

ALZHEIMER'S AUSTRALIA NSW

ABN 27 109 607 472

FINANCIAL REPORT

**FOR THE YEAR ENDED
30 JUNE 2012**

DIRECTORS' REPORT

The Directors present this report on the entity for the financial year ended 30 June 2012.

Directors

The names of each person who has been a director during the year and to the date of this report are:

The Hon. Professor Peter Erne Baume AC
Mr Alistair Garrard Bell
Ms Lucille Barbara Bloch
Professor Maree Gleeson OAM (retired 24 November 2011)
Mr Barry James Groundwater
Mr Ian Watts Horton
Ms Gabrielle Kibble AO
Dr Richard Matthews (appointed 10 January 2012)
Mr John Gerard Morrison
Mr Nicholas Kevin Francis O'Neill
Ms Catharine Josephine Retter
Ms Eesvarathevi (Eesa) Witt
Dr Theam Hock (Robert) Yeoh AM (retired 24 November 2011)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company Secretary

The following person held the position of Company Secretary during the financial year:

The Hon. John Arthur Watkins – MA, L.L.B., Dip Ed.

Principal Activities

The principal activity of the entity during the financial year was:

To provide services to Australians living with dementia through the provision of support, education, awareness and advocacy programs.

No significant changes in the nature of the entity's activity occurred during the financial year.

Operating Results

The net surplus of the entity for the financial year amounted to \$290,396 (2011: \$193,603).

DIRECTORS' REPORT

Review of Operations

The net surplus for the financial year was an increase of \$96,793 from the previous financial year. The main contributing factors to this result were:

- (a) bequest income of \$650,767, an increase of \$276,701;
- (b) State/Federal and non-government grants amounted to \$5,863,090, compared to \$4,967,029 received in the previous year;
- (c) capital grants from both government and non-government sources amounted to \$337,936, compared to \$48,678 in the previous year,
- (d) net losses on sale of investments of \$19,471 compared to \$489,826 in the previous year, and
- (e) impairment of investments of \$344,992, compared to \$Nil in the previous year.

State and Federal Government grants received increased by 19.3% to \$5,619,592. The percentage of government grants to total revenue, excluding bequests and loss on sale of investments, of 65.4% compares to 64.9% for 2010/2011 and 66.4% for 2009/2010. The increase in grant revenue reflected the awarding of new recurrent grants and non-recurrent grants during the financial year.

Objectives

The company has a three year strategic planning cycle. The strategic plan for the years 2012 to 2015 has been reviewed.

The current strategic plan has 4 major goal areas:

For the general public to aim to build a community that understands effective risk-reduction strategies, where the stigma around dementia is reduced.

For people with memory concerns to aim for a more timely diagnosis with a smooth referral to AlzNSW for early intervention support.

For people living with dementia and their carers to aim to significantly improve the quality of life, through service improvement initiatives and partnerships with other organisations.

To build a strong organisation and sector to support all these activities, to aim to increase funding to AlzNSW and the dementia sector.

Strategy for achieving the objective and performance measure

Each of these goals has a specific set of actions identified to achieve the goal. A report on progress against each action is presented to the Board each quarter.

The company is required to report regularly to funding bodies on progress against contractual work plans, and financial outcomes. The Board also receives monthly financial reports against agreed budgets and quarterly reports from departmental managers on activities.

The education programs offered by the company are offered to professionals in the aged care industry and also to family carers with the aim of improving the care and support to people living with dementia.

DIRECTORS' REPORT

The conduct of regular Consumer Advisory Committees across NSW, social research into the issues confronting people living with dementia, and the engagement of parliamentarians through the Parliamentary Friends of Dementia meetings are all methods of empowering consumers and advocating for more support and services.

The role of media, marketing and public relations is to increase recognition of the role of the company in the care of people living with dementia and the nature and scale of the condition. The effectiveness of these activities is evaluated by reference to a media monitoring service and market research.

The Mind Your Mind program is a community education program that teaches dementia risk reduction. This program is regularly presented to community groups and clubs, and leaflets are available to the public from the two Memory Vans that visit metropolitan and regional community venues.

In terms of sustainability, the key issues identified were diversification of income, quality accreditation and strong financial management. In the past year the company has achieved quality accreditation through QMS. Also the structure and strategy of the fundraising department has been reviewed and a new direction established and is currently being implemented. Financial issues are regularly reported through the Investment Advisory Committee, the Audit and Risk Committee and the Board of Directors.

Information on Directors

**The Hon. Professor Peter Erne
Baume AC**

Chairman (non-executive)

Qualifications

MB, BS, MD, Hon DUniv (ANU), Hon LittD (USQ), FRACP, HON FRACGP, FAFPHM

Experience

Emeritus Professor, Past physician at Royal North Shore Hospital, Senator for NSW, Government Whip, Minister for Aboriginal Affairs, Minister for Health, Minister for Education, Professor of Community Medicine at the University of NSW, Past Chancellor of the Australian National University, Director Sydney Water Corporation, Chair of Kolling Institute of Medical Research, Past Governor Foundation for Development Cooperation, Past Chair Family Drug Support, Past Chair of the Australian Sports Drug Foundation, official visitor, official visitor advisory committee.

Mr Alistair Garrard Bell

Director

Qualifications

B.Ec (Sydney), MAICD

Experience

Senior commercial and financial executive with broad-based experience in fiscal and operational management of international businesses operating in a variety of markets.

Special Responsibilities

Mr Bell is Chair of the Building Committee and a member of the Investment Advisory Committee and the Audit and Risk Committee.

