</u>	<u>550,997</u>	<u>183,031</u>	<u>264,260</u>	<u>5,863,367</u>
Additions	164,373	122,493	24,709	-	311,575
Disposals	(8,525)	(242,781)	(20,699)	-	(272,005)
At 30 June 2022	<u>5,020,927</u>	<u>430,709</u>	<u>187,041</u>	<u>264,260</u>	<u>5,902,937</u>
Accumulated Depreciation					
At 1 July 2020	844,578	335,089	129,986	184,023	1,493,676
Charge for Year	123,058	74,402	7,113	35,604	240,177
Disposals	(944)	-	(2,746)	(43,515)	(47,205)
At 30 June 2021	<u>966,692</u>	<u>409,491</u>	<u>134,353</u>	<u>176,112</u>	<u>1,686,648</u>
Charge for Year	130,809	110,493	15,064	28,632	284,998
Disposals	(1,715)	(242,781)	(20,699)	-	(265,195)
At 30 June 2022	<u>1,095,786</u>	<u>277,203</u>	<u>128,718</u>	<u>204,744</u>	<u>1,706,451</u>
Net Carrying Amount					
At 30 June 2021	<u>3,898,387</u>	<u>141,506</u>	<u>48,678</u>	<u>88,148</u>	<u>4,176,719</u>
At 30 June 2022	<u>3,925,141</u>	<u>153,506</u>	<u>58,323</u>	<u>59,516</u>	<u>4,196,486</u>

**EPILEPSY FOUNDATION****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

	2022	2021
	\$	\$
NOTE 10: RIGHT OF USE ASSET		
Costs	1,235,913	990,111
Accumulated Amortisation	(768,959)	(502,503)
	<u>466,954</u>	<u>487,608</u>

The company has leases for 7 (2021: 7) retail shops around metropolitan Melbourne. With exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. (see note 14).

Each lease generally imposes a restriction, that unless there is a contractual right for the company to sublet the asset to another party, the right –of-use asset can only be used by the company. Leases are either non-cancellable or may be cancelled by incurring a substantial termination fee.

The table below describe the nature of the company’s leasing activities by type of right-of-use asset recognized on balance sheet:

Right of Use Asset	No. Of Right of Use Asset	Range of remaining Terms	Average remaining Lease Term	No. of leases with extension options	No of leases with variable payment or payments linked to an index	No of leases with termination options
Retail Stores	7	1-3 years	1.7 Years	5	7	0

NOTE 11: INTANGIBLE ASSETS

Capitalised Software Development Costs	6,570	-
Accumulated Amortisation and Impairment Losses	(1,265)	-
	<u>5,305</u>	<u>-</u>

**EPILEPSY FOUNDATION****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

		2022 \$	2021 \$
NOTE 12: FINANCIAL ASSETS AND LIABILITIES			
Financial Assets			
<i>Current Assets</i>			
Cash & Cash Equivalents	16	12,414,631	12,893,070
Trade Receivables	8	28,257	24,815
<i>Non-Current Assets</i>			
Financial Assets held at FVTPL		209,650	314,163
Financial Assets held at FVTOCI		1,165,872	678,054
		1,375,522	992,217
Financial Liabilities			
<i>Current Liabilities</i>			
Trade Payables	13	276,399	213,461

Financial Assets

As discussed in note 1.9, the following table details the company's financial assets, measured or disclosed at fair value using three level hierarchy.

	Fair Value Hierarchy			
	Level 1	Level 2	Level 3	Total
<u>Financial Assets at FVTPL</u>				
<i>Listed Securities</i>				
Ordinary Shares	109,690	-	-	109,690
Capital Notes, Convertible Preference Shares	99,960	-	-	99,960
<u>Financial Assets at FVTOCI</u>				
Ordinary Shares of Unlisted Companies	-	-	1,165,872	1,165,872
Financial Assets as at 30 June 2022	209,650	-	1,165,872	1,375,522
<u>Financial Assets at FVTPL</u>				
<i>Listed Securities</i>				
Ordinary Shares of Listed Securities	112,703	-	-	112,703
Capital Notes, Convertible Preference Shares	201,460	-	-	201,460
<u>Financial Assets at FVTOCI</u>				
Ordinary Shares of Unlisted Companies	-	-	678,054	678,054
Financial Assets as at 30 June 2021	314,163	-	678,054	992,217

**EPILEPSY FOUNDATION****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

	2022 \$	2021 \$
NOTE 13: TRADE CREDITORS AND OTHER PAYABLES		
Trade Creditors	276,399	213,461
Other Payables	58,458	101,430
Accruals	317,642	290,315
Funds – Held in Trust	656,493	455,316
	1,308,992	1,060,522

NOTE 14: CONTRACT LIABILITIES

Government Grants in Advance	7,459,660	7,526,183
Research Funds	473,182	876,499
Other Contract Liabilities	257,145	273,304
	8,189,987	8,675,986

NOTE 15: LEASE LIABILITIES

Current	231,093	245,807
Non-Current	255,971	270,595
	487,064	516,402

The lease liabilities are secured by the related right-of-use asset (note 10). Future minimum lease payments at 30th June 2022 are as follows.

