

ALZHEIMER'S AUSTRALIA NSW

ABN 27 109 607 472

FINANCIAL REPORT

**FOR THE YEAR ENDED
30 JUNE 2014**

DIRECTORS' REPORT

The Directors present this report on the entity for the financial year ended 30 June 2014.

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
Mr Jeremy (Jerry) Kitson Ellis AO
Mr Barry James Groundwater
Mr Ian Watts Horton
Ms Gabrielle Kibble AO (resigned 16 October 2013)
Dr Richard Matthews
Mr John Gerard Morrison
Mr Nicholas Kevin Francis O'Neill
Ms Catharine Josephine Retter
Ms Eesvarathevi (Eesa) Witt

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 \$1,146,142 (2013: Deficit \$11,026).

Review of Operations

The net surplus for the financial year was a significant turnaround of \$1,157,169 from the previous financial year. The main contributing factors to this result were:

- (a) bequest income of \$1,106,991 an increase of \$807,751;
- (b) State/Federal and non-government grants amounted to \$8,714,503, compared to \$7,225,510 received in the previous year;

DIRECTORS' REPORT

Review of Operations (continued)

(c) capital grants from both government and non-government sources amounted to \$253,726, compared to \$11,100 in the previous year;

(d) net gains on the sale of investments of \$105,317 compared to net losses of \$313,131 in the previous year;

(e) impairment of investments write-back upon sale of \$167,665, compared to write-back of \$109,120 in the previous year, and

(f) employment benefits expense increased by \$1,452,320 due to the delivery of additional service programs.

The Board resolved during the year to change the composition of the financial assets, which now includes units in a managed growth fund. This investment was intended as a long-term strategy.

State and Federal Government grants received increased by 19.9% to \$8,045,982. The percentage of government grants to total revenue, excluding bequests and loss on sale of investments, of 68.2% compares to 67.8% for 2012/2013 and 67.4% for 2011/2012. The increase in grant revenue reflected the awarding of new recurrent grants and non-recurrent grants which commenced 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, with activities planned to deliver the strategic goals adjusted to reflect the current needs of the community.

The Strategic Plan has five major goal areas:

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

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

(iii) 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.

(iv) To build a strong organisation and sector to support all these activities: to aim to increase funding to AlzNSW and the dementia sector.

(v) In order to cope with the rapidly increasing dementia challenge, AlzNSW aims to significantly grow the organisation's capacity and outreach.

Strategy for achieving the objective and performance measures

Each of these objectives 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.

(i) For the general public: the key focus is on promoting risk reduction strategies using the *Your Brain Matters* program which is presented to community groups and clubs throughout NSW from the two Memory Vans. Expanding engagement with culturally diverse and Aboriginal and/or Torres Strait Islander communities as well as developing a group of high profile ambassadors to promote dementia awareness are additional strategies in this goal area.

DIRECTORS' REPORT

(ii) For people with memory concerns: this goal area focused on timely diagnosis and early intervention. Activities include targeted information and development of a referral pathway tool for GP's and the creation and implementation of new and increased delivery of existing early intervention programs.

(iii) For people living with dementia and their carers: expanding services to areas of greatest need, increasing the access options such as on-line delivery of education, collaboration with key health networks to promote services and increasing research activities are the current objectives in this goal area.

(iv) To build a strong organisation and sector to support all these activities: The key issues are diversification of income, quality accreditation and strong financial management. The company retains quality accreditation through QIP. Also the structure and strategy of the fundraising department has been reviewed and a new direction established and has been implemented. An upgrade of the financial system in 2014-15 will enhance financial management and reporting activities.

(v) In order to cope with the rapidly increasing dementia challenge AlzNSW aims to significantly grow the organisation's capacity and outreach. The growth indicators are revenue, employee numbers, media activity and Helpline enquiries, counselling sessions and education courses provided.

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

Information on Directors

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

Director

Qualifications

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

Experience

Emeritus Professor, professorial fellow in the school of public health and community medicine, past physician at Royal North Shore Hospital, past Senator for NSW, past Government Whip, past Minister for Aboriginal Affairs, past Minister for Health, past Minister for Education, past Professor of Community Medicine at the University of NSW, past Chancellor of the Australian National University, past Director Sydney Water Corporation, past Chair of the Kolling Institute of Medical Research, past Governor Foundation for Development Cooperation, past Chair Family Drug Support, past Chair of the Australian Sports Drug Foundation, past official visitor, past official visitors' advisory committee.

