

**ALZHEIMER'S AUSTRALIA  
INCORPORATED**

**FINANCIAL REPORT  
FOR THE YEAR ENDED  
30 JUNE 2014**

# ALZHEIMER'S AUSTRALIA INCORPORATED

## BOARD REPORT

Your Board Members submit the financial report of Alzheimer's Australia Incorporated (the Association) for the financial year ended 30 June 2014.

### Board Members

The names of Board Members throughout the year and at the date of this report are:

Ita Buttrose	President (resigned 5 Jul 2014)
Graeme Samuel	President (elected 5 Jul 2014)
	Vice-President (resigned 5 Jul 2014)
	VIC Representative (elected 16 Nov 2013)
Richard Cooper	Treasurer (elected 16 Nov 2013) / TAS Representative
Jerry Ellis	Secretary / NSW Representative
Glenn Rees	Chief Executive Officer
William Bass	QLD Representative (elected 7 Feb 2014)
Marianne Gevers	QLD Representative (resigned 7 Feb 2014)
Greg Fraser	ACT Representative (elected 16 Nov 2013)
Jeff Lamb	ACT Representative (resigned 16 Nov 2013)
Brian Roche	WA Representative (elected 16 Nov 2013)
Craig Masarei	Treasurer / WA Representative (resigned 16 Nov 2013)
Vicki Krause	NT Representative
Tony Newman	SA Representative (elected 29 May 2014)
John Giles	SA Representative (resigned 29 May 2014)
Neil Samuel	VIC Representative (resigned 16 Nov 2013)

### Principal Activities

The principal activities of the organisation during the financial year were:

- to represent the interests of our consumers at a national level to the Commonwealth Government and with organisations that have similar interests;
- co-ordination of national projects, advocacy, promotion and advice to Government; and
- disseminating information about Alzheimer's disease and dementia research.

### Significant Changes

No significant change in the nature of these activities occurred during the year.

### Operating Result

The operating deficit for the financial year ended 30 June 2014 was (\$108,440) (2013: operating surplus \$859,627).

Signed in accordance with a resolution of the Board Members.



Board Member



Board Member

Dated this 6<sup>th</sup> day of November 2014.

**ALZHEIMER'S AUSTRALIA INCORPORATED**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2014**

	<b>Note</b>	<b>2014</b> \$	<b>2013</b> \$
Revenue	<b>2</b>	19,629,990	18,352,236
Depreciation expense	<b>3 (a)</b>	(74,546)	(83,876)
Employee benefits expense		(2,665,925)	(2,204,330)
Program costs	<b>3 (b)</b>	(3,000,546)	(3,500,595)
Program distributions	<b>3 (b)</b>	(13,610,268)	(11,144,287)
Operating lease expense	<b>3 (a)</b>	(42,091)	(39,305)
Other expenses		<u>(345,054)</u>	<u>(520,216)</u>
(Deficit) / surplus from operations		<u>(108,440)</u>	<u>859,627</u>
<b>Other comprehensive income:</b>			
Other comprehensive income for the year		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>		<u>(108,440)</u>	<u>859,627</u>
<b>Total comprehensive income attributable to members of the entity</b>		<u>(108,440)</u>	<u>859,627</u>

The accompanying notes form part of these financial statements.

**ALZHEIMER'S AUSTRALIA INCORPORATED**

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2014**

	Note	2014 \$	2013 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	<b>5</b>	6,650,881	8,230,057
Financial assets	<b>6</b>	3,553,523	2,269,388
Trade and other receivables	<b>7</b>	200,079	150,218
Other current assets	<b>8</b>	<u>39,358</u>	<u>88,243</u>
<b>TOTAL CURRENT ASSETS</b>		<u>10,443,841</u>	<u>10,737,906</u>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment	<b>9</b>	<u>255,920</u>	<u>202,042</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u>255,920</u>	<u>202,042</u>
<b>TOTAL ASSETS</b>		<u>10,699,761</u>	<u>10,939,948</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	<b>10</b>	663,847	652,357
Other liabilities	<b>11</b>	<u>8,631,667</u>	<u>8,774,046</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>9,295,514</u>	<u>9,426,403</u>
<b>NON-CURRENT LIABILITIES</b>			
Long-term provisions	<b>12</b>	<u>22,126</u>	<u>22,984</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>22,126</u>	<u>22,984</u>
<b>TOTAL LIABILITIES</b>		<u>9,317,640</u>	<u>9,449,387</u>
<b>NET ASSETS</b>		<u>1,382,121</u>	<u>1,490,561</u>
<b>EQUITY</b>			
Asset revaluation reserve		8,672	8,672
Retained earnings		<u>1,373,449</u>	<u>1,481,889</u>
<b>TOTAL EQUITY</b>		<u>1,382,121</u>	<u>1,490,561</u>

The accompanying notes form part of these financial statements.

