

# **ALZHEIMER'S AUSTRALIA NSW**

**ABN 27 109 607 472**

## **FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2016**

**DIRECTORS' REPORT**

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**The Directors present this report on the entity for the financial year ended 30 June 2016.**

**Directors**

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

Mr Paul John Robertson (joined Feb 2016)  
Dr Richard Matthews AM  
Mr Alistair Garrard Bell  
Ms Lucille Barbara Bloch  
Mr Ian Watts Horton  
Ms Catharine Josephine Retter  
Ms Dagmar Schmidmaier AM  
Mr David Lane  
Ms Eileen Frances Hoggett (joined Nov 2015)  
Mr Malcolm David Schyvens (joined Nov 2015)  
Dr Jennifer Alexander (joined Nov 2015)  
Mr Jeremy (Jerry) Kitson Ellis AO (retired Feb 2016)  
The Hon. Professor Peter Erne Baume AC (retired Feb 2016)  
Ms Eesvarathevi (Eesa) Witt (retired Nov 2015)  
Mr Nicholas Kevin Francis O'Neill (retired Nov 2015)  
Mr Barry James Groundwater (retired Nov 2015)

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 AM – LLB, MA, DipEd, HonDLitt Macq

**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 Result**

The net surplus of the entity for the financial year amounted to \$733,544 (2015: \$1,722,932).

**DIRECTORS' REPORT**

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**Review of Operations**

The surplus for the financial year of \$733,544 is a decrease of \$989,388 from the last financial year. The main contributing factors to this result were

1. Bequest income of \$800,005 was lower by \$614,753;
2. Increased delivery of programs, including the implementation of the National Dementia Helpline, resulting in an overall increase in expenditure of \$558,029; and
3. Reductions in State/Federal capital grants of \$468,576, mainly from non recurrent sources.

The increased program delivery was funded through

1. Increases in donations, appeals and corporate sponsorship of \$301,797;
2. Increase in investment income of \$168,904; and
3. Increase in consultation and course fee income of \$164,961.

Financial assets include units held in Cash Fund Term and Growth Fund, managed by Mercer. This investment is intended as a long-term strategy.

State and Federal Government grants received increased by 2.7% to \$9,094,134. The percentage of government grants to total revenue, excluding bequests and loss on sale of investments, of 67.8% compares to 66.9% for 2014/2015.

**Objectives**

The company has a three year strategic planning cycle. The strategic plan for the years 2017 to 2019 has been established, with the following priorities.

1. Advocate to ensure service needs are met for people living with dementia and their carers.
2. Provide support and guidance to people living with dementia and their carers.
3. Create a dementia-friendly state.
4. Ensuring our organisation is sustainable.

**Strategy for achieving the objective and performance measures**

The following responses have been established to meeting our priorities.

1. Improve earlier diagnosis.
2. Connect people living with dementia and carers to ongoing support earlier through an expanded Helpline.
3. Create and promote Dementia Friendly Communities.
4. Improve quality of life through research that determines effective ways to delay onset of symptoms and defines the best standard of care.
5. Through advocacy, education and research, influence decision making and practices to ensure quality care is accessible to all.
6. Take a national approach to increase our influence and sustainability.

**DIRECTORS' REPORT**

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Each priority area also has a specific set of tactics and key performance indicators assigned in order to measure performance. A report on progress against our priorities is presented to the Board each quarter. The underlying strategies supporting our priorities are:

1. We will influence the environmental and political landscape to deliver improved outcomes for people living with dementia and their carers.
2. We will provide a range of evidence-based services, education and supports that meet the needs of people living with dementia, their families and carers.
3. We will build a dementia-friendly community supporting people living with dementia.
4. We will reach more people and have greater impact by investing in our people, systems, partnerships, diversified funding and improved efficiencies.

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.

**Subsequent Events**

A generous bequest of \$4 million was received on 30 September 2016.

The Alzheimer's Australia NSW is supporting the move for the federation of Alzheimer's Australia organisations to form a single national entity. The Alzheimer's Australia NSW Board identified significant benefits in supporting this process which ultimately would lead to an improved capacity to deliver services for people with dementia, their families and their carers.

