



Director's Report

2016

MOVE muscle, bone & joint health Ltd.
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263-265 Kooyong Road, Elsternwick VIC 3185
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DIRECTORS' & FINANCIAL REPORT

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COMPANY INFORMATION

DIRECTORS

Mr Duncan Langdon	Chair, Non-Executive Director
Mr Dipak Sanghvi	Deputy Chair, Non-Executive Director
Prof Peter Choong	Non-Executive Director
Ms Christine Cussen	Non-Executive Director
Ms Bernadette Dennis	Non-Executive Director
Mr Stephen Fitzpatrick	Non-Executive Director
Mr Geoffrey McDonald Bowl	Non-Executive Director
Mr Anthony Raitman	Non-Executive Director
Ms Jade Rowarth	Non-Executive Director

CHIEF EXECUTIVE OFFICER

Linda Martin

COMPANY SECRETARY

Martin Bede

SOLICITORS

K & L Gates
Level 25, 525 Collins Street
Melbourne VIC 3000

PRINCIPAL PLACE OF BUSINESS

263 – 265 Kooyong Road
Elsternwick VIC 3185

AUDITORS

McLean Delmo Bentleys Audit Pty Ltd
Level 3, 302 Burwood Road
Hawthorn, VIC 3122

REGISTERED OFFICE

263 – 265 Kooyong Road
Elsternwick VIC 3185

DIRECTORS' REPORT

Your directors present their report on the Company for the financial year ended 31 December 2016.

Directors

The names of directors in office at any time during or since the end of the year are:

NAME	ROLE	PERIOD OF DIRECTORSHIP IF NOT FULL PERIOD
Mr Duncan Langdon	Chair, Non-Executive Director	
Mr Dipak Sanghvi	Deputy Chair, Non-Executive Director	Appointed 6 June 2016
Prof Peter Choong	Non-Executive Director	Appointed 6 June 2016
Mr James Coyle	Non-Executive Director	Ceased 18 May 2016
Ms Christine Cussen	Non-Executive Director	Appointed 6 June 2016
Ms Bernadette Dennis	Non-Executive Director	
Ms Janine Fisher	Non-Executive Director	Ceased 13 April 2016
Mr Stephen Fitzpatrick	Non-Executive Director	
Mr Geoffrey McDonald Bowl	Non-Executive Director	
Mr Anthony Raitman	Non-Executive Director	
Dr Ian Relf	Non-Executive Director	Ceased 18 May 2016
Ms Jade Rowarth	Non-Executive Director	



Director's qualifications, experience and special responsibilities

Mr Duncan Langdon – Chair, Non-executive Director FCPA, MBA, ACIS, ACSA, GAICD

**Director since March 2013
Board Chair since July 2014,
Governance Committee Chair since July 2014
Nominations Committee Chair since 2015
Member Finance & Audit Committee since July 2013.**

Duncan is a senior corporate and finance professional having worked at executive level in both the government and private sectors. Duncan was Chief Financial Officer (CFO) and decommissioning Chief Executive Officer of Linking Melbourne Authority. Duncan is the former CFO of William Angliss Institute and international manufacturer and commodities exporter, Agri-Best Australia Pty Ltd. He has broad experience across the finance, IT, marketing, management, strategy and corporate governance disciplines. His qualifications and professional memberships are in finance/accounting, leadership/management and corporate governance.

Mr Dipak Sanghvi B.Sc Pharm, FACPPM, FAICD

**Director since July 2016
Deputy Chair of Board since July 2016
Member Governance Committee since July 2016
Member Funding Submissions Committee since July 2016**

Dipak is a pharmacist and owns a group of pharmacies in Victoria. He is currently on the Board of Monash Health and Chair of Member Benefits Australia Pty Ltd. Previous positions held include President of the Pharmacy Guild during 2006-2011, Chair of Gold Class Products and Services Pty Ltd, Chair of Return of Unwanted Medicines, Board Member of Guild Insurance and Superannuation Company and Merridian Lawyers and several other Board positions in community and the pharmaceutical industry.

Prof. Peter Choong MBBS, MD, FRACS, FAOrthA

**Director since May 2016
Member Funding Submission Committee since July 2016**

Peter is an orthopaedic surgeon who is the Director of Orthopaedics at St. Vincent's Hospital and also the Sir Hugh Devine Chair of Surgery and Head of the University of Melbourne Department of Surgery at St. Vincent's Hospital. In addition, he is the Chair of the Bone and Soft Tissue Tumour Service at Peter MacCallum Cancer Centre.



Peter is also a clinical academic with substantial involvement in teaching, training and research. A major focus of his work is arthritis surgery and limb reconstruction. He has published prolifically and is a recipient of many peer-reviewed grants including NHMRC, ARC, and CRC. He has held many national and international leadership positions including President of the Australian Orthopaedic Association, Chair of the Board in Orthopaedic Surgery at the RACS, and Chair of the Musculoskeletal Clinical Leadership Group at the Department of Health and Human Services, Victoria.

Christine Cussen

DippAppSc, PGradDipMkt, GAICD

Director since May 2016

Member Finance & Audit Committee since July 2016

Member Governance Committee since August 2016

Member Nominations Committee since 2016

Christine has worked as a Managing Director and Chief Executive Officer in Australia, North America, Europe and Asian territories, with both global multi-nationals and entrepreneurial ASX listed start-up organisations in diverse sectors including healthcare, pharmaceuticals, biotechnology, industrials, utilities and innovation.

Her executive career encompassed roles including Managing Director of Eiffel Technologies Limited, General Manager, Innovation and Technology with the Dulux Group & CEO of the Smart Water Fund.