**ALZHEIMER'S AUSTRALIA NSW
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DIRECTORS' REPORT

Ms Lucille Barbara Bloch	Director
Experience	Previously an Executive Member on the Management Committee of a retirement home with a frail care unit. Past Treasurer of ESRA, which provides help to new immigrants. Lucille was the primary carer for her husband, Keith, who had Fronto-Temporal Dementia.
Special Responsibilities	Chair and AlzNSW representative on the National Consumers Advisory Committee of Alzheimer's Australia, member of the Sydney-based Consumer Reference Standing Committee, and facilitates a monthly Carers' Support Group. Member of Health Consumers NSW Management Committee.
Mr Barry James Groundwater	Director
Qualifications	5 year Engineering Trade Certificate 4 year Mechanical Engineering Certificate 4 year Management Certificate.
Experience	Worked for Southern Cross Care (NSW & ACT) Inc for 19 years until he retired in February 2007. During this time held roles including Regional Manager and Manager of Cardinal Gilroy Village, Merrylands.
Special Responsibilities	Mr Groundwater is a member of the Investment Advisory Committee and the Audit and Risk Committee.
Mr Ian Watts Horton	Director
Qualifications	BComm (UNSW), FAICD, FCIS
Experience	From 1975 to 1998 occupied various senior positions within the investment management industry. Member of the Board of IFSA in 1998, Chair of IFSA's and also Member of AICD's Corporate Governance Committees from 1994 to 1997. Chair of the Apostle Asset Management Compliance Committee since 2008. Member of the Sydney Medical School Foundation and Chair of the Microsearch Foundation from 2011.
Special Responsibilities	Mr Horton is Chair of the Investment Advisory Committee and is a member of the Audit and Risk Committee.

DIRECTORS' REPORT

Ms Gabrielle Kibble AO	Director
Qualifications	BA, Diploma of Town and Country Planning, FPIA, Hon.DSc (UNSW), Hon. DLitt (UWS)
Experience	Chair of NSW Heritage Council until 31 December 2011, Chair of the NSW Planning Assessment Commission, Chair of the Joint Regional Planning Panel for Western NSW. Ms Kibble has extensive experience in the public sector as CEO of the Department of Urban Affairs and Planning from 1987 to 1997, and Director General of the NSW Department of Housing. In the past, Ms Kibble has also been an Administrator of the Wollongong City Council and the Liverpool City Council, as well as a Director of the Sydney Olympic Park Authority, Chair of Sydney Water and Trustee and Deputy Chancellor of the University of Western Sydney. In 1997 Ms Kibble was awarded the Sidney Luker Memorial medal of the Royal Australian Planning Institute.
Dr Richard Matthews AM	Director
Qualifications	MB, BS
Experience	Deputy Director-General of the Strategic Development Division at NSW Health and until June 2007, carried the dual role as Deputy Director-General and Chief Executive of Justice Health (previously known as Corrections Health Service).. Dr Matthews has co-authored various publications on health issues and is a Director on various Boards within the health network including Neuroscience Research Institute, Clinical Excellence Commission, Agency for Clinical Innovation, Sydney Childrens Hospital Network, Little Co of Mary.
Mr John Gerard Morrison	Director
Qualifications	B Comm, CPA, FAICD, FTIA, FAICS
Experience	Honorary Treasurer June 2003 to July 2006. Consultant and practitioner in finance, secretarial practice, corporate governance and risk management.
Special Responsibilities	Mr Morrison is a member of the Investment Advisory Committee, Chair of the Audit and Risk Committee and a Director of Alzheimer's Australia Research.

DIRECTORS' REPORT

Mr Nicholas Kevin Francis O'Neill Director

Qualifications

LLB (Melbourne), LLM (London)

Experience

In 1989 became the first Deputy President of the Guardianship Tribunal of NSW and was President from 1994 to 2004. Inaugural Convenor of the NSW Chapter of the Council of Australasian Tribunals in 2003 – 2004. Principal author of *Retreat from Injustice: Human Rights in Australian Law*, the second edition of which was published in 2004. Professorial Visiting Fellow in the Faculty of Law at UNSW since 2004. Joint author with Associate Professor Carmelle Peisah of the ebook *Capacity and the Law* (2011) available on www.austlii.edu.au. Chair of the Nursing and Midwifery Tribunal from 2005 to 2012. Currently a Deputy Chair of most health professions Tribunals.

Special Responsibilities

Mr O'Neill is a member of the Remunerations Committee and the Policy sub-committee.

Ms Catharine Josephine Retter

Director

Qualifications

BA, MA, Grad Dip Editing and Publishing

Experience

Member of the NSW Government Carers Advisory Council, member of the Consumer Dementia Research Network, past chairperson of Austcare refugee week. Background in marketing, management and writing, and for the past decade in book publishing and distribution.

Special Responsibilities

Ms Retter is chair of the Strategic Planning Committee.

Ms Eesvarathevi (Eesa) Witt

Director

Qualifications

RN, Grad Dip Aged Care, MN

Experience

Board member since November 2006. Ms Witt has extensive practical nursing experience in caring for and managing patients with acute confusion, dementia and challenging behaviours.

DIRECTORS' REPORT

Meetings of Directors

	Directors' Meetings	
	No. eligible to attend	Number attended
The Hon. Prof Peter Erne Baume AC	9	8
Mr Alistair Garrard Bell	9	6
Ms Lucille Barbara Bloch	9	9
Professor Maree Gleeson OAM	3	3
Mr Barry James Groundwater	9	8
Mr Ian Watts Horton	9	8
Ms Gabrielle Kibble AO	9	7
Dr Richard Matthews	5	4
Mr John Gerard Morrison	9	7
Mr Nicholas Kevin Francis O'Neill	9	7
Ms Catharine Josephine Retter	9	9
Ms Eesvarathevi (Eesa) Witt	9	9
Dr Theam Hock (Robert) Yeoh AM	3	2

Meetings of Board Sub-committees

	Investment Advisory Committee	
	No. eligible to attend	Number attended
The Hon. Prof Peter Erne Baume AC	4	3
Mr Alistair Garrard Bell	4	4
Mr Phillip Cormack	4	4
Mr Barry James Groundwater	4	2
Mr Ian Watts Horton	4	4
Mr John Gerard Morrison	4	2

	Audit and Risk Committee	
	No. eligible to attend	Number attended
The Hon. Prof Peter Erne Baume AC	4	2
Mr Alistair Garrard Bell	4	3
Mr Barry James Groundwater	4	4
Mr Ian Watts Horton	4	3
Mr John Gerard Morrison	4	4

DIRECTORS' REPORT

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 9.

Contributions on Winding up

In the event of the company being wound up, ordinary members are required to contribute a maximum of \$10.00 each. Honorary members are not required to contribute. The total amount that members of the company are liable to contribute if the company is wound up is \$26,820 based on 2,682 members.

