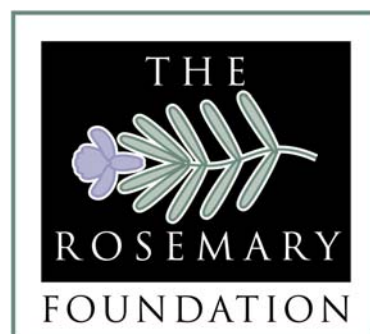

The Rosemary Foundation for Memory Support Inc



Annual Report

2005-2006





Royal Visitor

In November 2005 Her Royal Highness, Queen Silvia of Sweden visited Alzheimer's Australia SA Inc and officially opened the newly created sensory garden and named it 'The Rosemary Garden'.

Queen Silvia also met Mem Fox, author of the book *Wilfrid Gordon McDonald Partridge*, and students from Fulham Gardens Primary School and Orroroo Area School, prize-winners in the Wilfrid Gordon McDonald Partridge Scholarship. Prize money for this scholarship is provided by the Rosemary Foundation.

The Association presented Her Majesty with a beautiful brooch created from silver and Australian amethysts, to represent a sprig of Rosemary.





Patron



Her Excellency, Marjorie Jackson-Nelson, AC, CVO, MBE
Governor of South Australia

The Board



Back: Patsy Bennett, Alan Nankivell, Keith Langley, Prof John McKellar ED, John Haigh,
Seated: Jane Hecker, Hon Ian Wilson AM, Felicity Gunner OAM. **Absent:** Joan Lyons



CHAIRMAN'S REPORT

Again it is with pleasure that I report on the performance of the Rosemary Foundation for Memory Support Inc. This time for the year ended 30th June 2006.

As I have said in previous years what was a **dream** in 1998 is gradually becoming a more and more significant **reality**.

The dream was that a capital fund be raised and invested to generate income which would be spent as to about half on research into Alzheimers and related memory disorders and the balance on programs to assist those with memory disorders and those caring for them.

The reality is that the Foundation has up to now received nearly \$2.34 million from bequests and donations and event fundraising efforts and holds an additional \$.29 million of accumulated investment income, a total of \$2.63million. When you add \$.57million from asset revaluations the total value of funds of the Foundation as at 30th June, 2006 amounted to nearly \$3.20 million.

In light of the fact that the Foundation in the year 2005/2006 anticipated that its investment income for that year would be of the order of \$150,000 the Foundation invited Alzheimers Association SA to submit applications for funding to the extent of no more than a total of \$150,000 for projects consistent with the objects of the Foundation as set out in its Constitution. The Foundation indicated that program funding in respect of which commitments had earlier been made would be funded out of the accumulation of income up to 30th June, 2005. This policy will continue until these commitments have been discharged.

In response to this invitation the Association sought funding for:

New one year commitments

- \$100,000 to assist in the establishment of DEaTIA (Dementia Educational Training Institute of Australia) established by Alzheimer's Association SA Incorporated
- The remaining \$50,000 to be reserved for projects to be determined after 30th June, 2006, one of which has since that date been approved, namely \$10,000 for the preparation of a Business Plan in relation to the land adjoining the Association's current premises.

Prior year commitments

- **Contribution to Alzheimer's Australia Research Limited**
- **Jack Loader Scholarship**

The Foundation hopes that as a result of general increases in its investment income and, in particular, the increase which will be brought about by the investment of bequests received in 2005/2006 the Foundation will, during 2006/2007, be able to again invite the Association in respect of 2007/2008 to submit applications for funding consistent with the Foundation's objectives totalling \$150,000 and possibly a higher amount.

The Foundation is grateful to the Association for the bequests received by it which in accordance with the Memorandum of Understanding between it and the Foundation it has passed on to the Foundation.



The Foundation again acknowledges the generosity of all those who have given to it whether by way of bequest or donation direct to the Foundation or through the Association. The most significant bequest received during the year was one of approximately \$100,000 from the estate of the late Valentine Mung Muuga deceased, a migrant to Australia from Estonia.

