



Abbeyfield Australia Ltd

Annual Report

2012 / 2013

Abbeyfield Australia Limited
All post to: PO Box 1293 Collingwood VIC 3066
Tel: (03) 9419 8222 Fax: (03) 9419 8575
Email: admin@abbeyfield.org.au Web: www.abbeyfield.org.au
ABN 91 005 954 905 ACN 005 954 905
Registered office: 385 Hawthorn Road, Caulfield VIC 3162

Vision and mission

About Abbeyfield

Abbeyfield provides affordable housing for older people and people with disabilities who wish to live independently within a supportive environment.

Abbeyfield Australia is the peak body representing and supporting local Abbeyfield societies. We are committed to the development of sustainable community-based housing.

Our vision

For people to have the choice of living in Abbeyfield housing which supports their independence and life choices.

Our mission

To ensure the sustainability and development of Abbeyfield housing.

Abbeyfield Australia's role

Abbeyfield Australia's role is to:

- Work strategically with governments at all levels, with local communities, and with other stakeholders to promote and grow the Abbeyfield model
- Provide support to local groups who aspire to initiate, develop and manage houses using the Abbeyfield model
- Develop policies and guidelines to support existing Abbeyfield societies
- Provide specialist advice and services regarding legal, financial, regulatory, and organisational management issues to Abbeyfield societies
- Ensure legal, regulatory, and fiduciary compliance, responsibility and best practice within Abbeyfield Australia as well as across all Abbeyfield societies to protect organisational viability and foster better outcomes for people who live in Abbeyfield houses
- Organise forums and meetings to share ideas and promote ongoing learning.

Abbeyfield's principles for local societies

Abbeyfield's principles for local Abbeyfield societies are:

- Abbeyfield houses provide appropriate, affordable group housing for people who seek companionship and support in the community in which they live
- Houses are planned, designed and furnished to ensure a comfortable environment which provides privacy and security
- Houses are established and operated by local community-based societies that are responsible for the day to day operation of the house and the wellbeing of the residents and staff
- Residents participate in the management of their houses, and in the decision making
- Residents are independent, have control over their own lives, and are provided with the information and assistance needed to retain their independence and freedom
- Residents, staff and volunteers acknowledge the necessity of maintaining an appropriate balance between the rights and responsibilities of individual residents and the rights and responsibilities of the all residents in an Abbeyfield house
- Residents are free to enjoy their own independent relationships with family and friends, and their own social, cultural, religious and leisure activities
- Abbeyfield uses effective and appropriate management practices in relation to its administration, communication and human resources.

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Chairman's Report

It is my pleasure on behalf of the Board to present this the 2012 / 2013 Annual Report. In doing so I recognise Gay Gardner, who was your Chairman for the first five months of the year. At the AGM in November 2012 Gay closed the chapter on twelve years of service as Chairman of Abbeyfield Australia and I formally acknowledge her outstanding contribution to the organisation.

Development new Abbeyfield Houses

The recent growth of Abbeyfield in Australia, particularly in relation to disability houses has continued during the past year with the official opening of the Goulburn Abbeyfield House on 27 June 2012 and commencement of the construction of the Narrabri Abbeyfield House. In late June 2013 we received a grant of \$1.5M from the New South Wales department of Ageing Disability and Home Care (ADHC) being almost half the estimated development cost of a second house in Wagga Wagga.

In undertaking these developments we have placed additional duties on the Abbeyfield Australia staff with the need to maintain control over all aspects of the construction while establishing the necessary committees and support structures for the management of the new houses once occupied. The staff have been assisted in this process by the Liaison Directors and our Life Member and architectural advisor Mr Peter Reed.

National operating structure

The Financial Statements and Audit report reflect the trading activities of Abbeyfield Australia Ltd, the parent body for Abbeyfield in Australia. If a consolidated report of the entire Abbeyfield operation in Australia were presented it would disclose an organisation with a turnover of some \$12m, and net assets exceeding \$70m and providing community housing and aged care accommodation to over 400 persons. However because of the operational structure adopted in Australia, all Abbeyfield houses and hostels are operated by separately incorporated local Abbeyfield Societies which report as independent single entities.

It is pleasing to report that the Annual Financial Statement for the 2012 / 2013 financial year has been prepared by our staff with support and assistance from the Finance and Audit Subcommittee. This is another development in making the organisation self-reliant.

Abbeyfield Houses for older people

The 23 Abbeyfield Houses for older people which are spread across South Australia, Victoria, Tasmania, the Australian Capital Territory, New South Wales and Queensland have continued to provide safe, secure, supportive housing to our residents. With the houses normally providing accommodation for ten residents we have achieved an occupancy rate of almost 90 per cent which ensures that most of the houses remain financially viable.

Unfortunately some houses have experienced difficulties because of;

- 1) low resident numbers,
- 2) residents who have reached that stage in life where a level of care is required which exceeds what an Abbeyfield House is able to provide, and
- 3) issues surrounding the ability to attract sufficient volunteers to maintain an effective Local Society to manage the house.

