




**Arthritis &
Osteoporosis**
 WESTERN AUSTRALIA
Prevent it. Manage it. Cure it.



2017 Annual Report



Arthritis Foundation of Western Australia Incorporated
 Wyllie Arthritis Centre 17 Lemnos Street, Shenton Park WA 6008
 Phone: 9388 2199 | ABN: 43 390 598 024



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Manager- Finance & Administration: Cecilia Chivers

Receptionist/Accounts: Alana Brown

Development Manager: Lee Saunders

Public Relations & Fundraising: Lily Lomma

Manager - Community Relations: Sue Wilkinson

Community Relations: Kathy Kane

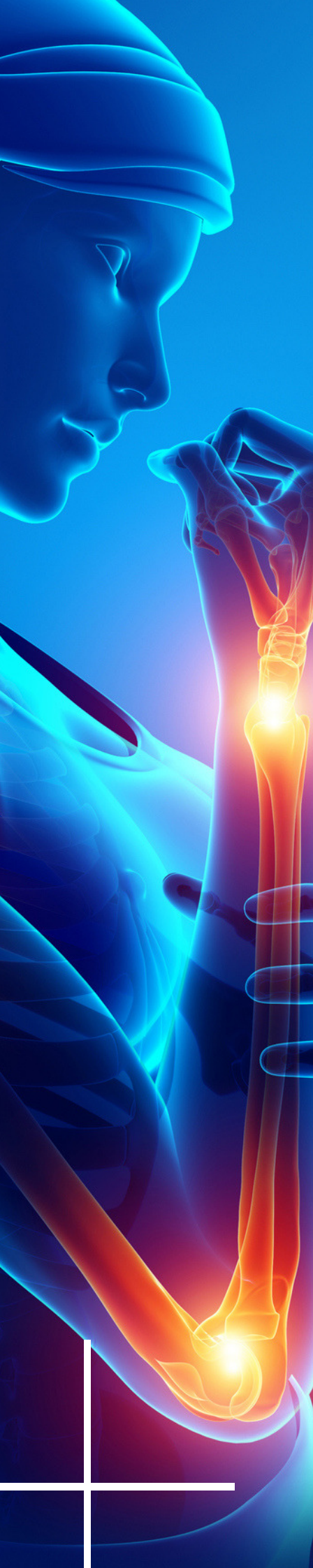
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ARTHRITIS

Arthritis is a common condition in Australia that affects one in five people of all ages and from all walks of life.

Arthritis affects people in different ways but the most common symptoms include swelling, pain, stiffness and decreased range of joint motion.

Living with arthritis is a daily struggle that impacts on every facet of daily life. People with arthritis cannot take simple things like going to work, shopping or socialising with family and friends for granted.

The pain and suffering that people with arthritis endure because of their condition not only decreases the quality of life for them but also for their families and carers.

The number of people with arthritis is expected to increase nationally by 38% from 3.9 million to 5.4 million by 2030.

In total health care costs, West Australian costs are predicted to rise by 55% from \$515.48 million to \$799.05 million.

OSTEOPOROSIS

Osteoporosis is a common disease affecting over one million Australians and it is estimated that a further 6.3 million have low bone density (or osteopenia).

Osteoporosis occurs when bones lose minerals, such as calcium, more quickly than the body can replace them, causing a loss of bone thickness (bone density or mass).

This disease makes bones become brittle leading to a higher risk of breaks than in normal bone.

In 2017, the total direct costs of osteoporosis and osteopenia in Western Australian adults aged 50 years and over will be \$307 million, of which \$211 million (69%) relates to the treatment of fractures.

Osteoporosis is often called the silent disease because there are usually no symptoms evident until a fracture occurs.



PRESIDENT'S REPORT

Dr Jack Edelman AM MBBS FRACP

It is my pleasure to report another very successful year for the Foundation. A substantial trading surplus of \$798,000 was achieved on an income of over \$3.5 million whilst delivering high-quality evidence-based programs.

Arthritis is one of the most common, disabling and costly chronic conditions in Australia and the incidence is growing, emulating worldwide epidemiological trends.

Already the burden of musculoskeletal disorders in Australia is profound, and musculoskeletal conditions; specifically osteoarthritis, rheumatoid arthritis, juvenile arthritis and osteoporosis are recognised as National Health Priority Areas.

By 2050, arthritis in Australia is projected to affect seven million people due to population ageing and increasing levels of obesity.

As life expectancy continues to increase, so do chronic diseases, with more people living with long term health conditions, intensifying the importance of providing best practice musculoskeletal health care. Although the mortality rates for arthritis appear low, this is probably a contradiction as arthritis increases and contributes to life threatening co-morbidities: depression, cardio-vascular diseases, cancer and obesity, adding to the ever increasing diseases burden.

The psychosocial and financial cost of arthritis to the individual and family cannot be underestimated, neither should the escalating health care costs. Strategies must be set in place to accommodate and provide the right musculoskeletal health care in the right place to avoid a tsunami of health and disability costs over the next decades.

Arthritis & Osteoporosis WA, working closely with rheumatologists, endeavours to provide statewide, best practice rheumatology services. We continue to provide evidence-based, disease-specific self-management programs to consumers and train health professionals to deliver these programs. Our programs are designed to help prevent and manage musculoskeletal conditions and one day to hopefully find a cure.

Furthermore, our commitment to research is as strong as ever as we continue to fund the Professorial position at UWA, and now a PhD scholarship as well. The scholarship for a PhD student was made possible by a substantial and generous bequest from the late Mr John Donald Stewart.

Of course, the success of the Foundation would not be possible without the enormous contribution made by our volunteers and staff. I would also like to thank the Mal Atwell Leisure Group for organising bingo, which is a substantial income earner for the Foundation.

My sincere thanks to Dr John Quintner for his work with pain management for both the consumers and Health Professionals, and to the Board of Management and Committee Members who also give their time.

