

EPILEPSY AUSTRALIA LIMITED
ABN 14 097 003 382

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 AUGUST 2010

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31 AUGUST 2010

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EPILEPSY AUSTRALIA LIMITED
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DIRECTORS' REPORT

Your directors present their financial report on the Epilepsy Australia Ltd for the year ended 31st August 2010.

The names of the directors throughout the year and at the date of this report unless otherwise stated are:

Michelle Lisa Bellon
Richard James Eccles
Christine Florence Walker
Jan Margaret Taylor

Robert Leslie Cole
David Ian Sharp

The principal activities of the Company during the financial year were:

- To prepare, publish and distribute handbooks, papers, articles and other educational material, to give seminars and lectures and to advertise in the public media and in consumer and educational publications all with a view to fostering National Consumer Education so that Consumers may make informed choices and decisions.

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

The profit from ordinary activities after income tax amounted to \$33,406.

No matters of circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 2.

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

Director

Dated:

Director

Dated:

The accompanying notes form part of this financial report.

EPILEPSY AUSTRALIA LIMITED
ABN 14 097 003 382

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

I declare that to the best of my knowledge and belief, during the year ended 31st August 2010 there have been:

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

Sean Denham

Dated:
Sean Denham & Associates - CPA's
Suite 6, 707 Mt Alexander Road, Moonee Ponds VIC 3039

EPILEPSY AUSTRALIA LIMITED
ABN 14 097 003 382

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED
31 AUGUST 2010

	Note	2010	2009
		\$	\$
INCOME			
Donations - General		14,299	21,167
Educational Grant		-	11,000
Income		32,722	11,680
States Contributions		93,829	19,266
Interest received		128	3,331
Bequests		18,198	-
Miscellaneous income		14,094	-
		<u>173,270</u>	<u>66,444</u>
EXPENDITURE			
Audit Fees		1,500	1,375
Advertising		12,505	2,145
Bank Charges		75	146
Conference Fees		12,889	17,057
Contributions to States		6,691	-
Depreciation		78	39
Facilitating Strategic Planning		-	2,640
Friends of Parliament		6,973	2,053
Fundraising Costs		-	6,188
Government Fees		672	270
Insurance		5,817	11,869
Motor Vehicle Expenses		263	693
Printing and Stationery		8,617	2,254
Spark of Creativity - Expenses		-	1,000
Subscriptions		1,860	617
Sundry Expenses		2,238	2,685
Superannuation		4,095	3,078
Telemarketing expenses		9,850	-
Telephone		8,179	6,252
The Epilepsy Report - Expenses		-	1,232
Wages and Salaries		54,802	32,709
Web Development		1,998	3,328
Workcover		761	573
		<u>139,863</u>	<u>98,203</u>
Profit before income tax		33,407	(31,759)

The accompanying notes form part of these financial statements.

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EPILEPSY AUSTRALIA LIMITED
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED
31 AUGUST 2010

	Note	2010 \$	2009 \$
Profit before income tax		33,407	(31,759)
Income tax expense	2	<u>-</u>	<u>-</u>
Profit after income tax		33,407	(31,759)
Total other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>33,407</u></u>	<u><u>(31,759)</u></u>

EPILEPSY AUSTRALIA LIMITED
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STATEMENT OF FINANCIAL POSITION
31 AUGUST 2010

	Note	2010	2009
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	65,674	31,727
Trade and other receivables	4	22,345	2,570
TOTAL CURRENT ASSETS		<u>88,019</u>	<u>34,297</u>
NON-CURRENT ASSETS			
Property, plant & equipment	5	2,146	2,224
TOTAL NON-CURRENT ASSETS		<u>2,146</u>	<u>2,224</u>
TOTAL ASSETS		<u>90,165</u>	<u>36,521</u>
CURRENT LIABILITIES			
Trade and other payables	6	12,028	(310)
Provisions	7	7,899	-
TOTAL CURRENT LIABILITIES		<u>19,927</u>	<u>(310)</u>
TOTAL LIABILITIES		<u>19,927</u>	<u>(310)</u>
NET ASSETS		<u>70,238</u>	<u>36,831</u>
MEMBERS' FUNDS			
Retained profits		70,238	36,831
TOTAL MEMBERS' FUNDS		<u>70,238</u>	<u>36,831</u>

