

**UNDERSTAND ALZHEIMER'S
SUPPORT AUSTRALIA**



**ALZHEIMER'S
AUSTRALIA VIC
FULL FINANCIAL
REPORT 2016-2017**

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Directors' report

The directors present their report for Alzheimer's Australia Vic Inc. for the year ended 30 June 2017.

Directors

The following persons were board members during the whole of the financial year and up to the date of this report:

- Graeme Samuel (appointed Chair on 7 September 2017);
- Neil Samuel;
- Ian Knight (Vice Chair) resigned on 7 September 2017;
- Piera Murone (Treasurer) resigned on 7 September 2017;
- Frauke Tyrrell (Secretary) resigned on 7 September 2017;
- Michael Woodward (Chief Medical Advisor) resigned on 7 September 2017;
- Ian Hicks resigned on 30 November 2016;
- Helen Sykes resigned on 7 September 2017;
- Jerome Fahrer resigned on 7 September 2017;
- Ross Oakley resigned on 7 September 2017;
- Sabine Phillips appointed on 30 November 2016, resigned on 7 September 2017;
- William Bass (Secretary/Treasurer) appointed on 7 September 2017;
- Tony Newman (Vice Chair) appointed on 7 September 2017;
- Greg Fraser appointed on 7 September 2017;
- Paul Robertson AM appointed on 7 September 2017;
- Amanda Quealy appointed on 7 September 2017;
- Jenna Dennison appointed on 7 September 2017; and
- Maree McCabe appointed on 7 September 2017.

Principal activities

The principal activities of the Association during the year were to provide for people with dementia, their carers and those working with them, students and the general community, a range of compassionate support activities and programs, a range of comprehensive information and education activities, community education and translation of research on dementia risk reduction into practice, effective and strategic leadership in co-ordinating advocacy activities, and ensuring sound financial and administrative support.

Review of operations and results

The surplus for the year ended 30 June 2017 amounted to \$182,636 (2016: deficit \$1,017,059). In addition, the entity had net assets of \$14,280,713 as at 30 June 2017 (2016: \$13,990,563).

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the entity during the financial year.

Matters subsequent to the end of the financial year

Due to the changes in the structure of the Association and changes to the constitution, a new board was elected on the 7th of September 2017. Other than this matter, no other circumstances have arisen since the end of the year which have significantly affected or may significantly affect the operations, the results of those operations or the state of affairs of the Association in future financial years.

Directors' Report (Cont.)

Other than the matter noted on the previous page, there has not been any other matter or circumstance occurring since 30 June 2017 that has significantly affected, or may significantly affect:

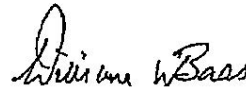
- a) the operations of the entity in future financial years;
- b) the results of those operations in future financial years.

This report is made in accordance with a resolution of the Members of the Board:



.....
Professor Graeme Samuel
Chair

17 November 2017



.....
Mr William Bass
Treasurer

17 November 2017

RSM Australia Partners

Level 21, 55 Collins Street Melbourne VIC 3000

PO Box 248 Collins Street West VIC 8007

T +61 (0) 3 9286 8000

F +61 (0) 3 9286 8199

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Alzheimer's Australia Vic Inc. for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Australian professional accounting bodies; and
- (ii) any applicable code of professional conduct in relation to the audit.

A handwritten signature in blue ink, appearing to read "RSM".**RSM AUSTRALIA PARTNERS**A handwritten signature in blue ink, appearing to read "P T SEXTON".

P T SEXTON
Partner

Melbourne, Victoria

Dated: 17 November 2017

THE POWER OF BEING UNDERSTOOD

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Statement of Profit or Loss and Other Comprehensive Income**For the year ended 30 June 2017**