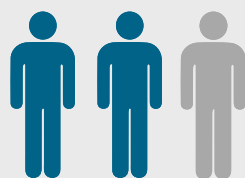
Arthritis & Osteoporosis

BURDEN OF DISEASE

Arthritis affects
one in 1,000
children

Arthritis will affect

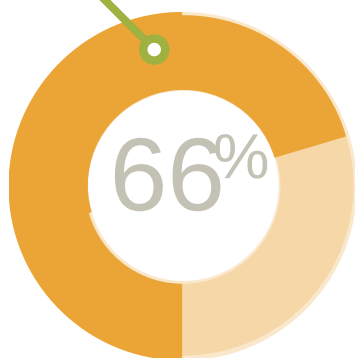
**7 Million
Australians
by 2050**



two out of every three people with
arthritis are between 15 - 60 years of age

**\$7.6 Billion
Arthritis health
system costs
by 2030**

West Australians aged 50 years and above with poor bone
health or osteoporosis



\$2 BILLION

Cost of joint replacement surgery
for Osteoarthritis per year

HEALTH SERVICE PROGRAMS DELIVERED

Rural Rheumatology Clinics

The Rural Rheumatology Clinic Service has been delivering best practise rheumatology in rural and remote areas of WA since 1974, enabling early identification and treatment for people with arthritis.

Arthritis & Osteoporosis WA (AOWA) coordinated 134 rheumatology day clinics in:

- **13** locations across the state of Western Australia plus 18 Telehealth consultations.
- **2070** patients were seen of which 393 were new patients; 1677 were review patients.
- **752** (36%) patients attending the clinics have Rheumatoid Arthritis which is a serious inflammatory condition requiring constant monitoring and necessitating specialist visits 6/12 or more frequent specialist visits, reinforcing the importance of this rural program.

Other serious inflammatory arthritis conditions seen include:

- **181** patients with Psoriatic Arthritis
- **86** with Ankylosing Spondylitis
- **33** with Systemic Lupus Erythematosus
- **31** with Gout

Rheumatologists travel from Perth regularly to provide this rheumatology service to people living in rural Western Australia. These rural areas include Kimberly, Esperance, Port Headland, Carnarvon, Karratha, Geraldton, Kalgoorlie, Manjimup and Albany.

These clinics are the lifeline for all people living with arthritis in rural WA and without this service, their quality of life would diminish. People would have to travel to Perth to visit their specialist, increasing the financial and psychological burden to their families and to the Health Department of WA.

This service reduces hospital bed occupancy and Patient Assistance Travel Scheme (PATS) costs relating to rheumatology conditions, allowing treatment closer to home and improving 'Quality of Life' for the individual and family.

Building Workforce Capacity

Arthritis & Osteoporosis WA builds on the increasing capacity of GPs, nurses and allied health staff by offering best practice rheumatology education to all health professionals, practising within WA.

In 2017, AOWA delivered the following Clinical Updates and Training for Health Professionals to metro and rural areas in WA.

Clinical Updates:

- Inflammatory Arthritis Update for GPs and HPs
- Bone & Mineral Disease Update for GPs
- Inflammatory Arthritis Update for GPs and Nurses

Training for Health Professionals:

- OAK Facilitator Training
- RAP Facilitator Training

AOWA is committed to teaching people with arthritis the knowledge and skills to enable them to manage their diseases, which empowers them to make informed choices in partnership with their health care providers.

AOWA provides Disease-Specific, Self-Management Education Programs for people with arthritis that have been developed, tested and peer-reviewed; thus providing consumers with evidence-based information on how to understand and manage their disease. The programs available for consumers are Osteoarthritis of the Knee, Rheumatoid/Psoriatic Arthritis and Ankylosing Spondylitis.

In 2017, AOWA delivered 17 evidence-based education and self-management programs to 219 people with these above-mentioned conditions:

- Programs were held throughout the metro area from Willetton and Leeming south of the river to North Beach and Dianella in the north.
- Rural education and self-management programs were offered in Narrogin and Albany.

Public Seminars

In 2017, 16 seminars given by specialist presenters were held for the general public. The seminars covered a diverse range of topics such as; The Impact of Lupus, Feet and Arthritis Talk as well as Estate Planning and a Joint Replacement Q&A.

A total of 700 people attended the public seminars that were held within the metro area as well as the rural areas of Kalamunda, Kalgoorlie, Geraldton and Dunsborough.

Community Speakers

Trained volunteers delivered 63 talks to 1,332 members of various groups including service and seniors clubs, business clubs, community groups and multi-cultural groups of diverse ethnicity.

Exercise and Physical Activity Programs

Research has found that regular exercise is one of the most effective treatments for Arthritis and for maintaining bone health to prevent Osteoporosis. Regular exercise increases mobility, muscle strength, flexibility and reduces joint pain.

Exercise forms such as Yoga and Pilates for Arthritis are an acceptable modality in the treatment for musculoskeletal conditions when delivered by specially trained practitioners.

AOWA offered Tai Chi for Arthritis, Yoga, Pilates for Arthritis and Osteoporosis exercise classes, complementing our existing Hydrotherapy classes.

A Hydrotherapy program for children with Juvenile Idiopathic Arthritis (JIA) was introduced at our premise in Shenton Park which proved to be very successful.



Support Groups

A number of Support Groups are held within the metropolitan and regional areas and provide those with living with arthritis, an opportunity to talk freely about their experiences in a safe and non-judgemental environment.

Telephone Advisory Service

Our Telephone Advisory Service is a valuable resource for people living with arthritis, osteoporosis and other related conditions. This free service provides information and advice for those newly diagnosed, or for those who may require further help to manage their condition.

Camp Freedom

Camp Freedom is held annually during the Sept/Oct school holidays and is designed for children aged between 7 - 17 years with Juvenile Idiopathic Arthritis (JIA). The camp provides children an opportunity to meet others like themselves and participate in numerous activities, as well as providing parents respite from their caring roles.

Educational workshops and self-management techniques included in the camp, equip the children with knowledge to help them manage their arthritis. A total of 42 children attended the camp which was held at the Forest Edge Recreation Camp in Waroona.

Camp Stretch is a new camp commencing in March 2018 and will be a fun filled 3 day weekend camp specifically designed for children between 7-17 years old with Ehlers Danlos and other Hypermobility conditions.



