

**McCUSKER ALZHEIMER'S RESEARCH
FOUNDATION INC**

FINANCIAL REPORT

**FOR THE YEAR ENDING
DECEMBER 31, 2013**

McCUSKER ALZHEIMER'S RESEARCH FOUNDATION INC

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McCUSKER ALZHEIMER'S RESEARCH FOUNDATION INC

BALANCE SHEET

31 December, 2013

	<u>2013</u>	<u>2012</u>
	\$	\$
CURRENT ASSETS		
Cash on Hand	3,601	993
Cash at Bank (Note 2)	2,074,016	2,339,011
Receivables	124,919	119,454
Work in Progress	45,000	-
Other Receivables	22,056	54,205
Investment – Shares at Cost (Note 4)	1,341,346	1,360,853
	-----	-----
TOTAL CURRENT ASSETS	3,610,938	3,874,516
NON CURRENT ASSETS		
Property, Plant & Equipment (Note 3)	3,855,997	3,528,661
Loans - Other	-	95,583
	-----	-----
TOTAL NON-CURRENT ASSETS	3,855,997	3,503,324
	-----	-----
TOTAL ASSETS	7,466,935	7,498,760
CURRENT LIABILITIES		
Trade Creditors & Accruals (Note 5)	566,233	439,795
Unexpended Capital Grant	2,265,405	2,175,713
Other Creditors	9,594	4,629
Provision for Employee Leave Entitlements	36,627	28,004
	-----	-----
TOTAL CURENT LIABILITIES	2,877,859	2,648,141
LONG TERM LIABILITIES		
Provision for Employee Leave Entitlements	33,165	23,171
Loan	50,000	50,000
	-----	-----
TOTAL LONG TERM LIABILITIES	83,165	73,171
	-----	-----
TOTAL LIABILITIES	2,961,024	2,721,312
	-----	-----
NET ASSETS	\$ 4,505,911	\$ 4,777,448
	=====	=====
EQUITY		
Endowment Reserve	2,000,000	2,000,000
Capital Reserve	2,404,841	2,404,841
Retained Earnings	101,070	372,607
	-----	-----
TOTAL EQUITY	\$ 4,505,911	\$ 4,777,448
	=====	=====

McCUSKER ALZHEIMER'S RESEARCH FOUNDATION INC

STATEMENT OF INCOME AND EXPENDITURE

For The Year Ended December 31, 2013

	<u>2013</u> \$	<u>2012</u> \$
Total Income	2,703,994	2,001,469
Total Expenditure	(2,975,531)	(2,454,945)
Net Operating Loss	----- (271,537)	----- (453,476)
Income Tax Expense (Note 1d)	----- -	----- -
Loss From Ordinary Activities After Income Tax Expense	(271,537)	(453,476)
Retained Earnings at Beginning of Year	372,607	826,083
Retained Earnings at 31 December, 2013	----- <u>\$ 101,070</u>	----- <u>\$ 372,607</u>

McCUSKER ALZHEIMER'S RESEARCH FOUNDATION INC

DETAILED PROFIT & LOSS STATEMENT

For The Year Ended 31 December, 2013

	<u>2013</u>	<u>2012</u>
	\$	\$
INCOME		
Conference Registration	-	15,855
Grants	3,035,624	2,144,049
Donations	570,426	1,295,440
Fundraising & Events	68,457	46,422
Lions Club of WA	40,228	79,280
Interest	81,458	97,525
Investment Income	383,060	89,519
Sundry Income	835	9,099
Clinical Trials Income	789,311	399,993
Unexpended Grant Income C/Fwd	(2,265,405)	(2,175,713)
TOTAL INCOME	2,703,994	2,001,469
EXPENSES		
Accounting	33,438	25,093
Audit Fees	3,840	3,600
Advertising & Media	28,905	34,503
Bank Fees	2,878	3,596
Cleaning	11,429	10,934
Computer / Internet Expenses	12,439	25,646
Consulting Fees – Medical	934,725	892,485
Courier & Freight	2,922	720
Depreciation	267,323	135,643
Donations	4,000	-
Equipment Purchases	25,094	-
Fundraising	4,375	17,502
Hire / Lease of Equipment	3,271	12,151
Insurance	51,123	59,036
Investment Management Fees	3,752	-
Legal Fees	22,505	4,992
Medical Procedures & Supplies	300,880	56,776
Office Equipment & Expenses	24,843	12,443
Patient Amenities & Travel Reimbursement	21,536	43,997
Postage, Printing & Stationery	64,992	62,544
Professional Services	25,125	141,936
Rates, Strata Fees & Land Tax	14,358	14,762
Rent & Outgoings	72,507	32,256
Repairs & Maintenance	25,342	11,863
Research	79,761	28,702
Salaries & Wages	788,832	559,112
Scholarships	6,300	30,620
Security	7,237	-
Staff Amenities	6,400	9,007
Staff Training	1,617	9,440