The contributions of the volunteers who provide the management of each Abbeyfield House and hostel are a vital aspect in the success of the Abbeyfield movement in Australia. Our Abbeyfield volunteers effectively operate small businesses with very substantial turnovers, ensure all aspects of maintenance for a large house or hostel are attended too, employ and supervise the necessary staff, and provide support to the residents of each house.

On behalf of the Abbeyfield Australia Board I extend our thanks for the outstanding work that has been achieved by our volunteers.

Since the early 1990's Abbeyfield Australia has issued all Local Societies with an operating manual, colloquially known as "The Blue Book". This document has served the organisation well for many years but with changing regulations and requirements it has been rewritten and issued to the House as the Abbeyfield House Management Manual. The previous Manual was in use, almost unchanged for over a decade but with the continuing demands of society and regulators it is now expected that we will need to adopt a policy of ongoing revision to ensure that we conform to the ever increasing rules and regulations.

Abbeyfield Houses for people with an intellectual disability

Over the past eight years Abbeyfield Australia has slightly modified the operating model to provide housing for adults with mild intellectual disabilities. Local Societies are currently operating such houses in Curtin ACT, Marion S.A, and Goulburn in NSW. A fourth house is under construction at Narrabri in northern NSW.

This model conforms to the ideals of the Abbeyfield founder, Richard Carr Gomm, and has been recognised by governments as an excellent means of addressing the needs of these residents whilst providing peace of mind to their often ageing parents. Indications are that this variation on the Abbeyfield House model will continue to develop as an integral part of our organisation.

Hostels

Within the Abbeyfield family in Australia we have three hostels. The hostel at Williamstown (SA) was initially established as traditional ten resident Abbeyfield Houses but demand for accommodation for older persons resulted in the house being reconfigured and a portion of the house registered as a Hostel under Commonwealth Aged Care Legislation.

The Mortlake hostel was partially funded by the Federal Government and local shire as a pilot project to test the viability of small rural hostels

At Charingfield, in Sydney, we are involved in a joint venture with the Christian Brothers in the operation of the third hostel within the family.

With the aged care facilities requiring registration under Commonwealth legislation our involvement with the operations at the three hostels is limited.

As our relationship with the Abbeyfield Society in the United Kingdom is clarified I would hope that we can link the Hostels into the Webinar training scheme that is conducted in the UK for the many hostels that they operate.

Abbeyfield international affiliations

Abbeyfield Australia has operated, since its inception, as an independent member of the Abbeyfield International Community. However at the International Conference in Milan in 2012 it was recognised that Abbeyfield International could not continue to operate as a viable organisation and its operations were merged into the large UK based 'The Abbeyfield Society' (TAS).

At that time our representatives were assured that, so long as the Australian organisation continued to conform that there would be no change in the relationship between us and the parent body.

This has not proved to be the case and your Board has received a number of instructions in relation to our activities based on the vision of the organisation as perceived by the current TAS Board. The Australian Board have advised that as an autonomous organisation for over 30 years the organisation in Australia has maintained the principles of the society, will continue to maintain the principles but that its first responsibility is to conform to Australian laws , regulations and conditions.

Abbeyfield Australia Board meetings

As detailed in the financial documents the Board has met on seven occasions during the year with meetings being held in Melbourne. Our experience has been that by conducting Sub Committee

and Board meetings on the one day we are able to benefit from the improved communications of in person meetings, and by not involving accommodation expenses are able to do so at a cost which is comparable with teleconferences. However we are continually exploring alternative means of transacting business to achieve the maximum benefits at minimum of cost.

Board subcommittees

During the year the Board has relied on three sub committees to undertake much of the preliminary work on proposals so as to ensure that fully researched and developed proposal are submitted to the Board for consideration.

The Board's subcommittees are the:

- Finance and Audit Subcommittee which has ensured that the Board has Monthly financial management reporting, has establish the Abbeyfield Australia Investment Fund, a Policy for its ongoing management, continued a review of all assets of the organisation and as previously mentioned supervised the process for preparation of the Annual Financial Statement by our own staff
- Communications Subcommittee which drafted the Mission and Values Statement, assisted the CEO with updating and maintenance of the website, written and designed a brochure, and worked towards a series of fund raising and promotional events
- Governance Subcommittee, which prepared and reviewed policies for consideration and adoption by the Board. In undertaking a detailed examination of papers in draft form the subcommittee is able to substantially reduce the time involved when they are submitted to the Board for adoption.

The working of the subcommittees has greatly increased the level of input by the volunteer directors and provided addition time for the CEO and staff to concentrate on other matters.

Board members

In the year under review the Board has been comprised of ten Directors with representation from each State and territory in which we operate with the exception of Queensland.

All Directors have made a contribution to the organisation and on your behalf I thank them for their commitment to the organisation and its objectives.