DIRECTORS' REPORT

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Information on Directors

**Mr Paul John Robertson** Chair (non-executive)  
**AM**

Qualifications B.Comm FCPA

Experience Mr Robertson has extensive experience in banking at Macquarie Bank where he held various roles including Executive Director, Global Treasurer and Integrity Officer, and Director and CEO, Macquarie Risk Advisory Services.

Mr Robertson is currently Chair of St Vincents Health Australia, Chair of Social Ventures Australia, Founding Director of the Financial Markets Foundation for Children, Director Telco Together Foundation, Chair of Tonic Health Media and Director of Catholic Health Australia.

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**Dr Richard Matthews** Deputy Chairman  
**AM**

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). 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).

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**Mr Alistair Garrard Bell** Director

Qualifications B.Ec (Sydney), MAICD

Experience An experienced senior commercial and financial executive with broad-based experience in fiscal and operational management of international businesses operating in a variety of markets. Mr Bell is currently Group Chief Financial Officer of Graincorp Ltd, Australia's largest listed international grain and food ingredients business, a non-executive Director of Allied Mills Limited (manufacturer and distributor of bakery premixes, flour and semi-finished food products), Chair of Audit Committee for Allied Mills and director of GrainsConnect Canada, a Canadian 50/50 JV building an agri-business supply chain.

Special Responsibilities Mr Bell is a member of the Investment Advisory Committee and the Chairman of the Audit and Risk Committee.

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**ALZHEIMER'S AUSTRALIA NSW**  
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**DIRECTORS' REPORT**

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**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 mother who had Alzheimer's disease, and then her husband, Keith, who had Fronto-Temporal Dementia. Lucille also facilitated a Carer's Support Group for AlzNSW.

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. Member of Health Consumers NSW Management Committee, member of the NSW Health End of Life Implementation Advisory Committee, member of the Emergency Care Institute Executive Committee, and Neuroscience Research Australia Foundation's Advisory Council.

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**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.

Special Responsibilities

Chair of the Investment Advisory Committee and member of the Audit and Risk Committee and the Succession Planning Committee.

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**Ms Catharine Josephine Retter**

Director

Qualifications

BA, MA, Grad Dip Editing and Publishing, FAMI, CPM (past)

Experience

Ms Retter has been a member of the NSW Government Carers Advisory Council and the Consumer Dementia Research Network, past chairperson of Austcare Refugee Week. Held the position of CEO of Driza-Bone Pty Ltd as well as being the founder and CEO of the publishing house, Citrus Press. She was also the co-founder and joint CEO of digital publishing company, Apptitude Pty Ltd. She is the author of nine published non-fiction books. Has been a director on various public, private and not-for-profit boards and was the past chair of the Australian Book Group Pty Ltd. Ms Retter was the primary carer for her husband who had Alzheimer's and vascular dementia.

Special Responsibilities

Ms Retter is a member of the Succession Planning Committee.

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**ALZHEIMER'S AUSTRALIA NSW**  
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**DIRECTORS' REPORT**

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**Ms Dagmar  
Schmidmaier AM FALIA**

Director

Qualifications BA (Syd); Dip Lib (UNSW); M Lib (UNSW) Hon DLitt (UNSW)

Experience Held senior executive positions for the past 30 years in the university, government and private sector. She is Chair of the Centre for Healthy Brain Ageing UNSW Medicine, Member of the Council Chief Executive Women, Chair Course Advisory Committee Information Studies University of Canberra, Chair of the Aurora Foundation Ltd 2005-2015, Chair of the War Widows' Guild of Australia NSW Ltd 2009-2015. Held post of CEO and State Librarian of the State Library of NSW from 1995-2006.

Dagmar was awarded an Order of Australia in 2004 and a Centenary Medal in 2003. The University of NSW awarded her a Doctor of Letters in 1999 and the University's Alumni Award for Arts/Law in 2006. She is a Fellow of ALIA, the Australian Library and Information Association and was President in 2006.

Special Responsibilities Member of the Alzheimer's Australia NSW Advisory Board.