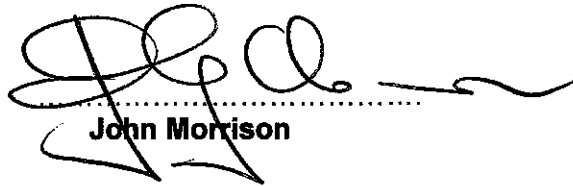
Signed in accordance with a resolution of the Board of Directors, pursuant to section 298 (2) of the *Corporations Act 2001*.

Director



.....
The Hon. Prof Peter Baume AC

Director



.....
John Morrison

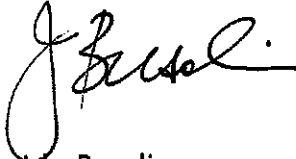
Dated at North Ryde this 27th day of September 2012

AUDITOR'S INDEPENDENCE DECLARATION BY JOHN BRESOLIN TO THE DIRECTORS OF ALZHEIMER'S AUSTRALIA NSW

As lead auditor of Alzheimer's Australia NSW for the year ended 30 June 2012, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

BDO East Coast Partnership



John Bresolin
Partner

Sydney
27 September 2012

ALZHEIMER'S AUSTRALIA NSW
ABN 27 109 607 472

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 \$	2011 \$ Restated
Revenue	2	9,226,895	7,143,527
Employee benefits expense		(5,836,031)	(4,972,931)
Depreciation and amortisation	3	(328,438)	(291,790)
Partnership payments		(158,944)	(33,007)
Property expenses		(465,742)	(422,510)
Borrowing expenses		(281)	(316)
Administrative expenses		(329,610)	(357,798)
Special event expenses		(14,432)	(78,438)
Information technology expenses		(125,055)	(120,940)
Direct program expenses		(510,660)	(471,414)
Other expenses		(822,314)	(614,880)
Impairment of investments		(344,992)	-
Impairment of investments write-back upon sale		-	414,100
Surplus before income tax expense		290,396	193,603
Income tax expense	1(k)	-	-
Net surplus after income tax		290,396	193,603
Other comprehensive income for the year		(174,370)	22,665
Total comprehensive income attributable to members of the entity		<u>116,026</u>	<u>216,268</u>

The accompanying notes form part of these financial statements

ALZHEIMER'S AUSTRALIA NSW
ABN 27 109 607 472

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012

	Note	2012 \$	2011 \$ Restated	2010 \$ Restated
CURRENT ASSETS				
Cash and cash equivalents	4	1,940,479	2,936,753	2,498,029
Trade and other receivables	5	296,854	240,701	158,956
Financial assets	7	7,941,374	6,390,930	4,999,208
Other current assets	6	101,749	148,848	140,490
TOTAL CURRENT ASSETS		<u>10,280,456</u>	<u>9,717,232</u>	<u>7,796,683</u>
NON-CURRENT ASSETS				
Financial assets	7	1,531,400	918,357	406,156
Property, plant and equipment	8	3,458,246	2,976,738	3,170,902
TOTAL NON-CURRENT ASSETS		<u>4,989,646</u>	<u>3,895,095</u>	<u>3,577,058</u>
TOTAL ASSETS		<u>15,270,102</u>	<u>13,612,327</u>	<u>11,373,741</u>
CURRENT LIABILITIES				
Trade and other payables	9	3,899,891	3,237,620	1,459,681
Short-term provisions	10	570,171	462,797	375,195
TOTAL CURRENT LIABILITIES		<u>4,470,062</u>	<u>3,700,417</u>	<u>1,834,876</u>
NON-CURRENT LIABILITIES				
Trade and other payables	9	1,550,348	774,875	611,095
Long-term provisions	10	18,684	22,053	29,056
TOTAL NON-CURRENT LIABILITIES		<u>1,569,032</u>	<u>796,928</u>	<u>640,151</u>
TOTAL LIABILITIES		<u>6,039,094</u>	<u>4,497,345</u>	<u>2,475,027</u>
NET ASSETS		<u>9,231,008</u>	<u>9,114,982</u>	<u>8,898,714</u>
MEMBERS' FUNDS				
Investment revaluation reserve		(394,193)	(219,823)	(242,488)
Accumulated surplus		9,625,201	9,334,805	9,141,202
TOTAL MEMBERS' FUNDS		<u>9,231,008</u>	<u>9,114,982</u>	<u>8,898,714</u>

The accompanying notes form part of these financial statements

ALZHEIMER'S AUSTRALIA NSW
ABN 27 109 607 472

STATEMENT OF CHANGES IN MEMBERS' FUNDS
FOR THE YEAR ENDED 30 JUNE 2012

	2012 \$	2011 \$
Investment Revaluation Reserve		
Balance at the beginning of the financial year	(219,823)	(242,488)
Reversal of impairment of financial assets upon disposal	-	(414,100)
Revaluation (decrements)/increments	<u>(174,370)</u>	<u>436,765</u>
Balance at the end of the financial year	<u><u>(394,193)</u></u>	<u><u>(219,823)</u></u>
Accumulated Surplus		
Retained surplus at the beginning of the financial year	9,334,805	9,141,202
Net surplus for the year attributable to members	<u>290,396</u>	<u>193,603</u>
Retained Surplus at the end of the financial year	<u><u>9,625,201</u></u>	<u><u>9,334,805</u></u>
Total Members' Funds		
Balance at the beginning of the financial year	9,114,982	8,898,714
Total comprehensive income for the year attributable to members	<u>116,026</u>	<u>216,268</u>
Balance at the end of the financial year	<u><u>9,231,008</u></u>	<u><u>9,114,982</u></u>

The accompanying notes form part of these financial statements

ALZHEIMER'S AUSTRALIA NSW
ABN 27 109 607 472

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 \$	2011 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Government and other grants received		8,069,882	7,348,975
Other receipts		1,802,524	1,254,391
Dividends received		171,745	329,965
Interest received		356,881	301,521
Borrowing costs		(281)	(316)
Payments to suppliers and employees		<u>(8,542,795)</u>	<u>(7,103,766)</u>
Net cash generated from operating activities	11	<u>1,857,956</u>	<u>2,130,770</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(817,177)	(113,348)
Proceeds from sale of property, plant and equipment		14,500	4,219
Proceeds from sale of investments		2,109,011	2,368,938
Payments for investments		<u>(4,811,331)</u>	<u>(4,325,921)</u>
Net cash used in investing activities		<u>(3,504,997)</u>	<u>(2,066,112)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Bequests received		<u>650,767</u>	<u>374,066</u>
Net cash generated by financing activities		<u>650,767</u>	<u>374,066</u>
Net (decrease)/increase in cash held		(996,274)	438,724
Cash at the beginning of the financial year		<u>2,936,753</u>	<u>2,498,029</u>
Cash at the end of the financial year	4	<u><u>1,940,479</u></u>	<u><u>2,936,753</u></u>

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB"), the requirements of the *Corporations Act 2001* and the *Charitable Fundraising Act 1991*.