Christine is currently a specialist adviser (Healthcare) to AFG Venture Group. Christine is a Board Member of Camberwell Girls Grammar School and is an industry adviser to the National Health and Medical Research Council.

Ms Bernadette Dennis

Director since February 2013

Member Finance & Audit Committee since April 2013

Bernadette is a Director of BD Concepts Pty Ltd and until mid 2015 she was also the Managing Director of Hospitality Sales and Marketing Association International Asia Pacific. She has previously been Vice President, Asia Pacific for Marriott International, Inc.'s Global Sales Organisation based in Hong Kong.

Bernadette now focusses her time on various charitable activities including, Management Committee Secretary and Treasurer of St Joseph's Outreach Services and Board Member of St Vincent's Institute of Medical Research's Foundation.

Having observed the effect on family and friends, Bernadette is very interested in understanding more about what is needed to assist those in the community living with arthritis and osteoporosis and what is needed to continue research into potential cures.



Mr Stephen Fitzpatrick

Dip Bus (Accounting), HFMA (prev AHSFMA), ACHSM, ISBT, GAICD

Director since February 2012

Chair Finance & Audit Committee since August 2012

Member Funding Submissions Committee from June 2014 to July 2016

Stephen has an extensive work history and comprehensive understanding of the health system gained from holding senior roles across various Victorian State government departments, public hospitals and the Australian Red Cross Blood Service. He is currently a project consultant at Forensicare, working on a range of master planning, building and IT projects. Stephen's commitment to the health care sector is reflected in his 10 year membership on the Board of the Healthcare Financial Management Association (HFMA), the leading association for health industry financial staff including two as President. Stephen brings substantial strategic and operational experience related to the health sector

**Mr Geoffrey McDonald
Bowll**

B.Bus (Monash), AMI Fellow, CPM, ASMI Fellow, GAICD

Director since February 2013

Member Finance & Audit Committee since July 2016

Geoffrey has over 30 years experience in market research, strategy planning and advertising. Mr Bowll spent ten years working with research firms specialising in behavioural change and advertising effectiveness prior to starting Starship a creative-based, full service, integrated advertising / design agency acting for private and public sector clients.

Geoffrey has a family member living with severe arthritis and is keen to help people with arthritis live better lives.

Mr Anthony Raitman

BBus/BArts, GAICD

Director since April 2013

Member Finance & Audit Committee from April 2013 to July 2016

Anthony is Area Executive Director, in the North Eastern Victoria Region of the Department of Education Training.

Anthony has extensive experience in, and understanding of, the workings of Local, State and Commonwealth Governments, service development and improvement, translating evidence into practice, change management and broader governance and strategy development. During his career, has worked in the disability, aged care, early childhood, education and health and wellbeing sectors.



Ms Jade Rowarth
LLB(Hons)/BBus(Mgt) GAICD

Director since April 2014
Governance Committee Member since July 2014
Nominations Committee Member since 2015

Jade is a partner in the commercial team at Maddocks Lawyers. She was admitted to practice in the Supreme Court of Victoria and High Court of Australia in 2002 and specialises in corporate restructuring and banking and finance law. Jade has practiced in Australia and the United Kingdom. She completed the Australian Institute of Company Directors Course in 2011 and has worked extensively with boards during her career.

Ms Janine Fisher
GAICD

Director from February 2011 to April 2016
Member of Governance Committee from April 2013 to April 2016

Janine is an experienced volunteer and consumer advocate for people living with a musculoskeletal condition. She has experience as a consumer consultant in musculoskeletal health research and is President of the advocacy and self help group, Arthritis Support Geelong. She has a background in commercial management and was a teacher at Gordon TAFE in Geelong.

Dr Ian Relf
MBBS, BSc(Hons), MSc, Dip RACOG, FRACGP, FAMAC

Director from September 2007 to May 2016
Member of Funding Submissions Committee from June 2014 to May 2016

Ian has over 25 years of medical experience in General Practice as well as Women's Health & Emergency Medicine. He currently practices at Freemasons Medical Centre in Melbourne and holds an appointment as Medical Acupuncturist at Austin Cancer Centre. Ian has wide experience in medical research including a current \$600K National Research Grant in Arthritis and Knee Pain at Melbourne University (Research Fellow).

Ian is Chief Examiner Australian Medical Acupuncture College and Mentor and Lecturer for Monash University Department of General Practice.



Mr James Coyle

B.Ec, M.Sc, CIMA, MAICD

Director from December 2012 to May 2016

James is a consulting partner with SuperEd and former General Manager with AustralianSuper .

James has considerable experience across the financial services sector, particularly within superannuation. He was the Marketing and Business Development General Manager for both Hesta and Telstra Super and held positions with NAB and Macquarie Bank.

Linda Martin

Chief Executive Officer

B.A., BSW, MSW, Dip. Ed

Linda Martin has been the Chief Executive Officer of *MOVE muscle, bone & joint health* since 2011. Linda has steered the organisation through major brand and governance change and for a period of time was the Company Secretary. Linda has extensive experience in governance, strategic planning, business system development, large scale operational management, project management and innovative program design. Linda has held Senior Executive roles in the Victorian Public Sector, been the Managing Director and Principal consultant for a Management Consultancy firm, lectured at the University of Melbourne in Social Work. She has worked in public, private and not for profit sectors.

Linda spearheaded the development of the Musculoskeletal Clinical Leadership Group in Victoria and has been on several University and Research Advisory Committees. She has held positions on several Boards and is currently a Board Director for the ANZUP Cancer Trials Group Limited. She has also recently been an industry representative on the Monash University, School of Public Health and Preventative Medicine Postgraduate Courses Committee.

