Australian
ALZHEIMER'S
RESEARCH
Foundation

YEAR IN REVIEW
2018

Index

Alzheimer's is one of the most important public health issues we currently face. Together with our supporters, we remain committed to continue our fight for memories and to our vision, mission, objectives and values.

Our Vision

A world in which Alzheimer's disease no longer exists.

Our Mission

To support research that makes Alzheimer's disease treatable and preventable.

Our Objective

The Australian Alzheimer's Research Foundation becomes a self-sustaining Foundation that raises funds to support Alzheimer's disease research.

Our Values

For our stakeholders and customers we will always focus on supporting Alzheimer's disease research; act with integrity; be transparent in everything we do; and celebrate our achievements.

Our key pillars are revenue generation through fundrasing, grants and research fee-for-service activity; research focused on understanding, preventing, diagnosing and treating Alzheimer's and other neurodegenerative diseases; and community services related to education and awareness.

To ensure our continued operations and sustainability we will always have a clear and shared understanding of our risk appetite and have mechanisms in place to ensure we operate within this; ensure appropriate policies and procedures are in place and complied with; maintain strict financial discipline; and refuse to compromise on quality and competence in anything we do and represent.

MESSAGE FROM THE CHAIRMAN

The Australian Alzheimer's Research Foundation retains its strong focus to support research that makes Alzheimer's disease treatable and preventable.

Enzo Sirna AM – Chairman

The Australian Alzheimer's Research Foundation, incorporated in 2001, has grown considerably since its inception, overcoming many challenges along the way, but maintaining a proud record of achievement and contribution to research.

With a focus on Alzheimer's disease research, the Foundation recognises the need to sustain research efforts which provide pathways to better understand, prevent, diagnose and treat Alzheimer's and other neurodegenerative diseases.

Our key objectives, as articulated in our constitution, provide direction and focus to out commitments. This includes further developing opportunities to improve the long-term sustainability of the Foundation and its ability to maintain the necessary and evolving support for essential research in the field. It is perhaps our most significant challenge, but one which must be met.

The Foundation recognises the need to work collaboratively and the importance of maintaining key partnerships which add value to the quality of the research undertaken worldwide. With the prediction that by 2050 there will be about one million Australians living with dementia, it is important to identify key stakeholders and partnerships which demonstrate a genuine commitment and which play a vital role in the continuing journey towards an Alzheimer's free world.

The Foundation currently supports research in four key areas of Alzheimer's disease:

- Understanding the pathology of the disease;
- Developing treatments;
- Identifying factors to deter or prevent the onset of the disease; and
- Discovering an early diagnosis.

The result of significant research carried out thus far very clearly indicates that identifying a means of early intervention remains an absolute priority. The effectiveness of any treatment may be limited by the current inability to diagnose the disease until significant neurological damage has already been sustained.

The Foundation is managed by a Board comprised of volunteers with diverse experiences and skills, committed to identify strategic pathways and initiatives to provide the necessary financial viability and support to sustain the quality efforts of our researchers.

The Foundation recognises the quality and significance of the research carried out under the guidance of Prof Ralph Martins, our Director of Research. He continues to provide leadership at both a national and international level, including the important mentorship to the new generation of Alzheimer's researchers. We also recognise and are grateful for the contribution provided by Associate Prof Roger Clarnette who supervises the Clinical Trials Division for the Foundation. This is a vital element in the search for treatments for Alzheimer's disease.

The Board would like to also express its gratitude to Liza Dunne and her team for overseeing the operational requirements of the Foundation. There have been significant strategic and operational transformations in recent years and it has been important to provide a solid infrastructure, with good governance and leadership to be able to maintain the consistency of support for the key research priorities.

The transition to the Ralph & Patricia Sarich Neuroscience Research Institute has been important. The Foundation expresses its gratitude to Prof Byrant Stokes for his experience, understanding and guidance in facilitating the fruition of this important initiative which allows for a more collaborative research environment.

Both from a Board and personal perspective, we would like to express our sincere gratitude to Ron Bennetts who has stepped down from his responsibilities as a member of the Board and Chair of the Future Fund Committee. His sustained high level contribution and commitment have assisted the Foundation in its growth and in its identification of strategic pathways moving forward. We also know he will continue to champion our cause.

The Foundation remains grateful to all those who continue to contribute and support our endeavours. The generosity of our sponsors, donors, supporters and participants gives us the confidence to maintain our focus and quest to seek the prevention and ultimately, the cure for Alzheimer's disease.

My sincere appreciation is extended to the Board, research team, staff, volunteers and the many contributors and collaborators who work tirelessly and who continue to share this journey with us in the hope of a cure one day.

Thank you for the privilege of presenting this report once again.

Enzo Sirna AM
Chairman, Australian Alzheimer's Research Foundation

MESSAGE FROM THE CEO

I am proud to report on the 2018 achievements of the Australian Alzheimer's Research Foundation. In 2018, approximately 1,000 people visited the Foundation to participant in our research activities. These included a range of studies into potential treatments, new diagnostic methods and to investigate strategies that may reduce the risk of developing Altzheimer's disease.

Liza Dunne – CEO

The Foundation has been an active participant in the international *Tommorrow* study, since 2014, involving 260 West Australian participants. The study has been investigating the benefits of a drug used to treat diabetes in delaying the onset of mild cognitive impairment due to Alzheimer's disease. Unfortunately the study was terminated in early 2018 due to an inadequate treatment effect. Our most sincere thanks to everyone who generously gave their time to participant in this research.

The NeuroVision Trial, which began in 2013 also came to an end in 2018 due to the planned completion of the study. 284 participants were involved in this study in Perth and Melbourne. NeuroVision Imaging Inc. are exploring the ability to detect amyloid in the retina as a screening tool for Alzheimer's disease, and we look forward to participating in further research work they undertake.

The Foundation's Clinical Trial Division continues to grow, providing the opportunity for West Australians to gain access to the latest therapies in development and contribute to this critically important research work. The Foundation ran fifteen treatment studies in 2018 with over 150 participants diagnosed with mild cognitive impairment or mild to moderate Alzheimer's disease.

The Foundation has been a significant contributor to the national Cooperative Research Centre (CRC) for Mental Health program over the last seven years, which came to an end in 2018. Blood-based biomarkers developed under the CRC may have utility in providing an early pre-clinical diagnosis of Alzheimers. Early intervention clinical trials are now the focus for the major pharmaceutical companies and a low cost blood-based biomarker test that could be used to identify individuals with pre-clinical Alzheimer's disease would be of significant value.

The Foundation was pleased to be able to continue its significant financial support of the research work conducted by Prof Ralph Martins and his team in 2018. This included the funding of researchers, PhD student funding and the provision of equipment and facilities. This funding enables research into the causes of the disease, the development of non-invasive diagnostics and the identification of preventative strategies that may reduce the risk of developing Alzheimer's. Our ability to contribute to critical research into this disease is made possible by the generous support we receive from the public, who recognise the urgent need to find solutions that may have a significant impact on the current projections for Alzheimer's disease on our society.

I would like to thank all the donors, supporters, volunteers, staff, researchers and participants in our clinical trials for enabling us to continue our important work and our ability to support critical research into this debilitating disease so we may all enjoy a better future.

Liza Dunne
CEO, Australian Alzheimer's Research Foundation

Foundation Ambassador – Bryan Brown

Bryan Brown with Professor Ralph Martins and Liza Dunne

The Foundation is delighted to have Bryan Brown as our Ambassador.

Bryan came to Perth in February for a fundraising dinner and delivered a heart-warming talk on *Celebrating the Joy of Life.* Guests enjoyed a rare glimpse into Bryan's film career with moving and hilarious stories. And we heard about his fear of losing his memory, as his friend Richard Neville did.

Bryan's life has been a full one. He said he was only able to share his stories as he can re-live them in his mind, and he does not want to forget them. Bryan said: "At the end of life I want to be able to remember again and smile – reliving those memories. If I cannot, it will be as though I have not had a life." So Bryan is supporting the work of the Foundation who seeks to put an end to this insidious disease.