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DIRECTORS' REPORT

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. Currently Group Chief Financial Officer of Graincorp Ltd, Australia's largest listed international grain and food ingredients business, non-executive Director of Allied Mills Limited (manufacturers and distributors of bakery premixes, flour and semi-finished food products) and Chair of Audit Committee for Allied Mills.
Special Responsibilities	Mr Bell is a member of the Investment Advisory Committee and the Audit and Risk Committee.
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, End of Life Implementation Advisory Committee and Neuroscience Research Australia Foundation's Advisory Council.
Mr Jeremy Kitson Ellis AO	Chairman (non-executive)
Qualifications	MA (Oxon), LL.D honoris causa Monash University, HonDEng, C.Q.U., FTSE, FAICD, FAIM, HonFIEAust.
Experience	Elected as a Rhodes Scholar in 1959. Chairman of Broken Hill Proprietary Company Limited 1997 to 1999. Chancellor of Monash University 1999 to 2007. Member of the Board of Trustees for the Eisenhower Exchange Fellowships. Made an Officer (AO) in the General division of the Order of Australia in June 2012. Awarded Order of the Rising Sun, Gold and Silver Star from the Japanese Government in 2007.

DIRECTORS' REPORT

	Chairman of MHD Energy Limited and Director of Iron Road Limited. On the Advisory Board of the Sentient Group.
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. 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.
Dr Richard Matthews AM	Director
Qualifications	MB, BS
Experience	Past 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). Chair General Practice Education and Training (GPET). 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 (NEuRA), National Director Calvary Healthcare (LCM), GPNSW and on the Advisory Board Centre for Healthy Brain Ageing (CHeBA).

DIRECTORS' REPORT

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.
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 <i>Retreat from Injustice: Human Rights in Australian Law</i> , 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 <i>Capacity and the Law</i> (2011) available on www.austlii.edu.au . Chair of the Nursing and Midwifery Tribunal from 2005 to 2012. Currently a Principal Member of the Civil and Administrative Tribunal of NSW (NCAT).
Special Responsibilities	Mr O'Neill is a member of the Nominations and Remuneration Committee.
Ms Catharine Josephine Retter	Director
Qualifications	BA, MA, Grad Dip Editing and Publishing, FAMI, CPM (past).
Experience	Member of the NSW Government Carers Advisory Council, past member of the Consumer Dementia Research Network, past chairperson of Austcare refugee week. Career background in marketing, management and writing, and for the past decade in book publishing and distribution. Director on various boards in the publishing sector including past chair of the Australian Book Group Pty Ltd, past CEO of Driza-Bone Pty Ltd. Ms Retter was the primary carer for her husband who had Alzheimer's and vascular dementia.

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DIRECTORS' REPORT

Ms Eesvarathevi (Eesa) Witt

Director

Qualifications

RN, Grad Dip Aged Care, MN

Experience

Eesa has extensive experience in Aged Care Nursing having worked in Community Health, and as an ACAT Registered Nurse in Sutherland Hospital. Other positions held: Clinical Nurse Consultant in Residential Care, Acute Aged Care and in Psychiatry of Old Age at Prince of Wales Hospital. Eesa is currently working as a Private Specialist Nursing Consultant in Dementia and Education and Behavioural and Psychological Symptoms in Dementia. Eesa is experienced in facilitating groups, mentoring nurses and health professionals in other disciplines in Dementia Care, managing challenging behaviours, and supporting carers of Persons with Dementia. She has been part of various Research Teams looking into Depression in Residential Care, development of Behaviour Management Manuals with UNSW and USyd.

Meetings of Directors

Directors' Meetings

	No. eligible to attend	Number attended
The Hon. Prof Peter Erne Baume AC	8	8
Mr Alistair Garrard Bell	8	6
Ms Lucille Barbara Bloch	8	6
Mr Jeremy Kitson Ellis AO	8	7
Mr Barry James Groundwater	8	4
Mr Ian Watts Horton	8	6
Ms Gabrielle Kibble AO (resigned 16 October 2013)	2	1
Dr Richard Matthews	8	4
Mr John Gerard Morrison	8	7
Mr Nicholas Kevin Francis O'Neill	8	6
Ms Catharine Josephine Retter	8	7
Ms Eesvarathevi (Eesa) Witt	8	7

