

**UNDERSTAND ALZHEIMER'S
SUPPORT AUSTRALIA**



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

ALZHEIMER'S AUSTRALIA SA INCORPORATED
ABN 36 236 331 877

SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

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ALZHEIMER'S AUSTRALIA SA INCORPORATED
ABN 36 236 331 877

STATEMENT BY THE BOARD OF MANAGEMENT

The Board of Management has determined that the Association is not a reporting entity and that these special purpose financial statements are prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

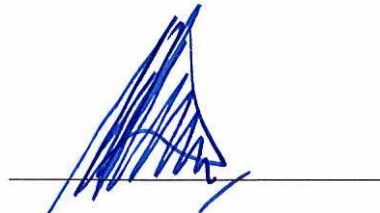
The Board declares that, in the Board's opinion:

1. The financial statements and notes, as set out on pages 6 to 15 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and:
 - a. Comply with Australian Accounting Standards.
 - b. Give a true and fair view of Alzheimer's Australia SA Incorporated's financial position as at 30 June 2017 and of its financial performance for the year then ended.
 - c. Presents fairly the financial position of Alzheimer's Australia SA Incorporated as at 30 June 2017 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Alzheimer's Australia SA Incorporated will be able to pay its debts as and when they fall due.
3. No officer or no firm of which an officer is a member or no corporation in which an officer has a substantial financial interest has received or become entitled to receive a benefit as a result of a contract between the officer, firm or corporation and Alzheimer's Australia SA Incorporated.
4. No officer has received directly or indirectly any payment or other benefit of a pecuniary value other than remuneration payments to employees and reimbursements of out-of-pocket expenses in relation to Alzheimer's Australia SA Incorporated.

Signed in accordance with a resolution of the Board of Management and is signed for and on behalf of the Board of Management by:



AP Newman
Chairperson



TG White
Board Member

Dated this 23 day of August 2017

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF

ALZHEIMER'S AUSTRALIA SA INCORPORATED ABN 36 236 331 877

Report on the Financial Report

We have audited the financial report of Alzheimer's Australia SA Incorporated (the Association), which comprises the statement of financial position as at 30 June 2017, the statement of income and expenditure and statement of cash flows for the year then ended, a summary of significant accounting policies, other explanatory notes and the statement by the Board of Management.

In our opinion, the financial report of Alzheimer's Australia SA Incorporated 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 Alzheimer's Australia SA Incorporated's financial position as at 30 June 2017 and of its financial performance for the year then ended.
- (b) Presents fairly the financial position of Alzheimer's Australia SA Incorporated as at 30 June 2017 and its performance for the year ended on that date.
- (c) Complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 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 SA Incorporated 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.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling Alzheimer's Australia SA Incorporated's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibility of the Board of Management for the Financial Report

The Board of Management of Alzheimer's Australia SA Incorporated is responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act and the needs of the members. The Board of Management's responsibility also includes such internal control as the Board of Management determines is necessary to enable the preparation of a 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 Board of Management is responsible for assessing Alzheimer's Australia SA Incorporated's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Board of Management either intends to liquidate Alzheimer's Australia SA Incorporated or to cease operations, or have no realistic alternative but to do so.

The Board of Management is responsible for overseeing Alzheimer's Australia SA Incorporated's financial reporting process.

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF

ALZHEIMER'S AUSTRALIA SA INCORPORATED ABN 36 236 331 877

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 the financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Alzheimer's Australia SA Incorporated's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Management.
- Conclude on the appropriateness of the Board of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Alzheimer's Australia SA Incorporated's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Alzheimer's Australia SA Incorporated to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

MRL GROUP PTY LTD
Chartered Accountants



Mark LeCornu
Director

Adelaide
28th August 2017

ALZHEIMER'S AUSTRALIA SA INCORPORATED
ABN 36 236 331 877

STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
INCOME			
Grants and funding		4,193,588	6,188,760
Donations, bequests and fundraising		585,728	464,021
Sales (net)		27,105	22,954
Interest		47,436	75,738
General trading income		469,650	222,002
Asset disposal and revaluation, net gain		17,983	0
		5,341,490	6,973,475
EXPENDITURE			
Contributions to Rosemary Foundation	1(e)	135,783	500
Depreciation		40,459	46,575
Fundraising expenses		21,755	70,236
Grants and scholarships		1,275	1,779
Marketing, promotion and newsletter		232,121	147,510
Office and administration		334,476	313,601
Programs, client expenses and resources		560,504	990,124
Property, maintenance and environment		147,741	191,463
Salaries, wages and related costs		3,676,544	4,812,517
		5,150,658	6,574,305
Surplus for the year		190,832	399,170

