



Episteme Health Inc.

Annual Report

2019



From the President

Starting a new publisher and journal is an incredible challenge. While online publishing provides us with negligible cost barriers - anyone with an internet connection can start a journal – the social landscape of academic journal publishing is difficult to change.

Several factors drove the founding of Episteme Health Inc., including the announcement of Plan S, the increasing frustration of paywalls that block access to publicly funded research results and the outrageous cost of the dominant pay-to-publish open access model in neuroscience. Within a month of the announcement of Plan S, we had chosen a name for the organisation – Episteme Health. Taking our name from the Ancient Greek word for knowledge ἐπιστήμη, we aim to share a scientific body of knowledge for health.

Thanks to free open source software such as Open Journal Systems, LaTeX and Texture, the cost of the technical infrastructure has never been lower and its quality has never been higher. While thousands of journals run on OJS, the relatively recent release of Texture for XML typesetting was essential for ensuring that there was an adequate free open source software toolchain for managing peer reviewing and article production.

By December, we had settled on Episteme Health's legal structure and in January 2019, we became an incorporated association registered in Victoria, Australia and began the process of setting up our journal.

Neuroanatomy and Behaviour

In the first half of 2019, we recruited an editorial board composed of emerging leaders and established experts from around Australia, North America and Europe. We have established the basic editorial policies required to keep a journal running and promote the integrity of the research papers we publish. We joined Crossref, published a handful of professional perspective articles and applied for an ISSN. Consequently, *Neuroanatomy and Behaviour* is now indexed by Google Scholar and Worldcat.

We are also taking an innovative approach to peer review. Our standard approach will be to ask reviewers to write the summary part of their review specifically for the journal's readers. We believe a public review summary written specifically for readers will help them understand our expert reviewers' key impressions and concerns. Reviews will also be optionally signed because while signed reviewing is more transparent, many reviewers are at relatively vulnerable career stages and we cannot protect them from vindictive treatment that occurs outside of our journal's pages.

The rise of preprints in neuroscience has also created opportunities for innovative review approaches. We have agreed to accept recommendations from Peer Community In, a new initiative that provides a

Key Milestones

2018

September – Plan S announced; Domain Name Registered

October – Settled on our Australian web hosting provider

December – Inaugural General Meeting

2019

January – Registered as an incorporated association; Began recruiting editorial board members

May – Joined Crossref; finalised journal layout

June – Published first editorial and professional perspective pieces; Received ISSN (2652-1768)

recommendation service for preprints. Papers that have come through PCI will only require one additional reviewer before an editor is able to accept the paper – although editors will always have the discretion to request additional reviews. We are also offering reviewers of preprints the option (subject to author agreement) to assemble their review collaboratively using the PREreview service. This will allow reviewers to bring a paper to a journal club or a lab meeting where it will be reviewed by their colleagues and/or students. The full review text posted to the PREreview service will then be associated with the final article.

Finally, we are taking steps to promote reproducibility and research integrity that go above and beyond what is normally required. We are the first journal that we know of that asks authors to submit documentation from their quality control procedures – for example, using our internal data audit form – that we will publish alongside their article to demonstrate the care that has been taken to ensure its veracity. We are also asking reviewers to only give the highest scores to articles where the authors have used at least one reproducibility-enhancing practice, such as open data, preregistration or an internal data audit as described above. While science runs on trust, many institutions and individual labs take extra care to ensure the quality of the papers they submit and they deserve recognition for doing so. In taking this approach, *Neuroanatomy and Behaviour* aims to be a home for quality behavioural neuroscience work that is demonstrably trustworthy.

Next Steps

We have made tremendous progress over the past year, growing from an idea, to a mere domain name, to an international community of scholars ready to facilitate fair and free behavioural neuroscience publishing. In the next year we are looking forward to publishing our first scientific articles that will advance our understanding of neuroscience and mental health.

Shaun Khoo

President, Episteme Health Inc.

Financial Statements

Schedule 1
Regulation 15
Form 1

Associations Incorporation Reform Act 2012

Sections 94 (2)(b), 97 (2)(b) and 100 (2)(b)

**Annual statements give a true and fair view of financial performance and position of
incorporated association**

We, Shaun Khoo and Belinda Lay, being members of the committee of the Episteme Health Inc.
certify that –

“The statements attached to this certificate give a true and fair view of the financial performance
and position of the above named association during and at the end of the financial year of the
association ending 30 June 2019.”