EPILEPSY AUSTRALIA LIMITED
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED
31 AUGUST 2010

	Retained Earnings	Total
	\$	\$
Balance at 1st September 2008	68,590	68,590
Profit attributable to the entity	<u>(31,759)</u>	<u>(31,759)</u>
Balance at 31st August 2009	36,831	36,831
Profit attributable to the entity	<u>33,407</u>	<u>33,407</u>
Balance at 31st August 2010	<u><u>70,238</u></u>	<u><u>70,238</u></u>

EPILEPSY AUSTRALIA LIMITED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED
31 AUGUST 2010

	Note	2010	2009
			\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers & other sources		153,366	61,313
Payments to suppliers and employees		(119,547)	(100,934)
Interest received		128	3,331
Net Cash provided by operating activities	7	33,947	(36,290)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of loans		-	-
Net Cash provided by (used in) financing activities		-	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property and equipment		-	-
Net Cash provided by (used in) investing activities		-	-
Net increase (decrease) in cash held		33,947	(36,290)
Cash at the beginning of the year		31,727	68,017
Cash at the end of the year		65,674	31,727

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 AUGUST 2010

Note 1: Statement of Significant Accounting Policies

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users who are dependent on its general purpose financial reports. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the Corporations Act 2001.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Corporations Act 2001 and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of this report are as follows:

a. Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, and other short-term highly investment with original maturities of three months or less.

b. Income Tax

No provision for income tax has been raised, as the entity is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

c. Property, Plant and Equipment

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

Leasehold improvements and office equipment are carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all property, plant and equipment is depreciated over the useful lives of the assets to the company commencing from the time the asset is held ready for use. Leasehold Improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

d. Employee Entitlements

Provision is made for the entity'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 amount expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of estimated future cash outflows to be made for those benefits.

Provision is made for the entity's liability for long service leave from commencement of employment not from the 5 year employment period normally accrued as industry practice.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 AUGUST 2010

e. Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

f. Impairment of Assets

At the end of each reporting period, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is an indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expenses to the income statement.

g. Revenue

Revenue is brought to account when received and to the extent that it relates to the subsequent period it is disclosed as a liability.

Grant Income

Grant income received, other than for specific purposes, is brought to account for the period to which the grant relates.

Deferred Income

Unspent grant income received in relation to specific projects and events is not brought to account as revenue in the current year but deferred as a liability in the financial statements until spent for the purpose received.

Capital Grants

Grant Income received relating to the purchase of capital items is shown as Unamortised Capital Grant and brought to account over the expected life of the asset in proportion to the related depreciation charge.

Interest Revenue

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

Donations

Donation income is recognised when the entity obtains control over the funds which is generally at the time of receipt.

h. 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 Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payable in the assets and liabilities statement are shown inclusive of GST.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 AUGUST 2010

i. Adoption of New and Revised Accounting Standards

During the current year the company adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these standards and interpretations has had on the financial statements of the entity.

In September 2007 the Australian Accounting Standards Board revised AASB 101 and as a result, there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the company's financial statements.

Disclosure impact

Terminology changes — The revised version of AASB 101 contains a number of terminology changes including the amendment of the names of the primary financial statements.

Reporting changes in equity — The revised AASB 101 requires all changes in equity arising from transactions with owners, in their capacity as owners, to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required that owner changes in equity and other comprehensive income be presented in the statement of changes in equity.

Statement of comprehensive income — The revised AASB 101 requires all income and expenses to be presented in either one statement, the statement of comprehensive income, or two statements, a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

The entity has elected to present one statement.