The accompanying notes form part of these financial statements

ALZHEIMER'S AUSTRALIA SA INCORPORATED
ABN 36 236 331 877

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note	2017 \$	2016 \$
CURRENT ASSETS			
Cash and cash equivalents	2	4,375,601	4,644,744
Trade and other receivables	3	31,067	161,845
Inventory	4	25,077	1,831
		<hr/>	<hr/>
TOTAL CURRENT ASSETS		4,431,745	4,808,420
		<hr/>	<hr/>
NON-CURRENT ASSETS			
Property, plant and equipment	5	1,023,525	1,059,776
		<hr/>	<hr/>
TOTAL NON-CURRENT ASSETS		1,023,525	1,059,776
		<hr/>	<hr/>
TOTAL ASSETS		5,455,270	5,868,196
		<hr/>	<hr/>
CURRENT LIABILITIES			
Trade and other payables	6	275,945	439,476
Grants and funding in advance	7	1,457,680	1,704,695
Provisions	8	203,256	348,784
		<hr/>	<hr/>
TOTAL CURRENT LIABILITIES		1,936,881	2,492,955
		<hr/>	<hr/>
NON-CURRENT LIABILITIES			
Provisions	8	24,008	71,692
		<hr/>	<hr/>
TOTAL NON-CURRENT LIABILITIES		24,008	71,692
		<hr/>	<hr/>
TOTAL LIABILITIES		1,960,889	2,564,647
		<hr/>	<hr/>
NET ASSETS		<u>3,494,381</u>	<u>3,303,549</u>
FUNDS			
Accumulated funds	9	3,494,381	3,303,549
		<hr/>	<hr/>
TOTAL FUNDS		<u>3,494,381</u>	<u>3,303,549</u>

The accompanying notes form part of these financial statements

ALZHEIMER'S AUSTRALIA SA INCORPORATED
ABN 36 236 331 877

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Accumulated Funds \$	Total Funds \$
Balance as at 1 July 2015	2,904,379	2,904,379
Surplus	399,170	399,170
	<hr/>	<hr/>
Balance as at 30 June 2016	3,303,549	3,303,549
	<hr/>	<hr/>
Surplus	190,832	190,832
	<hr/>	<hr/>
Balance as at 30 June 2017	3,494,381	3,494,381
	<hr/>	<hr/>

The accompanying notes form part of these financial statements

ALZHEIMER'S AUSTRALIA SA INCORPORATED
ABN 36 236 331 877

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		622,654	848,262
Donations, bequests and fundraising receipts		585,728	464,021
Grants received for operating activities		4,077,351	6,833,366
Other receipts		469,650	222,002
Interest received		47,436	75,738
Contributions to Rosemary Foundation		(135,783)	(500)
Payments to suppliers and employees		(5,949,954)	(7,390,453)
		<hr/>	<hr/>
Net cash (used in) provided by operating activities	10	(282,918)	1,052,436
		<hr/>	<hr/>
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(13,725)	(29,721)
Proceeds from sale of motor vehicles		27,500	0
		<hr/>	<hr/>
Net cash provided by (used in) investing activities		13,775	(29,721)
		<hr/>	<hr/>
Net (decrease) increase in cash and cash equivalents held		(269,143)	1,022,715
Cash and cash equivalents at the beginning of the year		4,644,744	3,622,029
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year	2	<u>4,375,601</u>	<u>4,644,744</u>

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

The financial statements cover Alzheimers Australia SA Incorporated as an individual entity. Alzheimers Australia SA incorporated is an Association incorporated in South Australia under the Associations Incorporation Act 1985.

NOTE 1
STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The Board of Management have prepared the financial statements on the basis that the Association is a non-reporting entity because there are no users dependent on general purpose financial statements. These financial statements are therefore special purpose financial statements prepared in order to meet the requirements of the South Australian Associations Incorporation Act 1985 and the Australian Charities and Not-for-profits Commission Act 2012. The Association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the South Australian Associations Incorporation Act 1985, the Australian Charities and Not-for-profits Commission Act 2012 and the significant accounting policies disclosed below, which the Board of Management have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless otherwise stated.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historic costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless otherwise stated. The amounts presented in the financial statements have been rounded to the nearest dollar.

(a) **Grants and funding in advance**

Grants and funding received for future or specific purposes are taken up as grants and funding received in advance in the balance sheet. Grant and specified funding is treated as income in the period in which the funding is expended.

(b) **Inventory**

Inventories consist of books, videos, memory games, behaviour assistance models and fundraising merchandise for resale and are measured at the lower of cost and current replacement cost.

Inventories acquired at no cost, or for nominal consideration are valued at the current replacement cost as at the date of acquisition.

(c) **Property, plant and equipment**

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

Property

The Association leases the land at 27 Conyngham Street, Glenside from the Government of South Australia for the annual amount of \$1. Subject to the right of renewal set out in the memorandum of lease, the lease expires on 30 June 2031.

Leasehold improvements refer to capital works on the rented property and are recorded at cost. No amortisation of leasehold improvements is charged by the Association.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1
STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Plant and equipment

Plant and equipment are measured on a cost basis less depreciation.

Depreciation

The depreciable amount of all fixed assets excluding property is depreciated on a straight-line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement.

(d) **Employee benefits**

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to balance date.

The Association provides for annual leave on the basis of full recognition of benefits payable to employees.