Martin Bede

Company Secretary

Martin is a lawyer by profession with considerable experience in both private practice and in-house legal roles. Martin holds a Bachelor of Laws and Bachelor of Commerce from the University of Melbourne and a Graduate Diploma in Applied Corporate Governance from the Governance Institute of Australia.



Objectives

MOVE's objectives as set out in its constitution are to:

- a. Improve the quality of life of people who have, or are at risk of developing, musculoskeletal conditions
- b. Be a leader in developing and advocating for health and wellbeing policies that acknowledge and address the needs of people with musculoskeletal conditions
- c. Be a leader in developing and implementing strategies to minimise the incidence and impact of musculoskeletal conditions and be a strong voice for consumers
- d. Increase the understanding of the impact of musculoskeletal conditions by providing and improving access to information, increasing community awareness and providing education for consumers and health professionals, the community, organisations and groups
- e. Provide and increase access to effective services
- f. Inform and engage in research and advocacy that impacts positively upon the lives of people who have, or are at risk of developing, musculoskeletal conditions
- g. Work collaboratively with people who have, or are at risk of developing musculoskeletal conditions, their families and communities and to work collaboratively with relevant people and organisations including government, academic and research institutions, policy developers and service organisations, and health professionals

Strategy

MOVE's strategy for achieving its objectives is to:

- a. Create financial sustainability through a culture of strategic fundraising and philanthropy
- b. Position *MOVE* as the voice of muscle, bone and joint health
- c. Leverage existing and new products



Principal activities during the year

MOVE's principal activities in relation to these strategic goals were as follows:

a. Create Financial Sustainability

- *Brand Change from Arthritis & Osteoporosis Victoria to MOVE muscle, bone & joint health (MOVE)*

The new brand, *MOVE muscle, bone & joint health*, was launched in Melbourne in June and Sydney in August 2016. The *MOVE* brand represents a positive approach to promoting improved quality of life outcomes for people who have, or are at risk of developing, muscle, bone and joint conditions and musculoskeletal health sector collaboration across Australia.

- *Corporate structure change from an Incorporated Association to Company Limited by Guarantee*

Along with the name change, *MOVE* adopted a new constitution and changed the corporate structure to a Company Limited by Guarantee. Our increasing national focus due to increasing digitisation and the planned growth of services such as the Help Line, meant that *MOVE* could no longer be considered a state based organisation, a requisite of Incorporated Associations.

The 2016 AGM voted on the new brand and the new corporate structure with a record number of members voting and a 97% approval of the changes.

- *Fundraising activities*

MOVE was engaged in a broad range of fundraising activities in 2016 including raffles, appeals and an inaugural *MOVE* Fundraising Dinner.

- *Volunteer and pro bono support*

MOVE is privileged to have a significant contribution of expertise from a large regular volunteer workforce, generous pro bono support from health professionals and long term corporate support from organisations such as legal firm K&L Gates.

- *Inaugural MOVE fundraising dinner*

Over 200 people attended the inaugural *MOVE* fundraising dinner held at Kooyong Tennis Club, raising significant funds to support *MOVE* services.

b. Position MOVE as the voice of muscle, bone & joint health

- *Research*



MOVE continued to improve our research capacity during 2016, doing work in collaboration with the tertiary education sector, and building our internal capacity. Two ground breaking research reports were published in 2016:

1. Consumer needs scoping review: “A systematic scoping review of published Australian and international research focussing on the needs of consumers in managing their chronic musculoskeletal condition(s)”.
2. Painful Transitions study: “Information and practical skills needs and optimal modes of delivery for adolescents with persistent musculoskeletal pain, including those with co-morbid mental health issues”.

We also invested in translational research projects, including with Deakin University’s Institute of Physical Activity and Nutrition, Curtin University, University of Melbourne and Monash University. Topics included evaluating the best activities for back pain, young people’s use of technology, and post-injury risks of surgery.

MOVE led a number of smaller projects internally, including studies on attitudes to opioid medications and to osteoarthritis models of care, and a number of research projects associated with the Victorian Active Ageing Program.

- *Online Consumer Research Register*

MOVE is developing an online Consumer Research Register, which will provide a platform to link consumers and researchers. MOVE has engaged The University of Melbourne’s Department of Computing and Information Systems to assist in building the platform.

- c. Leverage existing and new products

- *Information and Education through partnerships*

The Victorian Active Aging Partnership (VAAP) which MOVE coordinates on behalf of the Department of Health and Human Services (DHHS) is bringing together organisations across Victoria that provide exercise services to older people. The VAAP Research Forum in August attracted over 200 participants from public, private and community sectors.

MOVE have revised our suite of information sheets, adding several new fact sheets during the year. We also developed new distribution partnerships with Health Direct, to complement the existing arrangement with the Better Health Channel.

In addition to our regular Peer Support Meetings, forums were run in NSW and Victoria to help MOVE better understand the muscle, bone and joint health needs of consumers in rural and regional communities. We also hosted a successful Koadlow Lecture in June, featuring a presentation on complementary medicines.



We increased our profile with health professionals during 2016 with a strong series of educational webinars, conducted by some of the country's most respected clinicians and researchers.

Achievement of Objectives

The activities of the company during the year assisted in achieving the objectives as follows:

Create financial sustainability through a culture of strategic fundraising and philanthropy

MOVE has taken a more strategic approach to fundraising during 2016. We have sought to consolidate, and where possible maintain, traditional sources of income. We have worked to establish and increase new sources of fundraising, for example, an inaugural Fundraising Dinner, developing corporate partnerships and increasing government funding. We were successful in attracting a corporate partnership in 2016 with Medibank as Foundation Partner; and our second-largest government contract. Recurrent Government funding remains very low at \$36,000 p.a. but new opportunities are emerging as a result of rebranding and high quality product/service delivery.