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**Mr David Lane**

Director

Qualification Hon BEc (Uni of Pennsylvania, USA)

Experience Extensive experience in the management of business and investment banking. CEO of Count Financial, a wholly owned subsidiary of Commonwealth Bank of Australia (CBA). Listed as one of the Power 50 in Finance at Financial Standard's social media awards, a Judge on the No More Practice *Transformation* Series – 30 Day Business Challenge, aired on Sky Business, 7Mate and in Singapore and also a Judge of the annual Money Management Women in Financial Services Awards since 2013.

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**Ms Eileen Frances  
Hoggett**

Director

Qualifications B.Commerce

Experience Ms Hoggett is a Chartered Accountant and a Partner with KPMG Sydney and has extensive experience in the property and funds management industry. Ms Hoggett is on the Board of KPMG Australia, has held various roles on Advisory Boards and has been a Director on the Board of a Not for Profit welfare agency.

Special Responsibilities Ms Hoggett is also a member of AlzNSW Audit and Risk Committee.

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

**DIRECTORS' REPORT**

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**Mr Malcolm David Schyvens**

Director

Qualifications

B.Com, LLB (Tas)

Experience

Malcolm is a legal practitioner who currently holds the role of Deputy President of the Guardianship Division of the NSW Civil and Administrative Tribunal.

Malcolm is Chair of the Australian Guardianship and Administration Council, Convenor of the Council of Australian Tribunals, NSW Chapter, and is also a member of the NSW Law Society's Elder Law and Succession Committee.

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**Dr Jennifer Alexander**

Director

Qualifications

MBBS

Experience

Dr Alexander has a background as a medical practitioner, is ProChancellor at UNSW, has held Non-Executive Director positions on a variety of Boards, including an ASX listed company, a Medical Research Institute, not for profit organisations, Government Business Enterprises, Government Statutory Authorities and Arts Boards. Jennifer also has experience of a family member with dementia.

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

**DIRECTORS' REPORT**

**Meetings of Directors**

<b>Directors' Meetings</b>		
	<b>No. eligible to attend</b>	<b>Number attended</b>
Mr Paul Robertson AM (joined Feb 2016)	5	5
Dr Richard Matthews AM	9	7
Mr Alistair Garrard Bell	9	7
Ms Lucille Barbara Bloch	9	7
Mr Ian Horton	9	9
Ms Catherine Josephine Retter	9	7
Ms Dagmar Schmidmaier AM	9	5
Mr David Lane	9	7
Ms Eileen Hoggett (joined Nov 2015)	5	5
Mr Malcolm Schyvens (joined Nov 2015)	5	4
Dr Jennifer Alexander (joined Nov 2015)	5	4
Mr Jerry Ellis AO (retired Feb 2016)	5	3
Professor Peter Erne Baume AC (retired Nov 15)	3	3
Ms Eesvarathevi (Eesa) Witt (retired Nov 2015)	3	3
Mr Barry James Groundwater (retired Nov 2015)	3	2
Mr Nicholas Kevin Francis O'Neill (retired Nov 2015)	3	1

**Meetings of Board Sub-committees**

<b>Investment Advisory Committee</b>		
	<b>No. eligible to attend</b>	<b>Number attended</b>
Mr Ian Horton	3	3
Mr Alistair Garrard Bell	3	1
Mr Phillip Cormack	3	3
Mr John Gerard Morrison	3	2
Mr David Lane	1	1

**ALZHEIMER'S AUSTRALIA NSW**  
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**DIRECTORS' REPORT**

**Audit and Risk Committee**

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

**Auditor's Independence Declaration**

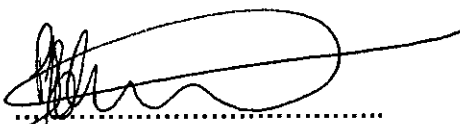
A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 10.