The Foundation's aim is to appropriately continue to acknowledge the generosity of those who, directly or indirectly have helped the Foundation towards realising its dream. In accordance with this it has established a B. Mooney Fund and is in the process of establishing a V. Mung Muuga Fund.

The Foundation continues to be honoured to have Her Excellency Marjorie Jackson Nelson AC, CVO, MBE, Governor of South Australia, as its patron and thanks her for her continuing interest in and support of the Foundation's activities.

Alan Nankivell as Executive Officer of the Alzheimer's Association SA Incorporated, was from its inception in February, 1998 a member of the Board of the Foundation. He retired as Executive Office of the Association after 17 years outstanding service to it and nearly 8 years service to the Foundation. He was a great supporter of its establishment as an independent capital raising organisation whose investment income could be used to support a cause in which he was so passionately involved. I am sure it is the hope of all members of its Board that the Rosemary Foundation will be able to help the Association (and here I use Alan's own words) "to expand its sphere of influence through different mechanisms, through the establishment of new programs, and networks which are recognised as important in the broader community" ... and that through ... "the advocacy role ... provide leadership in addressing the needs and expectations of people with dementia and their families so that they can achieve their full potential as individuals".

From early 2001 Brian Nankivell was the appointee on the Board of Alzheimer's Association SA. During the year he resigned from the Board of the Alzheimer's Association and as a result from the Board of the Foundation. On behalf of the Foundation I thank him for his contribution to the work of the Foundation. I acknowledge in particular the substantial contributions of one kind or another received by the Foundation from the Association whilst he was Treasurer.

Though occurring after the 30th June, 2006 I take this opportunity of thanking most sincerely Felicity Gunner, another founding member of the Foundation's Board. She has informed me that she will not be nominating for a further term on the Board. I acknowledge the great service and contribution she has made not only to the Foundation but also for the pivotal role she played in the development and growth of the Association. But for her leadership we would not be here in this room and the Association would not have had the use of these premises over the last 10 years.

In conclusion I also thank all other members who served on the Board during 2005/2006, including the Association's new Executive Officer, Kathryn Cunningham who we look forward to working with in the years ahead.

THE HON. IAN WILSON AM
Chairman



TREASURER'S REPORT AS AT 30TH JUNE 2006

I am pleased to present the Financial Statements for the year ended 30th June 2006 and report that the Rosemary Foundation has had another very satisfactory year.

The Foundation received income from donations and bequest totalling \$134,859 (compared to 288,316 for the previous year).

We also received income from investments including interest and franking credits totalling \$177,860 compared to \$148,790 last year.

Our general expenditure totalled \$1,623 (\$22,234 in 2004/2005).

In addition, the Foundation was able to make grants and donations totalling \$185,000 and fund the Jack Loader Scholarship of \$20,000 for the year.

The Foundation achieved an operating surplus of \$129,697. This increased the total funds held by the Foundation to \$2,628,228 compared to \$2,498,531 as at the 30th June last year.

The asset allocation of the Foundation as at the 30th June 2006 was:-

2005		2006
%		%
17.5	Listed Fixed Interest Securities	16.3
33.3	Ordinary Shares	45.0
9.8	Listed Investment Companies	12.5
<u>10.3</u>	Listed Property Trusts	<u>10.2</u>
70.9	Total of Long Term Investments	84.0
7.7	Short Term Cash Deposits	8.0
21.4	Fixed Term Deposit	8.0
<u>100.0</u>		<u>100.0</u>

The Foundation Committee is continuing to implement an agreed asset allocation for investing our funds in an effort to maximise our income, while at the same time achieving long-term growth in our asset values.

This will enable us to continue to support worthwhile initiatives to advance the objectives of the Rosemary Foundation and Alzheimer's Australia SA Inc.