**ALZHEIMER'S AUSTRALIA INCORPORATED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2014**

	Alzheimer's Australia Incorporated		Hazel Hawke Fund	Total
	Retained Earnings	Asset Revaluation Reserve	Retained Earnings	
	\$	\$	\$	
<b>Balance at 1 July 2012</b>	605,090	8,672	17,172	630,934
Surplus attributable to members	820,499	-	39,128	859,627
Other comprehensive income	-	-	-	-
<b>Balance at 30 June 2013</b>	<u>1,425,589</u>	<u>8,672</u>	<u>56,300</u>	<u>1,490,561</u>
(Deficit) attributable to members	(72,903)	-	(35,537)	(108,440)
Other comprehensive income	-	-	-	-
<b>Balance at 30 June 2014</b>	<u>1,352,686</u>	<u>8,672</u>	<u>20,763</u>	<u>1,382,121</u>

The accompanying notes form part of these financial statements.

**ALZHEIMER'S AUSTRALIA INCORPORATED****STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2014**

	Note	2014 \$	2013 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from grants, donations and customers		20,977,053	26,028,207
Payments to suppliers and employees		<u>(21,432,792)</u>	<u>(18,969,059)</u>
Net cash provided by operating activities		<u>(455,739)</u>	<u>7,059,148</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for financial assets		(1,284,135)	(2,269,388)
Interest received		289,245	212,724
Purchase of plant and equipment		<u>(128,547)</u>	<u>(143,791)</u>
Net cash (used in) investing activities		<u>(1,123,437)</u>	<u>(2,200,455)</u>
Net (decrease) / increase in cash held		(1,579,176)	4,858,693
Cash at beginning of financial year		<u>8,230,057</u>	<u>3,371,364</u>
Cash at end of financial year	<b>5</b>	<u>6,650,881</u>	<u>8,230,057</u>

The accompanying notes form part of these financial statements.

# ALZHEIMER'S AUSTRALIA INCORPORATED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### **Note 1: Statement of Significant Accounting Policies**

These financial statements cover Alzheimer's Australia Incorporated as an individual entity. Alzheimer's Australia Incorporated is an Association incorporated in New South Wales under the *Associations Incorporations Act 2009 (NSW)*.

#### **Basis of Preparation**

Alzheimer's Australia Incorporated has elected to early adopt the Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards* and AASB 2010-2: *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*. Accordingly, the Association has also early adopted AASB 2011-2: *Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements* and AASB 2012-7: *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements* in respect of AASB 2010-6: *Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets* and AASB 2011-9: *Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income*.

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 *Associations Incorporation Reform Act 2012*. The Association 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 the 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 authorised for issue on 6 Nov 2014 by Board Members of the Association.

#### **Accounting Policies**

##### **a. Income Tax**

The Association is exempt from income tax under the provisions of Section 50-5 of the *Income Tax Assessment Act 1997*.

##### **b. Plant and Equipment**

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

**ALZHEIMER'S AUSTRALIA INCORPORATED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

**Note 1: Statement of Significant Accounting Policies (cont'd)**

**b. Plant and Equipment (cont'd)**

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Association and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

**Depreciation**

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life 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 used for each class of depreciable assets are:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Office equipment	10%
Computer equipment	20-33%
Leasehold improvements	44.5%

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained earnings.

**c. Leases**

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

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



**ALZHEIMER'S AUSTRALIA INCORPORATED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

**Note 1: Statement of Significant Accounting Policies (cont'd)**

**d. Financial Instruments**

**Initial Recognition and Measurement**

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

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified at 'fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

**Classification and subsequent measurement**

Finance instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

*Amortised cost* is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

*Fair value* is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

**(i) Financial assets at fair value through profit and loss**

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

**ALZHEIMER'S AUSTRALIA INCORPORATED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

**Note 1: Statement of Significant Accounting Policies (cont'd)**

**d. Financial Instruments (cont'd)**

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

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

(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 Association's intention to hold these investments to maturity. They 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.