**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 \$24,910 based on 2,491 members.

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

Director

  
.....  
**Mr Paul Robertson AM**

Director

  
.....  
**Mr Alistair Garrard Bell**

Dated at North Ryde this 27<sup>th</sup> day of October 2016



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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 2016, 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, 27 September 2016

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

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2016**

	Note	2016 \$	2015 \$
Revenue	2	14,220,017	14,651,376
Employee benefits expense		(9,753,218)	(8,601,487)
Depreciation and amortisation	3	(368,993)	(419,996)
Partnership payments		(788)	(28,968)
Property expenses		(590,807)	(701,767)
Administrative expenses		(583,093)	(555,756)
Special event expenses		(26,777)	(128,098)
Information technology expenses		(141,064)	(88,408)
Direct program expenses		(989,696)	(1,242,078)
Advertising		(302,859)	(389,766)
Travel and accommodation		(307,963)	(364,505)
Surplus on sale of investments		-	40,203
Other expenses		<u>(421,215)</u>	<u>(447,818)</u>
Surplus before income tax expense		733,544	1,722,932
Income tax expense	1(k)	<u>-</u>	<u>-</u>
Net Surplus after income tax		733,544	1,722,932
<i>Items that may subsequently be reclassified to profit or loss</i>			
Other comprehensive income for the year		<u>(210,643)</u>	<u>358,160</u>
Total comprehensive income attributable to members of the entity		<u><u>522,901</u></u>	<u><u>2,081,092</u></u>

The accompanying notes form part of these financial statements

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

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2016**

	Note	2016 \$	2015 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	1,920,940	3,435,479
Trade and other receivables	5	322,815	220,740
Financial assets	6	10,854,965	10,673,497
Other current assets	7	<u>24,887</u>	<u>26,898</u>
<b>TOTAL CURRENT ASSETS</b>		<u>13,123,607</u>	<u>14,356,614</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	<u>3,062,458</u>	<u>3,275,797</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u>3,062,458</u>	<u>3,275,797</u>
<b>TOTAL ASSETS</b>		<u><u>16,186,065</u></u>	<u><u>17,632,411</u></u>
<b>CURRENT LIABILITIES</b>			
Deferred income	9	992,754	2,841,668
Trade and other payables	10	715,414	832,497
Short-term provisions	11	<u>1,023,770</u>	<u>1,010,380</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u><u>2,731,938</u></u>	<u><u>4,684,545</u></u>
<b>NON-CURRENT LIABILITIES</b>			
Long-term provisions	11	<u>89,817</u>	<u>106,457</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>89,817</u>	<u>106,457</u>
<b>TOTAL LIABILITIES</b>		<u><u>2,821,755</u></u>	<u><u>4,791,002</u></u>
<b>NET ASSETS</b>		<u><u>13,364,310</u></u>	<u><u>12,841,409</u></u>
<b>MEMBERS' FUNDS</b>			
Investment revaluation reserve		147,517	358,160
Accumulated surplus		<u>13,216,793</u>	<u>12,483,249</u>
<b>TOTAL MEMBERS' FUNDS</b>		<u><u>13,364,310</u></u>	<u><u>12,841,409</u></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 2016**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Investment Revaluation Reserve</b>		
Balance at the beginning of the financial year	358,160	-
Revaluation Increments	<u>(210,643)</u>	<u>358,160</u>
Balance at the end of the financial year	<u><u>147,517</u></u>	<u><u>358,160</u></u>
<b>Accumulated Surplus</b>		
Retained surplus at the beginning of the financial year	12,483,249	10,760,317
Net surplus for the year attributable to members	<u>733,544</u>	<u>1,722,932</u>
Retained Surplus at the end of the financial year	<u><u>13,216,793</u></u>	<u><u>12,483,249</u></u>
<b>Total Members' Funds</b>		
Balance at the beginning of the financial year	12,841,409	10,760,317
Total comprehensive income for the year attributable to members	<u>522,901</u>	<u>2,081,092</u>
Balance at the end of the financial year	<u><u>13,364,310</u></u>	<u><u>12,841,409</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 2016**