DIRECTORS' REPORT

Meetings of Board Sub-committees

Investment Advisory Committee

	No. eligible to attend	Number attended
Mr Alistair Garrard Bell	3	2
Mr Phillip Cormack	3	3
Mr Barry James Groundwater	3	1
Mr Ian Watts Horton	3	3

Audit and Risk Committee

	No. eligible to attend	Number attended
Mr Alistair Garrard Bell	3	1
Mr Jeremy Kitson Ellis AO	3	1
Mr Barry James Groundwater	3	2
Mr Ian Watts Horton	3	2
Mr John Gerard Morrison	3	3

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

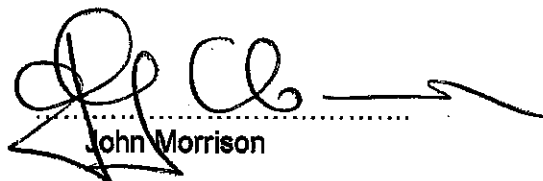
In the event of the company being wound up, ordinary members are required to contribute a maximum of \$10.00 each. Honorary members are not required to contribute. The total amount that members of the company are liable to contribute if the company is wound up is \$26,820 based on 2,682 members.

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

Director


.....
Jeremy Ellis AO

Director


.....
John Morrison

Dated at North Ryde this 23rd day of September 2014



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Australia

DECLARATION OF INDEPENDENCE 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 2014, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.



John Bresolin
Partner

BDO East Coast Partnership

Sydney, 23 September 2014

ALZHEIMER'S AUSTRALIA NSW
ABN 27 109 607 472

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

	Note	2014 \$	2013 \$
Revenue	2	12,780,260	10,195,632
Employee benefits expense		(8,228,829)	(6,776,509)
Depreciation and amortisation	3	(463,238)	(421,270)
Partnership payments		(106,912)	(86,980)
Property expenses		(568,746)	(475,158)
Administrative expenses		(516,263)	(336,846)
Special event expenses		(171,413)	(26,818)
Information technology expenses		(89,762)	(229,681)
Direct program expenses		(714,785)	(712,277)
Advertising		(420,674)	(424,444)
Travel and Accommodation		(316,189)	(248,633)
Surplus/(Loss) on sale of investments		105,317	(313,131)
Other expenses		(310,289)	(264,031)
Write-back of impairment of investments upon sale		167,665	109,120
Surplus/ (deficit) before income tax expense		1,146,142	(11,026)
Income tax expense	1(k)	-	-
Net Surplus/ (deficit) after income tax		1,146,142	(11,026)
Other comprehensive income for the year		5,381	388,812
Total comprehensive income attributable to members of the entity		<u>1,151,523</u>	<u>377,786</u>

The accompanying notes form part of these financial statements

ALZHEIMER'S AUSTRALIA NSW
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	Note	2014 \$	2013 \$
CURRENT ASSETS			
Cash and cash equivalents	4	3,366,693	2,053,801
Trade and other receivables	5	474,339	642,022
Financial assets	7	9,181,283	8,990,557
Other current assets	6	32,953	82,863
TOTAL CURRENT ASSETS		<u>13,055,268</u>	<u>11,769,243</u>
NON-CURRENT ASSETS			
Financial assets	7	-	525,137
Property, plant and equipment	8	3,145,598	3,242,274
TOTAL NON-CURRENT ASSETS		<u>3,145,598</u>	<u>3,767,411</u>
TOTAL ASSETS		<u>16,200,866</u>	<u>15,536,654</u>
CURRENT LIABILITIES			
Deferred income	9	3,601,899	3,767,554
Trade and other payables	10	799,665	511,373
Short-term provisions	11	956,497	698,183
TOTAL CURRENT LIABILITIES		<u>5,358,061</u>	<u>4,977,110</u>
NON-CURRENT LIABILITIES			
Deferred income	9	-	863,875
Long-term provisions	11	82,488	86,875
TOTAL NON-CURRENT LIABILITIES		<u>82,488</u>	<u>950,750</u>
TOTAL LIABILITIES		<u>5,440,549</u>	<u>5,927,860</u>
NET ASSETS		<u>10,760,317</u>	<u>9,608,794</u>
MEMBERS' FUNDS			
Investment revaluation reserve		-	(5,381)
Accumulated surplus		10,760,317	9,614,175
TOTAL MEMBERS' FUNDS		<u>10,760,317</u>	<u>9,608,794</u>