THE RESEARCH

The Foundation provides funding and extensive facilities to enable research and clinical trials into Alzheimer's disease to be conducted. These include phlebotomy rooms, consulting rooms, blood processing facilities, research consumables, a patient lounge, clinical trial ethics and governance support, insurance cover and administrative support.

Professor Ralph Martins

AIBL Study

In 2018, the first intake of participants of the world-leading **Australian Imaging, Biomarkers and Lifestyle (AIBL) Study of Ageing** completed their 10 year follow-up assessments, whilst the second intake of participants completed their 6 year assessments. The clinical, memory and thinking (cognitive), brain imaging, blood biomarker and lifestyle data collected as part of this study has significantly increased world-wide understanding of rates of accumulation of Alzheimer's pathology in the brain, effective methods of tracking very early cognitive decline, and establishing the best window of opportunity for implementing drug and lifestyle interventions.

The AIBL Study has resulted in more than 200 publications to-date with 2500 citations per year; cementing its place as a world-leading study in Alzheimer's disease research. 2018 saw seminal publications originate from the Perth research team which focused on the relationship of diet and sleep to Alzheimer's pathology. Adherence to the healthy Mediterranean diet (MeDi) was shown to be associated with slower rates of accumulation of beta-amyloid in the brain. This is the first time MeDi adherence has been linked to slowed build-up of beta-amyloid in the brain of those at risk of developing Alzheimer's, and these findings have significant implications for the development of strategies aimed at delaying or ideally preventing Alzheimer's disease onset[1].

Another world-first study[2] showed that individuals with particular genetic variations in aquaporin proteins that play a role in the brain's night-time 'housekeeping' system are susceptible to high brain beta-amyloid levels if they experience poor sleep. These results suggest such individuals might benefit most, in terms of reduced Alzheimer's risk, from an intervention to improve their sleep: bringing us a step closer to personalised strategies for Alzheimer's prevention.

Both publications garnered significant attention from national and international media outlets, and the sleep paper was selected from thousands of articles, by the Editor of Translational Psychiatry, as a "2018 Journal Highlight".

Another important research paper published in 2018, reported an association between higher levels of physical activity and lower brain tau burden[3]. Deposits of tau in the brain is another hallmark of Alzheimer's disease, and at the time of publication no other studies had investigated the relationship between physical activity levels and tau burden using brain imaging.

2018 also saw major progress of a 'super ageing' project, where AIBL Study participants who perform significantly better than expected for their age have been identified. These 'super agers' perform at levels 20-30 years younger than the expected 'norms' for their chronological age. The first associated manuscript will be published in 2019.

As always, we are incredibly grateful to the participants of the AIBL Study for their commitment and dedication which has helped to significantly advance research into the early detection and causation of Alzheimer's disease.

NeuroVision Trial

An offshoot of the AIBL Study has been the **NeuroVision trials** which began in 2013. NeuroVision Imaging Inc. is a US based company developing eye-imaging systems for measuring autofluorescence (via curcumin intake), to detect beta-amyloid plaques in the eye. Beta-amyloid plaque deposits in the brain are thought to be a hallmark sign of Alzheimer's disease, and histological evidence shows that beta-amyloid plaque also accumulates in the retina at the rear of the eye.

A total of four NeuroVision research trials have now been conducted at the Foundation's clinical research facility on Stirling Highway, Nedlands. The aim of these studies is to explore the correlation between PET amyloid brain imaging and beta-amyloid plaques in the retina. The latest trial involved 284 participants being recruited from AIBL into the NVI007 study, in Perth and at a second site in Melbourne. The study met the recruitment target and was completed in December 2018.

The preliminary findings of this research found the level of beta-amyloid protein detected in the eye was significantly correlated with beta-amyloid in the brain and allowed them to accurately identify those with Alzheimer's. Further work may be undertaken by NeuroVision Imaging Inc. to develop this technology further.

[1] Rainey-Smith SR, et al. Mediterranean diet adherence and rate of cerebral Aβ-amyloid accumulation: Data from the AIBL Study of Ageing. Transl Psychiatry. 2018 Oct 30;8(1):238.

[2] Rainey-Smith SR, et al. Genetic variation in Aquaporin-4 moderates the relationship between sleep and brain Aβ-amyloid burden. Transl Psychiatry. 2018 Feb 26;8(1):47.

[3] Brown BM, et al. Self-Reported Physical Activity is Associated with Tau Burden Measured by Positron Emission Tomography. J Alzheimers Dis. 2018;63(4):1299-1305.

WA Memory Study

The WA Memory Study has been successfully examining the link between subjective memory complaints and decline in cognitive abilities over time, since 1996. In 2018, the WA Memory Study published several papers on the relationship between self-reported concerns about memory, personality, and age-related cognitive impairment. In a recent publication on 209 participants from the WA Memory Study, we have noted that memory complaints were associated with cognitive abilities and as such, they represent a true self-observation of the decline in memory. However, we noticed that these complaints cannot predict dementia over the next three years of their presence. That is, they happen many years before dementia can be diagnosed. Therefore, memory complaints should be considered as a very early marker of the disease, when potential for preventive interventions is much greater.

In addition, our hearing and dementia collaboration with Ear Science Institute has been very promising. So far, we have collected data on hearing, brain imaging and cognitive assessments of 96 individuals from the WA Memory Study. The data is currently being analysed and will be submitted for publication soon.

Inherited Alzheimer's

The Foundation is a proud partner in the **Dominantly Inherited Alzheimer's Network (DIAN)** Study. The DIAN Study enables researchers across eight countries to monitor and identify changes in individuals who carry one of the gene mutations known to cause dominantly inherited Alzheimer's disease. The study aims to define the natural history of Alzheimer's disease and establish reliable biomarkers that track with disease.

This research suggests that brain changes may occur years before actual Alzheimer's symptoms are detected. The study's goal is to determine the sequence of changes in pre-symptomatic gene carriers who are destined to develop Alzheimer's disease. Another goal is to establish a research database and tissue repository to support research by other investigators around the world.

Interventions and Treatments

Sleep Improvement Study

The Sleep Improvement Study, led by Dr Stephanie Rainey-Smith, aims to assess whether memory and thinking (cognition) and neuroimaging biomarkers of brain health are improved following a cognitive behavioural therapy intervention targeted at improving sleep.

Compelling evidence indicates that sleep is a critical contributor both to cognitive health and to neurobiological changes in the ageing brain. This study aims to fill an important knowledge gap by exploring the utility of interventions to improve sleep as a preventative approach to decrease Alzheimer's disease risk.

The results collected to-date as part of this study show great promise, with significant improvements in measures of executive function and memory, and increased brain glucose metabolism (a marker of brain health), coupled to the improved sleep occurring post-intervention. In 2018, Dr Stephanie Rainey-Smith was awarded an internationally competitive BrightFocus Foundation Fellowship enabling her to continue her work on this study.

Dr Stephanie Rainey-Smith

2018 saw seminal publications originate from the Perth research team which focused on the relationship of diet and sleep to Alzheimer's pathology.

Diet

Nutrition remains an import area of research as a key modifiable risk factor that plays a role in the strategy to prevent or delay the onset of Alzheimer's. As discussed in the AIBL section of this report, research published in 2018 demonstrated that adherence to the healthy Mediterranean diet (MeDi) was linked to slower build-up of beta-amyloid in the brain of those at risk of developing Alzheimer's.

In 2018, a review of the published literature evaluating the role of nutrition in cognitive function and brain ageing was conducted. The review focused on three dietary patterns:

- Mediterranean diet (MeDi),
- Dietary Approaches to Stop Hypertension diet (DASH)
- Mediterranean + DASH Intervention for Neurodegenerative Delay (MIND)

Primarily we found that more than two decades of research on nutritional risk factors for Alzheimer's disease has yielded promising but not definitive findings of the foods to include or avoid in one's diet to prevent Alzheimer's disease, with the limited evidence for the MIND diet implying it substantially slows cognitive decline, over and above the effect seen with the MeDi and DASH diet.