	Note	2016 \$	2015 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Government and other grants received (gross of GST)		8,587,402	10,132,797
Other receipts (gross of GST)		3,477,630	3,316,597
Other investment income		406,710	237,806
Interest received		35,420	99,778
Payments to suppliers and employees (gross of GST)		<u>(14,282,416)</u>	<u>(13,500,878)</u>
<b>Net cash (used in)/ generated from operating activities</b>		<u>(1,775,254)</u>	<u>286,100</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for property, plant and equipment		(277,001)	(669,095)
Proceeds from sale of property, plant and equipment		129,822	130,873
Proceeds from sale of investments		2,000,000	1,043,860
Payments for investments		<u>(2,392,112)</u>	<u>(2,137,711)</u>
<b>Net cash used in investing activities</b>		<u>(539,291)</u>	<u>(1,632,073)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Bequests received		<u>800,005</u>	<u>1,414,758</u>
<b>Net cash generated by financing activities</b>		<u>800,005</u>	<u>1,414,758</u>
Net (decrease)/increase in cash held		(1,514,540)	68,786
Cash at the beginning of the financial year		<u>3,435,479</u>	<u>3,366,693</u>
<b>Cash at the end of the financial year</b>	4	<u><u>1,920,939</u></u>	<u><u>3,435,479</u></u>

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016

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**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 Australian Charities and Not-for-profit Commission Act 2012 and the *Charitable Fundraising Act 199*.

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 27 October 2016.

**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 not-for-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 2016

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**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(b) Property, Plant and Equipment (Continued)**

**Property**

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	1.83 - 2.00%	Straight line
Refurbishments on		
leasehold land	7 - 20%	Straight line
Leasehold land	2%	Straight line
Leasehold improvements	4.08% - 42.56%	Straight line
Furniture and equipment	13 - 33%	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 2016

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**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 expired. 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.

***(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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016

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**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(d) Financial Instruments (Continued)**

*(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.

**(g) Cash and Cash Equivalents**

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.

**(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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016

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**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(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 consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

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

**(n) Comparative Figures**

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

**(o) 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.

*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.

*Non-current Deferred Revenue*

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.

*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.

**(p) 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 2016**

	2016 \$	2015 \$
<b>NOTE 2: REVENUE</b>		
<i><b>Operating activities</b></i>		
- State/Federal government grants	9,094,134	8,856,832
- Non-government grants	393,426	577,345
- State/Federal capital grants	-	468,576
- Donations, events, appeals and corporate sponsorship	2,367,942	2,052,463
- In Memoriam	135,322	144,943
- Membership fees	76,397	54,963
- Sales of goods	8,117	4,617
- Consultation and course fee income	843,366	678,405
- Rental income	17,787	23,417
- Other revenue	32,916	25,500
	<u>12,969,407</u>	<u>12,887,061</u>
<i><b>Non-operating activities</b></i>		
- Bequests	800,005	1,414,758
- Interest received	35,420	99,778
- Other investment income	406,710	237,806
- Gain on disposal of non-current assets	8,475	11,973
	<u>1,250,610</u>	<u>1,764,315</u>
Total Revenue	<u>14,220,017</u>	<u>14,651,376</u>

**NOTE 3 : Expenses**

The surplus before income tax includes the following specific expenses:

- Depreciation and Amortisation		
Buildings	111,774	131,775
Deferred Lease Charges	5,923	5,923
Leasehold Improvements	19,823	70,000
Furniture and equipment	167,089	137,687
Motor vehicles	64,384	74,611
Total Depreciation and Amortisation	<u>368,993</u>	<u>419,996</u>
- Movement on provision for employee entitlements	113,750	(39,147)
- Employee superannuation expense	859,007	749,691
- Rental expense	416,328	552,696

**NOTE 4: CASH AND CASH EQUIVALENTS**

***CURRENT***

Cash on hand	3,450	3,950
Cash at bank	187,412	90,353
At call accounts	1,730,078	3,341,176
	<u>1,920,940</u>	<u>3,435,479</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