Signed: *Shaun Khoo*

Date: 12 August 2019

Signed: *Belinda Lay*

Date: 12 August 2019

Part A: Balance sheet

Episteme Health Inc. Balance sheet for the year ended 30 June 2019

	Note	2019 \$	2018 \$
Asset			
Current assets			
Cash and cash equivalents	3	0.00	0.00
Prepaid expenses and accounts receivable	4	330.17	0.00
Inventory	5	0.00	0.00
Total current assets		<u>330.17</u>	<u>0.00</u>
Non-current assets			
Property, plant, equipment	6	0.00	0.00
Prepaid expenses and accounts receivable	7	176.22	0.00
Total non-current assets		<u>176.22</u>	<u>0.00</u>
Total assets		<u>506.39</u>	<u>0.00</u>
Liabilities			
Current liabilities		0.00	0.00
Trade creditors and other payables	8	0.00	0.00
Short term borrowings	9	0.00	0.00
Total current liabilities		<u>0.00</u>	<u>0.00</u>
Non-current liabilities			
Long-term borrowings	10	0.00	0.00
Total non-current liabilities		<u>0.00</u>	<u>0.00</u>
Total liabilities		<u>0.00</u>	<u>0.00</u>
Net assets		<u>506.39</u>	<u>0.00</u>
Equity			
Retained surplus		<u>506.39</u>	<u>0.00</u>
Net worth		<u>506.39</u>	<u>0.00</u>

Part B: Income statement

Episteme Health Inc.

Income statement for the year ended 30 June 2019

	Note	2019 \$	2018 \$
Income			
Revenue	11	866.08	0.00
Expense			
Archiving			
Archiving, preservation and backups		0.00	0.00
Distribution			
Crossref		49	0.00
Domain registration		11.52	0.00
Web Hosting		89.67	0.00
Administration			
Consumer Affairs Victoria		209.50	0.00
Finance expenses		0.00	0.00
Employee benefit expenses		0.00	0.00
Depreciation and amortisation expenses		0.00	0.00
Audit fees		0.00	0.00
Advertising and promotion expenses		0.00	0.00
Total expenditure		359.69	0.00
Surplus/(deficit) for the year		506.39	0.00

Part C: Statement of changes in equity

Episteme Health Inc.

Statement of changes in equity for the year ended 30 June 2019

	Retained surplus \$	Total \$
Balance at 1 July 2017	0.00	0.00
Surplus/(deficit) for the year	0.00	0.00
Balance at 30 June 2018	0.00	0.00
Balance at 1 July 2018	0.00	0.00
Surplus/(deficit) for the year	506.39	506.39
Balance at 30 June 2019	506.39	506.39

Part D: Statement of cash flows

Episteme Health Inc.

Statement of cash flows for the year ended 30 June 2019

	Note	2019 \$	2018 \$
Cash from operating activities			
Donations		866.08	0.00
Payments to suppliers and employees		(359.69)	0.00
Prepaid expenses		(330.17)	0.00
Interest paid		(0.00)	0.00
Net cash provided by/(used in) operating activities	12(b)	176.22	0.00
Cash flows from investing activities			
Net purchases from plant and equipment		(0.00)	0.00
Prepaid expenses (non-current assets)		(176.22)	0.00
Net cash provided by/(used in) investing activities		(176.22)	
Cash flows from financing activities			
Proceeds from borrowings		0.00	0.00
Repayments of borrowings		(0.00)	0.00
Net cash provided by/(used in) financing activities		0.00	
Net increase/(decrease) in cash held			
Cash at beginning of financial year		0.00	0.00
Cash at end of financial year	12(a)	0.00	0.00

Part E: Notes to the financial statements

Episteme Health Inc.

Notes to the financial statements for the year ended 30 June 2019

1. Statement of significant accounting policies

a) Statement of compliance

The committee has determined that the incorporated association is not a reporting entity because there are no users dependent on general purpose financial statements. The financial report is a special purpose financial report which has been prepared in order to satisfy the financial reporting requirements of the *Associations Incorporation Reform Act 2012*.