The Association provides for long service leave by recognising all employee entitlements beyond seven years of completed service together with a percentage of employee entitlements for employees with less than seven years of service.

The Association discloses all long service leave entitlements beyond seven years of service as a current liability.

The Association has also resolved to fully provide for all 'time off in lieu' owed to employees as at balance date.

No adjustment has been made for employee benefits in respect to the present value of estimated future cash outflows.

(e) **Rosemary Foundation**

The Association has a Memorandum of Understanding with the Rosemary Foundation whereby the two organisations are constitutionally linked via their stated objects. The Rosemary Foundation principally exists to invest capital and provide income to aid the objects of the Association. Accordingly, the Association transfers bequest income to the Rosemary Foundation for this purpose.

During the year ended 30 June 2017 the Association contributed \$135,783 to the Rosemary Foundation for Memory Support Incorporated (Rosemary Foundation). This transaction was recorded as an expense by the Association. In the prior year, the Association contributed an amount of \$500. These contributions represent bequest moneys received by the Association for its future economic benefit.

ALZHEIMER'S AUSTRALIA SA INCORPORATED
ABN 36 236 331 877

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1
STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) **Income tax**

The Association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(g) **Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST.

(h) **Comparative figures**

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

ALZHEIMER'S AUSTRALIA SA INCORPORATED
ABN 36 236 331 877

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
NOTE 2		
CASH AND CASH EQUIVALENTS		
Cash on hand	1,415	1,500
Cash at bank	65,393	232,157
Cash on deposit	4,308,793	4,411,087
	<hr/>	<hr/>
Total cash and cash equivalents	<u>4,375,601</u>	<u>4,644,744</u>

NOTE 3
TRADE AND OTHER RECEIVABLES

Trade and other debtors	17,347	153,351
Prepayments	1,448	4,260
GST (net) receivable	12,272	4,234
	<hr/>	<hr/>
Total trade and other receivables	<u>31,067</u>	<u>161,845</u>

NOTE 4
INVENTORY

Stock on hand	25,077	1,831
	<hr/>	<hr/>
Total inventory	<u>25,077</u>	<u>1,831</u>

NOTE 5
PROPERTY, PLANT AND EQUIPMENT

Leasehold improvements	928,272	928,272
	<hr/>	<hr/>
Motor vehicles	237,068	301,260
Less accumulated depreciation	(200,597)	(228,086)
	<hr/>	<hr/>
	36,471	73,174
	<hr/>	<hr/>

ALZHEIMER'S AUSTRALIA SA INCORPORATED
ABN 36 236 331 877

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
NOTE 5		
PROPERTY, PLANT AND EQUIPMENT (continued)		
IT and computer equipment	54,768	43,542
Less accumulated depreciation	(26,073)	(17,931)
	28,695	25,611
Plant and equipment	34,971	34,971
Less accumulated depreciation	(4,884)	(2,252)
	30,087	32,719
Total property, plant and equipment	<u>1,023,525</u>	<u>1,059,776</u>

NOTE 6
TRADE AND OTHER PAYABLES

Payroll liabilities	56,417	46,205
Trade creditors	121,255	262,034
Sundry creditors	38,134	38,943
Accrued expenses	55,567	92,294
Prepaid income	4,572	0
	<u>275,945</u>	<u>439,476</u>
Total trade and other payables	<u>275,945</u>	<u>439,476</u>

NOTE 7
GRANTS AND FUNDING IN ADVANCE

Grants and funding in advance	1,457,680	1,704,695
	<u>1,457,680</u>	<u>1,704,695</u>
Total grants and funding in advance	<u>1,457,680</u>	<u>1,704,695</u>

ALZHEIMER'S AUSTRALIA SA INCORPORATED
ABN 36 236 331 877

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
NOTE 8		
PROVISIONS		
Current		
Employee benefits – annual leave	104,616	173,584
Employee benefits – long service leave	95,317	166,280
Employee benefits – ‘time off in lieu’	3,323	8,920
	203,256	348,784
Non-current		
Employee benefits – long service leave	24,008	71,692
	<u>227,264</u>	<u>420,476</u>

NOTE 9
ACCUMULATED FUNDS

Accumulated funds at the beginning of the year	3,303,549	2,904,379
Surplus for the year	190,832	399,170
	<u>3,494,381</u>	<u>3,303,549</u>

NOTE 10
RECONCILIATION OF CASH FLOW FROM OPERATIONS
WITH SURPLUS

Surplus from operations	190,832	399,170
Non-cash flows in surplus		
- Depreciation	40,459	46,575
- Gain on disposal of property, plant and equipment	(17,983)	0
Changes in assets and liabilities		
- Decrease in trade and other receivables	130,778	432,102
- (Increase) Decrease in inventories	(23,246)	11,463
- (Decrease) Increase in trade payables and accruals	(163,531)	46,585
- (Decrease) in provisions	(193,212)	(95,963)
- (Decrease) Increase in grants in advance	(247,015)	212,504
	<u>(282,918)</u>	<u>1,052,436</u>