	2016 \$	2015 \$
<b>NOTE 5: TRADE AND OTHER RECEIVABLES</b>		
<b>CURRENT</b>		
Trade receivables	294,936	209,337
Other receivables	27,879	11,403
	<u>322,815</u>	<u>220,740</u>
<b>NOTE 6: FINANCIAL ASSETS</b>		
<b>CURRENT</b>		
Managed Funds - at fair value		
Cash Fund Term Deposit	2,186,574	4,122,745
Growth Fund	8,602,899	6,485,260
Monthly income fund - at fair value	1,148	1,148
Fixed term securities - at cost	64,344	64,344
	<u>10,854,965</u>	<u>10,673,497</u>
The fair values of investments in managed funds has been based on the closing unit values at the end of the reporting period.		
Investments in managed funds are classified as available for sale.		
<b>NOTE 7: OTHER CURRENT ASSETS</b>		
Prepayments	23,776	26,898
Inventory	1,111	-
	<u>24,887</u>	<u>26,898</u>
<b>NOTE 8: PROPERTY, PLANT AND EQUIPMENT</b>		
<i>Land</i>		
Freehold land - at deemed cost	440,000	440,000
Leasehold land - at cost	296,167	296,167
Less: accumulated amortisation	(127,409)	(121,485)
	<u>168,758</u>	<u>174,682</u>
Total Land	<u>608,758</u>	<u>614,682</u>
<i>Buildings</i>		
On Freehold land - at deemed cost	784,807	791,765
Less: accumulated depreciation	(233,281)	(209,914)
	<u>551,526</u>	<u>581,851</u>
On Leasehold land - at cost	2,230,578	2,209,823
Less: accumulated depreciation	(1,280,943)	(1,198,397)
	<u>949,635</u>	<u>1,011,426</u>
Total Buildings	<u>1,501,161</u>	<u>1,593,277</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

	2016 \$	2015 \$
<b>NOTE 8: PROPERTY, PLANT AND EQUIPMENT (continued)</b>		
<i>Leasehold Improvements</i>		
Leasehold improvements - at cost	888,558	872,897
Less: accumulated amortisation	(506,929)	(487,105)
Total Leasehold Improvements	<u>381,629</u>	<u>385,792</u>
<i>Furniture and equipment</i>		
Furniture and equipment - at cost	1,224,382	1,116,563
Less: accumulated depreciation	(906,643)	(768,697)
	<u>317,739</u>	<u>347,866</u>
<i>Motor vehicles</i>		
Motor vehicles - at cost	571,418	604,922
Less: accumulated depreciation	(318,247)	(324,842)
	<u>253,171</u>	<u>280,080</u>
<i>Work in Progress</i>		
Work in Progress - at cost	-	54,100
Total property, plant and equipment	<u>3,062,458</u>	<u>3,275,797</u>
<b>Reconciliation of movements in carrying amounts of property, plant and equipment</b>		
<b>Land</b>		
<i>Freehold land</i>		
Carrying amount at beginning of the year	440,000	440,000
Carrying amount at end of the year	<u>440,000</u>	<u>440,000</u>
<i>Leasehold land</i>		
Carrying amount at beginning of the year	174,682	180,605
Amortisation expense	(5,924)	(5,923)
Carrying amount at end of the year	<u>168,758</u>	<u>174,682</u>
Total Land	<u>608,758</u>	<u>614,682</u>
<b>Buildings</b>		
<i>Buildings on freehold land</i>		
Carrying amount at beginning of the year	581,851	559,857
Additions at cost	-	6,492
Reclassifications	-	46,635
Disposals	(1,097)	-
Depreciation expense	(29,228)	(31,133)
Carrying amount at end of the year	<u>551,526</u>	<u>581,851</u>
<i>Buildings on leasehold land</i>		
Carrying amount at beginning of the year	1,011,426	1,112,068
Additions at cost	20,755	-
Depreciation expense	(82,546)	(100,642)
Carrying amount at end of the year - at fair value	<u>949,635</u>	<u>1,011,426</u>
Total Buildings	<u>1,501,161</u>	<u>1,593,277</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016