Exercise

Accumulating evidence supports a role for exercise in protecting the brain as we age. However, we still don't know exactly what type of exercise provides the greatest benefit to the brain, in terms of intensity, duration and frequency. The Intense Physical Activity and Cognition (IPAC) Study, a collaboration between Murdoch University and the Australian Alzheimer's Research Foundation and led by Dr Belinda Brown, is being conducted to address this gap in the research.

Dr Belinda Brown

The IPAC Study is evaluating the impact of a six month high-intensity exercise intervention, compared with six months of moderate-intensity exercise or no exercise, on measures of memory and thinking and indicators of brain health from brain scans. We have recruited 99 individuals to take part in the IPAC Study, and all participants have finished their exercise intervention. Some participants will also be involved in a 12 month follow-up, where we aim to examine any long-lasting effects of the exercise intervention on the brain.

Although the study has not fully completed data collection, we have utilised data from our pre-intervention (baseline) appointments to evaluate relationships between fitness levels and brain health. Individuals that had higher levels of cardiorespiratory fitness at baseline, were also performing better on tasks assessing memory and executive function (organisational thinking and planning skills). We also noted some influence of genetics on these associations, where we were more likely to observe a relationship between fitness and memory in individuals of certain genetic make-ups. This type of research pertains to a long-term research aim to gather sufficient evidence to be able to provide individually tailored exercise, based on genetic factors.

Data collection for the IPAC Study will be completed in September 2019, and we look forward to sharing our findings early next year.

Testosterone Study

The Testosterone Study is sponsored by the Foundation and is now well under way at the Foundation's premises on Stirling Highway, Nedlands, Perth and at Macquarie University, NSW.

The aim of the study is to assess the effectiveness of testosterone, with and without DHA (fish oil), in reducing the brain's amyloid load in men aged 60-80 years old. Reduced levels of testosterone during andropause have been associated with increased risk of cognitive decline and dementia and have been shown to promote the accumulation of beta-amyloid, a key molecule in Alzheimer's disease pathology.

The accumulation of excess beta-amyloid protein is an essential step in the development of Alzheimer's disease.

More than 200 men have been screened for suitability to enter the study and 13 men have commenced treatment. Recruitment and screening for participants in the study are expected to run until the end of November 2019, with the last person expected to complete treatment by the end of 2020.

The Foundation is looking for males over the age of 60 years who are interested in participating in this study. For further information please call the Foundation's clinical research site in Nedlands on 6304 3966. This study is being made possible by generous contributions from our supporters, as well as grants from the WA Government, Lotterywest and invaluable support from Macquarie University.

Individuals that had higher levels of cardiorespiratory fitness at baseline, were also performing better on tasks assessing memory and executive function.

THE PARTNERSHIPS

A commitment to forging collaborations and partnerships in research into Alzheimer's disease will be critical if we are to achieve an Alzheimer's free world.

The Cooperative Research Centre for Mental Health (CRCMH)

The CRCMH was established by the federal government in 2011 with a focus on research into the early detection and treatment of neurodegenerative diseases, such as Alzheimer's disease. At present, many of these illnesses can only be diagnosed once symptoms appear and an earlier diagnosis will be central to developing treatments for these diseases.

The Foundation has supported the CRCMH over the past seven years by providing considerable funding, with a specific interest in the research into identifying blood-based biomarkers for Alzheimer's disease diagnosis and furthering our understanding of the role of genetics in the disease. Current methods of diagnosis are expensive and time consuming, require highly trained personnel and carry inherent risks. A blood-based biomarker would provide a low cost alternative to identifying people at the early onset of the disease who may benefit most from potential treatment of preventative strategies.

Lipidomics

Study of the plasma lipid (fats in blood) profiles showed several species of lipids were significantly higher in Alzheimer's disease compared to cognitively normal subjects. The comparison of lipid results with brain scans allowed researchers to determine how accurate the lipid results are in diagnosing Alzheimer's disease. Over 11,000 samples were analysed using state-of-the-art equipment that was made possible by a significant grant from the Western Australian Government to Prof Ralph Martins and the Foundation. The research team were also successful in gaining two prestigious research grants from the NHMRC which contributed to the funding for this research work.

The data obtained from the AIBL study and DIAN studies (described earlier) were central to the project. Samples from the DIAN cohort were employed to investigate alterations in lipid profiles between individuals predestined to develop Alzheimer's disease and healthy individuals. This enabled the identification of early changes in lipid profiles between individuals who will definitely develop the disease and those who will not.

The lipidomic work under the CRCMH has led to the identification of lipid species that allows the prediction of a person's risk of developing Alzheimer's disease and the severity of the disease. This has formed the basis of a Patent being lodged, which is jointly held between Baker Heart, the Diabetes Institute and Edith Cowan University.

Several publications have already been published and additional ones are being prepared which importantly adds to the body of knowledge in this field.

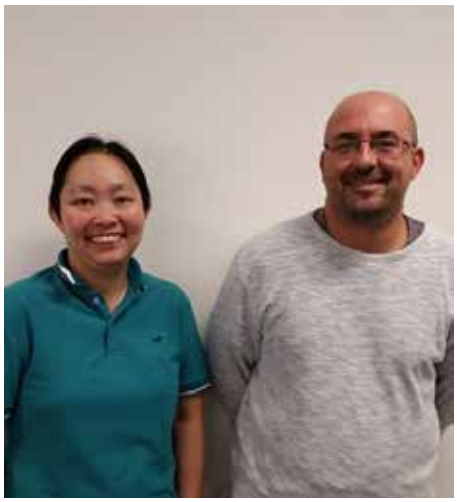
Proteomics

The primary focus of this research study was to develop a blood-based signature for Alzheimer's disease that can be used for diagnosis in its early stages before the onset of symptoms. The objective was to identify and demonstrate that a group of blood proteins can be used for the early diagnosis of Alzheimer's disease. In addition to the funding from the CRCMH, the researchers were successful in gaining several Australian National Health and Medical Research Council (NHMRC) grants.

The data shows that there are several proteins in human blood which are associated with the disease state, but more work to refine and optimize the techniques are required to produce an accurate and reliable diagnosis.

Ongoing work is focused on the protein interactions since many of the blood proteins form bonds with others, requiring more sensitive methods and equipment to examine these interactions.

The blood-biomarker work also resulted in Prof Martins and the AIBL research colleagues collaborating with scientists in Japan on a blood test which shows the build-up of the beta-amyloid protein in the blood, one of the first signs of Alzheimer's disease. If the technique can be refined, it has the potential to detect the presence of the disease up to 20 years before symptoms begin.



Dr Florence Lim and Mr Steve Pedrini

Congratulations to Rhona Creegan and Pratishtha Chatterjee who successfully completed their PhD, for work conducted as part of the CRCMH. Three additional PhD students are expected to complete their PhD in 2019.

At the national level, the CRCMH has produce a number of other promising outcomes for Alzheimer's disease. This includes the discovery and validation of a potential diagnostic test for early and pre-symptomatic Alzheimer's disease based on the measurement of particular structural variants in blood plasma.

Additionally, the development of a prognostic test for Alzheimer's disease, based on the level of iron levels within the central nervous system. It enables the prediction of the likely rate of cognitive decline over coming years for a person who has already been identified as having high level of amyloid accumulation in the brain but may not yet be showing symptoms of cognitive impairment. This test will be very useful in clinical trials of therapies for which a critical outcome will be the rate of cognitive decline.

Genetics

After age, genetics is the next biggest risk factor for Alzheimer's disease. The Collaborative Genomics Group, led by A/Prof Simon Laws at Edith Cowan University, focuses on developing a better understanding of the role that genetics plays in not only determining an individual's risk for the disease but also how fast they may decline and how they may respond to environmental factors (such as lifestyle factors).