RESEARCH

Our commitment to research continues under the direction of Prof Hans Nossent as Chair of Rheumatology and Musculoskeletal Medicine at the University of Western Australia. Research provides the key to further our knowledge of musculoskeletal conditions, improve treatments and management, and ultimately search for cures.

The scholarship for a PhD student was made possible by a substantial and generous bequest by the late Mr John Donald Stewart. Warren Raymond was awarded the scholarship and his PhD research plan was recently approved by the Research Board of UWA. His thesis planned for 2020 will investigate in detail six specific aspects of Systemic Lupus Erythematosus (SLE) based on WARDER data and report these findings in peer-reviewed journals.

Prof Nossent's activities in 2017

WARDER

A WA Health approved project on the epidemiological characteristic of rheumatic disease in WA. The project contains statewide linked data for all patients with rheumatic disease who were in hospital contact over the period 1980 - 2015.

- In 2017, these data sets have been synchronised to include statewide cancer, ED and mortality registries and the resulting data sets have undergone extensive quality control checking. With the data set now complete, the stage is set for investigations into a number of research questions. Preliminary findings were presented in 2017 at the International Lupus Meeting in Melbourne and EULAR 2017.
- Ms Milica Ognjenovich is a master of Public Health and has taken over the role of Rheumatology Research Officer at UWA. She is investigating the WARDER data for frequency and severity of spinal fractures in patients with Ankylosing Spondylitis.

Perth Lupus Registry

Prof Nossent is founder and chairman of the Systemic Lupus Erythematosus Working Party which is a collaboration between QEII campus-based rheumatologists, clinical and basic immunologists and renal physicians. Its aim is to increase research activity into this disease and coordinate local services to SLE patients.

- The online database has been populated with clinical data for 102 patients and will be regularly updated with new data for included and newly recruited patients.

Busselton Health Study

- In collaboration with Prof Matthew Knuiman at the School of Population Health, two papers were published regarding rheumatic disease markers as a predictor of cardiovascular disease in the Busselton Health Study.

Biopsy Proven Lupus Nephritis

- This local collaborative investigation with Drs B Wong and A Chakera to evaluate the frequency, severity and outcome of renal disease in patients with SLE at SCGH over the period 2000 - 2015 reached the final stage of a closed complete database in 2017.
- Preliminary findings for this project were presented at the 2017 International Lupus Meeting in Melbourne and EULAR 2017.
- A connected investigation into Lupus Nephritis in Aboriginal patients and into rare presentation of Lupus Nephritis have led to two papers in 2017.

PUBLICATIONS

We endeavour to provide high quality publications and educational resources to inform those living with musculoskeletal conditions.

ARTHRITIS TODAY MAGAZINE

A high quality magazine published three times per year with a circulation of over 10,000 per issue. The magazine includes contributions from leading health professionals, the latest research news, information on diet and nutrition, medications and treatments and upcoming seminars and special events.



ARTHRITIS E-NEWSLETTER

A digital newsletter emailed monthly to 6,000 subscribers containing research updates, self-management and education programs, exercise classes, seminars and events.

WEBSITE

Our website provides an overview of our programs and services and is a valuable resource of information that receives over 16,000 visitors per month.

INFORMATION BOOKLETS AND FACT SHEETS

Our printed resources are freely available to the community and cover most of the 100 types of bone and joint disease.



SOCIAL MEDIA

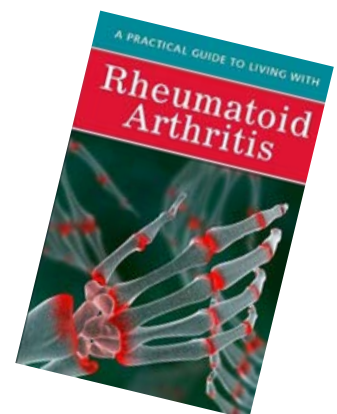
Our Facebook page has an engaging community of 7,500 followers.

PROMOTIONAL CAMPAIGNS

A range of health promotional campaigns for bone and joint disease are disseminated in the print media.

A PRACTICAL GUIDE TO LIVING WITH RHEUMATOID ARTHRITIS

A uniquely Australian book for people with Rheumatoid Arthritis and their families. Each chapter is written by medical and health professionals who have expert knowledge of the condition.



FUNDRAISING

A number of fundraising initiatives are held throughout the year including:

- Weekly Bingo held at the Mal Atwell Leisure Group
- Direct Mail
- Fremantle International Portrait Prize
- Bequest Income
- HBF Run for a Reason
- City 2 Surf
- Rottnest Channel Swim
- Entertainment Book Memberships



Snapshots of 2017



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ARTHRITIS FOUNDATION OF W.A. INCORPORATED

ABN 43 390 598 024

Financial Report

For the year ended 31 December 2017

C O N T E N T S

Statement by the Board of Management

Auditor's Independence Declaration

Independent Auditors' Report

Statement of Comprehensive Income

Statement of Financial Position

Statement of Changes in Equity

Statement of Cash Flows

Notes to the Financial Statements


ARTHRITIS FOUNDATION OF W.A. INCORPORATED

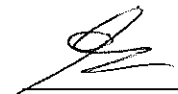
STATEMENT BY THE BOARD OF MANAGEMENT

In the opinion of the Board of Management of the Arthritis Foundation of W.A. Incorporated (the Foundation) the financial report as set out on pages 5 to 24:

- (i) The attached financial statements and notes give a true and fair view of the Arthritis Foundation of WA Incorporated (the "Foundation") as at 31 December 2017 and of its performance for the financial year ended on that date; and
- (ii) The attached financial statements and notes comply with the Accounting Standards, the *Associations Incorporations Act*, the *Australian Charities and Not-for-profits Commission Act 2012* and the *Charitable Collections Act 1946 (WA)* and associated regulations; and
- (iii) The attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements; and
- (iv) The operations of the Foundation have been carried out in accordance with the Constitution of the Foundation; and
- (v) There are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Management by:



President

Board Member

Dated: 19 March 2018
Perth, WA

RSM Australia Pty Ltd

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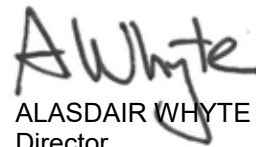
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Arthritis Foundation of W.A. Incorporated for the year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Associations Incorporation Act 2015 (WA)* and *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

RSM

RSM AUSTRALIA PTY LTD


ALASDAIR WHYTE
Director

Perth, WA

Dated: 19 March 2018

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ARTHRITIS FOUNDATION OF W.A. INCORPORATED**

Qualified Opinion

We have audited the financial report of Arthritis Foundation of W.A. Incorporated ("the Foundation" or "registered entity"), which comprises the statement of financial position as at 31 December 2017, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by the board of management.