Position *MOVE* as the voice of muscle, bone and joint health

The change of brand to become *MOVE muscle, bone & joint health* and the change of corporate structure to become a national entity has provided a valuable foundation for achieving the organisation's objectives to position *MOVE* as the voice of muscle, bone and joint health.

Our reputation for undertaking and partnering successfully in the area of translational research, and effectively engaging consumers in research, has led to an increasing demand for our services. We have partnered with national and international research institutions and our Research and Knowledge Manager was appointed inaugural Chair of the ANZMUSC Consumer Advisory Group. We are increasingly being invited to be a partner on NHMRC projects, and our advice is being sought in a range of new fora. Among researchers we are increasingly being contacted as the consumer voice of people with muscle, bone and joint conditions.

We have increased our communication with the Federal and State Government representatives to advocate and lobby on behalf of people with muscle, bone and joint conditions and seek revenue support to achieve *MOVE*'s objectives.

MOVE is an active contributor to the National Policy agenda. We increased our role as policy advisers by making submissions to government reviews (including pharmacy and MBS), disseminating research findings and producing a strong series of infographics demonstrating the impact of muscle, bone and joint health on the Australian community.



Leverage existing and new products

Our high quality delivery on the Victorian Active Ageing Partnership (VAAP) has led to increased funding in related areas. For example, we have been able to secure funding for new consumer attitudinal research projects.

Our online Peer Support Group and Social Media connections have increased and provided increased access to information and support for consumers.

We have been successful in demonstrating the strength of *MOVE's* engagement with our consumer base, being trusted to provide policy advice to a range of government organisations and attracting new funding contracts.

Performance measurement

In 2016 *MOVE* used three Key Performance Indicators (KPIs) to measure performance:

Priority	KPI	Performance
1	Create financial sustainability	Traditional Fundraising still providing the basis of <i>MOVE</i> income, enhanced by increasing government funding. Expenditure contained to manage budget with income less than budget and a 4.5% deficit
2	Rebranding successful	All rebranding tasks achieved – staff and Board equipped to be the voice; new name and corporate structure achieved and supported at AGM
3	Compliance	Completed successful Financial Audit; <ul style="list-style-type: none"> • <i>MOVE</i> has a three star (top) rating with the ACNC for the Charity Reputation Index which is based on transparency, financial records and ACNC data • New constitution approved by members and accepted by ASIC, ATO, ACNC • Company Secretary Appointed (31/10/16 as per ASIC) • A review of Board and Organisational policies has commenced

Directors meetings

The number of meetings of Directors held during the year and the number of meetings attended by each Director was as follows:

DIRECTORS' MEETINGS		
	Held¹	Attended²
Mr Duncan Langdon	6	6
Mr Dipak Sanghvi	3	3
Prof Peter Choong	3	2
Mr James Coyle	3	3
Ms Christine Cussen	3	2
Ms Bernadette Dennis	6	6
Ms Janine Fisher	3	3
Mr Stephen Fitzpatrick	6	6
Mr Geoffrey McDonald Bowl	6	6
Mr Anthony Raitman	6	6
Dr Ian Relf	3	3
Ms Jade Rowarth	6	6

¹ the number of meetings held in the time the Director held office during the year.

² the number of meetings attended by the Director.

Note - Directors also attend meetings of Board Committees. Membership of Board Committees is noted in the section on special responsibilities of Directors in this report.

Membership

Amount which a member of the company is liable to contribute if the company is wound up	\$1
Total amount that members of the company are liable to contribute if the company is wound up	\$9

Signed in accordance with a resolution of the directors.



.....
Duncan Langdon
Chair
Melbourne, 28 March 2017



Financial Report 2016

MOVE muscle bone & joint health Ltd
STATUTORY FINANCIAL STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	<i>Note</i>	2016 \$	2015 \$
Revenue from rendering of services	5	3,294,180	3,139,610
Revenue from sale of goods		48,282	53,425
Other income	7	192,080	319,227
		<u>3,534,542</u>	<u>3,512,262</u>
Development and business services expenses		(1,970,510)	(2,096,854)
Training and Information Programs		(1,347,524)	(1,539,078)
Policy and research unit expenses		(43,265)	(34,236)
Administration expenses		(490,602)	(350,740)
Operating surplus/(deficit) before finance, specific purpose income/expense, recognition of land as committee of management, and other comprehensive income and expenses		(317,359)	(508,646)
Finance income	6	139,439	135,274
Operating (deficit) surplus before specific purpose and other comprehensive income/expense		<u>(177,920)</u>	<u>(373,372)</u>
Specific purpose income/ (expense)			
Specific purpose revenue		272,511	128,171
Specific purpose expenses		(413,345)	(354,555)
		<u>(140,834)</u>	<u>(226,384)</u>
Operating (deficit) surplus for the year before other comprehensive income and expenses		<u>(318,754)</u>	<u>(599,756)</u>
Other comprehensive income			
Net change in fair value of available for sale financial assets		(13,242)	127,727
Reversal of previous fair value adjustments of available for sale financial assets disposed of during the year	1(a), 17	<u>(13,242)</u>	<u>127,727</u>
Other comprehensive income/(deficit) for the year		<u>(13,242)</u>	<u>127,727</u>
Total comprehensive income for the year		<u>(331,996)</u>	<u>(472,029)</u>

The statement of comprehensive income is to be read in conjunction with the notes to the financial statements

MOVE muscle, bone & joint health Ltd
STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2016