The financial statements are for Alzheimer's Australia NSW as an individual entity, incorporated and domiciled in Australia. Alzheimer's Australia NSW is a not for profit unlisted public company limited by guarantee.

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

The financial report was authorised for issue in accordance with a resolution of the Board of Directors on 27 September 2012.

Basis of Preparation

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

These financial statements do not comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB").

In preparing the financial report the company has applied the exemptions available to non-profit entities.

The financial report is presented in Australian Dollars, which is the company's functional and presentation currency.

Accounting Policies

(a) Revenue

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

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.

Donations and bequests are recognised as revenue when received unless they are designated for a specific purpose, where they are carried forward as prepaid income on the statement of financial position.

Interest revenue and distribution income from investments is recognised on a proportional basis, taking into account the interest rates applicable to the financial assets.

Dividends and distributions are brought to account at the time entitlement is established.

Other revenue is recognised when it is received or when the right to receive payment has been established.

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

(b) Property, Plant and Equipment

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Property, Plant and Equipment (Continued)

Property (continued)

The building on leasehold land is carried at cost less accumulated depreciation.

Freehold land and buildings that have been contributed at no cost, or for nominal cost are valued at the fair value of the asset at the date it is acquired.

Plant and Equipment

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

The carrying amount of plant and equipment is reviewed annually by directors to ensure 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 not been discounted to present values in determining recoverable amounts.

Plant and equipment that have been contributed at no cost, or for nominal cost are valued at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, are depreciated on a straight-line basis, with the exception of motor vehicles, over their estimated useful lives to the economic entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation/ Amortisation Rate	Depreciation Basis
Buildings	2% - 2.73%	Straight line
Refurbishments on leasehold land	10 - 27%	Straight line
Leasehold land	2%	Straight line
Leasehold improvements	20% - 33%	Straight line
Furniture and equipment	13 -27%	Straight line
Motor vehicles	22.5%	Diminishing value

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

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 or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives received under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(d) Financial Instruments

Recognition and initial measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transaction costs where the instrument is not classified as at fair value through profit and loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to the statement of comprehensive income immediately. Financial instruments are classified and measured as set out below.

Derecognition

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

Classification and subsequent measurement

(i) Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short term profit making, derivatives not held for hedging purposes, or designated as such on initial recognition to eliminate or significantly reduce an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

(ii) Loans and receivables

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

Receivables are generally settled from customers within 30 days and are carried at amounts due.

Other debtors to be settled within 30 days are carried at amounts due.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. Any held-to-maturity investments held by the entity are carried at fair value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Financial Instruments (Continued)

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any other category. After initial recognition fair value movements are recognised directly in the share revaluation reserve. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. Cumulative unrealised gains or losses previously reported in the share revaluation reserve is recognised in the statement of comprehensive income when the asset is derecognised or impaired.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Trade accounts payable are normally settled within 30 days.

Fair value

Investments in both listed companies and managed funds are carried at their fair value, which has been determined based on current bid prices for quoted investments. Unrealised increments or non-impaired decrements are held in the investment revaluation reserve.

Fixed interest securities are carried at cost.

Impairment

At each reporting date, the entity assesses whether there is objective evidence that a financial asset or group of financial assets has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value below cost of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the Statement of Comprehensive Income.

(e) Impairment of assets

Under AASB 136 at each reporting date, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less cost 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 Statement of Comprehensive Income.

Where the future economic benefits of the asset are not primarily dependent upon the assets ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is depreciated replacement cost of an asset.

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

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

(f) Employee Benefits

Provision is made for the entity's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits expected to be settled within one year together with benefits arising from wages, salaries and annual leave which may be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on costs. Other employee benefits payable later than one year have been measured at the net present value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Employee Benefits (Continued)

A change in accounting policy which initially occurred during the 2009/2010 financial year, resulted in taking-up a pro-rata provision for long service leave for those employees who will have completed five years service by 30 June 2013.

Contributions are made by the entity to the employee's elected superannuation fund and are charged as expenses when incurred.

(g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks or financial institutions, other short-term highly liquid investments in money market instruments with original maturities of three months or less.

(h) Goods and Services Tax

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 the asset or as part of an item of expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

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

(i) Unexpended Grants and Monies in Advance

The entity receives grant monies, either from government or private funding, to fund projects either for contracted periods of time or for specific projects, irrespective of the period of time required to complete those projects. It is the policy of the entity to treat grant monies as unexpended grants in the statement of financial position where the entity is contractually obliged to provide the services in a subsequent financial period to when the grant is received or in the case of specific project grants where the project has not been completed.

(j) Contributions

Alzheimer's Australia NSW receives non-reciprocal contributions from the government and other parties for no or nominal value. These contributions are recognised at cost on the date of acquisition and acknowledged as Gifts in Kind or Free Use of Venue in the Annual Report.

(k) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Division 50-B of the *Income Tax Assessment Act 1997*.

(l) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(m) New, revised or amending Accounting Standards and Interpretations adopted

The company has early adopted AASB 1053 "Application of Tiers of Australian Accounting Standards" and AASB 2010-2 "Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements". No other new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have been early adopted.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) New, revised or amending Accounting Standards and Interpretations adopted (continued)

AASB 1053 Application of Tiers of Australian Accounting Standards

The company has early adopted AASB 1053 from 1 July 2011. This standard establishes a differential financial reporting framework consisting of 2 Tiers of reporting requirements for preparing general purpose financial statements, being Tier 1 Australian Accounting Standards and Tier 2 Australian Accounting Standards - Reduced Disclosure Requirements. The company being classed as Tier 2 continues to apply the full recognition and measurements requirements of Australian Accounting Standards with substantially reduced disclosure in accordance with AASB 2010-2.

AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

The company has early adopted AASB 2010-2 from 1 July 2011. These amendments make numerous modifications to a range of Australian Accounting Standards and Interpretations, to introduce reduced disclosure requirements to the pronouncements for application by certain types of entities in preparing general purpose financial statements. The adoption of these amendments has significantly reduced the company's disclosure requirements.

The adoption of these Accounting Standards and Interpretations did not have any impact on the financial performance or position of the company.

(n) Australian Accounting Standards and Interpretations issued not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2012. The company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the company, are set out below.

AASB 9 Financial Instruments, 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 and 2011-6 Amendments to Australian Accounting Standards - Mandatory Effective date for AASB 9 and Transition Disclosures.

The 2011-6 standard now defers the amendment made by previous standards to annual reporting periods beginning on or after 1 January 2015. AASB 9 standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. To be classified and measured at amortised cost, assets must satisfy the business model test for managing the financial assets and have certain contractual cash flow characteristics. All other financial instrument assets are to be classified and measured at fair value. This standard allows an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income, with dividends as a return on these investments being recognised in profit and loss. In addition, those equity instruments measured at fair value through other comprehensive income would no longer have to apply any impairment requirements nor would there be any "recycling" of gains or losses through profit and loss on disposal. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. The company will adopt this standard from 1 July 2015 but the impact of its adoption is yet to be assessed by the company.

(o) Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year. Refer note 20 for further details.

(p) Critical Accounting Estimates and Judgments

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Critical Accounting Estimates and Judgments (continued)

Key estimates - Impairment:

The entity assesses impairment at each reporting date by evaluating conditions specific to the entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Fair value less costs to sell or current replacement cost calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Key judgments:

Provision for impairment:

After review of all receivables and investments it was assessed that an impairment of investments amounting to \$344,992 was required to be made at 30 June 2012.

Non-current Deferred Income

Classification of deferred revenue as non-current is determined by management on a project by project basis, taking into account spend to date and estimated time to completion. As at 30 June 2012, \$1,550,348 (2011: \$774,875) was classified as non-current.

(q) Economic Dependence

Alzheimer's Australia NSW provides services which are put to tender by the Australian Department of Health and Ageing and the New South Wales Department of Family & Community Services Ageing, Disability & Home Care for the majority of its revenue used to operate the business, and to that extent it is dependent for its revenue on the Australian and State Government. At the date of this report the Board of Directors has no reason to believe either Department will not continue to support Alzheimer's Australia NSW.

Other revenue is derived from investment income, course fee income, donations, bequests and membership fees.

	2012	2011
	\$	\$

NOTE 2: REVENUE

Operating activities

- State/Federal government grants	5,619,592	4,712,338
- Non-government grants	243,498	254,691
- State/Federal capital grants	325,841	35,358
- Non-government capital grants	12,095	13,320
- Donations, appeals and corporate sponsorship	1,268,016	1,132,510
- Special events - fundraising	111,209	69,518
- In Memoriam	124,736	89,160
- Membership fees	51,564	60,444
- Sales of goods	18,656	42,963
- Consultation and course fee income	248,864	150,856
- Rental income	21,477	20,139
- Other revenue	14,155	42,500
	8,059,703	6,623,797

Non-operating activities

- Bequests	650,767	374,066
- Interest received	356,881	301,521
- Dividends/Distributions received	171,745	329,965
- Gain on disposal of non-current assets	7,270	4,004
- Loss on sale of investments	(19,471)	(489,826)
	1,167,192	519,730
Total Revenue	9,226,895	7,143,527

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	2012	2011
	\$	\$
NOTE 3 : SURPLUS/(DEFICIT) FOR THE YEAR		
Expenses		
- Depreciation and Amortisation:		
Buildings	117,155	100,094
Deferred Lease Charges	5,923	5,923
Leasehold Improvements	105,175	99,223
Furniture and equipment	63,934	57,028
Motor vehicles	36,251	29,522
Total Depreciation and Amortisation	<u>328,438</u>	<u>291,790</u>
- Amounts set aside as a provision for employee entitlements	104,005	80,599
- Employee superannuation expense	515,153	454,655
- Rental expense	307,409	285,523
NOTE 4: CASH AND CASH EQUIVALENTS		
CURRENT		
Cash on hand	3,550	3,550
Cash at bank	95,108	114,744
At call accounts	1,710,651	2,315,773
Cash management accounts	131,170	234,501
	<u>1,940,479</u>	<u>2,668,568</u>
Term deposits - at fair value	-	268,185
	<u>1,940,479</u>	<u>2,936,753</u>
NOTE 5: TRADE AND OTHER RECEIVABLES		
CURRENT		
Trade receivables	204,506	107,355
Other receivables	92,348	133,346
	<u>296,854</u>	<u>240,701</u>
NOTE 6: OTHER CURRENT ASSETS		
Prepayments	<u>101,749</u>	<u>148,848</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	2012	2011
	\$	\$
NOTE 7: FINANCIAL ASSETS		
CURRENT		
Investments in listed corporations - at fair value	3,034,612	3,166,985
State government treasury bonds - at fair value	398,080	-
Monthly income fund - at fair value	27,876	49,803
Term deposits - at fair value	4,416,463	3,109,799
Fixed term securities - at cost	<u>64,343</u>	<u>64,343</u>
	<u><u>7,941,374</u></u>	<u><u>6,390,930</u></u>

The fair values of the available-for-sale listed financial assets have been based on the closing quoted bid prices at the end of the reporting period, excluding transaction costs.

Term deposits have an average maturity date of 24 December 2012 (2011: 16 October 2011) and have a weighted average interest rate of 5.84% (2011: 6.11%). Fair value includes accrued interest.

Fixed term securities have an average maturity date of 25 July 2012 (2011: 25 July 2011) and have a weighted average interest rate of 5.40% (2011: 5.18%).

NON-CURRENT

State government treasury bonds - at fair value	-	401,488
Term deposits - at fair value	<u>1,531,400</u>	<u>516,869</u>
	<u><u>1,531,400</u></u>	<u><u>918,357</u></u>

Treasury bonds mature in October 2012 (non-current) and an average interest rate of 6.25% (2011: 6.25%).

Term deposits have an average maturity date of 14 February 2014 and an average interest rate of 6.48% (2011: 6.55%). Fair value includes accrued interest at 30 June 2012.

The company has potential exposure to a bank guarantee that has been issued to a third party in respect to a rental operating lease. The guarantee is held as a security deposit with a bank \$64,343 (2011: \$64,343).