In our opinion, except for the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial report of the Foundation has been prepared in accordance with the *Associations Incorporation Act 2015 (WA)* and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the registered entity's financial position as at 31 December 2017 and of its financial performance and cash flows for the year ended on that date; and
- (b) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Qualified Opinion

Bingo revenue (Combined Charities & HASC) \$350,854 (2016: \$331,933) is a significant source of fundraising revenue for the Foundation. The Foundation has determined that it is impracticable to establish control over the collection of bingo revenue prior to entry into its financial records. Accordingly, as the evidence available to us regarding revenue from this source was limited, our audit procedures with respect to bingo revenue had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion whether bingo revenue of the Foundation is complete.

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 Foundation in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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Responsibilities of Management and Those Charged with Governance for the Financial Report

The board of management of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, the *Associations Incorporation Act 2015 (WA)* and the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)* and for such internal control as the board of management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, board of management are responsible for assessing the Foundation'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 management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

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 at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

Report on the requirements of the Charitable Collections Act (1946) (WA) and the Charitable Collections Regulations (1947) (WA)

Opinion

We have audited the financial report of the Foundation, as required by the *Charitable Collections Act (1946) (WA)* and the *Charitable Collections Regulations (1947) (WA)*.

In our opinion

- a) The financial report of the Foundation has been properly prepared, and the associated records have been properly kept for the year ended 31 December 2017, in accordance with the *Charitable Collections Act (1946) (WA)* and the *Charitable Collections Regulations (1947) (WA)*; and
- b) Funds received as a result of fundraising activities conducted during the year ended 31 December 2017 have been properly accounted for and applied in accordance with the *Charitable Collections Act (1946) (WA)* and the *Charitable Collections Regulations (1947) (WA)*;

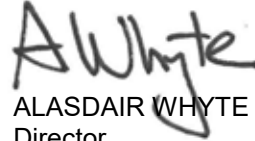
Auditor's Responsibilities

Our procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising activities pursuant to the *Charitable Collections Act (1946) (WA)* and the *Charitable Collections Regulations (1947) (WA)*.

Because of the inherent limitations of any assurance engagement, it is possible that fraud, error or non-compliance may occur and not be detected. An audit is not designed to detect all instances of non-compliance with the requirements described in the above-mentioned Acts and Regulations as an audit is not performed continuously throughout the period and the audit procedures performed in respect of compliance with these requirements are undertaken on a test basis. The audit opinion expressed in this report has been formed on the above basis.

RSM

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ALASDAIR WHYTE
DirectorPerth, WA
Dated: 21 March 2018

ARTHRITIS FOUNDATION OF W.A. INCORPORATED

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2017

	NOTE	2017 \$	2016 \$
Revenue	3	3,574,614	2,828,225
Expenses			
Branches and community support groups		(172,000)	(271,311)
Education		(397,974)	(372,383)
Administration		(196,187)	(187,707)
Health services		(788,892)	(754,410)
Fundraising and public relations		(794,522)	(691,610)
Research		(416,806)	(292,536)
Impairment – shares and managed funds		(5,645)	(54,918)
Loss on sale of available for sale investments		(4,530)	(856)
Net surplus before income tax expense		<u>798,058</u>	<u>202,494</u>
Income tax expense		<u>-</u>	<u>-</u>
Surplus after income tax expense	4	<u>798,058</u>	<u>202,494</u>
Other comprehensive income			
<i>Items that may be reclassified to profit and loss</i>			
Net increase on revaluation of financial assets		<u>340,712</u>	<u>170,935</u>
		<u>340,712</u>	<u>170,935</u>
Total comprehensive surplus for the year		<u>1,138,770</u>	<u>373,429</u>

The accompanying notes form part of these financial statements

ARTHRITIS FOUNDATION OF W.A. INCORPORATED

STATEMENT OF FINANCIAL POSITION

As at 31 December 2017

	NOTE	2017 \$	2016 \$
CURRENT ASSETS			
Cash and cash equivalents	5	835,799	1,883,589
Held-to-maturity investments	6	2,764,898	846,045
Trade and other receivables	7	58,378	45,036
Other current assets	8	49,406	32,697
TOTAL CURRENT ASSETS		<u>3,708,481</u>	<u>2,807,367</u>
 NON-CURRENT ASSETS			
Available for sale financial investments	9	9,154,805	8,574,673
Property, plant and equipment	10	1,240,421	1,316,400
Investment property	11	1,144,000	1,144,000
TOTAL NON-CURRENT ASSETS		<u>11,539,226</u>	<u>11,035,073</u>
TOTAL ASSETS		<u>15,247,707</u>	<u>13,842,440</u>
 CURRENT LIABILITIES			
Trade and other payables	12	841,477	598,326
Provisions	13	112,824	89,478
TOTAL CURRENT LIABILITIES		<u>954,301</u>	<u>687,804</u>
TOTAL LIABILITIES		<u>954,301</u>	<u>687,804</u>
 NET ASSETS		<u>14,293,406</u>	<u>13,154,636</u>
 EQUITY			
Accumulated funds			
Unrestricted funds		3,241,430	2,477,826
Restricted funds	14	6,702,050	6,667,596
Designated funds	15	1,900,000	1,900,000
Total accumulated funds		<u>11,843,480</u>	<u>11,045,422</u>
 Reserves			
Financial assets reserve		2,449,926	2,109,214
Total reserves		<u>2,449,926</u>	<u>2,109,214</u>
 TOTAL EQUITY		<u>14,293,406</u>	<u>13,154,636</u>