These financial statements have been prepared in accordance with following Australian Accounting Standards:

AASB 101	Presentation of Financial Statements
AASB 107	Statement of Cash Flows
AASB 108	Accounting Policies, Changes in Accounting Estimates and Errors
AASB 1031	Materiality
AASB 1048	Interpretation of Standards
AASB 1054	Australian Additional Disclosures

b) Basis of measurement

The financial statements have been prepared on an accrual basis and are based on historical cost and do not take into account changing money values except where specifically stated.

2. Statement of significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

c) Property, plant and equipment

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

Property

Freehold land and buildings are shown at their fair value, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairments losses.

The carrying amount of plant and equipment is reviewed annually by the committee members to ensure that it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets, excluding freehold land is depreciated on a straight-line basis over the asset's useful life to the association commencing from the time the asset is held ready to use.

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

Buildings	2%
Plant and equipment	20%
Motor vehicles	25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised immediately in profit and loss.

When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

d) Impairment

At each reporting date the committee assesses whether there is objective evidence that a financial instrument has been impaired. If any such indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

e) Income tax

The association is a not-for-profit organisation and is exempt from income tax under section 50-45 of the *Income Tax Assessment Act 1997*.

f) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits, held at call with banks, other short-term highly liquid investments with original maturities cash within three months.

g) Revenue

Revenue is measured at the fair value of the consideration received or receivable. Donation income is recognised when the entity obtains control over the funds, which is generally at the time of receipt.

h) Inventory

Inventory held for sale are measured at the lower of cost and net realisable value.

i) 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 Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of an asset or as part of an item of expense. Receivables and payables are stated inclusive of GST.

j) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

k) Trade creditors and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days on recognition of the liability.

l) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in active market and are stated at amortised cost using the effective interest rate method.

	2019	2018
	\$	\$
3. Cash and cash equivalents		
Cash on hand	0.00	0.00
Cash at bank	0.00	0.00
	<u>0.00</u>	<u>0.00</u>
4. Prepaid expenses and accounts receivable		
Crossref	147.00	0.00
Domain registration and web hosting	183.17	0.00
Other receivables	0.00	0.00
	<u>330.17</u>	<u>0.00</u>
5. Inventory		
Stock on hand	0.00	0.00
	<u>0.00</u>	<u>0.00</u>
6. Property, Plant, Equipment		
Building at fair value	0.00	0.00
Less accumulated depreciation	(0.00)	(0.00)
Total land and buildings	<u>0.00</u>	<u>0.00</u>

Motor vehicle at cost	0.00	0.00
Less accumulated depreciation	(0.00)	(0.00)
Total plant and equipment	0.00	0.00

7. Prepaid expenses and accounts receivable

pCloud backup	176.22	0.00
GST and PAYG	0.00	0.00
Superannuation	0.00	0.00
	0.00	0.00

8. Trade and other payables

Trade creditors	0.00	0.00
Income received in advance	0.00	0.00
	0.00	0.00

9. Short term borrowings

Bank overdraft	0.00	0.00
Chattel mortgage - motor vehicle	0.00	0.00
	0.00	0.00

10. Long term borrowings

Bank loan - unsecured	0.00	0.00
Bank loan - secured	0.00	0.00
	0.00	0.00

11. Revenue

Author Donations	0.00	0.00
Member Donations	866.08	0.00
Reader Donations	0.00	0.00
Other income	0.00	0.00
Total revenue	0.00	0.00

12. Cash flow information

Reconciliation of cash

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

Cash and cash equivalents	0.00	0.00
Bank overdraft	0.00	0.00
a)	0.00	0.00

Reconciliation of net cash provided by operating activities to surplus

Surplus from ordinary activities	506.39	0.00
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Non-cash flows in profit

Depreciation

Changes in assets and liabilities:

Increase/(decrease) in receivables	330.17	0.00
Increase/(decrease) in inventories	(0.00)	0.00
Increase/(decrease) in payables	0.00	0.00
Net cash provided by operating activities	b) 176.22	0.00

13. Related parties

There were no related party transactions conducted during the year.

Submission of financial statements to annual general meeting – incorporated associations

Associations Incorporation Reform Act 2012

Sections 94(3), 97(3) and 100(3)

I Joanna Yau being a member of the committee of Episteme Health Inc certify that –

“I attended the annual general meeting of Episteme Health Inc held on the 8th of September, 2019 and the financial statements of the association for the financial year ending on 30th of June, 2019 were submitted to the members of the association at that general meeting.”

Signed: *Jc Yau*

Date: 8th of September, 2019