The CRCMH was pivotal in building a solid foundation upon which the group could grow its research. The primary focus of the group's research under the CRCMH was to work out the best way to combine multiple genetic risk factors to enable us to assign an overall level of genetic risk to an individual in relation to how fast their memory may change in the future. The end result has seen the impact of several of these combinations of genetic risk published at the end of 2018.

This work also highlights that the genetics that underpin risk for Alzheimer's disease may very well be different to that which underpins how fast the disease progresses.

Another key focus of the group under the CRCMH was to grow the next generation of researchers. Through these CRC projects Dr Tenielle Porter recently completed her PhD, and will remain with the Collaborative Genomics Group to continue her post-doctoral research. Dr Porter's doctoral research focused on the development of these genetic risk profiles and scores and this work contributed significantly to a successful NHMRC grant led by A/Prof Laws. This funding will see the continuation and expansion of these research projects for the next three years.

An area of focus is epigenetics which can be seen as an interface between genes and the environment and aligns with a major research focus of the group, being the investigation of the link between genetics and lifestyle factors and how they interact to further define an individual's risk for the development and progression of Alzheimer's disease.

Gaining a better understanding of an individual's risk profile will have several significant outcomes. It has the potential to help pharmaceutical companies design better clinical drug trials at earlier stages of the disease, with the hope that earlier intervention may lead to clinical trial success. These profiles and their interaction with modifiable lifestyle factors also has the potential to help target specific lifestyle interventions to the individual, such that they may have the greatest chance for delaying or even preventing the onset of Alzheimer's disease.

(L to R) Lidija Milicic (PhD Student), Madeline Peretti (MSc Student), A/Prof Simon Laws, Dr Tenielle Porter

CLINICAL TRIAL DIVISION

The Clinical Trial Division continues to explore new means of treating Alzheimer's disease more effectively.

Associate Professor Roger Clarnette

Throughout 2018, over 150 people participated in our therapeutic trials, with 15 different studies on Alzheimer's disease conducted over the course of the year. The Foundation regularly reaches out to the public and to specialists and GPs to increase awareness of our clinical trials.

A number of new studies opened throughout 2018 for participants diagnosed with mild cognitive impairment due to Alzheimer's disease or mild to moderate Alzheimer's disease. This included some new approaches including in a study which uses a sigma-2 receptor complex, hoping to displace beta-amyloid from the neurons within the brain. The Foundation was also selected for an ANAVEX study which targets restoration of cellular homeostasis within the brain and has received extensive publicity in recent months.

The Foundation is also involved in studies aimed at those with an increased risk of the development of Alzheimer's disease based on their genotype.

Over 70 participants between the ages of 60-75 have undergone an initial screening of their genetic status. The treatment arm of this study aims to slow amyloid accumulation and delay the possible onset of Alzheimer's disease. Some of our other studies are using a variety of different potential treatments targeting either amyloid protein or tau tangles via oral capsules, subcutaneous injections or infusions.

Unfortunately, during the course of 2018 several studies closed earlier than planned because the interim analysis indicated a low likelihood of therapeutic success. However, the Clinical Trial Division still has a number of ongoing studies and the imminent commencement of new studies that continue to offer hope for effective treatment.

A SNAPSHOT OF THE THERAPEUTIC TRIALS

STUDY NAME AND ELIGIBILITY	SCHEDULE
AbbVie AWARE (Phase 2) • Males or females aged 55 to 85 years • Diagnosed with mild cognitive impairment due to Alzheimer's disease or mild Alzheimer's disease	• Monthly visits • Monthly medications (infusions) • 24 months duration • Open label extension available
Actinogen XanADu (Phase 2) • Males or females aged >50 years • Diagnosis of mild dementia due to probable Alzheimer's disease	• Monthly visits • Daily medications (tablets) • 20 weeks duration
ANAVEX2-73-AD-004 (Phase 2b/3) (Still recruiting) • Male or females and aged 60 to 85 years old • Must have mild cognitive impairment due to Alzheimer's disease or diagnosed with Alzheimer's disease	• Monthly phone calls and then every three months clinic visits • Daily oral tablets • 12 months duration
Biogen ENGAGE (Phase 3) • Males or females aged 50 to 85 years years old • Must have mild cognitive impairment due to Alzheimer's disease or diagnosed with Alzheimer's disease	• Monthly visits • Monthly medications (infusions) • 18 months duration • Open label extension available
Biogen EVOLVE (Phase 2) • Male or females and aged 50 to 85 years old • Must have mild cognitive impairment due to Alzheimer's disease or diagnosed with mild Alzheimer's disease • Must be able and willing to undergo multiple MRI scans over the duration of the study	• 12 months duration • All participant receive active medication • Monthly infusions (2 visits in the same week per month) • Open label extension available
COGRX COG0201 (Phase 1b/2) • Male or females aged 50 to 85 years • Diagnosed with mild to moderate Alzheimer's disease • Must be able to tolerate and willing to undergo two lumbar puncture procedures	• Visit schedule is weekly, then fortnightly, then monthly • Daily medication (tablets) • 8 months duration
EISAI MissionAD (Phase 3) • Male or females aged 50 to 85 years • Diagnosed with mild cognitive impairment due to Alzheimer's disease or mild Alzheimer's disease	• Monthly initially then every 3 months visits • Daily medications (tablets) • 24 months duration • Open label extension available
NOVARTIS – Generation 1 (Phase 2/3) • Males or females aged 60 to 75 years old • Subject must be psychologically ready to receive APOE genotype information based on pre-disclosure rating scales • Subject must be cognitively healthy or minor memory complaints	• 1 visit for pre-screening procedures (buccal swabs) • 2 visits for genetic disclosure (on site) and follow-up (via phone call)
NOVARTIS – Generation 2 (Phase 2/3) (Still recruiting) • Males or females aged 60 to 75 years old • Open to participants who have undergone APOE genetic testing as per NOVARTIS Generation 1 protocol and have been disclosed to as being e3e4 or e4e4 • Subject must be cognitively healthy or have very minor memory complaints	• Daily medication (tablets) • Visits every 3 months • 5 - 8 years duration
ROCHE – GrADuate (Phase 3) (Still recruiting) • Males or females aged 50 to 90 years old • Diagnosis of probable Alzheimer's disease or mild cognitive impairments due to Alzheimer's disease	• Monthly visits for first 11 months, then fortnightly • Home nursing service available • Monthly medication (subcutaneous injections) for first 11 months, then fortnightly • 26 months duration • Open label extension available

ALZHEIMER'S KEY FACTS

250

250 Australians are diagnosed with dementia every day

425,416

There are currently an estimated 425,416 Australians living with dementia

70%

Approximately 70% of dementia sufferers have Alzheimer's disease

1,200,000

Without a significant medical breakthrough over 1,200,000 Australians will develop the disease by 2056

52%

52% of residents in Australian Government subsidised aged care facilities have dementia

1st

Alzheimer's disease is the leading cause of death in women in Australia

2nd

Alzheimer's is the second leading cause of death in Australia

3 Seconds

Every three seconds someone in the world develops dementia

There is no cure

Australian Bureau of Statistics (2017) Causes of Death, Australia, 2016 (cat. no. 3303.0)
The National Centre for Social and Economic Modelling NATSEM (2016) Economic Cost of Dementia in Australia 2016-2056
Alzheimer's Disease International

THE PERSONAL IMPACT

Paul and Pauline's story

Inside every Alzheimer's person hides a beautiful lost soul searching for a way home.

Paul & Pauline

When the elderly die a library is lost and volumes of wisdom and knowledge are gone.

Paul and Pauline were born one day apart on opposite sides of the world. They met at the Eaglehawk Swimming pool in Bendigo aged thirteen, and have been together ever since. They have been married for fifty eight years and have four children, seven grandchildren and three great grandchildren.

Approximately four years ago Pauline started to change from the wonderful easy going lady that she is, to having memory lapses and getting quite upset about not much at all. One year later she backed the car out to the end of the driveway then stopped and walked back inside and asked Paul which way she goes to the shops. This led to Paul having to tell her that she would no longer be able to drive. Paul was unprepared for Pauline's reaction to this news which resulted in some rather bad language and threatening to go to the police station and have him arrested!