The accompanying notes form part of these financial statements

ALZHEIMER'S AUSTRALIA NSW
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STATEMENT OF CHANGES IN MEMBERS' FUNDS
FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$	2013 \$
Investment Revaluation Reserve		
Balance at the beginning of the financial year	(5,381)	(394,193)
Reversal of impairment of financial assets upon disposal	(167,665)	(109,120)
Revaluation Increments	<u>173,046</u>	<u>497,932</u>
Balance at the end of the financial year	<u><u>-</u></u>	<u><u>(5,381)</u></u>
Accumulated Surplus		
Retained surplus at the beginning of the financial year	9,614,175	9,625,201
Net surplus for the year attributable to members	<u>1,146,142</u>	<u>(11,026)</u>
Retained Surplus at the end of the financial year	<u><u>10,760,317</u></u>	<u><u>9,614,175</u></u>
Total Members' Funds		
Balance at the beginning of the financial year	9,608,794	9,231,008
Total comprehensive income for the year attributable to members	<u>1,151,523</u>	<u>377,786</u>
Balance at the end of the financial year	<u><u>10,760,317</u></u>	<u><u>9,608,794</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 2014

	Note	2014 \$	2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Government and other grants received (gross of GST)		8,570,449	7,739,769
Other receipts (gross of GST)		2,085,157	2,014,168
Other investment income		298,528	214,245
Interest received		270,812	386,352
Payments to suppliers and employees (gross of GST)		<u>(11,280,504)</u>	<u>(10,481,268)</u>
Net cash generated from operating activities	12	<u>(55,558)</u>	<u>(126,734)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(493,656)	(218,665)
Proceeds from sale of property, plant and equipment		142,341	17,600
Proceeds from sale of investments		9,394,654	1,520,743
Payments for investments		<u>(8,781,880)</u>	<u>(1,378,862)</u>
Net cash used in investing activities		<u>261,459</u>	<u>(59,184)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Bequests received		<u>1,106,991</u>	<u>299,240</u>
Net cash generated by financing activities		<u>1,106,991</u>	<u>299,240</u>
Net (decrease)/increase in cash held		1,312,892	113,322
Cash at the beginning of the financial year		<u>2,053,801</u>	<u>1,940,479</u>
Cash at the end of the financial year	4	<u><u>3,366,693</u></u>	<u><u>2,053,801</u></u>

The accompanying notes form part of these financial statements

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

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 Interpretations as issued by 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 (the Company) 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 23 September 2014.

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 profit or loss and other 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 2014

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	2.06% - 2.42%	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 profit or loss and other comprehensive income.

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

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.

(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 or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to the statement of profit or loss and other 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 profit or loss and other 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 2014

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.

(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 profit or loss and other comprehensive income.

(e) Impairment of assets

Under AASB 136 Impairment of Assets, the entity applies the depreciated replacement cost method to determine impairment. Depreciated replacement cost is calculated as the current replacement cost of the asset, less accumulated depreciation calculated on the basis of such a cost to reflect the already consumed or expired future economic benefits of the 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.

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

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

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.

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements (issued July 2011) – effective for annual reporting periods beginning on or after 1 July 2013.

AASB 2011-4 deletes the disclosure requirements for individual key management personnel from AASB 124 Related Party Disclosures.

AASB 119 Employee Benefits (reissued September 2011) – effective for annual reporting periods beginning on or after 1 January 2013.

The main changes under AASB 119 include:

- Employee benefits expected to be settled (as opposed to due to settled under current standard) wholly within 12 months after the end of the reporting period are short-term benefits, and therefore not discounted when calculating leave liabilities. Annual leave not expected to be used wholly within 12 months of end of reporting period will in future be discounted when calculating leave liability.
- Elimination of the 'corridor' approach for deferring gains/losses for defined benefit plans
- Actuarial gains/losses on remeasuring the defined benefit plan obligation/asset to be recognised in OCI rather than in profit or loss, and cannot be reclassified in subsequent periods
- Subtle amendments to timing for recognition of liabilities for termination benefits

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

The following new and amended accounting standards and interpretations have been issued, but are not mandatory for the financial year ended 30 June 2014. They have not been adopted in preparing the financial statements for the year ended 30 June 2014 and are expected to impact the company in the period of initial application. In all cases the company entity intends to apply these standards from application date as indicated below.