	2017	2016
	\$	\$
INCOME		
Government grants (including specific purpose grants)	13,016,238	9,993,516
Donations	1,496,141	1,706,879
Sundry income	766,227	129,362
Consultancy	715,734	252,824
Income from fundraising/special events	306,339	276,017
Bequests	220,143	395,463
Dividends received	74,626	108,791
Fee for services	50,168	553,356
Interest	43,432	17,875
Merchandising income	28,298	22,461
Subscriptions	13,352	17,063
Surplus on sale of shares	4,605	4,531
	<u>16,735,303</u>	<u>13,478,138</u>
EXPENDITURE		
Salaries and wages	9,306,685	9,639,460
Program delivery	3,276,248	600,821
Occupancy	545,879	613,278
Travel & accomodation	539,690	592,275
Consultants	539,321	1,007,446
Depreciation	498,809	588,208
Communication	422,585	393,511
Office expenses	331,887	261,502
Advertising & publicity	306,110	245,192
Printing and stationery	300,215	284,464
Repairs and maintenance	160,004	69,020
Staff development	56,232	64,738
Staff recruitment	48,022	58,432
Membership - Alzheimer's Australia Affiliation	45,092	44,017
Financial costs	41,676	31,401
Staff amenities and other costs	41,088	29,149
Subscriptions/memberships	41,001	25,425
Audit fees	24,750	27,037
Loss on sale of financial assets	18,338	94,143
Minor capital expenditure	7,279	3,884
Board and AGM expenses	1,756	6,794
	<u>16,552,667</u>	<u>14,680,197</u>

Statement of Profit or Loss and Other Comprehensive Income (cont.)

For the year ended 30 June 2017

	2017	2016
	\$	\$
Operating surplus/(deficit) for the year	182,636	(1,202,059)
Profit on sale of investment property	-	185,000
Surplus/(deficit) before income tax expense	<u>182,636</u>	<u>(1,017,059)</u>
Income tax expense	-	-
Surplus/(deficit) after income tax expense	<u>182,636</u>	<u>(1,017,059)</u>
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Net gain on revaluation of financial assets	107,514	98,167
Items that may not be reclassified subsequently to profit or loss		
Revaluation of properties	-	4,077,370
Total comprehensive income for the year	<u><u>290,150</u></u>	<u><u>3,158,478</u></u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Statement of Financial Position

As at 30 June 2017

	Note	2017 \$	2016 \$
CURRENT ASSETS			
Cash and cash equivalents	2	1,745,044	1,479,920
Trade and other receivables	3	591,066	287,245
Other current assets		-	5,253
Financial assets	4	3,152,272	2,984,138
TOTAL CURRENT ASSETS		<u>5,488,382</u>	<u>4,756,556</u>
NON-CURRENT ASSETS			
Property, plant and equipment	5	12,406,976	12,565,812
TOTAL NON-CURRENT ASSETS		<u>12,406,976</u>	<u>12,565,812</u>
TOTAL ASSETS		<u>17,895,358</u>	<u>17,322,368</u>
CURRENT LIABILITIES			
Trade and other payables	6	932,151	1,211,196
Employee benefits	7	1,037,933	1,042,900
Other liabilities	8	1,493,351	949,501
TOTAL CURRENT LIABILITIES		<u>3,463,435</u>	<u>3,203,597</u>
NON-CURRENT LIABILITIES			
Employee benefits	7	151,210	128,208
TOTAL NON-CURRENT LIABILITIES		<u>151,210</u>	<u>128,208</u>
TOTAL LIABILITIES		<u>3,614,645</u>	<u>3,331,805</u>
NET ASSETS		<u>14,280,713</u>	<u>13,990,563</u>
MEMBERS' FUNDS			
Accumulated surplus		5,179,761	4,980,967
Asset revaluation reserve		8,757,211	8,757,211
Other reserves		343,741	252,385
TOTAL MEMBERS' FUNDS		<u>14,280,713</u>	<u>13,990,563</u>

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the year ended 30 June 2017

	Accumulated Surplus \$	Asset Revaluation Reserve \$	Other Reserves	Total \$
Balance at 1 July 2015	5,998,026	4,679,841	154,218	10,832,085
Other comprehensive income	-	4,077,370	98,167	4,175,537
Deficit for the year	(1,017,059)	-	-	(1,017,059)
Balance at 30 June 2016	<u>4,980,967</u>	<u>8,757,211</u>	<u>252,385</u>	<u>13,990,563</u>
Other comprehensive income	-	-	107,514	107,514
Transfers to/(from) reserves	16,158	-	(16,158)	-
Surplus for the year	<u>182,636</u>	<u>-</u>	<u>-</u>	<u>182,636</u>
Balance at 30 June 2017	<u><u>5,179,761</u></u>	<u><u>8,757,211</u></u>	<u><u>343,741</u></u>	<u><u>14,280,713</u></u>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the year ended 30 June 2017