McCUSKER ALZHEIMER'S RESEARCH FOUNDATION INC

DETAILED PROFIT & LOSS STATEMENT

For The Year Ended 31 December, 2013

	<u>2013</u>	<u>2012</u>
	\$	\$
Subscriptions	4,096	-
Superannuation	70,630	59,547
Sundry Expenses	3,621	15,272
Telephone	23,519	16,560
Travel & Accommodation	2,263	102,720
Utilities – Electricity & Water Charges	19,647	18,487
	-----	-----
TOTAL EXPENSES	2,975,531	2,454,945
	-----	-----
OPERATING LOSS	(\$ 271,537)	(\$ 453,476)
	=====	=====

McCUSKER ALZHEIMER'S RESEARCH FOUNDATION INC

Notes To and Forming Part of the Financial Statements For The Year Ended 31 December, 2013

1. Statement of Significant Accounting Policies

The Board has prepared the financial statements on the basis that the McCusker Foundation for Alzheimer's Disease Research Inc (the "Foundation") is a non-reporting entity because there are no users who are dependant on its general purpose financial reports. This is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the *Associations Incorporation Act WA (1987)*.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Associations Incorporation Act (1987)* and the significant accounting policies disclosed below, which the Board have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of the financial report are as follows :

(a) Incorporation and Constitution

The Foundation was incorporated in accordance with the provisions of the Associations Incorporation Act 1987 (section 9(1) on January 27, 2000.).Registration No A1005460A. The Constitution was finalised by way of special resolution and came into effect as from November 21, 2001- Document No 954353/15962552.

(b) Donations and Fundraising Income

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 where they are received other than in cash, when ownership passes to the Foundation.

(c) Cash

Cash for the purposes of the Balance Sheet includes cash on hand, at bank and deposit.

(d) Taxation

The Foundation is registered with the Australian Taxation Office (ATO) 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 provision of sub-division 50.B of the Income Tax Assessment Act 1997 as amended.

As the Foundation is for public benevolent and non-profit making the ATO allows any donations over \$2.00 as tax deductible. This was by way of endorsement as a Deductible Gift Recipient (DGR) under subdivision 30.BA of the Income Tax Assessment Act 1907.

McCUSKER ALZHEIMER'S RESEARCH FOUNDATION INC

Notes To and Forming Part of the Financial Statements For The Year Ended 31 December, 2013 (continued)

(e) **Non Current Assets and Depreciation**

Office equipment is carried at cost, less, where applicable, any accumulated depreciation. The depreciable amount of all fixed assets is depreciated over the useful lives of the assets to the Association commencing from the time the asset is held ready for use.

All assets are depreciated over their useful lives to the Foundation commencing from the time the asset is held ready for use.

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

Class of Fixed Asset	Depreciation Rate
Equipment	20%
Computer Equipment	30%

(f) **Impairment of Assets**

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

(g) **Employee Benefits**

Provision is made for the Foundation's liability for employee benefits arising from services rendered by employees up to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages, salaries and annual leave which may be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on costs.

Contributions are made by the Foundation to an employee superannuation fund and are charged as expenses when incurred.

(h) **Goods & 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.