KEITH LANGLEY, F.S.I.A. F.A.I.C.D. Treasurer

1st November 2006

**THE ROSEMARY FOUNDATION FOR MEMORY SUPPORT INC****BALANCE SHEET AS AT 30 JUNE 2006**

	Note	2006 \$	2005 \$
CURRENT ASSETS			
Cash		515,979	825,240
Prepayments		13,192	-
Receivables	2	51,497	56,361
TOTAL CURRENT ASSETS		580,668	881,601
NON-CURRENT ASSETS			
Investments	3	2,720,423	2,010,342
TOTAL NON-CURRENT ASSETS		2,720,423	2,010,342
TOTAL ASSETS		3,301,091	2,891,943
CURRENT LIABILITIES			
Creditors & accruals	4	71,684	4,996
TOTAL CURRENT LIABILITIES		71,684	4,996
NON-CURRENT LIABILITIES			
Loader Scholarship		20,000	-
AARL Scholarship		15,000	-
TOTAL NON-CURRENT LIABILITIES		35,000	-
TOTAL LIABILITIES		106,684	4,996
NET ASSETS		3,194,407	2,886,947
MEMBERS' FUNDS			
Asset Revaluation Reserve	1(b)	566,179	388,416
Accumulated surplus – Bequests and Donations	1(c)	2,337,402	2,498,531
Accumulated surplus – Investment Returns	1(c)	290,826	-
TOTAL MEMBERS' FUNDS		3,194,407	2,886,947



THE ROSEMARY FOUNDATION FOR MEMORY SUPPORT INC

**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006**

	Note	2006	2005
REVENUE			
Donations & Bequests		134,859	288,316
Donations - Alzheimer's		-	750,000
Promotional Events		1,388	20,714
Interest, Dividends and Franking Credits		177,860	148,790
Profit/(Loss) on Share Disposals		2,213	27,193
		<u>316,320</u>	<u>1,235,013</u>
EXPENDITURE			
General Expense		-	-
Audit Expense		1,325	1,341
Bank charges & Merchant Fees		298	553
Publicity & Promotion		-	6,498
Legal & Accounting		-	1,360
Fundraising Expenses		-	12,482
		<u>1,623</u>	<u>22,234</u>
OTHER EXPENSES			
Grants/Donations		150,000	17,373
AARL Scholarship		15,000	-
Jack Loader Scholarship		20,000	20,000
		<u>185,000</u>	<u>37,373</u>
Surplus/(Deficit)		<u>129,697</u>	<u>1,175,406</u>
 ACCUMULATED SURPLUS AT THE BEGINNING OF THE FINANCIAL YEAR			
		<u>2,498,531</u>	<u>1,323,125</u>
 ACCUMULATED SURPLUS AT THE END OF THE FINANCIAL YEAR			
		<u>2,628,228</u>	<u>2,498,531</u>



INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE ROSEMARY FOUNDATION FOR MEMORY SUPPORT INC.

Scope

The Financial Report and Directors Responsibility

The financial report includes the financial statements of the company. The company's directors are responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the company.

We have audited the attached financial report, being a general purpose financial report, of The Rosemary Foundation for Memory Support Inc for the year ended 30th June 2006 (attached).

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with our understanding of the company's financial position, and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional and ethical pronouncements and the Corporations Act 2001. In accordance with ASIC Class Order 05/83, we declare to the best of our knowledge and belief that there have been:

no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of The Rosemary Foundation for Memory Support Inc and the entities it controlled during the period.

Qualification

Completeness of Fundraising Activities

Funds received from fundraising activities are a significant source of revenue for the organisation. Due to the nature of the operations of this type of organisation, it is impracticable to establish controls over the collection of fundraising proceeds and other donations that may be received by the organisation prior to their entry into its financial records. Accordingly, as the evidence available to us regarding revenue from these sources was limited, our audit procedures with respect to fundraising proceeds and other donations was restricted to the amounts recorded in the financial records.