(iv) *Available-for-sale financial assets*

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 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.

(v) *Financial liabilities*

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

**ALZHEIMER'S AUSTRALIA INCORPORATED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

**Note 1: Statement of Significant Accounting Policies (cont'd)**

**d. Financial Instruments (cont'd)**

**Impairment**

At the end of each reporting period, the Association assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Association recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

**Derecognition**

Financial assets are derecognised when the contractual right 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 when the related obligations are discharged or cancelled, or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

**e. Impairment of Assets**

At the end of each reporting period, the Association 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.

**ALZHEIMER'S AUSTRALIA INCORPORATED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

**Note 1: Statement of Significant Accounting Policies (cont'd)**

**e. Impairment of Assets (cont'd)**

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

Where the future economic benefits of the asset are not primarily dependent upon the asset's 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 determined as the depreciated replacement cost of an asset.

Where an impairment loss on a revalued asset is identified, this is recognised 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 class of asset.

**f. Employee Benefits**

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy any vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows

**g. 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.

**h. Accounts Receivable and Other Debtors**

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(e) for further discussion on the determination of impairment losses.

**ALZHEIMER'S AUSTRALIA INCORPORATED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

**Note 1: Statement of Significant Accounting Policies (cont'd)**

**i. Revenue and Other Income**

When grant revenue is received whereby the Association 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.

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.

Non-reciprocal grant revenue is recognised in profit or loss when the Association obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the Association and the amount of the grant can be measured reliably.

Donations and bequests are recognised as revenue when received.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

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

**j. Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

**k. Trade and Other Payable**

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

ALZHEIMER'S AUSTRALIA INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014

**Note 1: Statement of Significant Accounting Policies (cont'd)**

**i. Provisions**

Provisions are recognised when the Association 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. Comparative Figures**

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

**n. Key Estimates**

*Key estimates – Impairment*

The Association assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the Association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

The Association determined conditions of impairment through obtaining market information about the cost of the existing assets in which would cost to purchase at current arm's length market prices.

**o. Key Judgements**

*Provision for the impairment of receivables*

Included in trade receivables and other receivables at the end of the reporting period are amounts receivable from members. The Board has received undertakings from the member debtors that such amounts will be paid and therefore no provision for impairment has been made.

**p. Changes in accounting policies**

As a result of early adopting AASB 2012-7, which includes amendments to disclosure requirements arising from the Tier 1 (full-disclosure) Standard AASB 2011-9: *Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income* that became mandatorily applicable from 1 July 2012, the standard change requires:

- items of other comprehensive income to be grouped into:
  - items that will not be reclassified subsequently to profit or loss; and
  - those that will be reclassified subsequently to profit or loss when specific circumstances occur.

The adoption of AASB 2011-9 did not have any impact on the amounts reported for the current period or for any prior period in the Association's financial statements.

**ALZHEIMER'S AUSTRALIA INCORPORATED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

ALZHEIMER'S AUSTRALIA INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$	2013 \$
<b>Note 2: Revenue</b>		
Operating activities:		
— operating grants and sponsorships	17,384,846	16,060,087
— donations and bequests	380,970	1,150,050
— dividends received	11,928	10,980
— member contributions	1,099,770	507,731
— reimbursement of expenses	463,231	410,664
	<u>19,340,745</u>	<u>18,139,512</u>
Non-operating activities:		
— interest received	289,245	212,724
	<u>289,245</u>	<u>212,724</u>
Total Revenue	<u>19,629,990</u>	<u>18,352,236</u>

**Note 3: Surplus / (deficit)**

**a. Expenses**

Depreciation expense	74,546	83,876
Impairment expense	-	8,166
Rental expense on operating lease — minimum lease payments	42,091	39,305

**b. Significant Expenses**

The following significant expense items are relevant in explaining the financial performance:

Program distributions	13,610,268	11,144,287
Program costs	3,000,546	3,500,595

**Note 4: Key Management Personnel Compensation**

The totals of remuneration paid to Key Management Personnel (KMP) of the Association during the year are as follows:

Key Management Personnel compensation	<u>199,818</u>	<u>193,030</u>
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**Other KMP transactions**

For details of other transactions with KMP, refer to Note 16: Related Party Transactions.