The accompanying notes form part of these financial statements

ARTHRITIS FOUNDATION OF W.A. INCORPORATED

STATEMENT OF CHANGES IN EQUITY

As at 31 December 2017

	Restricted Funds	Designated Funds	Unrestricted Funds	Financial Assets Reserve	Total
	\$	\$	\$	\$	\$
Balance at 1 January 2016	6,623,069	1,260,000	2,959,859	1,938,279	12,781,207
Surplus after income tax expense	44,527	640,000	(482,033)	-	202,494
Other comprehensive income, net of tax	-	-	-	170,935	170,935
Total comprehensive surplus for the year	44,527	640,000	(482,033)	170,935	373,429
Balance at 31 December 2016	6,667,596	1,900,000	2,477,826	2,109,214	13,154,636
Balance at 1 January 2017	6,667,596	1,900,000	2,477,826	2,109,214	13,154,636
Surplus after income tax expense	34,454	-	763,604	-	798,058
Other comprehensive income, net of tax	-	-	-	340,712	340,712
Total comprehensive surplus for the year	34,454	-	763,604	340,712	1,138,770
Balance at 31 December 2017	6,702,050	1,900,000	3,241,430	2,449,926	14,293,406

Financial Assets Reserve

The financial assets reserve records revaluations in available-for-sale financial assets.

ARTHRITIS FOUNDATION OF W.A. INCORPORATED

STATEMENT OF CASH FLOWS

For the year ended 31 December 2017

	NOTE	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from operations		1,302,060	1,275,721
Payments to suppliers and employees		(2,426,187)	(2,495,905)
Interest received		71,937	84,948
Trust distribution received		1,826,650	906,192
Dividends		303,439	300,815
Net cash provided by operating activities	16(a)	1,077,899	71,771
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(14,426)	-
Payments for investments		(192,410)	(476,303)
Net cash used in investing activities		(206,836)	(476,303)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash provided by financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		871,063	(404,532)
Cash and cash equivalents at the beginning of the financial year		2,729,634	3,134,166
Cash and cash equivalents at the end of the financial year	16(b)	3,600,697	2,729,634

The accompanying notes form part of these financial statements

ARTHRITIS FOUNDATION OF W.A. INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements covers the Arthritis Foundation of W.A. Incorporated ("the Foundation") as an individual entity. The financial statements are presented in Australian dollars, which is the Foundation's functional and presentation currency. The Foundation is a not-for-profit association that is incorporated in Western Australia under the Associations Incorporation Act 2015.

The financial statements were authorised for issue on 19 March 2018.

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

New, revised or amending Accounting Standards and Interpretations adopted

The Foundation has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB'), the *Associations Incorporation Act 2015*, the *Australian Charities and Not-for-profits Commission Act 2012* and the *Charitable Collections Act 1946 (WA)* and associated regulations, as appropriate for not-for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the 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 2.

(a) Revenue

Revenue from the rendering of a service is recognised upon the delivery of the service.

Grant income and other contributions received are recognised when the Foundation obtains control of the grant or contribution and it is probable that the economic benefits will flow to the Foundation.

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

Dividend revenue is recognised when the right to receive a dividend has been received.

ARTHRITIS FOUNDATION OF W.A. INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(b) Income tax

The Foundation is exempt from income tax under the provisions of Section 50-5 of the Income Tax Assessment Act 1997 as a charitable institution and holds deductible gift recipient status.

(c) Allocation of expenses

The Foundation reports its expenditure on a functional basis and accordingly, classifies its expenditure to specific programme services which describe the Foundation's social service activities and supporting services. Additionally, there is an expense classification of Administration in respect of expenditure of an administrative and general nature that is incurred and is not identifiable with a single programme, but is indispensable to the conduct of those activities and to the Foundation's existence.

(d) Fund accounting

On occasions the Foundation may receive resources restricted for particular purposes. To facilitate observance of these limitations, the financial statements list separately those funds which are restricted or designated and those funds which are unrestricted.

Restricted funds are those funds presently available for use, but expendable only for operating purposes specified by the donor or by statute. When the Board specifies a purpose for the expenditure of funds, where none has been stated by the original donor, such funds are classified as designated funds.

Unrestricted funds are those funds presently available for use by the Foundation at the discretion of the Board.

(e) Charitable Support

Charitable Support income, comprising bequests and legacies and donations and fundraising monies received, by their nature can only be recognised when they are recorded in the books of the Foundation. Bequests, legacies and donations are brought to account on a cash basis or where they are received other than in cash, according to the fair value of the bequest or donation when the ownership passes to the Foundation. All other income is brought to account on an accruals basis.

(f) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Foundation's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

ARTHRITIS FOUNDATION OF W.A. INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(f) Current and non-current classification (Cont.)

A liability is classified as current when: it is either expected to be settled in the Foundation's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

(g) Cash and cash equivalents

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

(h) Trade and other receivables

Other receivables are recognised at amortised cost, less any provision for impairment.

(i) Property, plant and equipment

Buildings and plant and equipment are measured on the cost basis less depreciation, and any accumulated impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a reducing balance method for plant and equipment and straight line method for land and building over their expected useful lives. The depreciation rates used for each class of asset are as follows:

Depreciation rate	
Plant and equipment	7.5–30%
Building	2.0%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Foundation. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

(j) Investment properties

Investment properties principally comprise of freehold land and buildings held for long-term rental and capital appreciation that are not occupied by the Foundation. Investment properties are initially recognised at cost, including transaction costs, and are subsequently remeasured annually at fair value. Movements in fair value are recognised directly to profit or loss.

Investment properties are derecognised when disposed of or when there is no future economic benefit expected.

ARTHRITIS FOUNDATION OF W.A. INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(j) Investment properties (Cont.)

Transfers to and from investment properties to property, plant and equipment are determined by a change in use of owner-occupation. The fair value on the date of change of use from investment properties to property, plant and equipment are used as deemed cost for the subsequent accounting. The existing carrying amount of property, plant and equipment is used for the subsequent accounting cost of investment properties on the date of change of use.