We therefore are unable to express an opinion whether the fundraising proceeds and other donations that may be received by the organisation during the year ended 30 June 2006 are complete.

Treatment of Revenue from Share Buy-Backs

AASB 118 requires Gains and Revenue to be shown separately on the income statement. In the year ended 30 June 2006, The Rosemary Foundation for Memory Support Inc partook in a number of share buyback schemes offered by the companies in which it held shares. These schemes aim to attract investors by offering a relatively small capital component and a large dividend which, in some circumstances, may offer tax advantages to investors. Although the capital component and the dividend



component were offered jointly in return for the capital held by the Rosemary Foundation for Memory Support Inc, AASB 118 requires them to be treated as separate transactions – one which is revenue in nature and one which is capital in nature. In the attached financial statements, both transactions have been treated as capital in nature, as the Board feels that this more accurately portrays the events.

In our opinion, dividends resulting from these share buybacks have not been treated in accordance with AASB 118. As a result, revenue from investments is understated by \$90,243 and Profit/(Loss) on Share Disposals is overstated by \$90,243.

Note that this accounting treatment has also been effected in the year ended 30 June 2005 and as a result, revenue from investments is understated by \$118,145 and Profit/(Loss) on Share Disposals is overstated by \$118,145.

Audit Opinion

In our opinion, subject to our qualification above, the financial report of The Rosemary Foundation for Memory Support Inc, is in accordance with:

the Corporations Act 2001, including:
giving a true and fair view of the company's financial position as at 30th June 2006 and of its performance for the year ended on that date; and
complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
other mandatory professional reporting requirements in Australia.

We also report that, subject to our qualification above:

the financial report shows a true and fair view of the financial result of fundraising appeals conducted during the year;
the accounting and associated records have been properly kept during the year in accordance with the Collections for Charitable Purposes Act 1939 and the Regulations;
money received as a result of fundraising appeals conducted during the year has been properly accounted for and applied in accordance with the Collections for Charitable Purposes Act 1939 and the Regulations; and
at the date of this report, there are reasonable grounds to believe that the organisation will be able to pay its debts as and when they fall due.

The audit opinion expressed in this report has been formed on the above basis.

BRAY CHAN Chartered Accountants

Richard Bray FCA

**Date: 26 September 2006
225 Fullarton Road
EASTWOOD SA 5063**

WILFRID GORDON MCDONALD PARTRIDGE SCHOLARSHIP

In May 2003, Alzheimer's Australia SA Inc the Wilfrid Gordon McDonald Partridge Scholarship as a new and exciting opportunity for primary and high school students to participate in a scholarship that would assist community awareness of memory loss. The Rosemary Foundation for Memory Support Inc supported this project by providing funds for the Scholarship.

The purpose of the Scholarship is to encourage young people to identify with the issues of memory loss in people in later life, provide opportunities for younger people to enhance the life of an older person with memory loss through scholarship activities and to draw public attention to the contribution of younger people in their support of others in the community.

Once again this year the response from schools was most rewarding and culminated in finalists being invited to Government House where Her Excellency, Marjorie Jackson-Nelson AC, CVO, MBE, hosted a reception to present the prize.



Bequests:

W Beale

E Catchpole

Luigi Corbo

William H Davies

Monica M Fairlie

Frank Devalera Flaherty

Erena A (Terry) Howell

Constance E Hutton

Kevin Jolly

William P Joyner

Ivan O Knutsen

Jack B Loader

May J H Looney

B J Mooney

Valentine Mung Muuga

Nancy Penhale

Margaret C Robbins

Victor O Rogers

William Spring

Graham Vincent



The Rosemary Foundation for Memory Support Inc
27 Conyngham Street, Glenside SA 5065
Phone: 8372 2100
Fax: 8338 3390
Email: foundation@alzheimerssa.asn.au
www.rosemaryfoundation.org.au