Paul finds it so hard that a lovely gentle polite lady can turn into something very different.

Pauline's behaviour seems to be changing very rapidly which includes packing bags and walking out of the house at 2am to visit her mum and dad (both deceased) to ask them to take her home. Paul tries to take Pauline to her many doctor appointments but she won't go with him, insisting that she is waiting for 'Paul' and will only go with him. These things can happen once, many times in a day or not at all. Paul says "I'm certainly handling it a lot better than when it first started occurring". Paul finds it amazing that Pauline can still play Bingo without a problem, even though she thinks she's at the Eaglehawk Town Hall and not in Wanneroo. He thinks Bingo is in 'there' forever.

Paul has come to the conclusion that you can love someone too much, and you end up leaving respite and residential care applications longer than you should, which he feels in the long term does no one any good.

When Pauline started losing weight, the family were informed that this can often happen to people suffering Alzheimer's disease. However, the family still felt concerned, especially when Pauline was feeling nauseous most of the time. Sadly after further investigation Pauline was diagnosed with pancreatic cancer.

The family is doing everything possible to ensure that their darling Pauline is well cared for and is as happy as possible. The family feels there would be nothing worse than losing a loved one and then believe you could have done more for them.

Sadly, at the time of printing this Annual Report, Pauline lost her battle and passed away peacefully at Joondalup Health Campus.

COMMUNITY ENGAGEMENT

Staying connected and visible in the community is of vital importance for the Foundation. A number of events were held in 2018 by the Foundation and also by a number of other groups and individuals to educate the community about Alzheimer's disease and raise much needed funds. Here is a snapshot of some of the events.

Bryan Brown

Bryan Brown

The Foundation's Ambassador, **Bryan Brown** flew into Perth in February 2018. Bryan attended a media conference held at the Foundation's Research Centre in Nedlands where he created quite a buzz, and brought much needed awareness to Alzheimer's disease.

A Gala Dinner, attended by over 100 guests was held at Acqua Viva on the Swan, where Bryan entertained guests by sharing insights into his remarkable life.

The Cape Crusaders

On the 13th March 2018, David and three of his friends – **The Cape Crusaders –** conquered the **Cape to Cape walk** (135km) in honour of David's late sister Jean. When David's sister passed away in December 2017 at age 66, after suffering with dementia for many years, David decided he wanted to do something positive by raising funds for Alzheimer's research to help stop the devastating effects this cruel condition has on those suffering with it and their family and friends. The Cape Crusaders raised over $10,000 for the Foundation.

The Cape Crusaders

Public Lectures

In September the Foundation's annual **Public Lectures** were held at the State Library and in the McCusker Auditorium at the Harry Perkins Institute. The lectures are designed to update participants in our clinical trials and the general public on the latest research. In 2018, nearly 400 people attended these lectures to be briefed by researchers.

Public lecture at the State Library

HBF Run for a Reason

When Anne Hickey's dad was diagnosed with Alzheimer's disease, she decided to hit the ground running and registered for the **HBF Run for a Reason**. Anne, together with other committed members of the public and Foundation staff members, raised nearly $10,000 for the Foundation at the HBF Run for a Reason.

Anne Hickey and her dad

Stuart Gray and a dedicated and fit group of the Stadium Masters Swimmers held their annual **Swim for a Reason** on Sunday 18 November at HBF Stadium. These swimmers are not only on top of their exercise regime, they also raised over $3000 for Alzheimer's research.

Vicki taking the plunge

Dawesville Bridge Swing

In March 2018 Vicki's step father Jack passed away after a 6 year battle with Alzheimer's disease. At that moment in time Vicki felt the need to do her bit to help raise funds for Alzheimer's disease research.

On 1 December Vicki took the plunge and particpated in the Dawesville Bridge Swing raising over $1,400 for the Australian Alzheimer's Research Foundation.

Vicki works in a medical centre and every week see's how Alzheimer's disease is affecting families. Her hope for the future is that there are treatments discovered and ultimately a cure is found.

The Country Women's Association of Western Australia (CWA) is supporting the Australian Alzheimer's Research Foundation by nominating the Foundation to be their chosen charity this year. The CWA is a not-for-profit, volunteer operated, women's organisation aiming to improve the wellbeing of all people, especially those in country areas by promoting courtesy, cooperation, community effort, ethical standards and the wise use of resources.

The Australian Alzheimer's Research Foundation is very grateful to be CWA's chosen charity this year, and sincerely thanks them for their fundraising efforts.

Thank you to everyone involved in our 2018 Community Engagements, raising much needed funds for Alzheimer's research.

We could not do what we do without your support.

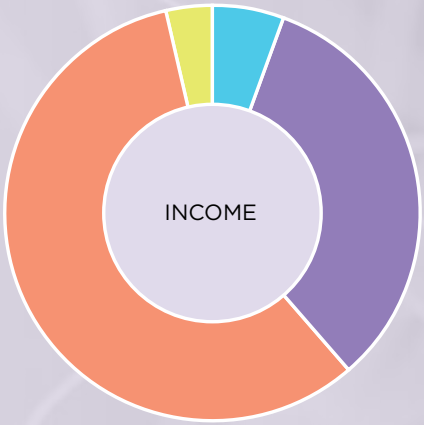
THANK YOU TO OUR PARTNERS

A heartfelt thank you to all our generous donors and fundraisers.
Your support is invaluable and very much appreciated.

FINANCIALS AT A GLANCE

In 2018, the Foundation spent over 80% of its income on research related activities

Research	82%
Admin & Fundraising	18%

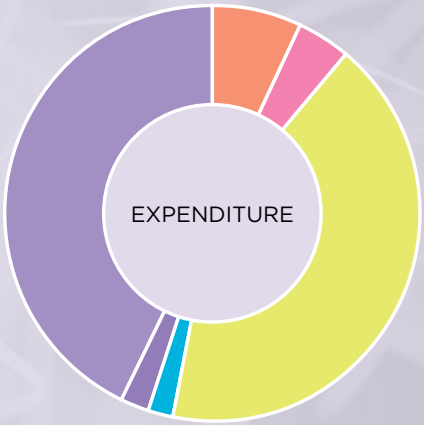


Income 2018

Grants	$288,370
Donations	$1,628,784
Clinical Trials & Research Income	$2,850,502
Other Income	$177,508
Total Income	$4,945,164

Research Related Income 2018

Clinical Trial Income	$1,630,859
Funded Research	$1,219,643
Total Income	$2,850,502



Expenditure 2018

Accommodation Expenses	$251,657
Administration	$114,776
Employee Costs	$1,484,351
Insurance	$68,991
Marketing & Communication	$70,144
Research Exp. (exc. Salaries)	$1,507,793
Total Expenditure	$3,497,712

SPECIAL PURPOSE FINANCIAL REPORT

For the year ended 31 December 2018

INDEX

AUSTRALIAN ALZHEIMER'S RESEARCH FOUNDATION INC
ABN: 34 575 647 667

STATEMENT BY MEMBERS OF THE COMMITTEE

The Committee has determined that the Fund is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Committee, the financial report as set out on the attached pages is in accordance with the Australian Charities and Not-For-Profits Commission Act 2012 and:

1. Presents a true and fair view of the financial position of Australian Alzheimer's Research Foundation Inc as at 31 December 2018 and its performance for the year ended on that date.

2. At the date of this statement, there are reasonable grounds to believe that Australian Alzheimer's Research Foundation Inc will be able to pay its debts as and when they fall due.

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

Enzo Sirna
.....
ENZO SIRNA
Chairman

L Dunne
.....
MS LIZA DUNNE
Chief Executive Officer

Dated. ...15.../...3.../2019

Accru+
PERTH

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
AUSTRALIAN ALZHEIMER'S RESEARCH
FOUNDATION INC
ABN: 34 575 647 667**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Australian Alzheimer's Research Foundation Inc (the Foundation), which comprises the Statement of Financial Position as at 31 December 2018, the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by Members of the Committee.