Investment properties also include properties under construction for future use as investment properties. These are carried at fair value, or at cost where fair value cannot be reliably determined and the construction is incomplete.

(k) Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

(l) Trade and other payables

These amounts represent liabilities for goods and services provided to the incorporated association prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(m) Employee benefits

Provision is made for the Foundation's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

ARTHRITIS FOUNDATION OF W.A. INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(n) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Held-to-maturity investments

These investments have fixed maturities, and it is the Foundation's intention to hold these investments to maturity. Any held-to-maturity investments held by the Foundation are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale investments are those financial assets that are designated as available-for-sale. When available-for-sale financial investments are recognised initially, they are measured at fair value. Any available-for-sale financial investments donated to the Foundation are recognised at fair value at the date the Foundation obtains control of the asset. After initial recognition available-for-sale financial investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

Impairment

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

(o) 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 interest. 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.

ARTHRITIS FOUNDATION OF W.A. INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(p) 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.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority

(q) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Foundation for the annual reporting period ended 31 December 2017. The Foundation has not yet assessed the impact of these new or amended Accounting Standards and Interpretations

2. 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.

Impairment

The Foundation assesses impairment at each reporting date by evaluating conditions specific to the Foundation that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

An impairment loss of \$5,645 (2016: \$54,918) has been recognised for the year ended 31 December 2017.

ARTHRITIS FOUNDATION OF W.A. INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

	2017 \$	2016 \$
3. REVENUE		
Charitable support fundraising (*)	2,417,125	1,484,630
Fee for services	298,378	263,166
Grants	395,446	422,146
Interest income	71,937	84,948
Dividend income	303,439	300,815
Rental Income	15,023	16,019
Gain on sale of investments	57,186	168,653
Revaluation of investment property	-	79,135
Other	16,080	8,533
	<u>3,574,614</u>	<u>2,828,225</u>

* Amount includes bingo revenue (Combined Charities & HASC) of \$350,854 (2016: \$331,933).

4. SURPLUS FROM OPERATIONS

Surplus before income tax includes the following specific expenses:

Depreciation

Buildings	50,880	48,137
Plant and equipment	39,525	21,046
	<u>90,405</u>	<u>69,183</u>

Impairment - available for sales financial investments	<u>5,645</u>	<u>54,918</u>
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Fair value decrement - investment property	<u>-</u>	<u>12,000</u>
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Rental expense on operating leases

Minimum rental payments	<u>28,861</u>	<u>47,344</u>
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Superannuation

Defined contributions superannuation expense	<u>84,090</u>	<u>79,405</u>
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ARTHRITIS FOUNDATION OF W.A. INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

	2017	2016
	\$	\$
5. CASH AND CASH EQUIVALENTS		
Cash on hand	590	400
Cash at bank	616,395	920,931
Cash on deposit	<u>218,814</u>	<u>962,258</u>
	<u>835,799</u>	<u>1,883,589</u>
6. HELD TO MATURITY INVESTMENTS		
Term deposits	<u>2,764,898</u>	<u>846,045</u>
7. TRADE AND OTHER RECEIVABLES		
Trade receivables	57,678	44,336
Other receivables	<u>700</u>	<u>700</u>
	<u>58,378</u>	<u>45,036</u>
8. OTHER CURRENT ASSETS		
Accrued interest	10,933	22,997
Prepayments	30,160	-
GST receivable	<u>8,313</u>	<u>9,700</u>
	<u>49,406</u>	<u>32,697</u>
9. AVAILABLE FOR SALE FINANCIAL INVESTMENTS		
Shares in listed companies	1,790,150	1,812,468
Units in unlisted investment unit trusts	<u>7,364,655</u>	<u>6,762,205</u>
	<u>9,154,805</u>	<u>8,574,673</u>

Reconciliation of the written down values at the beginning and end of the current and previous financial years are set out below:

2016

	Shares in listed companies	Units in unlisted investment unit trusts	Total
	\$	\$	\$
Carrying amount at the beginning of the year	1,766,577	6,047,594	7,814,171
Additions	-	1,223,629	1,223,629
Disposals	(41,342)	(706,455)	(747,797)
Gain on sale of investment	2,689	165,964	168,653
Impairment expense	(488)	(54,430)	(54,918)
Changes in fair value recognised in equity	<u>85,032</u>	<u>85,903</u>	<u>170,935</u>
Carrying amount at the end of the year	<u>1,812,468</u>	<u>6,762,205</u>	<u>8,574,673</u>

ARTHRITIS FOUNDATION OF W.A. INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

9. AVAILABLE FOR SALE FINANCIAL INVESTMENTS (Cont.)

2017

	Shares in listed companies	Units in unlisted investment unit trusts	Total
	\$	\$	\$
Carrying amount at the beginning of the year	1,812,468	6,762,205	8,574,673
Additions	58,768	323,306	382,074
Disposals	(109,665)	(80,000)	(189,665)
Gain on sale of investment	34,929	22,257	57,186
Loss on sale of investment	(4,530)	-	(4,530)
Impairment expense	(5,454)	(191)	(5,645)
Changes in fair value recognised in equity	3,634	337,078	340,712
Carrying amount at the end of the year	1,790,150	7,364,655	9,154,805

Balances as at 31 December 2017 include a portfolio of securities listed on the Australian Stock Exchange and units in unlisted unit trusts, the latter managed by professional investment managers. These investments are spread across a range of various industrial and geographical sectors in accordance with the Foundations investment policy to reduce exposure to market price risk.