Other comprehensive income — The revised version of AASB 101 introduces the concept of 'other comprehensive income' which comprises of income and expenses that are not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. Entities are required to disclose the income tax relating to each component of other comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

Of the issued, not yet adopted standards, preliminary reviews indicate there will be no material impacts from their adoption.

EPILEPSY AUSTRALIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 AUGUST 2010

	2010	2009
	\$	\$
Note 2: Income Tax Expense		
Prima facie tax payable on operating profit at 30% (2009 - 30%)	10,022	(9,528)
Less tax effect of:		
- non-taxable member income arising from principle of mutuality	<u>(10,022)</u>	<u>9,528</u>
Income tax expense	<u><u>-</u></u>	<u><u>-</u></u>
Note 3: Cash and cash equivalents		
Cash at Bank	13,898	8,119
Epilepsy Australia Donation Fund	<u>51,776</u>	<u>23,608</u>
	<u><u>65,674</u></u>	<u><u>31,727</u></u>
Note 4: Trade and other receivables		
Deposits Paid	-	770
Accounts Receivable	<u>22,345</u>	<u>1,800</u>
	<u><u>22,345</u></u>	<u><u>2,570</u></u>
Note 5: Property, plant & equipment		
Office Equipment - at cost	2,341	2,341
Less: Accumulated depreciation	<u>(195)</u>	<u>(117)</u>
	<u><u>2,146</u></u>	<u><u>2,224</u></u>
Note 6: Trade and other payables		
Trade Creditors and accruals	<u>12,028</u>	<u>(310)</u>
Note 7: Provisions		
Provision for Annual Leave	<u>7,899</u>	<u>-</u>

EPILEPSY AUSTRALIA LIMITED
ABN 14 097 003 382

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 AUGUST 2010

	2010	2009
	\$	\$
Note 8: Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities after Income Tax		
Profit after income tax	33,407	(31,759)
Cash flows excluded from operating profit attributable to operating activities;		
- Depreciation	78	39
Changes in assets and liabilities;		
- (Increase)/decrease in trade and other debtors	(19,776)	-
- Increase/(decrease) in trade and other payables	12,339	2,460
- Increase/(decrease) in provisions	7,899	-
Net cash provided by Operating Activities	<u>33,947</u>	<u>(29,260)</u>

Note 9: Company Details

The registered office of the company is:
Epilepsy Australia Ltd
818 Burke Road
Camberwell VIC 3124

Note 10: Comparative Figures

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

When the company applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

Note 11: Members Guarantee

The entity is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstandings and obligations of the entity. At 31 August 2010 the number of members was 8.

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DIRECTORS' DECLARATION

The directors have determined that the Company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 1 to 12 are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards as described in Note 1 to the financial statements and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the company's financial position as at 31st August 2010 and its performance for the year then ended on that date in accordance with accounting policies described in Note 1 to the financial statements.

2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Director

Dated:

Director

Dated:

EPILEPSY AUSTRALIA LIMITED
ABN 14 097 003 382

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
EPILEPSY AUSTRALIA LIMITED

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of Epilepsy Australia Limited, which comprises the statement of financial position as at 31 August 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Committee's Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the Corporations Act 2001 and are appropriate to meet the needs of the members. The directors' responsibilities also include designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conduct our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the directors' financial reporting under the Corporations Act 2001. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Epilepsy Australia Limited on 7 October 2010, would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's Opinion

In our opinion, the financial statements presents fairly, in all material aspects, the financial position of Epilepsy Australia Limited as at 31 August 2010 and its financial performance and cash flows for the year then ended in accordance with the Corporations Act 2001 and the Australian Accounting Standards (including Australian Accounting Interpretations) to the extent described in Note 1.

Sean Denham

Sean Denham & Associates

Dated: 7 October 2010

Suite 6, 707 Mt Alexander Road, Moonee Ponds Vic 3039