	Fair value reserve	Asset Revaluation reserve	Research funding reserve	Lupus reserve	Retained earnings	Total equity
	\$	\$	\$	\$	\$	\$
Less: liability arising from funds held in trust (note 23)						
Opening balance at 1 January 2015	747,556	652,874	2,028,084	252,962	2,658,887	6,340,363
Deficit for the year	-	-	-	-	(599,756)	(599,756)
Bequest cash and cash equivalents in current year, including dividend and interest earned on bequested funds	-	-	128,171	-	(128,171)	-
Appropriation to Research Activities	-	-	(354,555)	-	354,555	-
<i>Other Comprehensive income</i>						
Profit realised on shares sold-rebalancing portfolio	-	-	-	-	-	-
Other Comprehensive income for the year	127,727	-	-	-	-	127,727
Closing balance at 31 December 2015	875,283	652,874	1,801,700	252,962	2,285,515	5,868,334
2016						
Opening balance at 1 January 2016	875,283	652,874	1,801,700	252,962	2,285,515	5,868,334
Deficit for the year	-	-	-	-	(318,754)	(318,754)
Bequest cash and cash equivalents in current year, including dividend and interest earned on bequested funds	-	-	272,511	-	(272,511)	-
Appropriation to Research Activities	-	-	(365,845)	(47,500)	413,345	-
Other Comprehensive income for the year	(13,242)	-	-	-	-	(13,242)
Closing balance at 31 December 2016	862,041	652,874	1,708,366	205,462	2,107,595	5,536,338

The statement of changes in equity is to be read in conjunction with the notes to the financial statements

MOVE muscle bone & joint health Ltd
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	2016	2015
		\$	\$
Current assets			
Cash and cash equivalents	10	921,620	1,338,029
Trade and other receivables	11	178,623	48,986
Other investments	12	2,999,291	2,958,055
Inventories	13	7,698	7,698
Total current assets		<u>4,107,232</u>	<u>4,352,768</u>
Non-current assets			
Property, plant and equipment	14	2,093,924	2,172,304
Total non-current assets		<u>2,093,924</u>	<u>2,172,304</u>
Total assets		<u>6,201,156</u>	<u>6,525,072</u>
Current liabilities			
Trade and other payables	15	375,495	400,206
Employee benefits	16	241,367	216,030
Total current liabilities		<u>616,862</u>	<u>616,236</u>
Non-current liabilities			
Employee benefits	16	47,956	40,502
Total non-current liabilities		<u>47,956</u>	<u>40,502</u>
Total liabilities		<u>664,818</u>	<u>656,738</u>
Net assets		<u>5,536,338</u>	<u>5,868,334</u>
Equity			
Fair value reserve	17	862,041	875,283
Asset revaluation reserve	17	652,874	652,874
Research funding reserve	17	1,708,366	1,801,700
Lupus reserve	17	205,462	252,962
Retained earnings		2,107,595	2,285,515
Total equity		<u>5,536,338</u>	<u>5,868,334</u>

The statement of financial position is to be read in conjunction with the notes to the financial statements

MOVE muscle bone & joint health Ltd
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

	<i>Note</i>	2016 \$ Inflows/(Outflows)	2015 \$ Inflows/(Outflows)
Cash flows from operating activities			
Cash receipts in the course of operations		3,528,985	3,666,058
Cash payments in the course of operations		(3,933,399)	(4,026,596)
Specific purpose receipts		177,142	20,500
Specific purpose payments		(413,345)	(354,555)
Net cash from operating activities	<i>18</i>	<u>(640,617)</u>	<u>(694,593)</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment		(10,600)	(25,935)
Interest received		31,249	44,253
Acquisition of shares		-	(24,307)
Proceeds from sale of investments		-	-
Dividend Income		203,559	198,710
Net cash from investing activities		<u>224,208</u>	<u>192,721</u>
Net increase in cash and cash equivalents		(416,409)	(501,872)
Cash and cash equivalents at 1 January		<u>1,338,029</u>	<u>1,839,901</u>
Cash and cash equivalents at 31 December	<i>10</i>	<u><u>921,620</u></u>	<u><u>1,338,029</u></u>

The statement of cash flows is to be read in conjunction with the notes to the financial statements

MOVE MUSCLE, BONE & JOINT HEALTH LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Reporting entity

MOVE muscle, bone & joint health Ltd (“the Company”), formerly Arthritis Foundation of Victoria Inc, is an entity domiciled in Australia. The financial statements of the Company as at and for the year ended 31 December 2016 consist of the Company only. The Company is primarily involved in the raising and distribution of funds and services for the benefit of the community with arthritis and arthritis related diseases.

(a) Change of name and status

On 6 June 2016, the Arthritis Foundation of Victoria Inc changed its name to MOVE muscle, bone & joint health Ltd. The entities status was also changed from an incorporated association to a public company limited by guarantee.

2 Basis of preparation

(a) Statement of compliance

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 (AASB) and the *Australian Charities and Not-for-profits Commission Act 2012*. The Company 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 stated otherwise.

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

The financial statements were approved by the Board of Directors on 28th March 2017.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for the investments and controlled land and buildings, which are measured at fair value. The method used to measure fair value is discussed further in note 3(n).

(c) Use of estimates and judgments

The preparation of a financial report requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

MOVE MUSCLE, BONE & JOINT HEALTH LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

2 Basis of preparation (continued)

(d) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Company's functional currency.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. The Company has not elected to early adopt any accounting standards or amendments in the current year, except as described above.

(a) Revenue

Rendering of services

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

Donations and bequests

Donations and bequests are recognised as revenue when received.