	2017 \$	2016 \$
10. PROPERTY, PLANT & EQUIPMENT		
Buildings		
Lemnos Street, Shenton Park		
Cost	2,172,058	2,172,058
Accumulated depreciation	(1,015,367)	(964,487)
	1,156,691	1,207,571
Plant and equipment		
Cost	503,640	489,214
Accumulated depreciation	(419,910)	(380,385)
	83,730	108,829
Total property, plant and equipment	1,240,421	1,316,400

ARTHRITIS FOUNDATION OF W.A. INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

10. PROPERTY, PLANT & EQUIPMENT (Cont.)

Reconciliation of the written down values at the beginning and end of the current and previous financial years are set out below:

2016

	Buildings	Plant and Equipment	Total
	\$	\$	\$
Carrying amount at the beginning of the year	1,255,708	129,875	1,385,583
Depreciation expense	<u>(48,137)</u>	<u>(21,046)</u>	<u>(69,183)</u>
Carrying amount at the end of the year	<u>1,207,571</u>	<u>108,829</u>	<u>1,316,400</u>

2017

	Buildings	Plant and Equipment	Total
	\$	\$	\$
Carrying amount at the beginning of the year	1,207,571	108,829	1,316,400
Additions	-	14,426	14,426
Depreciation expense	<u>(50,880)</u>	<u>(39,525)</u>	<u>(90,405)</u>
Carrying amount at the end of the year	<u>1,156,691</u>	<u>83,730</u>	<u>1,240,421</u>

The Foundation's buildings and improvements are situated on Crown Land, and title was previously held through a Reserve and vested in the name of the Foundation, over which there was a reservation, which designated that the land must be used for the purpose of an "Arthritis Centre". During the year ended 31 December 2001, the Foundation applied for and was granted a Crown Grant in Trust title whereby the Foundation must continue to use the building and improvements as before, for the purpose of an "Arthritis Centre".

11. INVESTMENT PROPERTY

	2017	2016
	\$	\$
Land and buildings	<u>1,144,000</u>	<u>1,144,000</u>

Reconciliation of the written down values at the beginning and end of the current and previous financial years are set out below:

	2017	2016
	\$	\$
Carrying amount at the beginning of the year	1,144,000	1,064,215
Additions – at cost	-	471
Additions – at fair value	-	91,314
Revaluation – decrements	-	<u>(12,000)</u>
Carrying amount at the end of the year	<u>1,144,000</u>	<u>1,144,000</u>

ARTHRITIS FOUNDATION OF W.A. INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

	Notes	2017 \$	2016 \$
12. TRADE AND OTHER PAYABLES			
Trade creditors		50,235	57,776
Accrual – Chair Rheumatology & Musculoskeletal Medicine		358,289	286,094
Other accruals and payables		377,369	223,241
Deferred income		<u>55,584</u>	<u>31,215</u>
		<u>841,477</u>	<u>598,326</u>
13. PROVISIONS			
Employee benefits		<u>98,806</u>	<u>89,478</u>
14. RESTRICTED FUNDS			
<i>Funds restricted by Donors</i>	1(d)		
Education		293,000	293,000
Research		1,315,150	1,315,150
Statutory		1,156,692	1,173,138
Charitable trusts		2,360,278	2,360,278
Chair Rheumatology & Musculoskeletal Medicine		<u>1,576,930</u>	<u>1,526,030</u>
		<u>6,702,050</u>	<u>6,667,596</u>
15. DESIGNATED FUNDS			
<i>Funds restricted by Board</i>	1(d)		
Building maintenance		900,000	900,000
Research		<u>1,000,000</u>	<u>1,000,000</u>
		<u>1,900,000</u>	<u>1,900,000</u>

ARTHRITIS FOUNDATION OF W.A. INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

	2017 \$	2016 \$
16. NOTES TO THE STATEMENT OF CASH FLOWS		
(a) Reconciliation of net cash provided by operating activities to net surplus		
Surplus after income tax expense for the year	798,058	202,494
Adjustments for:		
Depreciation expense	90,405	69,183
Impairment expense	5,645	54,918
Fair value decrement - investment property	-	12,000
Fair value increment - investment property	-	(91,314)
Loss on sale of investments	4,530	-
Gain on sale of investments	(57,186)	(168,653)
Movements in assets and liabilities:		
Trade and other receivables	(13,341)	(12,581)
Other current assets	(16,709)	(2,040)
Trade and other payables	243,150	(5,470)
Provisions	23,347	13,234
Net cash provided by operating activities	1,077,899	71,771
(b) 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:		
Cash and cash equivalents	835,799	1,883,589
Held-to-maturity investments	2,764,898	846,045
Net cash provided by operating activities	3,600,697	2,729,634

17. FINANCIAL INSTRUMENTS

Financial risk management

The main risks arising from the Foundation's financial instruments are interest rate risk, liquidity risk, credit risk and market price risk. The Foundation does not hold financial instruments denominated in foreign currencies and does not use derivative instruments to manage risks associated with its financial instruments.

The Foundation's policies for managing each of these risks are summarised below. The policies are subject to Board approval and are reviewed regularly.

(a) Interest rate risk

The Foundation is not exposed to any significant interest rate risk.

ARTHRITIS FOUNDATION OF W.A. INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

17. FINANCIAL INSTRUMENTS (Cont.)

(b) Liquidity risk

The Foundation manages liquidity risk by monitoring forecast cash flows and ensuring that adequate liquid funds are maintained.

When necessary, cash for unforeseen events may be sourced from liquidation of available-for-sale financial investments. It is Foundation investment policy that 50% of total investment must be liquefiable with 14 days.

Remaining contractual maturities

The following tables detail the foundation's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

2016

	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities
Non-derivative						
<i>Non- interest bearing</i>						
Trade and other payables	-	598,326	-	-	-	598,326
		598,326	-	-	-	598,326

2017

	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities
Non-derivative						
<i>Non- interest bearing</i>						
Trade and other payables	-	841,477	-	-	-	841,477
		841,477	-	-	-	841,477

ARTHRITIS FOUNDATION OF W.A. INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

17. FINANCIAL INSTRUMENTS (Cont.)

(c) Credit risk

The Foundation is exposed to credit risk in respect of funds deposited with banks and other financial institutions.

Funds are deposited only with those banks and financial institutions approved by the Board. Such approval is only given in respect of banks that hold an A1 rating from Standard and Poor's.

At the reporting date, the Foundation does not have any material credit risk exposures to any single bank or financial institution.