AASB 9 Financial Instruments (issued December 2009 and amended December 2010), AASB 2012-6 Amendments to Australian Accounting Standards - Mandatory Effective Date of AASB 9 and Transition Disclosures (issued September 2012) - effective for annual reporting periods beginning on or after 1 January 2017.

AASB 9 amends the requirements for classification and measurement of financial assets. The available-for-sale and held-to-maturity categories of financial assets in AASB 139 have been eliminated. Under AASB 9, there are three categories of financial assets:

1. Amortised cost
2. Fair value through profit or loss
3. Fair value through other comprehensive income.

The following requirements have generally been carried forward unchanged from AASB 139 Financial Instruments: Recognition and Measurement into AASB 9:

- Classification and measurement of financial liabilities; and
- Derecognition requirements for financial assets and liabilities.

However, AASB 9 requires that gains or losses on financial liabilities measured at fair value are recognised in profit or loss, except that the effects of changes in the liability's credit risk are recognised in other comprehensive income.

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Comparative Figures

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

(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.

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. Of this amount \$109,120 was reversed in 2013 and \$167,665 in 2014 following the part sale of the impaired assets.

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 2014, \$Nil (2013: \$863,875) was classified as non-current.

Useful lives of assets

The entity determines the estimated useful lives and related depreciation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

(q) Economic Dependence

Alzheimer's Australia NSW provides services which are put to tender by the Australian Department of Social Services (formerly 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 NSW 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.

ALZHEIMER'S AUSTRALIA NSW
ABN 27 109 607 472

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

	2014	2013
	\$	\$
NOTE 2: REVENUE		
Operating activities		
- State/Federal government grants	8,045,982	6,710,711
- Non-government grants	668,521	514,799
- State/Federal capital grants	253,726	11,100
- Donations, appeals and corporate sponsorship	1,304,437	1,355,169
- Special events - fundraising	175,958	90,113
- In Memoriam	111,713	133,699
- Membership fees	50,559	50,573
- Sales of goods	3,450	16,031
- Consultation and course fee income	433,447	359,320
- Rental income	23,972	34,043
- Other revenue	16,917	16,004
	<u>11,088,682</u>	<u>9,291,562</u>
Non-operating activities		
- Bequests	1,106,991	299,240
- Interest received	270,812	386,352
- Other investment income	298,528	214,245
- Gain on disposal of non-current assets	15,247	4,233
	<u>1,691,578</u>	<u>904,070</u>
Total Revenue	<u>12,780,260</u>	<u>10,195,632</u>

NOTE 3 : SURPLUS/(DEFICIT) FOR THE YEAR

Expenses

- Depreciation and Amortisation:		
Buildings	133,291	137,109
Deferred Lease Charges	5,923	5,923
Leasehold Improvements	95,062	100,457
Furniture and equipment	141,144	109,402
Motor vehicles	87,818	68,379
Total Depreciation and Amortisation	<u>463,238</u>	<u>421,270</u>
- Amounts set aside as a provision for employee entitlements	253,927	196,203
- Employee superannuation expense	689,758	530,538
- Rental expense	384,621	315,747

NOTE 4: CASH AND CASH EQUIVALENTS

CURRENT

Cash on hand	3,950	3,550
Cash at bank	622,637	360,521
At call accounts	2,706,052	1,511,404
Cash management accounts	34,054	178,326
	<u>3,366,693</u>	<u>2,053,801</u>

ALZHEIMER'S AUSTRALIA NSW
ABN 27 109 607 472

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

	2014	2013
	\$	\$
NOTE 5: TRADE AND OTHER RECEIVABLES		
CURRENT		
Trade receivables	356,505	471,418
Other receivables	117,834	170,604
	<u>474,339</u>	<u>642,022</u>
NOTE 6: OTHER CURRENT ASSETS		
Prepayments	<u>32,953</u>	<u>82,863</u>
NOTE 7: FINANCIAL ASSETS		
CURRENT		
Investments in listed corporations - at fair value	-	3,267,805
Managed Funds - at fair value		
Cash Fund Term Deposit	3,012,332	-
Growth Fund	5,099,802	-
Monthly income fund - at fair value	2,870	10,035
Term deposits - at fair value	1,001,935	5,648,374
Fixed term securities - at cost	64,344	64,343
	<u>9,181,283</u>	<u>8,990,557</u>

The fair values of investments in managed funds has been based on the closing unit values at the end of the reporting period.