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

Land and Buildings

Freehold land - at fair value	<u>440,000</u>	<u>440,000</u>
Leasehold land - at cost	296,167	296,167
Less: accumulated amortisation	<u>(103,716)</u>	<u>(97,793)</u>
	<u>192,451</u>	<u>198,374</u>
Total Land	<u><u>632,451</u></u>	<u><u>638,374</u></u>
Buildings:		
On Freehold land - at fair value	735,128	726,951
Less: accumulated depreciation	<u>(118,120)</u>	<u>(88,668)</u>
	<u>617,008</u>	<u>638,283</u>
On Leasehold land - at cost	2,205,969	1,864,845
Less: accumulated depreciation	<u>(888,016)</u>	<u>(800,313)</u>
	<u>1,317,953</u>	<u>1,064,532</u>
Total Buildings	<u><u>1,934,961</u></u>	<u><u>1,702,815</u></u>
<i>Total Land and Buildings</i>	<u><u>2,567,412</u></u>	<u><u>2,341,189</u></u>
Leasehold improvements - at cost	492,025	486,805
Less: accumulated amortisation	<u>(237,005)</u>	<u>(131,830)</u>
	<u>255,020</u>	<u>354,975</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	2012 \$	2011 \$
NOTE 8: PROPERTY, PLANT AND EQUIPMENT (Continued)		
Furniture and equipment - at cost	1,140,178	919,705
Less: accumulated depreciation	<u>(807,239)</u>	<u>(743,305)</u>
	<u>332,939</u>	<u>176,400</u>
Motor vehicles - at cost	539,834	378,863
Less: accumulated depreciation	<u>(236,959)</u>	<u>(274,689)</u>
	<u>302,875</u>	<u>104,174</u>
<i>Total property, plant and equipment</i>	<u><u>3,458,246</u></u>	<u><u>2,976,738</u></u>
Reconciliation of movements in carrying amounts of property, plant and equipment		
Land and Buildings		
Freehold land		
Carrying amount at beginning of the year	<u>440,000</u>	<u>440,000</u>
Carrying amount at end of the year	<u>440,000</u>	<u>440,000</u>
Leasehold land		
Carrying amount at beginning of the year	198,374	204,297
Amortisation expense	<u>(5,923)</u>	<u>(5,923)</u>
Carrying amount at end of the year	<u>192,451</u>	<u>198,374</u>
Total Land	<u><u>632,451</u></u>	<u><u>638,374</u></u>
Buildings on freehold land		
Carrying amount at beginning of the year	638,283	666,671
Additions at cost	8,178	808
Depreciation expense	<u>(29,453)</u>	<u>(29,196)</u>
Carrying amount at end of the year	<u>617,008</u>	<u>638,283</u>
Buildings on leasehold land		
Carrying amount at beginning of the year	1,064,532	1,135,430
Additions at cost	341,124	-
Depreciation expense	<u>(87,702)</u>	<u>(70,898)</u>
Carrying amount at end of the year - at fair value	<u>1,317,954</u>	<u>1,064,532</u>
Total Buildings	<u><u>1,934,962</u></u>	<u><u>1,702,815</u></u>
Total land and buildings	<u><u>2,567,413</u></u>	<u><u>2,341,189</u></u>
Leasehold Improvements		
Carrying amount at beginning of the year	354,975	413,769
Additions at cost	5,220	40,429
Write-back of accumulated amortisation	-	(6,857)
Amortisation expense	<u>(105,175)</u>	<u>(92,366)</u>
Carrying amount at end of the year	<u>255,020</u>	<u>354,975</u>
Furniture and equipment		
Carrying amount at beginning of the year	176,400	192,309
Additions at cost	220,473	41,335
Disposals	-	(216)
Depreciation expense	<u>(63,934)</u>	<u>(57,028)</u>
Carrying amount at end of the year	<u>332,939</u>	<u>176,400</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	2012 \$	2011 \$	
Reconciliation of movements in carrying amounts of property, plant and equipment (Continued)			
Motor vehicles			
Carrying amount at beginning of the year	104,174	118,426	
Additions at cost	242,183	15,270	
Disposals	(7,231)	-	
Depreciation expense	<u>(36,251)</u>	<u>(29,522)</u>	
Carrying amount at end of the year	<u>302,875</u>	<u>104,174</u>	
NOTE 9: TRADE AND OTHER PAYABLES			
CURRENT			
Trade payables	189,828	43,218	
Sundry payables and accruals	748,010	592,106	
Deferred income - Grants and monies in advance	<u>2,962,053</u>	<u>2,602,296</u>	
	<u>3,899,891</u>	<u>3,237,620</u>	
NON-CURRENT			
Deferred income - Grants and monies in advance	<u>1,550,348</u>	<u>774,875</u>	
	<u>1,550,348</u>	<u>774,875</u>	
NOTE 10: PROVISIONS			
Reconciliation of movements in carrying amounts of provisions			
	Current	Non-Current	Total
	\$	\$	\$
Opening balance at beginning of the year	462,797	22,053	484,850
Additional provisions raised during the year	470,320	(3,369)	466,951
Amounts used	<u>(362,946)</u>	<u>-</u>	<u>(362,946)</u>
Closing balance at end of the year	<u>570,171</u>	<u>18,684</u>	<u>588,855</u>
		No.	No.
Number of employees at year end		<u>93</u>	<u>87</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 10: PROVISIONS (Continued)

Provision for Long-Term Employee Benefits

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. Due to a change in the Workplace Agreement all employees are entitled to be paid their entitlement to long service leave pro-rata after the completion of five years service, following which the provision for long service leave is now deemed to be a current liability for those employees. The measurement and recognition criteria relating to employee benefits have been included in note 1 to this report.