	Note	2017 \$	2016 \$
<u>Cash Flows from Operating Activities</u>			
Receipts from government and other sources		18,362,257	13,973,732
Payments to suppliers and employees		(17,814,598)	(15,394,535)
Interest and dividends received		118,058	126,666
Net Cash Generated/ (Used in) Operating Activities		665,717	(1,294,137)
<u>Cash Flows from Investing Activities</u>			
Proceeds/ (Payments) for investments		(60,620)	217,485
Proceeds from sale of property		-	1,485,000
Payments for property, plant and equipment		(339,973)	(167,471)
Net Cash Provided by/ (Used in) Investing Activities		(400,593)	1,535,014
Net Increase in Cash Held		265,124	240,877
Cash at the Beginning of the Financial Period		1,479,920	1,239,043
Cash at the End of the Financial Period	2	1,745,044	1,479,920

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

1. Statement of significant accounting policies

The financial statements cover Alzheimer's Australia Vic Inc. as an individual entity. The Association is an association incorporated in Victoria under the Associations Incorporation Reform Act 2012 (Victoria).

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB'), the Australian Charities and Not-for-profits Commission Act 2012 and the Associations Incorporation Reform Act 2012 (Victoria), as appropriate for not-for-profit entities.

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 accrual 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 by the Members of the Board on the date of the directors' report.

(a) Property, 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.

Freehold land and buildings are carried at their fair value, based on periodic, but at least triennial, valuations by external independent valuers, less accumulated depreciation on buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to an asset revaluation surplus reserve in equity. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the Association to ensure it is not in excess of the recoverable amount of 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 their present values in determining recoverable amounts.

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 charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease 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.

Notes to the Financial Statements

1. Statement of significant accounting policies (cont.)

(a) Property, Plant and Equipment

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:

	Depreciation Rate
Buildings	2.5%
Plant & Equipment	10% - 33.3%
Computer Hardware and Software	20% - 25%
Leasehold Improvements	20%

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

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

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

(b) 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.

(c) Employee Benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. All other short-term employee benefit obligations are presented as payables.

(ii) Other long-term employer benefit obligations

The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Expected future payments are discounted using market yields at the end of the reporting period of government bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the statements of comprehensive income.

Notes to the Financial Statements

1. Statement of significant accounting policies (cont.)

(c) Employee Benefits (cont.)

The obligations are presented as current liabilities in the statements of financial position if the Association does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Contribution superannuation expense

Contributions to superannuation plans are expensed in the period in which they are incurred.

(d) Cash and cash equivalents

For the purposes of presentation in the statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value, and which are used in the cash management function on a day to day basis.

(e) Revenue recognition

Grants

Grants from State and Federal Governments as well from various Foundations and Trusts are recognised as revenue at the fair value of the contributions when Alzheimer's Australia Vic obtains control of the contribution or the right to receive such contribution i.e. when there is reasonable assurance that the Association has complied with the conditions attached to the funding and when it is probable that the grant will be received and can be measured.

Such Grants are recognised as revenue on a systematic basis over the periods that they relate to and in which the Association recognises expenses for related costs that the Grant is intended to compensate. The grants are recognised as income when received and transferred to the statement of financial position as income received in advance if conditions upon which the funding was provided have not occurred in the current financial period.

Donations

Donations are recognised in income when the Association has obtained a legal right to, and control of the income. Some donations received are tied to a specific event or project. In these circumstances the donations are treated as grants and are recognised as income when received and transferred to the statement of financial position as income received in advance, then recognised as revenue on a systematic basis over the periods that they relate to and in which the Association recognises expenses for related costs that the donation is intended to compensate.

Bequests

Bequests are recognised in income when the Association has obtained a legal right to, and control of the income.

Fee for Services

Income from fee for services provided by the Association is recognised as revenue when the service is provided and at the fair value of the contribution received. Fees received that relate to a service to be rendered in the future period are treated as income received in advance in the statement of financial position.

Notes to the Financial Statements

1. Statement of significant accounting policies (cont.)

(e) Revenue recognition (cont.)