The fair values of investments in listed corporations has been based on the closing quoted bid prices at the end of the reporting period, excluding transaction costs.

Investments in listed corporations and managed funds are classified as available for sale.

Term deposits have an average maturity date of 25 January 2014 (2013: 19 November 2013) and have a weighted average interest rate of 3.91% (2013: 4.56%). Fair value includes accrued interest.

Fixed term securities have an average maturity date of 25 July 2014 (2013: 25 July 2013) and have a weighted average interest rate of 3.35% (2013: 4.33%).

NON-CURRENT

Term deposits - at fair value	<u>-</u>	<u>525,137</u>
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Term deposits have an average maturity date of 29 June 2015 and an average interest rate of 5.0% (2013: 5.65%). Fair value includes accrued interest at 30 June 2014.

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 (2013: \$64,343).

ALZHEIMER'S AUSTRALIA NSW
ABN 27 109 607 472

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

	2014	2013
	\$	\$
NOTE 8: PROPERTY, PLANT AND EQUIPMENT		
<i>Land and Buildings</i>		
Freehold land - at deemed cost	440,000	440,000
Leasehold land - at cost	296,167	296,167
Less: accumulated amortisation	(115,562)	(109,639)
	<u>180,605</u>	<u>186,528</u>
Total Land	<u>620,605</u>	<u>626,528</u>
Buildings:		
On Freehold land - at deemed cost	738,638	738,638
Less: accumulated depreciation	(178,781)	(148,411)
	<u>559,857</u>	<u>590,227</u>
On Leasehold land - at cost	2,209,823	2,209,823
Less: accumulated depreciation	(1,097,755)	(994,834)
	<u>1,112,068</u>	<u>1,214,989</u>
Total Buildings	<u>1,671,925</u>	<u>1,805,216</u>
<i>Total Land and Buildings</i>	<u>2,292,530</u>	<u>2,431,744</u>
Leasehold Improvements:		
Leasehold improvements - at cost	494,633	494,633
Less: accumulated amortisation	(432,523)	(337,461)
Total Leasehold Improvements	<u>62,110</u>	<u>157,172</u>
Furniture and equipment:		
Furniture and equipment - at cost	1,115,476	873,722
Less: accumulated depreciation	(654,603)	(513,459)
	<u>460,873</u>	<u>360,263</u>
Motor vehicles:		
Motor vehicles - at cost	602,539	506,205
Less: accumulated depreciation	(272,454)	(213,110)
	<u>330,085</u>	<u>293,095</u>
<i>Total property, plant and equipment</i>	<u>3,145,598</u>	<u>3,242,274</u>

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

	2014	2013
	\$	\$
NOTE 8: PROPERTY, PLANT AND EQUIPMENT (continued)		
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	186,528	192,451
Amortisation expense	<u>(5,923)</u>	<u>(5,923)</u>
Carrying amount at end of the year	<u>180,605</u>	<u>186,528</u>
Total Land	<u>620,605</u>	<u>626,528</u>
Buildings on freehold land		
Carrying amount at beginning of the year	590,227	617,008
Additions at cost	-	3,510
Depreciation expense	<u>(30,370)</u>	<u>(30,291)</u>
Carrying amount at end of the year	<u>559,857</u>	<u>590,227</u>
Buildings on leasehold land		
Carrying amount at beginning of the year	1,214,989	1,317,953
Additions at cost	-	3,854
Depreciation expense	<u>(102,921)</u>	<u>(106,818)</u>
Carrying amount at end of the year - at fair value	<u>1,112,068</u>	<u>1,214,989</u>
Total Buildings	<u>1,671,925</u>	<u>1,805,216</u>
Total land and buildings	<u>2,292,530</u>	<u>2,431,744</u>
Leasehold Improvements		
Carrying amount at beginning of the year	157,172	255,020
Additions at cost	-	2,609
Amortisation expense	<u>(95,062)</u>	<u>(100,457)</u>
Carrying amount at end of the year	<u>62,110</u>	<u>157,172</u>
Furniture and equipment		
Carrying amount at beginning of the year	360,263	332,939
Additions at cost	241,754	136,726
Depreciation expense	<u>(141,144)</u>	<u>(109,402)</u>
Carrying amount at end of the year	<u>460,873</u>	<u>360,263</u>