In our opinion, the accompanying financial report of Australian Alzheimer's Research Foundation Inc has been prepared in accordance with Div 60 of the *Australian Charities and Not-for-Profits Commission Act 2012,* including:

(i) giving a true and fair view of the Foundation's financial position as at 31 December 2018 and of its financial performance for the year then ended; and,

(ii) complying with Australian Accounting Standards and 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 the Foundation 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

We draw attention to Note 1 to the financial report, which described the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Committees' financial reporting responsibilities under the Australian Charities and Not-For-Profits Commission Act 2012. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
AUSTRALIAN ALZHEIMER'S RESEARCH
FOUNDATION INC
ABN: 34 575 647 667**

Information Other than the Financial Report and Auditor's Report Thereon

The Committee are responsible for the other information. The other information comprises the information included in the Foundation's annual review for the year ended 31 December 2018, but does not include the financial report and our 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 mis-stated. If, based on the work we have performed, we conclude that there is a material mis-statement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Committee for the Financial Report

The Committee of the Foundation 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* and for such internal control as the Committee determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material mis-statement, whether due to fraud or error.

In preparing the financial report, the Committee are responsible for assessing the Foundation'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 the Committee either intends to liquidate the Foundation or to cease operations, or have no realistic alternative but to do so.

The Committee are responsible for overseeing the Foundation's financial reporting process.

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 mis-statement, 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 mis-statement when it exists. Mis-statements 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.

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

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
AUSTRALIAN ALZHEIMER'S RESEARCH
FOUNDATION INC
ABN: 34 575 647 667**

We also:

- Identify and assess the risks of material mis-statement 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 mis-statement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, mis-representations, 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 the Foundation's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee.

- Conclude on the appropriateness of the Committee'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 the Foundation'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 the Foundation 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 Committee 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.

ACCRU+ PERTH
Chartered Accountants

G R JENNINGS
Partner

Date: 18th March, 2019
West Perth, WA

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AUSTRALIAN ALZHEIMER'S RESEARCH FOUNDATION INC
ABN: 34 575 647 667

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 $	2017 $
Grants		288,370	104,700
Donations		1,628,784	737,899
Fundraising and Events		8,864	13,305
Interest		29,266	35,255
Investment Income		63,108	73,597
Rental Income		55,190	33,920
Sundry Income		21,080	23,900
Research Income		2,850,502	3,266,194
Total Income		4,945,164	4,288,770
Accommodation Expenses		251,657	333,904
Administration		114,776	140,294
Employee Costs		1,484,351	1,496,297
Insurance Expenses		68,991	68,231
Marketing and Communications		70,144	51,590
Research Expenses		1,507,793	1,682,550
Total Expenditure		3,497,712	3,772,866
Current Year Surplus Before Income Tax		1,447,452	515,904
Income Tax Expense	1(e)	-	-
Net Current Year Surplus	2	1,447,452	515,904
Other Comprehensive Income			
Items that may be reclassified subsequently to profit or loss when specific conditions are met			
Gain/(Loss) on Revaluation of Land and Buildings		(400,000)	154,893
Gain on Revaluation of Financial Assets		181,662	74,419
Total Other Comprehensive Income for the Year		(218,338)	229,312
Total Comprehensive Income for the Year		1,229,114	745,216

Please refer to the Statement of Changes in Equity for allocation of net current year surplus and comprehensive income to equity accounts(including retained earnings).

This Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the attached notes.

AUSTRALIAN ALZHEIMER'S RESEARCH FOUNDATION INC
ABN: 34 575 647 667

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	Note	2018 $	2017 $
CURRENT ASSETS			
Cash and Cash Equivalents	3	3,552,946	2,359,011
Trade Receivables		220,021	305,165
Other Assets	4	213,895	187,200
TOTAL CURRENT ASSETS		3,986,862	2,851,376
NON-CURRENT ASSETS			
Property, Plant and Equipment	5	5,454,164	6,032,791
Financial Assets	6	1,687,408	1,555,183
TOTAL NON-CURRENT ASSETS		7,141,572	7,587,974
TOTAL ASSETS		11,128,434	10,439,350
CURRENT LIABILITIES			
Trade and Other Payables	7	298,608	413,054
Unexpended Funds		710,080	1,148,096
Provision for Employee Leave Entitlements	8	53,283	48,081
TOTAL CURRENT LIABILITIES		1,061,971	1,609,231
NON-CURRENT LIABILITIES			
Provision for Employee Leave Entitlements	8	45,981	38,751
TOTAL NON-CURRENT LIABILITIES		45,981	38,751
TOTAL LIABILITIES		1,107,952	1,647,982
NET ASSETS		10,020,482	8,791,368
EQUITY			
Reserves	9	8,873,394	7,958,041
Retained Earnings		1,147,088	833,327
TOTAL EQUITY		10,020,482	8,791,368

This Statement of Financial Position is to be read in conjunction with the attached notes.

AUSTRALIAN ALZHEIMER'S RESEARCH FOUNDATION INC
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Retained Earnings $	Endowment Reserve $	Capital Reserve $	Property Revaluation Reserve $	Share Revaluation Reserve $	Unexpended Funds Reserve $	Pet Scanner Donation Reserve $	NRI Building Reserve $	Total $
Balance at 31 December 2016	**355,392**	**2,000,000**	**2,404,842**	**(465,720)**	**165,304**	**986,334**	**200,000**	**2,400,000**	**8,046,152**
Comprehensive Income									
Profit for the Year	515,904	-	-	-	-	-	-	-	515,904
Other Comprehensive Income for the Year	-	-	-	154,893	74,419	-	-	-	229,312
Total Comprehensive Income for the Year	515,904	-	-	154,893	74,419	-	-	-	745,216
Transfers from Retained Earnings to:									
- Unexpended Funds	(106,015)	-	-	-	-	106,015	-		-
- NRI Building	68,046	-	-	-	-	-	-	(68,046)	-
	(37,969)	-	-	-	-	106,015		(68,046)	-
Balance at 31 December 2017	**833,327**	**2,000,000**	**2,404,842**	**(310,827)**	**239,723**	**1,092,349**	**200,000**	**2,331,954**	**8,791,368**
Balance at 31 December 2017	**833,327**	**2,000,000**	**2,404,842**	**(310,827)**	**239,723**	**1,092,349**	**200,000**	**2,331,954**	**8,791,368**
Comprehensive Income									
Profit for the Year	1,447,452	-	-		-	-	-	-	1,447,452
Other Comprehensive Income for the Year	-	-	-	(400,000)	181,662	-	-	-	(218,338)
Total Comprehensive Income for the Year	1,447,452	-	-	(400,000)	181,662	-	-	-	1,229,114
Transfers from Retained Earnings to:									
- Unexpended Funds	(1,279,237)	-	-	-	-	1,279,237	-		-
- NRI Building	145,546	-	-	-	-	-	-	(145,546)	-
	(1,133,691)	-	-	-	-	1,279,237	-	(145,546)	-
Balance at 31 December 2018	**1,147,088**	**2,000,000**	**2,404,842**	**(710,827)**	**421,385**	**2,371,586**	**200,000**	**2,186,408**	**10,020,482**

This Statement of Changes in Equity is to be read in conjunction with the attached notes.

AUSTRALIAN ALZHEIMER'S RESEARCH FOUNDATION INC
ABN: 34 575 647 667

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 $	2017 $
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from Donations and Fundraising		1,638,252	701,867
Receipts from Research, Grants and Other Income		2,872,159	3,509,970
Receipts from Investment Income (including Interest and Dividends)		114,657	93,575
Payments to Suppliers and Employees		(3,447,432)	(3,475,275)
Net Cash Generated by/(Used In) Operating Activities	**10**	1,177,636	830,137
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for Property, Plant and Equipment		(21,923)	(800,337)
Payment for Investments		(349,545)	(391,853)
Disposal Proceeds from Investments		387,767	231,433
Net Cash Generated by/(Used In) Investing Activities		16,299	(960,757)
NET INCREASE/(DECREASE) IN CASH HELD		1,193,935	(130,620)
Cash on Hand at the Beginning of the Financial Year		2,359,011	2,489,631
CASH ON HAND AT THE END OF THE FINANCIAL YEAR	**3**	3,552,946	2,359,011

This Statement of Cash Flows is to be read in conjunction with the attached notes.

