

# **One Disease at a Time Trust**

ABN 34 436 287 194

## **Financial Report**

For the Year Ended 30 June 2012

# One Disease at a Time Trust

ABN 34 436 287 194

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30 June 2012

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# One Disease at a Time Trust

ABN 34 436 287 194

## Statement of Comprehensive Income For the Year Ended 30 June 2012

		2012	2011
	Note	\$	\$
Revenue	8	5	1
Other income	8	561,527	52,000
Employee benefits expense		(191,848)	-
Depreciation and amortisation expense		(156)	-
Consulting expenses		(48,991)	-
Rent expense		(43,027)	-
Travel expenses		(44,130)	(380)
Research expenses		(65,123)	-
Other expenses		(20,850)	(5,158)
Finance costs		(98)	-
<b>Surplus for the year</b>		<b>147,309</b>	<b>46,463</b>
<b>Other comprehensive income:</b>			
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year</b>		<b>147,309</b>	<b>46,463</b>

The accompanying notes form part of these financial statements.

# One Disease at a Time Trust

ABN 34 436 287 194

## Statement of Financial Position

As At 30 June 2012

	Note	2012 \$	2011 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	2	274,425	46,563
Trade and other receivables	3	4,993	-
TOTAL CURRENT ASSETS		<u>279,418</u>	<u>46,563</u>
NON-CURRENT ASSETS			
Property, plant and equipment	4	1,247	-
TOTAL NON-CURRENT ASSETS		<u>1,247</u>	<u>-</u>
TOTAL ASSETS		<u>280,665</u>	<u>46,563</u>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	5	86,793	-
TOTAL CURRENT LIABILITIES		<u>86,793</u>	<u>-</u>
TOTAL LIABILITIES		<u>86,793</u>	<u>-</u>
NET ASSETS		<u>193,872</u>	<u>46,563</u>
<b>EQUITY</b>			
Settled sum		100	100
Retained earnings		193,772	46,463
TOTAL EQUITY		<u>193,872</u>	<u>46,563</u>

The accompanying notes form part of these financial statements.

# One Disease at a Time Trust

ABN 34 436 287 194

## Statement of Changes in Equity

For the Year Ended 30 June 2012

### 2012

	Settled Sum	Retained Earnings	Total
	\$	\$	\$
<b>Balance 1 July 2011</b>	<b>100</b>	<b>46,463</b>	<b>46,563</b>
Surplus for the year	-	147,309	147,309
Total other comprehensive income for the year	-	-	-
<b>Balance at 30 June 2012</b>	<b>100</b>	<b>193,772</b>	<b>193,872</b>

### 2011

	Settled Sum	Retained Earnings	Total
	\$	\$	\$
<b>Balance at 1 July 2010</b>	-	-	-
Surplus for the year	-	46,463	46,463
Total other comprehensive income for the year	-	-	-
Contribution of equity	100	-	100
<b>Balance at 30 June 2011</b>	<b>100</b>	<b>46,463</b>	<b>46,563</b>

The accompanying notes form part of these financial statements.

# One Disease at a Time Trust

ABN 34 436 287 194

## Statement of Cash Flows For the Year Ended 30 June 2012

	2012	2011
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Donations received	561,527	52,000
Payments to suppliers and employees	(328,486)	(5,538)
Interest received	5	1
Interest paid	(98)	-
Net cash provided by (used in) operating activities	13 <u>232,948</u>	<u>46,463</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	(1,403)	-
Deposits paid	(3,683)	-
Settled sum paid	-	100
Net cash used by investing activities	<u>(5,086)</u>	<u>100</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from borrowings	50,500	-
Repayment of borrowings	(50,500)	-
Net increase (decrease) in cash and cash equivalents held	227,862	46,563
Cash and cash equivalents at beginning of year	46,563	-
Cash and cash equivalents at end of financial year	2 <u><u>274,425</u></u>	<u><u>46,563</u></u>

The accompanying notes form part of these financial statements.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2012**

The financial statements are for One Disease at a Time Trust as a not-for-profit individual entity.

#### **1 Summary of Significant Accounting Policies**

##### **(a) Basis of preparation**

The One Disease at a Time Trust has elected to early adopt the Australian Accounting Standards - Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements. As a consequence, the entity has also adopted AASB 2011-2: Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project - Reduced Disclosure Requirements and AASB 2011-6: Amendments to Australian Accounting Standards - Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation - Reduced Disclosure Requirements. This is because the reduced disclosure requirements in AASB 2011-2 and AASB 2011-6 relate to Australian Accounting Standards that mandatorily apply to annual reporting periods beginning on or after 1 July 2011.

In accordance with the requirements of AASB 2012-1: Amendments to Australian Accounting Standards – Fair Value Measurement – Reduced Disclosure Requirements, the entity has also adopted AASB 13: Fair Value Measurement and AASB-2011-8: Amendments to Australian Accounting Standards arising from AASB 13.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board. The trust is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements 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.