	2016 \$	2015 \$
<b>NOTE 8: PROPERTY, PLANT AND EQUIPMENT (continued)</b>		
<i><b>Reconciliation of movements in carrying amounts of property, plant and equipment</b></i>		
<i><b>Leasehold Improvements</b></i>		
Carrying amount at beginning of the year	385,792	62,111
Additions at cost	15,660	382,493
Reclassifications	-	11,188
Amortisation expense	(19,823)	(70,000)
Carrying amount at end of the year	<u>381,629</u>	<u>385,792</u>
<i><b>Furniture and equipment</b></i>		
Carrying amount at beginning of the year	347,866	460,873
Additions at cost	84,222	83,477
Reclassifications	54,100	(58,723)
Disposals	(1,360)	(74)
Depreciation expense	(167,089)	(137,687)
Carrying amount at end of the year	<u>317,739</u>	<u>347,866</u>
<i><b>Motor vehicles</b></i>		
Carrying amount at beginning of the year	280,080	330,084
Additions at cost	156,364	143,433
Disposals	(118,889)	(118,826)
Depreciation expense	(64,384)	(74,611)
Carrying amount at end of the year	<u>253,171</u>	<u>280,080</u>
<i><b>Work in Progress</b></i>		
Carrying amount at beginning of the year	54,100	-
Additions at cost	-	53,200
Reclassifications	(54,100)	900
Carrying amount at end of the year	<u>-</u>	<u>54,100</u>
<b>NOTE 9: DEFERRED INCOME</b>		
<i><b>CURRENT</b></i>		
Deferred income - Grants and monies in advance	<u>992,754</u>	<u>2,841,668</u>
<b>NOTE 10: TRADE AND OTHER PAYABLES</b>		
<i><b>CURRENT</b></i>		
Trade payables	134,818	201,019
Sundry payables and accruals	<u>580,596</u>	<u>631,478</u>
	<u>715,414</u>	<u>832,497</u>



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 11: PROVISIONS</b>		
<b>CURRENT</b>		
Employee provisions	1,023,770	893,380
Relocation provision	-	117,000
	<u>1,023,770</u>	<u>1,010,380</u>
<b>NON CURRENT</b>		
Employee provisions	<u>89,817</u>	<u>106,457</u>
<b>Reconciliation of movements in carrying amounts of provisions</b>		
	<b>Current</b>	<b>Non-Current</b>
	<b>\$</b>	<b>\$</b>
Opening balance at beginning of the year	893,380	106,457
Additional provisions raised during the year	823,661	(16,640)
Amounts used	(693,271)	-
Closing balance at end of the year	<u>1,023,770</u>	<u>89,817</u>
	<b>No.</b>	<b>No.</b>
Number of employees at year end	<u>139</u>	<u>145</u>
<b>Provision for Long-Term Employee Benefits</b>		
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.		
<b>Reconciliation of movements in carrying amounts of relocation provision</b>		
	<b>Current</b>	
	<b>\$</b>	
Opening balance at beginning of the year	117,000	
Relocation provision raised during the year	-	
Amounts used	(117,000)	
Closing balance at end of the year	<u>-</u>	
	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 12: REMUNERATION OF AUDITORS</b>		
Amounts received or due and receivable by the auditors for:		
- auditing the financial report	28,750	28,000
- other services	6,750	6,750
Total Auditors' Remuneration	<u>35,500</u>	<u>34,750</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

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

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

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

**(a) Details of aggregate gross income and total expenses in fundraising appeals**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Gross proceeds:		
Donations	763,789	714,733
Special events	397,644	324,195
Gross proceeds from fundraising appeals	<u>1,161,433</u>	<u>1,038,928</u>
Total expenditure:		
Donations	191,289	199,069
Special events	217,626	156,368
Total costs of fundraising appeals	<u>408,915</u>	<u>355,437</u>
Net surplus from fundraising appeals	<u>752,518</u>	<u>683,491</u>

**(b) Application of funds for charitable purposes**

During the year the entity achieved a net surplus of \$752,518 (2015: \$683,491) 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	424,564	385,410
- Policy and advocacy	282,263	219,927
- Helpline and counselling	64,984	-
- Media, Library and information services	289,810	322,369

**(c) Fundraising appeals conducted during the financial year**

During both the 2016/2015 and the 2014/2015 financial years direct mail appeals were held in August (Spring), November (Christmas), March (Easter) and May (Tax appeal). In addition acquisition appeals were conducted in May.