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

	2014	2013	
	\$	\$	
NOTE 8: PROPERTY, PLANT AND EQUIPMENT (continued)			
Reconciliation of movements in carrying amounts of property, plant and equipment (Continued)			
Motor vehicles			
Carrying amount at beginning of the year	293,095	302,875	
Additions at cost	251,902	71,966	
Disposals	-	(13,367)	
Depreciation expense	<u>(87,818)</u>	<u>(68,379)</u>	
Carrying amount at end of the year	<u>330,085</u>	<u>293,095</u>	
NOTE 9: DEFERRED INCOME			
CURRENT			
Deferred income - Grants and monies in advance	<u>3,601,899</u>	<u>3,767,554</u>	
NON-CURRENT			
Deferred income - Grants and monies in advance	<u>-</u>	<u>863,875</u>	
NOTE 10: TRADE AND OTHER PAYABLES			
CURRENT			
Trade payables	110,960	81,519	
Sundry payables and accruals	<u>688,705</u>	<u>429,854</u>	
	<u>799,665</u>	<u>511,373</u>	
NOTE 11: PROVISIONS			
Reconciliation of movements in carrying amounts of provisions			
	Current	Non-Current	Total
	\$	\$	\$
Opening balance at beginning of the year	698,183	86,875	785,058
Additional provisions raised during the year	674,242	(4,387)	669,855
Amounts used	<u>(415,928)</u>	<u>-</u>	<u>(415,928)</u>
Closing balance at end of the year	<u>956,497</u>	<u>82,488</u>	<u>1,038,985</u>
		No.	No.
Number of employees at year end		<u>116</u>	<u>103</u>

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

NOTE 11: PROVISIONS (Continued)

Provision for Long-Term Employee Benefits

A provision has been recognised for employee entitlements relating to long service leave. Long service leave calculations are 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.

2014 **2013**
\$ **\$**

NOTE 12: CASH FLOW INFORMATION

Reconciliation of Cash Flow from Operations with (Deficit)/ Surplus after Income Tax

(Deficit)/ Surplus from ordinary activities	1,146,142	(11,026)
Non-cash flows:		
Depreciation and amortisation	457,315	415,347
Deferred lease payments	5,923	5,923
Gain on disposal of fixed assets	(15,247)	(4,233)
(Surplus)/loss on realisation of investments	(105,317)	313,131
Impairment of investment write-back upon sale	(167,665)	(109,120)
Items classified as financing activities:		
Bequests received	(1,106,991)	(299,240)
Change in assets and liabilities:		
Decrease in receivables	167,682	(345,168)
Decrease in prepayments	49,910	18,886
Increase in trade and other payables	288,292	(426,465)
Increase in employee provisions	253,927	196,203
(Decrease) in deferred income	(1,029,530)	119,028
Cash flows provided by operating activities	(55,559)	(126,734)

NOTE 13: REMUNERATION OF AUDITORS

Amounts received or due and receivable by the auditors for:

- auditing the financial report	32,750	26,000
- other services	6,446	5,000
- less donation	-	(5,000)

Total Auditors' Remuneration	39,196	26,000
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NOTE 14: 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 2014

	2014	2013
	\$	\$
NOTE 14: 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	588,453	517,527
Special events	148,384	279,637
Gross proceeds from fundraising appeals	<u>736,837</u>	<u>797,164</u>
Total expenditure:		
Donations	210,470	179,138
Special events	53,276	77,186
Total costs of fundraising appeals	<u>263,746</u>	<u>256,324</u>
Net surplus from fundraising appeals	<u>473,091</u>	<u>540,840</u>

(b) Application of funds for charitable purposes

During the year the entity achieved a net surplus of \$473,091 (2013: \$540,840) 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	500,299	546,430
- Policy and advocacy	215,115	150,057
- Helpline and counselling	71,327	60,707
- Media, Library and information services	310,816	276,944

(c) Fundraising appeals conducted during the financial year

During both the 2013/2014 and the 2012/2013 financial years direct mail appeals were held in September (Spring), November (Christmas), March (Easter) and May (Tax appeal). In addition acquisition appeals were conducted in September and May.