2012 **2011**
\$ **\$**

NOTE 11: CASH FLOW INFORMATION

Reconciliation of Cashflow from Operations with Surplus after Income Tax

Surplus from ordinary activities	290,396	193,603
Non-cash flows:		
Depreciation and amortisation	322,515	285,867
Deferred lease payments	5,923	5,923
Gain on disposal of fixed assets	(7,270)	(4,004)
Reversal of investment impairment	-	(414,100)
Impairment of investments	344,992	-
Loss on realisation of investments	19,471	489,826
Items classified as financing activities:		
Bequests received	(650,767)	(374,066)
Change in assets and liabilities:		
Increase in receivables	(56,153)	(81,745)
Decrease/(increase) in prepayments	47,099	(8,359)
Increase in trade and other payables	302,514	260,821
Increase in employee provisions	104,006	80,599
Increase in unearned income	1,135,230	1,696,405
Cash flows provided by operating activities	<u>1,857,956</u>	<u>2,130,770</u>

NOTE 12: REMUNERATION OF AUDITORS

Amounts received or due and receivable by the auditors for:		
- auditing the financial report	25,000	24,000
- other services	5,000	5,000
- less donation	(5,000)	(5,000)
Total Auditors' Remuneration	<u>25,000</u>	<u>24,000</u>

NOTE 13: ADDITIONAL INFORMATION FURNISHED UNDER THE CHARITABLE FUNDRAISING ACT 1991 OF NSW

Reportable fundraising refers to "fundraising appeal" as referred to and defined in sections 3, 4 and 5 of the *Charitable Fundraising Act 1991*.

Non-reportable fundraising refers to all other fundraising income which is not included under these sections of the *Charitable Fundraising Act 1991*.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	2012	2011
	\$	\$
NOTE 13: ADDITIONAL INFORMATION FURNISHED UNDER THE CHARITABLE FUNDRAISING ACT 1991 OF NSW (Continued)		
(a) Details of aggregate gross income and total expenses in fundraising appeals		
Gross proceeds:		
Donations	586,655	526,756
Special events	105,079	132,163
Gross proceeds from fundraising appeals	691,734	658,919
Total expenditure:		
Donations	133,158	222,945
Special events	43,209	47,557
Total costs of fundraising appeals	176,367	270,502
Net surplus from fundraising appeals	515,367	388,417

(b) Application of funds for charitable purposes

During the year the entity achieved a net surplus of \$515,367 (2011: \$388,417) from fundraising activities defined under the Charitable Fundraising Act. This surplus contributed towards funding the following program operating deficits:

- Community education, awareness and social research	552,841	557,133
- Policy and advocacy	178,704	155,896
- Helpline and counselling	150,688	160,723
- Media, Library and information services	313,951	173,342

(c) Fundraising appeals conducted during the financial year

During both the 2011/2012 and the 2010/2011 financial years direct mail appeals were held in September (Spring), November (Christmas), March (Easter) and May (Tax appeal) plus in August 2010 an additional (non-event) appeal was held.

(d) Gross comparisons including fundraising not covered by the Charitable Fundraising Act

	Cost	Income	2012	2011
	\$	\$	%	%
Total cost of reportable fundraising/Gross proceeds from reportable fundraising	176,367	691,734	25%	41%
<i>Non-reportable:</i>				
Bequests	25,556	650,767	4%	1%
Other Donations	439,225	721,208	61%	69%
Other Fundraising	85,667	187,340	46%	50%
Total cost of all fundraising/Gross proceeds from all fundraising	726,815	2,251,049	32%	43%

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 13: ADDITIONAL INFORMATION FURNISHED UNDER THE CHARITABLE
FUNDRAISING ACT 1991 OF NSW (Continued)

(e) Gross comparisons of monetary figures and percentages

	Cost \$	Expenditure/ Income \$	2012 %	2011 %
Total cost of reportable fundraising/ Gross proceeds from reportable fundraising	176,367	691,734	25%	41%
Net surplus from reportable fundraising/ Gross proceeds from reportable fundraising	515,367	691,734	75%	59%

NB: Reportable fundraising excludes donations from members, unsolicited donations and bequests.

(f) Service delivery cost ratios

Expenditure ratio

= Total cost of services/Total operating
Expenditure

6,749,170	8,591,507	79%	79%
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Income ratio

= Total cost of services/Total operating
Income

6,749,170	8,595,599	79%	80%
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NB: Operating income excludes bequests and realised investment gains/losses.

NB: Cost of services includes all costs related to providing services to people living with dementia.

NOTE 14: RELATED PARTIES

Board of Directors

The names of each person holding the position of members of the Board of Directors of the entity during the year are as follows:

Professor Peter Baume AC (Chairman)	Mr John Morrison
Mr Alistair Bell	Dr Richard Matthews (appointed 10 January 2012)
Ms Lucille Bloch	Mr Nicholas O'Neill
Professor Maree Gleeson (retired 24 November 2011)	Ms Catharine Retter
Mr Barry Groundwater	Ms Eesvarathevi (Eesa) Witt
Mr Ian Horton	Dr Theam (Robert) Yeoh AM (Retired 24 November 2011)
Ms Gabrielle Kibble AO	

The members of the Board of Directors did not receive any remuneration, superannuation or retirement payments from the entity. No member of the Board of Directors has entered into a material contract with the entity since the beginning of the financial year and there were no material contracts involving their interests at year end.

During the year ended 30 June 2012, the company received donations totalling \$14,432 on behalf of Alzheimer's Australia Research Limited, for whom Mr John Morrison acts as a Board member, and the representative of Alzheimer's Australia NSW, and in which Alzheimer's Australia NSW has no direct or indirect interest.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 15: KEY MANAGEMENT PERSONNEL COMPENSATION

Key Management Personnel

(a) Directors

No Director received remuneration of any form for the financial years ended 30 June 2012 and 30 June 2011. For a list of Directors refer to note 14 - Board of Directors

(b) Other Key Management Personnel

John Watkins (Chief Executive Officer)

Chris Champ (General Manager, Corporate Services) - appointed 23 July 2012

Anneliese Coghlan (General Manager, Human Resources and Volunteering) - appointed 10 October 2011

Simon Crowson (General Manager, Fundraising) - promoted 1 June 2012

Robyn Faine (General Manager, Services)

Lisa Langley (Manager Policy and Advocacy) - resigned 20 July 2011

Andrew Mills (General Manager, Marketing & Communications)

Brendan Moore (General Manager Policy, Research and Information) - appointed 31 October 2011

Saleemeh Moussa (Human Relations Manager) - resigned 9 September 2011

Sarah Price (General Manager, Media) - promoted 1 July 2011

Susan Sackville (Chief Financial Officer) - passed away 26 April 2012

	Salary, Fees and Benefits	Superannuation Contribution	Total
	\$	\$	\$
2012			
Total compensation	780,329	114,576	894,905
2011			
Total compensation	717,374	117,175	834,549

NOTE 16: EVENTS SUBSEQUENT TO REPORTING DATE

There have been no material events that would significantly affect the accounts of the company in an adverse manner.