AUSTRALIAN ALZHEIMER'S RESEARCH FOUNDATION INC`
ABN: 34 575 647 667

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Framework

The Board has prepared the financial statements on the basis that the Australian Alzheimer's Research Foundation Inc ("the Foundation") is a non-reporting entity because there are no users who are dependent on its general purpose financial reports. This is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Australian Charities and Not-For-Profits Commission Act 2012. The Foundation 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 Australian Charities and Not-For-Profits Commission Act 2012 and the significant accounting policies disclosed below. Such accounting policies are consistent with the previous period unless stated otherwise.

Statement of Compliance

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Australian Charities and Not-For-Profits Commission Act 2012, the basis of accounting specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards AASB 101: Presentation of Financial Statements, AASB 107: Cash Flow Statements, AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors, AASB 1031: Materiality and AASB 1054: Australian Additional Disclosures.

Basis of Preparation

The financial statements 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.

Accounting Policies

(a) Incorporation and Constitution

The Foundation was incorporated in accordance with the provisions of the Associations Incorporation Act (1987) [Section 91(1)] on 27 January 2000 – Registration No: A1005460A. The Constitution was finalised by way of special resolution and came into effect as from 21 November 2001 – Document No: 954353/15962552. The Rules of the Foundation can be found on the Australian Charities and Not-For-Profits Commission website.

(b) Revenue

Donations and fundraising monies received, by their nature can be recognised only when they are recorded in the books. Such items as donations are brought to account on a cash basis, or, when they are received other than in cash, when ownership passes to the Foundation.

Revenue from services provided is recognised when that service has been provided.

Investment income (interest and dividends) is recognised when received.

AUSTRALIAN ALZHEIMER'S RESEARCH FOUNDATION INC`
ABN: 34 575 647 667

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Policies (Continued)

(b) Revenue (Continued)

Non-reciprocal grant income is recognised in the profit or loss when the entity obtains control of the grant and the economic benefits will flow to the entity.

Reciprocal grant income is recognised in the profit or loss when the program has incurred costs associated with the relevant activities of the program, i.e. the relevant service has been delivered. Reciprocal grant income is recognised in the Statement of Financial Position as a liability until the service has been delivered.

(c) Cash

Cash for the purposes of the Statement of Financial Position and Statement of Cash Flows includes cash on hand, at bank and deposit.

(d) Financial Instruments

Initial Recognition and Measurement

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

Financial instruments are initially measured at fair value plus transaction costs.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value or cost. Where available, quoted prices in an active market are used to determine fair vale. In other circumstances, valuation techniques are adopted.

Fair value is the price the entity would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date. Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determined the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

AUSTRALIAN ALZHEIMER'S RESEARCH FOUNDATION INC`
ABN: 34 575 647 667

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Policies (Continued)

(d) Financial Instruments (Continued)

Classification and Subsequent Measurement (Continued)

[i] 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 cost.

[ii] Available-For-Sale Investments

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available for sale financial assets are classified as current assets.

[iii] Financial Liabilities

Non-derivative financial liabilities are subsequently measure at cost.

Impairment

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

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

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

AUSTRALIAN ALZHEIMER'S RESEARCH FOUNDATION INC`
ABN: 34 575 647 667

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Policies (Continued)

(d) Financial Instruments (Continued)

Derecognition

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

(e) Taxation

The Foundation is registered with the Australian Taxation Office for both Australian Business Number (ABN) and Goods and Services Tax (GST). Registration ABN: 34 575 647 667.

The Foundation is exempt from income tax under the provisions of Sub-Division 50B of the Income Tax Assessment Act 1997 as amended.

As the Foundation is for public benevolent and non-profit making, the Australian Taxation Office allows any donations over $2 as tax deductible. This was by way of endorsement as a Deductible Gift Recipient under Sub-Division 30BA of the Income Tax Assessment Act 1997.

(f) Property, Plant and Equipment

Research equipment, office and computer equipment, furniture and fittings and property improvements are carried at cost, less, where applicable, any accumulated depreciation and impairment losses. The depreciable amount of all fixed assets is depreciated over the useful lives of the assets to the Foundation commencing from the time the asset is held ready for use. Depreciation is calculated on a straight-line basis.

The depreciation rates used for each class of depreciable assets are:

Research Equipment	20% - 37.5%
Office and Computer Equipment	13.5% - 40%
Furniture and Fittings	12.5% - 30%
Property Improvements	2.5% - 20%

The assets 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 value exceeds its estimated recoverable amount.

Freehold land and buildings are carried at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arms length transaction) based on periodic valuations by external independent valuers.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Policies (Continued)

(f) Property, Plant and Equipment (Continued)

Increases in the carrying amount arising on revaluation of land and buildings are taken to a revaluation reserve in equity. A decrease is charged to the revaluation reserve unless the decrease in considered an impairment (impairment is deemed to be a permanent decrease). If the decrease is considered an impairment, the decrease is charged to the Statement of Profit or Loss and Other Comprehensive Income.

(g) Impairment of Assets

At each reporting date, the Board reviews the carrying values of the Foundation assets to determine whether there is any indication that those assets have been impaired. Impairment losses are recognised in the Income Statement.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

(h) Provision for Employee Leave Entitlements

Provision is made for the Foundation's liability for employee benefits arising from services rendered by employees up to balance date. Provisions have been measured at the amounts expected to be paid when the liability is settled including on costs.

Employee benefits expected to be settled within one year (annual leave and long service leave) are recognised as current. All other employee benefits (long service leave) are recognised as non-current.

Long service leave is recognised in the accounts for all employees who have been employed by the Foundation for more than two years at year end. The benefits are undiscounted. Long service leave is considered a current liability where the Foundation does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period.

(i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset, or as a part of an item of expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

AUSTRALIAN ALZHEIMER'S RESEARCH FOUNDATION INC`
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Policies (Continued)

(j) Going Concern

The financial statements have been prepared on a going concern basis. The Foundation is dependent upon continuation of donations, fundraising income and research income, for the pursuit of its objectives.

(k) Trade Receivables

Trade receivables are amounts due from external organisations. All receivables are expected to be collected within 12 months and are classified as current assets.

(l) Accrued Income

Accrued income includes amounts due from external organisations for services provided to year end but for which no invoice has been raised. All accrued income is expected to be invoiced and collected within 12 months.

(m) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Foundation during the reporting period that remain unpaid. All liabilities are expected to be settled within 12 months.

(n) Unexpended Funds

Unexpended funds represents money repayable to the relevant funding body if the funds are not expended in accordance with the specific funding purpose.

During the year all balances not meeting the above criteria were transferred to the Statement of Profit or Loss and Other Comprehensive Income and then to the Unexpended Funds Reserve, if applicable.

(o) Comparative Figures

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Policies (Continued)

(p) Critical Accounting Estimates

The Committee evaluate estimates and judgements incorporated into the financial statements 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 bother externally and within the Foundation.

Key Estimates

[i] Impairment

The Foundation assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Foundation that may be indicative of impairment triggers.

[ii] Property

Property is valued by an independent valuer every 3 years. In the interim years, the Board reviews the property valuation for any indication of impairment.

[iii] Plant and Equipment

As indicated in Note 1(f), the Foundation reviews the useful life of plant and equipment on annual basis.

(q) New Accounting Standards for Application in Future Periods

New Accounting Standards have issued by the AASB that are not yet mandatory to the Foundation, however, will be adopted in future periods. These are discussed below.

- AASB 18: *Leases* (applicable to annual reporting periods beginning on or after 1 January 2019.