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

	Cost	Income	2014	2013
	\$	\$	%	%
Total cost of reportable fundraising/Gross proceeds from reportable fundraising	263,746	736,837	36%	32%
<i>Non-reportable:</i>				
Bequests	153,788	1,106,991	14%	3%
Other Donations	517,164	937,155	55%	76%
Other Fundraising	198,505	209,917	95%	38%
Total cost of all fundraising/Gross proceeds from all fundraising	1,133,203	2,990,900	38%	45%

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

**NOTE 14: ADDITIONAL INFORMATION FURNISHED UNDER THE CHARITABLE
FUNDRAISING ACT 1991 OF NSW (Continued)**

(e) Gross comparisons of monetary figures and percentages

	Cost \$	Expenditure/ Income \$	2014 %	2013 %
Total cost of reportable fundraising/ Gross proceeds from reportable fundraising	263,746	736,837	36%	32%
Net surplus from reportable fundraising/ Gross proceeds from reportable fundraising	473,091	736,837	64%	68%

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	9,025,242	11,907,100	76%	74%
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Income ratio

= Total cost of services/Total operating Income	9,025,242	11,673,269	77%	74%
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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 15: 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:

Mr Jeremy Ellis AO (Chairman)	Mr John Morrison
Professor Peter Baume AC	Dr Richard Matthews
Mr Alistair Bell	Mr Nicholas O'Neill
Ms Lucille Bloch	Ms Catharine Retter
Mr Barry Groundwater	Ms Eesvarathevi (Eesa) Witt
Mr Ian Horton	
Ms Gabrielle Kibble AO (resigned 16 October 2013)	

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 2014, the company received donations totalling \$130,546 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 2014

NOTE 16: KEY MANAGEMENT PERSONNEL COMPENSATION

Key Management Personnel

(a) Directors

No Director received remuneration of any form for the financial years ended 30 June 2014 and 30 June 2013. For a list of Directors refer to note 15 - Board of Directors

(b) Other Key Management Personnel

John Watkins (Chief Executive Officer)

Chris Champ (General Manager, Corporate Services)

Anneliese Coghlan (General Manager, Human Resources and Volunteering)

Simon Crowson (General Manager, Fundraising)

Robyn Faine (General Manager, Services)

Andrew Mills (General Manager, Marketing & Communications)

Brendan Moore (General Manager Policy, Research and Information)

Sarah Price (General Manager, Media)

	2014	2013
	\$	\$
Aggregate compensation	<u>1,149,743</u>	<u>1,115,744</u>

NOTE 17: EVENTS SUBSEQUENT TO REPORTING DATE

There have been no material events that have occurred subsequent to the balance date that would significantly affect the accounts of the company.

NOTE 18: CONTINGENT LIABILITIES

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

NOTE 19: LEASE COMMITMENTS

Lease payments on rented property during the financial year were \$384,621 (2013: \$315,747) with future commitments of \$430,960 (2013: \$524,531) of which \$266,415 is for the 2014/2015 financial year.

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. Increases in lease commitments may occur in line with CPI, with such estimated increases factored in. From the 16 June 2014 a lease has been taken-out on premises at 121 Bridge Street, Port Macquarie for a variable period of a minimum of 3 years.

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

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

NOTE 20: INVESTMENT REVALUATION RESERVE

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

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 2014 the number of members was 2,682 (2013: 2,788).

**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 2014 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

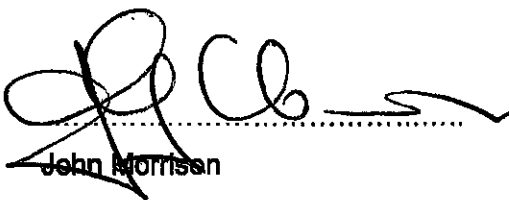
Signed in accordance with a resolution of the Board of Directors made pursuant to section 295(5) of the *Corporations Act 2001*.

On behalf of the directors

Director


.....
Jeremy Ellis AO

Director


.....
John Morrison

Dated at North Ryde this 23rd day of September 2014

INDEPENDENT AUDITOR'S 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 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 directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *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 company'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 company'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 the financial report of Alzheimer's Australia NSW is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001.

BDO East Coast Partnership

A handwritten signature in black ink, appearing to read 'John Bresolin', with a stylized flourish at the end. Above the signature is a small, stylized logo consisting of the letters 'BDO' in a circular arrangement.

John Bresolin
Partner

Sydney, 23 September 2014