**ALZHEIMER'S AUSTRALIA INCORPORATED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

	<b>2014</b>	<b>2013</b>
	\$	\$
<b>Note 5: Cash and Cash Equivalents</b>		
Cash at bank and on hand	5,622,364	6,212,786
Short-term bank deposits	<u>1,028,517</u>	<u>2,017,271</u>
	<u>6,650,881</u>	<u>8,230,057</u>

The effective interest rate on short-term bank deposits was 2.15% (2013: 5.6%); these deposits have an average maturity of 90 days.

**Reconciliation of Cash**

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

Cash and cash equivalents	<u>6,650,881</u>	<u>8,230,057</u>
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**Note 6: Financial Assets**

Held-to-maturity investments	<u>3,553,523</u>	<u>2,269,388</u>
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**Note 7: Trade and Other Receivables**

<b>CURRENT</b>		
Trade receivables	134,712	81,545
Accrued interest	52,905	47,835
Sundry debtors	<u>12,462</u>	<u>20,838</u>
	<u>200,079</u>	<u>150,218</u>

**Financial assets classified as loans and receivables**

Trade receivables	<u>200,079</u>	<u>150,218</u>
Financial assets classified as loans and receivables	<u>200,079</u>	<u>150,218</u>

**Note 8: Other Current Assets**

<b>CURRENT</b>		
Undeposited funds	8,267	43,403
Prepayments	<u>31,091</u>	<u>44,840</u>
	<u>39,358</u>	<u>88,243</u>

**ALZHEIMER'S AUSTRALIA INCORPORATED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

	2014 \$	2013 \$
<b>Note 9: Plant and Equipment</b>		
Office Equipment at cost	38,162	36,169
Less accumulated depreciation	<u>(9,368)</u>	<u>(5,704)</u>
	<u>28,794</u>	<u>30,465</u>
Computer Equipment at cost	420,969	307,335
Less accumulated depreciation and impairment	<u>(193,843)</u>	<u>(135,758)</u>
	<u>227,126</u>	<u>171,577</u>
Leasehold Improvements at cost	26,015	26,015
Less accumulated depreciation	<u>(26,015)</u>	<u>(26,015)</u>
	<u>-</u>	<u>-</u>
<b>Total Plant and Equipment</b>	<u><u>255,920</u></u>	<u><u>202,042</u></u>

**Movements in carrying amounts**

Movements in carrying amounts for each class of Plant and Equipment between the beginning and the end of the current financial year.

	Office Equipment \$	Computer Equipment \$	Leasehold Improvement \$	Total \$
Balance at 1 July 2013	30,465	171,577	-	202,042
Additions	1,993	126,006	-	128,547
Disposals	-	(12,371)	-	(14,030)
Depreciation write back	-	12,248	-	13,907
Depreciation expense	<u>(3,664)</u>	<u>(70,334)</u>	-	<u>(74,546)</u>
<b>Carrying amount at 30 June 2014</b>	<u><u>28,794</u></u>	<u><u>227,126</u></u>	<u><u>-</u></u>	<u><u>255,920</u></u>

ALZHEIMER'S AUSTRALIA INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
<b>Note 10: Trade and Other Payables</b>		
CURRENT		
Trade payables	459,917	251,864
Accrued expenses	21,019	73,493
GST payable	12,373	182,378
Short-term employee benefits	<u>170,538</u>	<u>144,622</u>
	<u>663,847</u>	<u>652,357</u>
<b>Financial liabilities at amortised cost classified as trade and other payables</b>		
Trade and other payables	663,847	652,357
Less: employee benefits	(170,538)	(144,622)
GST payable	<u>(12,373)</u>	<u>(182,378)</u>
Financial liabilities as trade and other payables	<u>480,936</u>	<u>325,357</u>

*Collateral pledged*

No collateral has been pledged for any of the trade and other payable balances.

**Note 11: Other Liabilities**

CURRENT		
Unexpended sponsorship income	937,457	1,415,204
Other unexpended income	295,583	975,562
Unexpended grants (Department of Health)	<u>7,398,627</u>	<u>6,383,280</u>
	<u>8,631,667</u>	<u>8,774,046</u>

All Acquittals of grants have been made as directed in the appropriate funding agreement.

**Note 12: Provisions**

Long-service leave provision	<u>22,126</u>	<u>22,984</u>
	<u>22,126</u>	<u>22,984</u>

ALZHEIMER'S AUSTRALIA INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014

**Note 13: Capital and Leasing Commitments**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>a. Operating Lease Commitments</b>		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payable — minimum lease payments		
— not later than 12 months	32,516	7,615
— between 12 months and 5 years	-	-
	<u>32,516</u>	<u>7,615</u>

The property lease is a non-cancellable lease with a five-year term, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require that the minimum lease payments shall be increased by 3% per annum. The photocopier lease is also a non-cancellable lease with a five-year term with payments to be made monthly in advance.