  When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: *Leases* and related interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

  The main changes introduced by the new Standard are as follows:

  - Recognition of a right-of-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);

  - Depreciation of right-of-use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Policies (Continued)

(q) New Accounting Standards for Application in Future Periods (Continued)

- Inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;

- Application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and,

- Inclusion of additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AAASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the Board anticipates that the adoption of AASB 16 will impact the Foundation's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 1058: *Income of Not-For-Profit Entities* (applicable to annual reporting periods beginning on or after 1 January 2019).

This Standard is applicable to transactions that do not arise from enforceable contracts with customers involving performance obligations.

The significant accounting requirement of AASB 1058 relevant to the Foundation is as follows:

- Income arising from an excess of the initial carrying amount of an asset over the related contributions by owners, increases in liabilities, decreases in assets and revenue should be immediately recognised in profit or loss. For this purpose, the assets, liabilities and revenue are to be measured in accordance with other applicable Standards. Peppercorn leases will need to be recognised at fair value.

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented in accordance with AASB 108 (subject to certain practical expedients); or recognise the cumulative effect of retrospective application to incomplete contacts on the date of initial application. For this purpose, a completed contact is a contract or transaction for which the entity has recognised all of the income in accordance with AASB 1004: *Contributions.*

Although the Board anticipate that the adoption of AASB 1058 may have an impact on the Foundation's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

		2018 $	2017 $
2.	**NET CURRENT YEAR SURPLUS**		
	Expenses		
	Depreciation and Amortisation	200,551	106,570
	Audit Fees	11,910	10,900
	Rental Expense	53,513	79,884
3.	**CASH AND CASH EQUIVALENTS**		
	General Accounts	1,977,583	1,208,302
	Term Deposits	1,575,000	1,150,000
	Petty Cash	363	709
		3,552,946	2,359,011
4.	**OTHER ASSETS**		
	Prepayments	53,732	69,628
	Accrued Income	129,497	89,141
	Sundry Receivable	30,666	28,431
		213,895	187,200

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

5. PROPERTY, PLANT AND EQUIPMENT		2018 $	2017 $
Land and Buildings			
- Suite 22, Hollywood Medical Centre	(a)	1,170,000	1,170,000
- Unit 2, 142 Stirling Highway	(b)	1,000,000	1,400,000
		2,170,000	2,570,000
Research Equipment (at Cost)		1,168,299	1,161,692
Less: Accumulated Depreciation		(1,155,417)	(1,149,637)
		12,882	12,055
Office and Computer Equipment (at Cost)		184,209	176,544
Less: Accumulated Depreciation		(128,108)	(112,224)
		56,101	64,320
Furniture and Fittings (at Cost)		100,101	92,449
Less: Accumulated Depreciation		(58,730)	(51,961)
		41,371	40,488
Property Improvements (at Cost)	(c)	3,434,255	3,434,255
Less: Accumulated Depreciation		(260,445)	(88,327)
		3,173,810	3,345,928
Total Property, Plant and Equipment		5,454,164	6,032,791

(a) Suite 22, Hollywood Medical Centre was valued at 7/12/2017 by an independent valuer.

(b) Unit 2, 142 Stirling Highway was valued at 16/01/2019 by an independent valuer.

(c) This is the fitout of the areas leased in the Neuroscience Research Institute Building and will be amortised over the lease term of 20 years.

		2018 $	2017 $
6. FINANCIAL ASSETS			
Available-For-Sale Financial Assets			
Morgan Stanley Portfolio Account			
- Investments in Listed Corporations and Trusts		1,480,275	1,555,182
Investment in Listed Corporation	[i]	207,133	-
Investment in Unlisted Corporation (at Cost)		-	1
		1,687,408	1,555,183

[i] These shares are held in escrow to 27 July 2020.

7. TRADE AND OTHER PAYABLES			
Trade Payables		88,321	69,801
Other Payables (Including Accruals)		210,287	343,253
		298,608	413,054

8. PROVISION FOR EMPLOYEE ENTITLEMENTS		
Current		
Annual Leave	53,283	48,081
Non-Current		
Long Service Leave	45,981	38,751

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

9. RESERVES

Endowment Reserve

The Endowment Reserve records specific significant donations received in the formative years of the Foundation.

Capital Reserve

The Capital Reserve records specific significant donations received for the purchase of land and buildings.

Property Revaluation Reserve

The Property Revaluation Reserve records the revaluation of the land and buildings.

Share Revaluation Reserve

The Share Revaluation Reserve records the revaluation of investments.

Unexpended Funds Reserve

The Unexpended Funds Reserve records unspent funds that will be spent on specific projects in the future.

PET Scanner Donation Reserve

The PET Scanner Donation Reserve records the donation received for the PET Scanner jointly purchased by the Foundation and the subsequent proceeds received on disposal of the PET Scanner.

Reserve – NRI Building

$2,400,000 grant from LotteryWest to fund the fitout for the areas to be leased in the Neuroscience Research Institute (NRI) building at QEII Medical Centre. The reserve will be amortised over the lease Term of 20 years.

9. RESERVES (Continued)

	Endowment Reserve $	Capital Reserve $	Property Revaluation Reserve $	Share Revaluation Reserve $	Unexpended Funds Reserve $	Pet Scanner Donation Reserve $	NRI Building Reserve $	Total $
Balance at 31 December 2016	**2,000,000**	**2,404,842**	**(465,720)**	**165,304**	**986,334**	**200,000**	**2,400,000**	**7,690,760**
Gain on Revaluation of Land and Buildings	-	-	154,893	-	-	-	-	154,893
Gain on Revaluation of Investments	-	-	-	74,419	-	-	-	74,419
Transfer from Retained Earnings	-	-	-	-	106,015	-	(68,046)	37,969
Movement for the Year	-	-	154,893	74,419	106,015	-	(68,046)	267,281
Balance at 31 December 2017	**2,000,000**	**2,404,842**	**(310,827)**	**239,723**	**1,092,349**	**200,000**	**2,331,954**	**7,958,041**
Balance at 31 December 2017	**2,000,000**	**2,404,842**	**(310,827)**	**239,723**	**1,092,349**	**200,000**	**2,331,954**	**7,958,041**
Gain/(Loss) on Revaluation of Land and Buildings	-	-	(400,000)	-	-	-	-	(400,000)
Gain on Revaluation of Investments	-	-	-	181,662	-	-	-	181,662
Transfer from Retained Earnings	-	-	-	-	1,279,237	-	(145,546)	1,133,691
Movement for the Year	-	-	(400,000)	181,662	1,279,237	-	(145,546)	915,353
Balance at 31 December 2018	**2,000,000**	**2,404,842**	**(710,827)**	**421,385**	**2,371,586**	**200,000**	**2,186,408**	**8,873,394**

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

10. RECONCILIATION OF CASH FLOW FROM OPERATIONS TO NET CURRENT YEAR SURPLUS

	2018 $	2017 $
Net Current Year Surplus	1,447,452	515,904
Non-Cash Flow in Surplus		
Profit on Sale of Investments	11,214	(17,371)
Depreciation	200,551	106,570
Changes in Assets and Liabilities		
(Increase)/Decrease in Trade Receivables	85,144	293,286
(Increase)/Decrease in Other Assets	(26,695)	(47,602)
Increase/(Decrease) in Trade and Other Payables	(114,446)	217,076
Increase/(Decrease) in Unexpended Funds	(438,016)	(147,348)
Increase/(Decrease) in Employee Entitlements	12,432	(40,378)
Increase/(Decrease) in Borrowings	-	(50,000)
	1,177,636	830,137

11. CONTINGENCIES

The Foundation has no known contingent liabilities or capital commitments at reporting date.

12. EVENTS OCCURRING AFTER BALANCE DATE

There has been no material or significant events subsequent to 31 December 2018 which have materially affected the operations of the financial position of the Foundation.

13. FOUNDATION DETAILS

The principal place of business of the Foundation is:

Ralph & Patricia Sarich Neuroscience Research Institute
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Nedlands WA 6009

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