##### **(b) Comparative figures**

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

##### **(c) Property, plant and equipment**

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

##### **Plant and equipment**

Plant and equipment is measured on the cost basis less depreciation and impairment losses. Cost includes expenditure that is directly attributable to the asset.

##### **Depreciation**

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the trust commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Land is not depreciated.

## Notes to the Financial Statements

For the Year Ended 30 June 2012

### 1 Summary of Significant Accounting Policies continued

#### (c) Property, plant and equipment continued

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

Class of Fixed Asset	Depreciation Rate
Computer Software	33%

The assets' residual values, depreciation methods 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.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income.

#### (d) Financial instruments

##### Initial recognition and measurement

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

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.

##### Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method, or cost. *Fair value* is 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. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

The classification of financial instruments depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and at the end of each reporting period for held-to-maturity assets.

The trust does not designate any interest as being subject to the requirements of accounting standards specifically applicable to financial instruments.

##### (i) Loans and receivables

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

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

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2012**

### **1 Summary of Significant Accounting Policies continued**

#### **(d) Financial instruments continued**

##### *(ii) Financial liabilities*

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

Liabilities are classified as current liabilities unless the trust has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

#### **Impairment**

Objective evidence that a financial asset is impaired includes default by a debtor, evidence that the debtor is likely to enter bankruptcy or adverse economic conditions in the stock exchange. At the end of each reporting period, the trust assesses whether there is objective evidence that a financial asset has been impaired through the occurrence of a loss event. In the case of available-for-sale financial instruments, a significant or prolonged decline in the value of the instrument is considered to indicate that an impairment has arisen.

Where a subsequent event causes the amount of the impairment loss to decrease (e.g. payment received), the reduction in the allowance account (provision for impairment of receivables) is taken through profit and loss.

However, any reversal in the value of an impaired available for sale asset is taken through other comprehensive income rather than profit and loss.

Impairment losses are recognised through an allowance account for loans and receivables in the statement of comprehensive income.

#### **Derecognition**

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

#### **(e) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less which are convertible to a known amount of cash and subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

#### **(f) 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 trust 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.

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2012**

### **1 Summary of Significant Accounting Policies continued**

**(g) Income tax**

No provision for income tax has been raised as the trust is exempt from income tax.

**(h) Leases**

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

**(i) Revenue and other income**

The trust recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the trust's activities as discussed below.

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

**Grant revenue**

Grant revenue is recognised in the statement of comprehensive income when the entity obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

**Donations**

Donations and non-reciprocal grants are recognised as revenue when the trust has received, or has the right to receive, the donation.

**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.

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

**(j) 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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

## Notes to the Financial Statements

For the Year Ended 30 June 2012

### 1 Summary of Significant Accounting Policies continued

#### (j) Goods and services tax (GST) continued

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

#### (k) Critical accounting estimates and judgments

The trustee evaluates estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the trust.

### 2 Cash and Cash Equivalents

	2012	2011
	\$	\$
Cash at bank and in hand	<u>274,425</u>	<u>46,563</u>

#### Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

	2012	2011
	\$	\$
Cash and cash equivalents	<u>274,425</u>	<u>46,563</u>
<b>Balance as per statement of cash flows</b>	<u><b>274,425</b></u>	<u><b>46,563</b></u>

### 3 Trade and Other Receivables

	2012	2011
	\$	\$
CURRENT		
Deposits	3,683	-
GST receivable	<u>1,310</u>	<u>-</u>
<b>Total current trade and other receivables</b>	<u><b>4,993</b></u>	<u><b>-</b></u>

# One Disease at a Time Trust

ABN 34 436 287 194

## Notes to the Financial Statements

For the Year Ended 30 June 2012

### 4 Property, Plant and Equipment

Computer equipment		
At cost	1,403	-
Accumulated depreciation	(156)	-
Total computer equipment	<u>1,247</u>	<u>-</u>
<b>Total property, plant and equipment</b>	<u><u>1,247</u></u>	<u><u>-</u></u>

#### (a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Computer Equipment \$	Total \$
<b>Balance at 30 June 2012</b>		
Additions	1,403	1,403
Depreciation expense	(156)	(156)
<b>Balance at 30 June 2012</b>	<u><u>1,247</u></u>	<u><u>1,247</u></u>

### 5 Trade and Other Payables

	2012 \$	2011 \$
CURRENT		
Trade payables	72,989	-
Accrued expenses	3,574	-
Employee entitlements	5,930	-
Other payables	4,300	-
	<u>86,793</u>	<u>-</u>