Merchandising

Revenue from the sale of goods by the Association is recognised when the goods are delivered to the consumer and control has passed. It is recognised at the fair value of the contribution received.

Dividends and Interest Income

Dividends are recognised as income when the dividends are declared by the investee and a right to receive a dividend has been established.

Interest is recognised on a time proportion basis and is accrued as required.

Subscriptions

Income from Subscriptions is recognised when received by the Association.

Sundry Income

Sundry income represents miscellaneous income and is recognised when it is earned.

(f) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax 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 the expense.

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

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

(g) Financial assets – available for sale (investments)

Investments are initially measured at their fair value. After initial recognition fair value movements are recognised in other comprehensive income through 'Other Reserves' in equity. Realised gains and losses on the trading / disposal of investments are included in profit or loss. Cumulative gains or losses previously reported in 'Other Reserves' are recognised in profit or loss when the asset is derecognised or impaired.

(h) Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, and as a minimum, annually. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets, other than goodwill, that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Notes to the Financial Statements

1. Statement of significant accounting policies (cont.)

(j) Critical accounting estimates and judgements

The Board evaluates the estimates and judgments incorporated into the financial report based on historical knowledge and the best available current information. Estimates assume a reasonable expectation of future events and are based on current data.

Key estimates – Impairment

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

Key Judgements – Available for sale investments

The entity maintains a portfolio of securities with a carrying value of \$3,152,272 (2016: \$2,984,138) at reporting date. All individual investments have been reviewed for indications of impairment at the reporting date and no such impairment indicators have been noted. Management will continue to monitor future movements.

(k) Economic dependence

The Association is dependent on the Federal and State Governments for the majority of its revenue used to operate the business. At the date of this report, the members of the Board have no reason to believe the respective Government's will not continue to support the Association.

(l) Trade and other payables

These amounts represent liabilities for goods and services provided to the Association prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost.

(m) Income tax

No provision of income tax has been raised as the Association is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

(n) Comparatives

Comparative amounts for the prior year have in some cases been aggregated with other balances to reflect a revised grouping of related balances for the current financial year.

Notes to the Financial Statements

	2017	2016
	\$	\$
Note 2: Cash and cash equivalents		
Cash on hand	4,350	3,150
Cash at bank	353,019	397,928
Short term deposits	1,387,675	1,078,842
Total Cash at Bank	<u>1,745,044</u>	<u>1,479,920</u>
Note 3: Trade and other receivables		
Current		
Trade receivables	522,884	236,172
Prepayments	43,293	26,184
Security deposits	24,889	24,889
	<u>591,066</u>	<u>287,245</u>
Note 4: Financial assets		
Current		
Available for sale financial assets	3,152,272	2,984,138
Available for sale financial assets		
Balance at beginning of the year	2,984,138	3,103,456
Purchases/(sales) -net	60,620	(217,485)
Fair value gain on available-for-sale financial assets	107,514	98,167
Balance at the end of the year	<u>3,152,272</u>	<u>2,984,138</u>

Available-for-sale financial assets comprise investments in the cash and money market and issued capital of various entities. There are no fixed returns or fixed maturity dates attached to these investments.

Notes to the Financial Statements

	2017 \$	2016 \$
Note 5: (a) Property, Plant & Equipment		
98 Riversdale Rd, Hawthorn		
Land at Independent Valuation	4,354,000	4,354,000
Building at Independent Valuation	186,000	186,000
Less accumulated depreciation	(4,650)	-
	<u>4,535,350</u>	<u>4,540,000</u>
 100 Riversdale Rd, Hawthorn		
Land at Independent Valuation	3,300,000	3,300,000
Building at Independent Valuation	-	-
Less accumulated depreciation	-	-
	<u>3,300,000</u>	<u>3,300,000</u>
 104 Riversdale Rd, Hawthorn		
Land at Independent Valuation	3,540,000	3,540,000
Building at Independent Valuation	-	-
Less accumulated depreciation	-	-
	<u>3,540,000</u>	<u>3,540,000</u>

The independent valuation of land and buildings was conducted in 2016 by:
 Alan Bertacco FAPI and Mark Ferrier AAPI
 Australian Property Institute Member No. 62355 and 62380.