	Minimum Lease Payments Due			
	Within 1 Year	1-5 Years	After 5 Years	Total
Lease Payments	248,073	266,281	-	514,354
Finance Charges	(16,980)	(10,310)	-	(27,290)
Net Present Value	231,093	255,971	-	487,064

NOTE 16: CASH FLOWS

(a) Cash at Bank	8,490,557	11,473,796
Cash on Hand	1,446	1,446
Term Deposit	3,922,628	1,417,828
Cash and Cash Equivalents	12,414,631	12,893,070

**EPILEPSY FOUNDATION****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

	2022 \$	2021 \$
NOTE 17: EMPLOYEE ENTITLEMENTS		
Annual Leave	379,972	307,271
Long Service Leave	423,143	371,013
	803,115	678,284
Current Liabilities		
Annual Leave	379,972	307,271
Long Service Leave	382,953	317,210
	762,925	624,481
Non-Current Liabilities		
Long Service Leave	40,189	53,803
	40,189	53,803

NOTE 18: RESERVES

Movements in each class of reserve during the current and previous financial year are set out below.

	Research Fund (SUDEP) Reserve	Research Fund (General) Reserve	FVOCI Reserve	Total
Cost				
At 1 July 2020	-	-	(1,656)	(1,656)
Other Comprehensive Income	-	-	222,199	222,199
Transfer (to)/From Retained Earnings	11,550	169,180	1,656	182,386
At 30 June 2021	11,550	169,180	222,199	402,929
Other Comprehensive Income	-	-	157,202	157,202
Transfer (to)/From Retained Earnings	-	(51,433)	-	(51,433)
At 30 June 2022	11,550	117,747	379,401	508,698

(a) Research Fund (SUDEP) Reserve

The reserve created as a result of donor funds restricted in application to the purposes of Sudden, unexpected Death in Epilepsy (SUDEP) Research.

(b) Research Fund (General) Reserve

The reserve created as a result of donor funds restricted in application to the purposes of General Epilepsy Research.

(c) Financial assets at fair value through other comprehensive income (FVOCI) Reserve

The reserve is used to recognise increments and decrements in the fair value of financial assets at fair value through other comprehensive income.



EPILEPSY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 19: COMMITMENTS FOR EXPENDITURE

As at 30 June 2022, the Epilepsy Foundation had no outstanding capital commitments (2021: nil).

NOTE 20: CONTINGENT LIABILITIES

As at 30 June 2022, the Epilepsy Foundation had no contingent liabilities. (2021: nil).

NOTE 21: AUDITOR'S REMUNERATION

During the financial year the following fees were paid or payable for services provided by BDO Audit Pty Ltd the auditor of the Company:

	2022	2021
	\$	\$
<u>Audit Services</u>		
Audit of the Financial Statements	28,200	22,000
<u>Other Services</u>		
Audit of Acquittal	2,600	2,500
	30,800	24,500

NOTE 22: RELATED PARTY TRANSACTIONS

(a) Directors Remuneration

There was no remuneration received or due and receivable from The Epilepsy Foundation in connection with the management of The Epilepsy Foundation (2021: nil).

(b) Other Transactions:

During the year, KPMG were paid for their legal services. The signing Partner at KPMG of those services is also a Director of the Company. The total amount paid during the year was \$64,650 (2021: \$30,179). There are no amounts outstanding as at 30 June 2022 (2021: nil)

During the year, the Epilepsy Foundation performed administrative service and project related expenses on behalf of related party Epilepsy Australia Limited. The fee charged in relation to these services amounted to \$68,173 (2021: \$69,825).

NOTE 23: ECONOMIC DEPENDENCE

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

NOTE 24: KEY MANAGEMENT COMPENSATION

There were 3 key management personnel (2021: 3) that have authority for planning, directing and controlling the Company's activities, directly or indirectly (other than directors) during the financial year.

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

	2022	2021
	\$	\$
Key Management Compensation	464,700	468,509
	464,700	468,509



EPILEPSY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 25: SUBSEQUENT EVENTS

No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.