Raffle income

Raffles are conducted on behalf of the organisation by an external agency with each raffle subject to an individual contract. It is impracticable for the Company to establish control over the collection of income from raffles prior to entry to its financial records. Accordingly revenue is not recognised until it has been banked which is when control has been passed to the organisation. The activities of the agency are governed under the Gambling Regulation (Commercial Raffle Organisers) Regulations 2006, which is incorporated within the Gambling Regulations Act 2003. These regulations are administered by the Victorian Commission for Gambling Regulation. At the same time the Company's risk management procedures recognise this situation and the Company has organised its activities accordingly.

Finance income and expenses

Finance income comprises interest income on funds invested, dividend income and gains on the disposal of available-for-sale financial assets. Interest income is recognised as it accrues, using the effective interest method which for floating rate financial assets is the rate inherent in the instrument. Dividend income is recognised on the date that the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date. Dividend revenue includes franking credits.

Finance expenses comprise interest expense on borrowings and impairment losses recognised on financial assets. All borrowing costs are recognised in profit or loss using the effective interest method.

Government grants

Grants and other contributions are recognised as revenues when the Company obtains control over the assets comprising the receipts.

Control over granted assets is normally obtained upon their receipt (or acquittal) or upon prior notification that a grant has been secured.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

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.

MOVE MUSCLE, BONE & JOINT HEALTH LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

3 Significant accounting policies (continued)

(a) Revenue (continued)

Goods sold

Revenue from the sale of goods is measured at fair value of the consideration received or receivable, net of returns and allowances. Revenue is recognised when significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated readily, and there is no continuing management involvement with the goods.

Unearned income

Money received for services not yet performed as at the end of the current financial year is recognised as unearned income.

Research expenditures

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss when incurred.

(b) 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, and bank overdrafts.

(c) Inventories

Inventories held for sale are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Inventories held for distribution are recorded at cost, adjusted where applicable for any loss of service potential. At balance date the Company was not holding a material level of inventories for distribution at no cost.

(d) Property, plant and equipment

(i) Controlled land and buildings

The Company has responsibility for and control of the Crown land site at Kooyong Road, Elsternwick as delegated by Committee of Management. The controlled land and buildings have been recognised at fair value, based on an independent valuation. The basis of valuation was market value for highest and best use, discounted by 74% in recognition of the restrictions on the use of the property. The building valuation is based on the depreciated replacement cost methodology.

MOVE MUSCLE, BONE & JOINT HEALTH LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

3 Significant accounting policies (continued)

(d) Property, plant and equipment (continued)

(ii) Plant and equipment

Items of plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

Gains and losses on disposal of an item of plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of plant and equipment and are recognised net within “other income” in profit or loss.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

	2016	2015
• building	40 years	40 years
• plant and equipment	5-12 years	5-12 years
• motor vehicles	5 years	5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

(e) Leased assets

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. At balance date there were no finance leases.

Other leases are operating leases and the leased assets are not recognised on the Company’s balance sheet.

MOVE MUSCLE, BONE & JOINT HEALTH LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

3 Significant accounting policies (continued)

(f) Financial instruments

(i) Initial recognition

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 equivalent to the date that the Company commits itself to either purchase or sell the asset (ie trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs.

(ii) Classification and subsequent measurement

Financial instruments are subsequently measured at fair value (refer to Note 3(n)), amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade debtors 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. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost, less any provision for impairment. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(g) Impairment

(i) Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be measured reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. Losses are recognised in profit and loss and reflected in an allowance against receivables.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

MOVE MUSCLE, BONE & JOINT HEALTH

LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

3 Significant accounting policies (continued)

(i) Financial assets (continued)

All impairment losses are recognised in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

(ii) Non-financial assets

At the end of each reporting period, the entity assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(h) Employee benefits

(i) Short-term benefits

Liabilities for employee benefits for wages, salaries and annual leave represent present obligations resulting from employees' services provided to reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Company expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax. Non-accumulating non-monetary benefits, such as medical care, housing, cars and free or subsidised goods and services, are expensed based on the net marginal cost to the Company as the benefits are taken by the employees.

(ii) Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on Commonwealth Government bonds that have maturity dates approximating the terms of the Company's obligations.

(i) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

(j) Income tax

The Company is a charitable organisation and is exempt from income tax under Section 50-5 of the Income Tax Assessment Act 1997.

MOVE MUSCLE, BONE & JOINT HEALTH LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

3 Significant accounting policies (continued)

(k) Directors' emoluments

Directors act in a volunteer capacity and receive no remuneration.

Directors' Insurance

The Company arranges insurance cover for current and former directors and officers, including senior executives of the Company. The insurance cover relates to:

- costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome; and
- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

(l) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

(l) Goods and services tax

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(m) Fair Value Measurement

The Company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

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

MOVE MUSCLE, BONE & JOINT HEALTH LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

3 Significant accounting policies (continued)

(m) Fair Value Measurement (continued)

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

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

MOVE muscle bone & joint health Ltd

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

4 Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short term investments, accounts receivable and accounts payable

The carrying amounts 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:

Categories of financial instruments

	2016	2015
	\$	\$
Financial assets		
Cash and cash equivalents	921,620	1,338,029
Trade receivables	178,623	48,986
Other investments	2,999,291	2,958,055
	<u>4,099,534</u>	<u>4,345,070</u>
Financial liabilities		
Trade and other payables	375,495	400,206
	<u>375,495</u>	<u>400,206</u>
5 Revenue from rendering of services		
Membership subscriptions	74,240	85,274
Fundraising and donations	1,668,813	1,267,755
Raffle Income	1,207,574	1,583,058
Education and services	343,553	203,523
	<u>3,294,180</u>	<u>3,139,610</u>
6 Finance income and expense		
Interest income (excluding specific purpose interest income)	2,758	4,512
Dividend income (excluding specific purpose dividend income)	136,681	130,762
Net gain on disposal of investments (excluding specific purpose)	-	-
Finance income	<u>139,439</u>	<u>135,274</u>
7 Other income		
Government grants	192,080	319,227
	<u>192,080</u>	<u>319,227</u>
8 Expenses		
Expenses including the following:		
Depreciation expense		
Depreciation	88,980	99,440
	<u>88,980</u>	<u>99,440</u>
Personnel expenses		
Wages and salaries	2,001,103	1,883,979
Superannuation guarantee charge	189,695	175,106
Increase in liability for employee entitlements	32,791	37,279
	<u>2,223,589</u>	<u>2,096,364</u>
9 Auditor's remuneration		
Audit and other services		
Audit and review of financial statements	18,500	17,500
Accounting assistance	-	-
	<u>18,500</u>	<u>17,500</u>

MOVE muscle bone & joint health Ltd

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

10 Cash and cash equivalents	2016	2015
	\$	\$
Bank balances	46,560	62,735
Short-term deposits	681,241	217,255
Term deposits	506,250	1,383,158
Less: liability arising from funds held in trust (note 23)	(312,431)	(325,119)
	<u>921,620</u>	<u>1,338,029</u>

The effective interest rate on short-term deposits was 1.4% (2015: 1.7%) and 3.2% (2015: 3.5%) on Term Deposits

Cash and cash equivalents includes \$546,823 of reserves committed to specific purposes.

liabilities are disclosed in note 20.

11 Trade and other receivables

Current

Trade receivables	158,988	13,410
Other receivables	19,635	35,576
	<u>178,623</u>	<u>48,986</u>

12 Other investments

Listed equity securities, at fair value	2,999,291	2,958,055
	<u>2,999,291</u>	<u>2,958,055</u>

Other investments includes \$1,367,005 of reserves committed to specific purposes.

13 Inventories

Inventories, at cost	7,698	7,698
	<u>7,698</u>	<u>7,698</u>

MOVE muscle bone & joint health Ltd

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

14 Property, plant and equipment

	Controlled Land at fair value \$	Controlled Building at fair value \$	Plant and equipment at cost \$	Work in Progress at cost \$	Total \$
Cost					
Balance at 1 January 2016	1,250,000	1,300,000	760,952	-	3,310,952
Other acquisitions			10,600		10,600
Transfer					
Disposals		-			-
Balance at 31 December 2016	<u>1,250,000</u>	<u>1,300,000</u>	<u>771,552</u>	<u>-</u>	<u>3,321,552</u>

Depreciation

Balance at 1 January 2016	-	582,500	556,148		1,138,648
Depreciation charge for the year		24,500	64,480		88,980
Disposals	-	-	-		-
Balance at 31 December 2016	<u>-</u>	<u>607,000</u>	<u>620,628</u>		<u>1,227,628</u>

Carrying amounts

At 1 January 2016	<u>1,250,000</u>	<u>717,500</u>	<u>204,804</u>	<u>-</u>	<u>2,172,304</u>
At 31 December 2016	<u>1,250,000</u>	<u>693,000</u>	<u>150,924</u>		<u>2,093,924</u>

MOVE muscle, bone & joint health Ltd has responsibility for and control of the Crown land site at Kooyong Street, Elsternwick as delegated Committee of Management. The fair value of land and buildings has been determined based on a valuation by Sutherland Farrelly Pty Ltd, Certified Practising Valuers, as at September 2014. The basis of valuation of land was market value for highest and best use, discounted by 74% in recognition of the restrictions on the use of the property. The building valuation is based on the depreciated replacement cost methodology.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

15 Trade and other payables

	2016	2015
	\$	\$
Current		
Trade creditors	41,890	151,363
Accrued expenses	333,605	248,843
	<u>375,495</u>	<u>400,206</u>

16 Employee benefits

Current

Liability for annual leave	136,360	127,749
Liability for service leave	17,331	13,190
Liability for long service leave	87,676	75,091
	<u>241,367</u>	<u>216,030</u>

Non-current

Liability for long service leave	47,956	40,502
	<u>47,956</u>	<u>40,502</u>

17 Reserves

Retained Earnings

Retained Earnings represents accumulated surpluses earned. This incorporates monies which had been previously set aside for funding initiatives and monies previously donated to the company for Arthritis research

Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investment is derecognised or impaired.

Asset revaluation reserve

The asset revaluation reserve comprises the cumulative net change in the fair value of non-current assets until the assets are sold or impaired.

Research funding reserve

The research funding reserve relates to monies received, via wills and trusts, for the use in arthritis research and development.

Lupus reserve

The Lupus reserve relates to monies received from Lupus Australia which is in voluntary liquidation. The trustees requested the company take over its activities in 2007 as it was no longer able to continue.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

**18 Reconciliation of cash flows from
operating activities**

	2016	2015
	\$	\$
Operating surplus (deficit) for the period	(318,754)	(599,756)
<i>Adjustments for:</i>		
Loss on sale of property, plant and equipment	-	-
Specific purpose revenue		
Specific purpose finance income		
Depreciation	88,980	99,440
Bequests received as shares	(54,478)	-
Net (gain)/loss on disposal of investments.	-	
Interest income	(31,249)	(44,253)
Interest expense	-	-
Dividend income	(203,559)	(198,710)
Operating surplus before changes in working capital and provisions	<u>(519,060)</u>	<u>(743,279)</u>
<i>Changes in assets and liabilities:</i>		
(Increase)/decrease in receivables	(129,637)	13,239
(Increase)/decrease in inventories	-	102
Increase/(decrease) in accounts payable	(24,711)	4,485
(Decrease)/increase in employee benefits	32,791	30,860
Net cash from operating activities	<u>(640,617)</u>	<u>(694,593)</u>

19 Fair Value Measurements

The company has the following assets, as set out in the table below, that are measured at fair value on a recurring basis after their initial recognition. The company does not have any liabilities that are carried at fair value in the statement of financial position and has no assets or liabilities that are measured at fair value on a non-recurring basis.