Notes to the Financial Statements

	2017 \$	2016 \$
Note 5: (a) Property Plant & Equipment (cont.)		
Plant & Equipment		
At Cost	1,315,848	1,315,848
Less: Accumulated Depreciation	<u>(1,127,720)</u>	<u>(1,066,515)</u>
Total Plant & Equipment	<u>188,128</u>	<u>249,333</u>
Leasehold Improvements		
At Cost	1,468,108	1,468,108
Less: Accumulated Depreciation	<u>(1,182,236)</u>	<u>(911,505)</u>
Total Leasehold Improvements	<u>285,872</u>	<u>556,603</u>
Information and Communication Technology		
At Cost	1,767,679	1,522,598
Less: Accumulated Depreciation	<u>(1,329,946)</u>	<u>(1,167,722)</u>
Total Information and Communication Technology	<u>437,733</u>	<u>354,875</u>
Land and Buildings		
At Fair Value	11,380,000	11,380,000
Less: Accumulated Depreciation	<u>(4,650)</u>	<u>-</u>
Total Land and Buildings	<u>11,375,350</u>	<u>11,380,000</u>
Artwork		
At Cost	27,000	25,000
Less: Accumulated Depreciation	<u>-</u>	<u>-</u>
Total artwork	<u>27,000</u>	<u>25,000</u>
Work in progress	92,893	-
Total property plant & equipment	<u><u>12,406,976</u></u>	<u><u>12,565,812</u></u>

Notes to the Financial Statements

Note 5: (a) Property Plant & Equipment (cont.)

Movement in the carrying amount of Property Plant & Equipment between the beginning and the end of the current financial year.

	Opening balance	Additions	Disposals	Depreciation	Revaluation	Closing balance
	\$	\$	\$	\$	\$	\$
Freehold Land	11,194,000		-		-	11,194,000
Buildings on Freehold	186,000		-	(4,650)	-	181,350
Leashold Improvements	556,603			(270,858)	-	285,745
Plant & Equipment	249,334		-	(61,245)	-	188,089
Information and Communication Technolo	354,875	245,081	-	(162,057)	-	437,899
Artwork	25,000	2,000	-	-	-	27,000
Work in progress	-	92,893	-	-		92,893
Total	12,565,812	339,974	-	(498,810)	-	12,406,976

Note to the Financial Statements

	2017	2016
	\$	\$
Note 6: Trade & other payables		
Current		
Trade payables	557,897	441,193
GST payable	107,838	208,866
Accrued expenses	224,838	519,360
Alzheimer's Australia Dementia Research Foundation	27,179	15,604
Other sundry payables	14,399	26,173
	<u>932,151</u>	<u>1,211,196</u>
Note 7: Employee benefits		
Current		
Employee benefits	1,037,933	1,042,900
Non current		
Employee benefits	151,210	128,208
Aggregate employee benefits	<u>1,189,143</u>	<u>1,171,108</u>

Provisions for Employee Benefits

Provision for employee benefits represents amounts accrued for annual and long service leave.

The current portion for this provision includes the total amount accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Association does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts have been classified as current liabilities since the association does not have unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1 to these financial statements.

Notes to the Financial Statements

	2017 \$	2016 \$
Note 8: Other liabilities		
Current		
Income received in advance		
Younger Onset Dementia Key Worker Program	34,835	-
National Dementia Training Program	690,745	-
National Conference	30,000	-
Fee for service	80,563	-
Other	277,875	75,274
HACC Funding	379,333	286,240
Mobile Immersive Experience Projects	-	344,000
PCA Carer Support Group Project	-	45,148
Helpsheet Services	-	58,000
Centre for Demential Learning	-	55,839
Younger Onset Dementia Programs	-	85,000
	<u>1,493,351</u>	<u>949,501</u>

Note 9: Lease Commitments

Non-cancellable operating lease commitments not capitalised in the financial statements:

Payable - minimum lease payments

- not later than one year	419,942	595,486
- later than one year but not later than five years	411,546	520,464
- later than five years	-	-
	<u>831,488</u>	<u>1,115,949</u>

The motor vehicle operating leases are for varied terms not exceeding 3 years. The property leases are non-cancellable with rent payable monthly in advance and are for varied terms not exceeding 5 years.