# One Disease at a Time Trust

ABN 34 436 287 194

## Notes to the Financial Statements

For the Year Ended 30 June 2012

### 5 Trade and Other Payables continued

#### (a) Financial liabilities at amortised cost classified as trade and other payables

	Note	2012 \$	2011 \$
Trade and other payables			
- Total Current		<u>86,793</u>	-
		<u>86,793</u>	-
Less:			
Annual leave entitlements		<u>(5,930)</u>	-
Financial liabilities as trade and other payables	7	<u><u>80,863</u></u>	-

### 6 Capital and Leasing Commitments

#### Operating lease commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements

	2012 \$	2011 \$
Payable - minimum lease payments:		
- no later than 1 year	<u>3,683</u>	-
	<u><u>3,683</u></u>	-

Operating leases have been taken out for premises in the Northern Territory. Lease payments are increased on an annual basis to reflect market rentals.

# One Disease at a Time Trust

ABN 34 436 287 194

## Notes to the Financial Statements

For the Year Ended 30 June 2012

### 7 Financial Risk Management

The main risks the One Disease at a Time Trust is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk.

The trust's financial instruments consist mainly of deposits with banks, and accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

		2012	2011
	Note	\$	\$
<b>Financial Assets</b>			
Cash and cash equivalents	2	274,425	46,563
Loans and receivables	3	4,993	-
<b>Total financial assets</b>		<b>279,418</b>	<b>46,563</b>
<b>Financial Liabilities</b>			
Financial liabilities at amortised cost			
- Trade and other payables	5	80,863	-
<b>Total financial liabilities</b>		<b>80,863</b>	<b>-</b>

### 8 Revenue and Other Income

#### Revenue from continuing operations

	2012	2011
	\$	\$
<b>Other revenue</b>		
- interest received	5	1

	2012	2011
	\$	\$
<b>Other income</b>		
Donations and non-reciprocal grants	561,527	52,000

## Notes to the Financial Statements

For the Year Ended 30 June 2012

### 9 Result for the Year

The result for the year includes the following specific expenses

	2012	2011
	\$	\$
Interest expense		
- external	98	-
Total finance costs	<u>98</u>	<u>-</u>
<b>Other expenses:</b>		
Rental expense on operating leases:		
- Minimum lease payments	43,027	-

### 10 Key Management Personnel Compensation

The total remuneration paid to key management personnel of the trust in the year ended 30 June 2012 is short-term employee benefits of \$46,973 (2011: \$ nil).

### 11 Contingent Liabilities and Contingent Assets

In the opinion of the trustee, the trust did not have any contingencies at 30 June 2012 (30 June 2011: None).

### 12 Related Party Transactions

#### Related Parties

The trust's main related parties are as follows:

#### Related Parties

#### (a) Entities exercising control over the trust

The trustee of the trust is E-Magine Foundation Australia Ltd.

#### (b) Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, is considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 10: Key Management Personnel Compensation.

#### (c) Other related parties

Other related parties include the directors of the trustee company and entities that are controlled or significantly influenced by the directors of the trustee company.

## One Disease at a Time Trust

ABN 34 436 287 194

# Notes to the Financial Statements

For the Year Ended 30 June 2012

## 12 Related Party Transactions continued

### (d) Transactions with related parties

During the year ended 30 June 2012 loans of \$50,500 were advanced to the trust by a director of the trustee company and entities controlled by a director of the trustee company. These loans were fully repaid during the year.

## 13 Cash Flow Information

### Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2012	2011
	\$	\$
Profit for the year	147,309	46,463
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	156	-
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in trade and other receivables	(1,310)	-
- increase/(decrease) in trade and other payables	86,793	-
Cashflow from operations	<u>232,948</u>	<u>46,463</u>

## 14 Events after the end of the Reporting Period

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

The financial statements were authorised for issue on 17 December 2012 by the trustee of the trust.

## 15 Trust Details

The registered office of and principal place of business of the trust is:

One Disease at a Time Trust  
33/105A Vanessa Street  
KINGSGROVE NSW 2208

**One Disease at a Time Trust**

ABN 34 436 287 194

**Directors' Declaration of the Trustee Company**

The directors of the trustee company declare that:

- 1. The financial statements and notes, as set out on pages 1 to 14:
  - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
  - b. present fairly the financial position as at 30 June 2012 and the performance for the year ended on that date of the trust.
- 2. In the directors' opinion, there are reasonable grounds to believe that the trust 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 of the trustee company.

Director .....

Dated this            day of December 2012

## **One Disease at a Time Trust**

ABN 34 436 287 194

# **Independent Auditor's Report to the trustee of One Disease at a Time Trust**

We have audited the accompanying financial report of One Disease at a Time Trust, which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors of the trustee company's (the trustee's) declaration.

### *Trustee's Responsibility for the Financial Report*

The trustee of the trust is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and for such internal control as the trustee determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. 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 management, as well as evaluating the overall presentation of the financial report.

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

### *Independence*

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