Recurring fair value measurements

Financial assets

Available-for-sale financial assets			
shares in listed corporations	12 (i)	<u>2,999,291</u>	<u>2,958,055</u>
		<u>2,999,291</u>	<u>2,958,055</u>

Property, plant and equipment

Controlled land	14 (ii)	1,250,000	1,250,000
Controlled buildings	14 (ii)	<u>693,000</u>	<u>717,500</u>
		<u>1,943,000</u>	<u>1,967,500</u>

(i) For investments in listed shares, the fair values have been determined based on closing quoted bid prices at the end of the reporting period.

(ii) For controlled land and buildings, the fair values are based on an independent valuation as at February 2014. The basis of valuation of land was market value for highest and best use, discounted by 74% in recognition of the restrictions on the use of the property. The building valuation is based on the depreciated replacement cost methodology.

MOVE muscle, bone & joint health Ltd

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

20 Related parties

Key management personnel compensation

The key management personnel compensation included in "personnel expenses" (see note 8) are as follows:

	2016	2015
	\$	\$
Short-term employee benefits	1,037,434	799,247
Post-employment benefits	98,535	75,760
	<u>1,135,969</u>	<u>875,007</u>

21 Contingent liabilities

As at 31 December 2016 the Company has no contingent liabilities

22 Subsequent events

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

23 Funds managed by the Company

Donor	Opening balance at 1/01/16	Contributed capital	Income earned	Funds disbursed	Closing balance at 31/12/16
	\$	\$	\$	\$	\$
Lorin Prentice Award	5,918	-	162	-	6,080
VLBA Research	118,285	-	2,852		121,137
M. Strang Memorial	3,129	-	95	-	3,224
Dr L Koadlow	66,056	-	1,546	(8,351)	59,251
E. Urquhart	131,740	-	3,179	(12,180)	122,739
	325,127	-	7,835	(20,531)	312,431

Funds managed by the Company are controlled by the donors' appointees and continuing obligations exist, and on this basis, do not form part of the Company's assets and liabilities.

24 Member's Liability

The Company is incorporated under the Corporations Act 2001 and is a Company Limited by Guarantee. If the Company is wound up, the Constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstanding obligations of the entity. At 31 December 2016, the total amount that members of the Company are liable to contribute if the Company is wound up is \$9.

25 Service Details

The principal place of business and registered address of the company is:
263 – 265 Kooyong Rd
Elsternwick VIC 3185

MOVE muscle, bone & joint health Ltd

DIRECTORS' DECLARATION

In the opinion of the directors of Move muscle, bone & joint health Ltd:

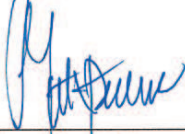
- (a) the Company is a reporting entity;
- (b) the financial statements and notes are drawn up, in accordance with Australian Accounting Standards Reduced Disclosure requirements, the basis of accounting described in note 2 and other mandatory reporting requirements, so as to present a true and fair view of the financial position of the Company as at 31 December 2016 and its performance, as represented by the results of its operations and cash flows, for the financial year ended on that date;
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (d) The financial statements and notes satisfy the requirements of the Australian Charities and Not-For-Profits Commission Act 2012 (ss 60.5 and 60.15 of the ACNC Regulation).

Signed in accordance with a resolution of the directors:



Duncan Langdon

Director



Stephen Fitzpatrick

Director

Dated at Melbourne this 28th day of March 2017.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MOVE Muscle, bone & joint health Ltd**

Opinion

We have audited the financial report of MOVE Muscle, bone & joint health Ltd (the Company) which comprises the statement of financial position as at 31 December 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the statement by the Board.

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

- (a) giving a true and fair view of the Company's financial position as at 31 December 2016 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards- Reduced Disclosure Requirements, and Division 60 of the Australian Charities and Not-for-profits Commission Regulations 2013.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company 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.

In conducting our audit, we have complied with the independence requirements of the Australian Charities and Not-for-profits Commission Act 2012.

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

Emphasis of Matter – Basis of Accounting

We draw attention to Note 3 (a) to the financial report which describes the revenue recognition policy of the Company, including the limitations that exist in relation to the recording of cash receipts from raffle income. Revenue from this source represents a significant proportion of the Company's revenue. Our opinion is unmodified in respect of this matter.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprise the information included in the Company's annual report for the year ended 31 December 2016, but does not include the financial report and our auditor's report thereon.

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

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

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

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MOVE Muscle, bone & joint health Ltd cont..**

Responsibilities of the Board for the Financial Report

The Board of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Act 2012. The Board's responsibility also includes such internal control as the Board determines is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Board either intend to liquidate the Company or to cease operations, or have 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 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 the financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

Auditor's Independence Declaration

To the Board of Directors of MOVE Muscle, bone & joint health Ltd:

I declare that, to the best of my knowledge and belief, there have been:

- i. No contraventions of the independence requirements of the the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- ii. No contraventions of any applicable code of professional conduct in relation to the audit.

McLean Delmo Bentleys Audit Pty Ltd.

McLean Delmo Bentleys Audit Pty Ltd



Adam Roberts
Partner

Hawthorn, Victoria

28 March 2017