**Note 14: Contingent Liabilities and Contingent Assets**

As at balance date the Association has no known contingent liabilities or contingent assets.

**Note 15: Events After Balance Sheet Date**

No matters or circumstances have arisen since the end of the financial year to the date of this report that have significantly affected or may significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

**Note 16: Related Party Transactions**

Alzheimer's Australia Incorporated provided professional indemnity insurance for the Board Members. In addition one of the Board Members was an employee of the Association therefore he received remuneration to the value of \$199,818 (2013: \$193,030) for the financial year ended 30 June 2014. The directors are not aware of any other related party transactions.

**Note 17: Reserves**

**Asset revaluation reserve**

The asset revaluation reserve records revaluation of assets.

**ALZHEIMER'S AUSTRALIA INCORPORATED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2014**

**Note 18: Financial Risk Management**

The Association's financial instruments consist mainly of deposits with banks, short term investments, accounts receivable and payable.

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

	<b>NOTE</b>	<b>2014</b> \$	<b>2013</b> \$
<b>Financial assets</b>			
Cash and cash equivalents	<b>5</b>	6,650,881	8,230,057
Held to maturity investments	<b>6</b>	3,553,523	2,269,388
Receivables	<b>7</b>	200,079	150,218
		<u>10,404,483</u>	<u>10,649,663</u>
<b>Financial liabilities</b>			
Financial liabilities at amortised cost - Trade and other payables	<b>10</b>	<u>480,936</u>	<u>325,357</u>
		<u>480,936</u>	<u>325,357</u>

**Fair Values**

Fair values of held-to-maturity investments are based on maturity value of the term deposit at the end of the reporting period.

**Note 19: Association Details**

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

Alzheimer's Australia Incorporated  
Frewin Place  
Scullin ACT 2614

ALZHEIMER'S AUSTRALIA INCORPORATED

**Annual statements Give True and Fair View of Financial Position of Incorporated Association**

We, Graeme Samuel and Glenn Rees being members of the committee of Alzheimer's Australia Incorporated certify that:

The statements attached to this certificate give a true and fair view of the financial position of Alzheimer's Australia Incorporated during and at the end of the financial year of the association ending on 30 June 2014.

Graeme Samuel

Board Member

Glenn Rees

Board Member

Dated this 6<sup>th</sup> day of November 2014



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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALZHEIMER'S AUSTRALIA INCORPORATED

### Report on the Financial Report

We have audited the accompanying financial report of Alzheimer's Australia Incorporated (the association), which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other 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 certification by members of the board on the annual statements giving a true and fair view of the financial position of the association.

### Board Members' Responsibility for the Financial Report

The Board Members of the entity 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 *Associations Incorporation Act 2009 (NSW)* and for such internal control as the board determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 judgment, 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 association'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board, 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.



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALZHEIMER'S AUSTRALIA INCORPORATED

### Opinion

In our opinion, the financial report of Alzheimer's Australia Incorporated is in accordance with the *Associations Incorporation Act 2009 (NSW)*, including:

- (i) giving a true and fair view of the association's financial position as 30 June 2014 and of its performance for the year ended on that date;
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Associations Incorporation Act 2009 (NSW)*; and
- (iii) financial records have been properly kept.

A handwritten signature in black ink, appearing to read 'James Barrett'.

James Barrett, CA  
Partner  
Registered Company Auditor  
BellchambersBarrett

Canberra, ACT  
Dated this 7<sup>th</sup> day of November 2014

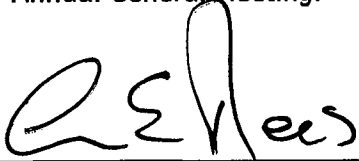


**ALZHEIMER'S AUSTRALIA INCORPORATED**

**CERTIFICATE BY MEMBER OF THE BOARD**

I, Glenn Rees, of 1 Frewin Place Scullin, ACT 2614, certify that:

- a) I attended the Annual General Meeting of the Association held on 6 December 2014.
- b) This annual statement was submitted to the Members of the Association at its Annual General Meeting.



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Board Member

Dated this 6<sup>th</sup> day of December 2014.