Notes to the Financial Statements

	2017	2016
Note 10: Key Management Personnel Compensation	\$	\$
Total compensation paid to key management personnel during the financial year		
Key management personnel	<u>1,115,983</u>	<u>1,392,246</u>

The 2016 balance has been restated to include all entitlements to key management personnel as per the requirements of *AASB 124 Related Party Disclosures*.

Note 11: Related Party Transactions**(a) Key management personnel compensation**

Disclosures relating to key management personnel compensations are set out in note 10.

(b) Key management personnel loans

There are no loans to or from key management personnel.

(c) Transactions with other related parties

During the year, no related party transactions occurred.

Note 12: Fair value measurements

The Association has the following assets, as set out in the table below, that are measured at fair value on a recurring basis after their initial recognition. The Association does not subsequently measure any liabilities at fair value on a recurring basis and has no assets or liabilities that are measured at fair value on a non-recurring basis.

Recurring fair value measurements

Financial assets:

Available for sale financial assets:	<u>3,152,272</u>	<u>2,984,138</u>
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Non financial assets:

Freehold land and buildings	<u>11,375,350</u>	<u>11,380,000</u>
Total non financial assets recognised at fair value	<u>11,375,350</u>	<u>11,380,000</u>

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

The fair value of freehold land and building is determined at least every three years based on an independent valuation. At the end of each intervening period, the directors review the independent valuation and, when appropriate, update the fair value measurement to reflect current market conditions using a range of valuation techniques, including recent observable market data and discounted cash flow methodologies.

In prior years, the fair value of investment property was determined on a yearly basis based on valuations by an independent valuer or board members' valuation.

Notes to the Financial Statements

Note 13: Events after the reporting period

Alzheimer's Australia Vic Inc., at a Special General Meeting held on 30 August 2017, voted favourably to become part of a new unified organisation with Dementia Australia Limited, which will enable the delivery of consistently high quality support services, strengthen advocacy and enhance the organisation's capacity to facilitate research and education into the prevention, delay and cure of dementia.

At the 30 August 2017 Special General Meeting the two resolutions passed were:

1. to become part of a single national entity and the Board be authorised to take all necessary actions to facilitate the creation of a new single national entity.
2. to adopt an amended constitution.

As a result of the two resolutions being passed, the Board members of Dementia Australia Limited became the governing board effective 7 September 2017.

The directors do not believe the effects of this to materially affect the financial statements and expect Alzheimer's Australia Vic Inc. to continue as a going concern for at least 12 months from the date of this report.

Note 14: Association details

The principal place of business of the Association is:
Alzheimer's Australia Vic Inc.
98 Riversdale Road
Hawthorn VIC 3122

DIRECTORS DECLARATION

In the opinion of the Board of directors this financial report set out on pages 5 to 22:

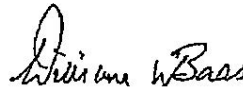
- (i) Presents fairly the financial position of Alzheimer's Australia Vic Inc. as at 30 June 2017 and its performance for the year ended on that date in accordance with Australian Accounting Standards - Reduced Disclosure Requirements.
- (ii) At the date of this statement, there are reasonable grounds to believe that Alzheimer's Australia Vic Inc. will be able to pay its debts as and when they become due and payable.

This statement is made in accordance with a resolution of the Board and is signed for and on behalf of the Board by:



Professor Graeme Samuel
Chair

17 November 2017



Mr William Bass
Treasurer

17 November 2017

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE
ALZHEIMER'S AUSTRALIA VIC INC.

Opinion

We have audited the financial report of Alzheimer's Australia Vic Inc., which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the financial report of Alzheimer's Australia Vic Inc. has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the registered entity's financial position as at 30 June 2017 and of its financial performance and cash flows for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of Alzheimer's Australia Vic Inc., in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in Alzheimer's Australia Vic Inc.'s annual report for the year ended 30 June 2017, but does not include the financial report and the auditor's report thereon.

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

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Report

The directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) 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.

In preparing the financial report, the directors are responsible for assessing Alzheimer's Australia Vic Inc.'s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Alzheimer's Australia Vic Inc. or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

A handwritten signature in blue ink, appearing to read 'RSM'.

RSM AUSTRALIA PARTNERS

A handwritten signature in blue ink, appearing to read 'P T Sexton'.

P T SEXTON
Partner

Melbourne, Victoria
Dated: 17 November 2017