The market value of investments in listed corporations at 18 September 2012 is \$3,031,592.

NOTE 17: CONTINGENT LIABILITIES

The company is not subject to any material contingent liabilities at reporting date.

NOTE 18: LEASE COMMITMENTS

Lease payments on rented property during the financial year were \$307,409 (2011: \$285,523) with future annual commitments of \$653,260 (2011: \$922,630) of which \$237,427 is for the 2012/2013 financial year, with projected increases to \$254,200 for the 2014/2015 financial year for long-term leases.

The property lease commitments are non-cancellable operating leases contracted for but not capitalised in the financial statements with an original five-year term for the major property lease. No further capital commitments exist in regards to the operating lease commitments at year-end. Increase in lease commitment may occur in line with CPI, with such estimated increases factored in.

In addition the equipment lease commitment is a non-cancellable operating lease contracted for but not capitalised in the financial statements with a four-year term. There are no future commitments (2011: \$5,157).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 19: INVESTMENT REVALUATION RESERVE

The investments revaluation reserve records revaluation increments and decrements, that do not represent impairment write-downs, that relate to financial assets that are classified as available-for-sale.

NOTE 20: RESTATEMENT OF COMPARATIVES

Change in Accounting Policy

Following a review of the policy of revaluing buildings owned by the company and the recalculation of accumulated depreciation on these buildings it was decided to reinstate the depreciation charges reversed in 2007/2008, as part of the revaluation adjustments.. This change resulted in depreciation charges on buildings being overstated in the following financial periods. Extracts (being only those line items affected) are disclosed below.

Statement of comprehensive income

Extract	2011 \$ Reported	\$ Adjustment	2011 \$ Restated
Expenses			
Depreciation and Amortisation: Buildings	135,520	(35,426)	100,094
Surplus before income tax expense	158,177	35,426	193,603
Income tax expense	-	-	-
Net surplus after income tax	158,177	35,426	193,603
Other comprehensive income for the year	22,665		22,665
Total comprehensive income attributable to members of the entity	<u>180,842</u>	<u>35,426</u>	<u>216,268</u>

Statement of financial position at the beginning of the earliest comparative position

Extract	2010 \$ Reported	\$ Adjustment	2010 \$ Restated
Non-Current Assets			
Property, plant and equipment	3,610,805	(439,903)	3,170,902
Total Non-Current Assets	4,016,961	(439,903)	3,577,058
Members' Funds			
Asset revaluation reserve	40,155	(40,155)	-
Accumulated surplus	9,540,950	(399,748)	9,141,202
Total Members' Funds	<u>9,338,617</u>	<u>(439,903)</u>	<u>8,898,714</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 20: RESTATEMENT OF COMPARATIVES (Continued)

Statement of financial position at the end of the earliest comparative position

Extract	2011 \$ Reported	\$ Adjustment	2011 \$ Restated
Non-Current Assets			
Property, plant and equipment	3,381,215	(404,477)	2,976,738
Total Non-Current Assets	<u>4,299,572</u>	<u>(404,477)</u>	<u>3,895,095</u>
Members' Funds			
Asset revaluation reserve	40,155	(40,155)	-
Accumulated surplus	9,699,127	(364,322)	9,334,805
Total Members' Funds	<u>9,519,459</u>	<u>(404,477)</u>	<u>9,114,982</u>

Notes

	2012 \$	2011 \$	2010 \$
Non-Current assets - WDV of Property, plant and equipment			
Freehold Land	440,000	440,000	440,000
Leasehold land Carrying amount	192,451	198,374	204,297
Buildings on freehold land Carrying Amount	617,008	638,283	666,671
Buildings on leasehold land Carrying amount	1,317,953	1,064,532	1,135,430
Leasehold improvements carrying amount	255,020	354,975	413,769
Furniture and equipment Carrying amount	332,939	176,400	192,309
Motor vehicles Carrying amount	302,875	104,174	118,426
Total property, plant and equipment	<u>3,458,246</u>	<u>2,976,738</u>	<u>3,170,902</u>

NOTE 21: ENTITY DETAILS

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

Alzheimer's Australia NSW
Building 21, Macquarie Hospital Campus, 120 Cox's Road
(Cnr Norton Road)
NORTH RYDE NSW 2113

NOTE 22: MEMBERS' GUARANTEE

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 \$10.00 each towards meeting any outstandings and obligations of the entity. At 30 June 2012 the number of members was 2,682 (2011: 2,840).

**ALZHEIMER'S AUSTRALIA NSW
ABN 27 109 607 472**

DIRECTORS' DECLARATION

In the opinion of the Directors of the company:

- the attached financial statements and notes, as set out on pages 10 to 30 comply with the *Corporations Act 2001*, the Australian Accounting Standards – Reduced Disclosure Requirements, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the financial year ended on that date;
- 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

Signed in accordance with a resolution of the Board of Directors made pursuant to section 295(5) of the *Corporations Act 2001*.

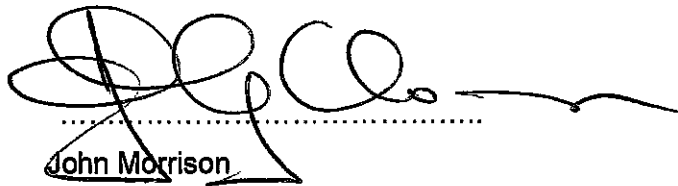
On behalf of the directors

Director



.....
The Hon. Prof Peter Baume AC

Director



.....
John Morrison

Dated at North Ryde this 27th day of September 2012

INDEPENDENT AUDIT REPORT

To the members of Alzheimer's Australia NSW

Report on the Financial Report

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

Directors' Responsibility for the Financial Report

The directors of the Alzheimer's Australia NSW 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 *Corporations Act 2001* and for such internal control as the directors 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.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Alzheimer's Australia NSW's preparation of the financial report that gives a true and fair view 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 Alzheimer's Australia NSW's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Alzheimer's Australia NSW, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

- (a) the financial report of Alzheimer's Australia NSW is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2012 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

BDO East Coast Partnership



John Bresolin
Partner

Sydney
27 September 2012