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

	<b>Cost</b>	<b>Income</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>	<b>%</b>	<b>%</b>
Total cost of reportable fundraising/Gross proceeds from reportable fundraising	408,915	1,161,433	35%	34%
<i>Non-reportable:</i>				
Bequests	154,947	800,105	19%	12%
Other Donations	701,063	867,337	81%	92%
Other Fundraising	169,228	398,222	42%	30%
Total cost of all fundraising/Gross proceeds from all fundraising	1,434,153	3,227,097	44%	36%

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

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

**(e) Gross comparisons of monetary figures and percentages**

	Cost \$	Expenditure/ Income \$	2016 %	2015 %
Total cost of reportable fundraising/ Gross proceeds from reportable fundraising	408,915	1,161,433	35%	34%
Net surplus from reportable fundraising/ Gross proceeds from reportable fundraising	752,518	1,161,433	65%	66%

*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	10,948,873	13,486,473	81%	82%
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*Income ratio*

= Total cost of services/Total operating Income	10,948,873	13,420,012	82%	81%
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*NB: Operating income excludes bequests and realised investment gains/losses.*

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

**NOTE 14: RELATED PARTIES**

**Board of Directors**

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

Mr Paul John Robertson (joined Feb 2016)	Ms Eileen Frances Hoggett (joined Nov 2015)
Dr Richard Matthews	Mr Malcolm David Schyvens (joined Nov 2015)
Mr Alistair Bell	Dr Jennifer Alexander (joined Nov 2015)
Ms Lucille Bloch	Mr Jeremy Ellis AO (retired Feb 2016)
Mr Ian Horton	Professor Peter Baume AC (retired Feb 2016)
Ms Catharine Retter	Ms Eesvarathevi (Eesa) Witt (retired Nov 2015)
Ms Dagmar Schmidmaier AM	Mr Nicholas O'Neill (retired Nov 2015)
Mr David Lane	Mr Barry Groundwater (retired Nov 2015)

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 2016, the company received donations totalling \$159,320 (2015: \$147,607) on behalf of Alzheimer's Australia Research Limited of which Alzheimer's Australia NSW has no direct or indirect interest.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

**NOTE 15: KEY MANAGEMENT PERSONNEL COMPENSATION**

**Key Management Personnel**

**(a) Directors**

No Director received remuneration of any form for the financial years ended 30 June 2016 and 30 June 2015. 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)

Susan McCarthy (General Manager, Services)

Andrew Mills (General Manager, Marketing & Communications)

Brendan Moore (General Manager Policy, Research and Information)

Sarah Price (General Manager, Media)

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Aggregate compensation	<u>1,261,335</u>	<u>1,198,976</u>

**NOTE 16: EVENTS SUBSEQUENT TO REPORTING DATE**

A generous bequest of \$4 million was received on 30 September 2016.

The Alzheimer's Australia NSW is supporting the move for the federation of Alzheimer's Australia organisations to form a single national entity. The Alzheimer's Australia NSW Board identified significant benefits in supporting this process which ultimately would lead to an improved capacity to deliver services for people with dementia, their families and their carers.

**NOTE 17: CONTINGENT LIABILITIES**

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

**NOTE 18: LEASE COMMITMENTS**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<i>Lease commitments - operating</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	142,790	127,464
One to five years	186,882	197,368
More than five years	<u>1,385,478</u>	<u>1,432,382</u>
	<u>1,715,150</u>	<u>1,757,214</u>

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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016

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**NOTE 19: 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 20: 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 21: 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 2016 the number of members was 2,491 (2015: 2,497).

## 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 2016, the statement of profit or loss and other comprehensive income, statement of changes in members' funds and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the responsible entities declaration.

#### Responsible Entities' Responsibility for the Financial Report

The responsible entities of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)* and for such internal control as the responsible entities 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 responsible entities' 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 registered entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the responsible entities, 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.



### Opinion

In our opinion the financial report of Alzheimer's Australia NSW 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 2016 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*.

BDO East Coast Partnership

The image shows two handwritten elements in black ink. The top element is the letters 'BDO' written in a cursive, stylized script. Below it is a full signature, which appears to read 'John Bresolin', also written in a cursive script.

**John Bresolin**  
**Partner**

Sydney, 27 October 2016

# CONTACT US

## OUR OFFICES

### ADMINISTRATION

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### WESTERN NSW

Orange: 02 6369 7164

Alzheimer's Australia NSW | ABN 27 109 607 472

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