(d) Market price risk

Market price risk is the risk that the Foundation's operations will be adversely affected by a significant adverse fluctuation on the value of its available-for-sale investments. The Foundation has engaged a licensed investment advisor to advise on the management of its investment portfolio. The Board has approved risk and return parameters for investment in available-for-sale investments and receives reports from management and its licensed investment advisor on a monthly basis regarding the performance of the investment portfolio.

Market price sensitivity

At 31 December 2017, if market prices had changed by +/- 15%, with all other variables held constant, the net assets for the year and equity would have been \$1,373,221 higher/lower (2016: \$1,286,201 higher/lower).

(e) Fair value of financial instruments

Unless stated otherwise the carrying amounts of financial instruments reflect their fair value.

18. KEY MANAGEMENT PERSONNEL DISCLOSURES

Compensation

The aggregate compensation made to officers and other members of key management personnel of the Foundation is set out below:

	2017 \$	2016 \$
Short-term employee benefits	239,290	239,290
Post-employment benefits	36,079	35,984
	<u>275,369</u>	<u>274,274</u>

ARTHRITIS FOUNDATION OF W.A. INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

19. REMUNERATION OF AUDITORS

During the financial year the following fees were paid or payable for services provided by RSM Australia Pty Ltd, the auditor of the Foundation:

Audit services - RSM Australia Pty Ltd
Audit of the financial statements

	13,700	13,900
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20. RELATED PARTY INFORMATION

Members of the board of management

The names of the members of the Board of Management, who serve in a voluntary capacity and are not remunerated, in office during any part of the year were:

Dr Jack Edelman – President
Dr Irene Dagmar Froyland- Vice President
Ms Silvia Caratti – Honorary Treasurer
Dr Bob Langlands
Mrs Deborah Borshoff
Mr Bradley Gordon
Ms Stefanie Johnston (appointed 19/9/2017)
Dr Charles Inderjeeth (appointed 01/7/2017)

Key management personnel

Disclosures relating to key management personnel are set out in note 18.

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

21. BEQUESTS AND LEGACIES NOT YET RECORDABLE

The Foundation is the beneficiary of certain bequests and legacies and a donation, under various wills of deceased benefactors and an agreement respectively, the total realisable amount of which is not presently determinable. Such amounts will be recorded when clear title is established and the proceeds are measurable.

22. CONTINGENT LIABILITIES

The Foundation has given a bank guarantee to the Gaming Division of the Office of Racing and Gaming of \$35,000 (2016: \$35,000) in relation to raffle draws to be conducted by the Foundation.

The Foundation does not have any other contingent liabilities as at 31 December 2017 or 31 December 2016.

ARTHRITIS FOUNDATION OF W.A. INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

23. COMMITMENTS FOR EXPENDITURE

Capital commitments

There are no capital commitments as at 31 December 2017 or 31 December 2016.

Lease commitments - operating

Committed at the reporting date but not recognised as liabilities:

	2017	2016
	\$	\$
Not later than 1 year	9,721	14,860
Later than 1 year and not later than 5 years	-	9,721
	<hr/>	<hr/>
	9,721	24,581
	<hr/>	<hr/>

24. EVENTS SUBSEQUENT TO REPORTING DATE

No matter or circumstance has arisen since 31 December 2017 that has significantly affected, or may significantly affect the Foundation's operations, the results of those operations, or the Foundation's state of affairs in future financial years.

25. FOUNDATION DETAILS

The principal place of business of the Foundation is:

Wyllie Arthritis Centre
17 Lemnos Street
Shenton Park WA 6008

In our world of James Bond, MI5 and undercover agents, their code was simple..... 'If my window blind is up, I'm OK!'



Two ladies, decades ago, started a friendship that blossomed and lasted for reasons more than mere enjoyment of each other's company. They'd developed a bond, they cared and watched out for each other. Losing husbands, they chose to live alongside each other to help hold fast to what was now three decades of 'a caring friendship'.

These two elderly ladies even had a 'secret' code. Each morning, on rising, a 'raised blind' on a front window said... 'I'm up and I am OK!'. In times of smart phones, their ability to watch over each other was both simple and effective.

Until one day, one blind wasn't raised and the neighbor made entry to find her lifetime friend on the floor, rendered immobile with a broken hip. Her fall and fractured hip was followed a short while later by a stroke. She died aged 98.

And I retell this story for good reasons...First is the generosity expressed in her Will. This dear lady had left us an amount of \$158,000 which we are using to help advance research into arthritis. Bless her.

Second, was the effectiveness of their code, their private pact to "watch out" for each other by adjusting a window blind. If only all things in life were as simple!

Yes, these two ladies were organized, each had written a Will and each had an unwritten pact to look out for the other, but these days, there is more, much more...

After preparing your Will, next is to prepare an EPA, or Enduring Power of Attorney, which provides for others to manage your finances in the event you are incapacitated.

Then, there is an Enduring Power of Guardianship or EPG that while similar to an EPA, takes care of the where, with whom and how you might live.

Next is to write an Advanced Health Directive or AHD that in the event you are seriously ill, tells others the extent to which you want medical intervention to be used.

And if you have funds in a Superannuation Fund, you will almost certainly need to sign a Binding Death Benefit Nomination or BDBN instruction. This directs the Fund Trustee as to how to deal with your Fund assets that are expressly not covered by your Will.

Here at Arthritis & Osteoporosis WA, we have a wallet of information expanding on the above issues, ready to send you if you call. The wallet of information is free, as is our FREE Wills writing service. We can also put you in touch with legal or financial professionals to help you deal with those more complicated issues that surround our last years.

Here's how to get your pack of information:

Phone: 9388 2199 | **Email:** general@arthritiswa.org.au | **Website:** www.arthritiswa.org.au
AOWA: 17 Lemnos St, Shenton Park



Wyllie Arthritis Centre

17 Lemnos Street, Shenton Park WA 6008
Post Office Box 34, Wembley WA 6913

Telephone: 9388 2199

Country (Free Call): 1800 011 041

Email: general@arthritiswa.org.au

Website: www.arthritiswa.org.au

ABN: 43 390 598 024