(i) **Going Concern**

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

McCUSKER ALZHEIMER'S RESEARCH FOUNDATION INC

**Notes To and Forming Part of the Financial Statements For The Year Ended
31 December, 2013 (continued)**

	<u>2013</u>	<u>2012</u>
	<u>\$</u>	<u>\$</u>
2. Cash at Bank		
Business Cheque Accounts		
- Commonwealth - Admin	340,405	297,363
- Commonwealth - Grants	169,365	701,504
- NAB	31	15,564
- NAB Clinical Trials	61,011	61,792
- NAB Other	28	121
- Other	3,176	151
Term Deposits		
- Commonwealth Bank	1,150,000	409,890
- Macquarie	350,000	852,626
	-----	-----
	\$ 2,074,016	\$ 2,339,011
	=====	=====
3. Plant and Equipment		
Land & Buildings at Cost		
- Suite 22, Hollywood Medical Centre	1,015,107	1,015,107
- Unit 2, 142 Stirling Highway	1,865,720	1,865,720
	-----	-----
	2,880,827	2,880,827
	-----	-----
Research Equipment at Cost	1,897,831	1,309,348
<u>Less</u> Accumulated Depreciation	(961,847)	(697,869)
	-----	-----
	935,984	611,479
	-----	-----
Office & Computer Equipment at Cost	45,075	59,065
<u>Less</u> Accumulated Depreciation	(33,118)	(32,702)
	-----	-----
	11,957	26,363
	-----	-----
Furniture and Fittings at Cost	40,724	18,782
<u>Less</u> Accumulated Depreciation	(13,495)	(8,759)
	-----	-----
	27,229	9,993
	-----	-----
	\$ 3,855,997	\$ 3,528,661
	=====	=====

McCUSKER ALZHEIMER'S RESEARCH FOUNDATION INC

Notes To and Forming Part of the Financial Statements For The Year Ended 31 December,
2013 (continued)

4. Investments	<u>2013</u>	<u>2012</u>
	\$	\$
Morgan Stanley Portfolio Account - Investment in listed Shares and Trusts at cost	\$ 1,341,346	\$ 1,360,853
	<u>=====</u>	<u>=====</u>
The market value of investments held at 31 December, 2013 was \$1,499,569		
The market value of investments held at 21 March, 2014 was \$1,480,281		
 5. Payables		
Current		
Creditors	546,544	426,595
Accruals	19,689	13,200
Unexpended Capital Grant	2,265,405	2,175,713
Aust Taxation Office - PAYG Withholding	9,594	4,629
Employee Holiday Pay Provision	36,627	28,004
	<u>-----</u>	<u>-----</u>
	\$ 2,877,859	\$ 2,648,141
	<u>=====</u>	<u>=====</u>
Non Current		
Loan – Unsecured, Non Interest Bearing	50,000	50,000
Employee Long Service Leave Provision	33,165	23,171
	<u>-----</u>	<u>-----</u>
	\$ 83,165	\$ 73,171
	<u>=====</u>	<u>=====</u>

6. Contingencies

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

7. Events Occurring After Balance Date

There has been no material or significant events subsequent to 31 December, 2013 which have materially affected the operations or the financial position of the Foundation.

K.WESTAWAY & ASSOCIATES
ACCOUNTING, TAXATION & BUSINESS SERVICES
REGISTERED COMPANY AUDITOR

INDEPENDENT AUDIT REPORT

TO THE MEMBERS OF THE

McCUSKER ALZHEIMER'S RESEARCH FOUNDATION INC.

Report on the Financial Report

I have audited the accompanying financial report, being a special purpose financial report, of the McCusker Alzheimer's Research Foundation Inc. ("the Foundation") which comprises the balance sheet as at 31 December, 2013, the income statement, and detailed income & expenditure statement for the year then ended, a summary of significant accounting policies, other explanatory notes and the statement by members of the committee.

Committee's Responsibility for the Financial Report

The committee of the Foundation is responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the *Associations Incorporation Act (WA) 1987*, and are appropriate to meet the needs of the members. The committee's responsibilities also include designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the trustees, as well as evaluating the overall presentation of the financial report.


The financial report has been prepared for distribution to members for the purpose of fulfilling the committee's financial reporting obligations under the *Associations Incorporation Act (WA) 1987*. I disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than for which it was prepared.

The audit opinion expressed in this report has been formed on the above basis. I believe the audit evidence I have obtained during the conduct of my audit is sufficient and appropriate to provide a basis for my audit opinion.

Auditor's Opinion

In my opinion, the attached financial report presents fairly, in all material respects the financial position of the McCusker Alzheimer's Research Foundation Inc as at 31 December, 2013 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

Dated this 8th April, 2014



**KELVIN WESTAWAY
PRINCIPAL**

**K WESTAWAY & ASSOCIATES
REGISTERED COMPANY AUDITOR**

McCUSKER ALZHEIMER'S RESEARCH FOUNDATION INC

STATEMENT BY MEMBERS OF THE COMMITTEE

The Committee has determined that the Foundation 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:

- (a) Presents a true and fair view of the financial position of the McCusker Alzheimer's Research Foundation Inc. at 31 December, 2013 and its performance for the year ended on that date; and
- (b) At the date of this statement there are reasonable grounds to believe that the McCusker 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 Board by:



Enzo Sirna
Chairman



Jenny Gill
Executive Manager

Dated : 8th April, 2014