Staff

Our staff, CEO Chris Reside, Admin and Member Support Officer Libby Heath, and Financial Controller, Robert Spralja have continued to provide the management and support services that are essential for the organisation. I thank them for their efforts and look forward to the time when we can provide the facilities and staff numbers to fully achieve our aims and objectives.

The year has seen many changes but I believe we have injected some new vigour into the organisation, which if sustained, will in the next few years produce a stronger and more vibrant Abbeyfield society in Australia.

Yours sincerely,



David Kay
Chairman

Treasurer's Report

The Company's Financial Statements give members and other stakeholders a transparent view of Abbeyfield Australia's financial position. We continue to pursue reporting that differentiates between the Company's core operational activities and the funds and assets that we hold in trust on behalf of other entities (predominantly State and Local Governments.)

The Income Statement (Page 27 of 54) shows a surplus for the year of \$204,590. This surplus has been driven by two significant items:

- Donations \$235,764
- Project Management Fees \$56,498

The donations include a sum of \$179,710 that was received from the Abbeyfield Australia Goulburn Society Inc and was effectively invested in construction costs for the Goulburn Abbeyfield House. While showing as Income for the 2012/13 year, these funds are also reflected in an equity share in the Goulburn Abbeyfield House (shown in the Balance Sheet). Also included this year is a very generous \$20,000 donation from a single benefactor that is unlikely to be repeated.

The project management fee is the income earned by us during the construction phase of the Narrabri Abbeyfield House. While being brought to account in the 2011/12 and 2012/13 financial years, this project management fee truly reflects the reward for the many hours of the CEO's time as well as other resources consumed during the past four to five years.


During the year the Board developed and adopted an Investment Policy and commenced investing in the *Abbeyfield Australia Investment Fund*. An amount of \$211,000 was appropriated to the Investment Fund during the year and at Balance Date the Fund had a value of \$210,285. This represents a small diminution of value which has been bought to account. The Board is committed to the growth of the prudently managed *Abbeyfield Australia Investment Fund* as an important vehicle in securing the long term future of the organisation.

It is worth noting that without these significant income items our surplus is more than quickly eroded. The Board understands this and continues to review the way in which Abbeyfield Australia operates.

The pie-charts that follow on page 11 provide greater clarity on the Company's incomes sources and expenditure.

Finally, many thanks to the valuable contribution that the Finance & Audit Subcommittee makes to the organisation with great input from Robert Spralja, our (Part Time) Financial Controller.

Yours sincerely,



Andrew Moylan B Ec
Abbeyfield Australia Treasurer

Chief Executive Officer's Report

The only constant is change

Reflecting on 2012 / 2013 brings to mind a quote attributed to the Greek philosopher Heraclitus who mused in the fourth century BC: *'The only constant in life is change'*. Fast forward to 2013 and Heraclitus could equally be sitting at my desk, mulling over Abbeyfield and the community housing sector in which we operate.

Not that change is always a bad thing. Change can be positive. It can make us stronger; more able; a better community housing provider; a better organisation... just better. The flip side of course is that change can also be time consuming, stressful, resource intensive and incredibly frustrating. So the key is to adapt to change in our environment, manage the change process as best we can, and stay focused on our vision and mission so that in all the maelstrom, we remain anchored to the core of what the Abbeyfield organisation is all about.

Vision and mission

Given all the change in the national community sector, it was very timely for the Board in October 2012 to update Abbeyfield Australia's vision and mission statements. The revised vision and mission statements put a contemporary plain English perspective on our *raison d'être* and were adopted only after debate at successive Board meetings.

The vision and mission are clear unambiguous statements by your elected Board of what this organisation stands for and what it exists to achieve. The statements say:

"Abbeyfield provides affordable housing for older people and people with disabilities who wish to live independently within a supportive environment.

Abbeyfield Australia is the peak body representing and supporting local Abbeyfield societies. We are committed to the development of sustainable community-based housing.

Our vision

For people to have the choice of living in Abbeyfield housing which supports their independence and life choices.

Our mission

To ensure the sustainability and development of Abbeyfield housing."

These statements are written quite purposefully to reinforce that:

- we provide affordable housing for older people and people who happen to have a disability
- our residents have choices and choose to live independently in an Abbeyfield House's supportive environment
- Abbeyfield Australia exists to represent and support its member local societies
- Abbeyfield Australia works to ensure the sustainability and growth of Abbeyfield housing in Australia.

The Board to its great credit is a group driven by the Abbeyfield Australia's mission and vision. We probably all know a lot of organisations which give lip service to vision and

mission, but the Abbeyfield Australia Board is anchored in these statements and they are reflected in the Board's decisions and actions.

Occasionally it is put to me that what Abbeyfield Australia seeks to achieve is different to what an Abbeyfield local society seeks to achieve. My response is almost always to observe simply that the difference is more to do with the fact that Abbeyfield Australia correctly takes in a broader national outlook and the sustainability of the model itself, whilst the Abbeyfield local society very rightly has a more local community outlook. They are not contradictory and do complement each other beautifully. This dovetailing of our roles is a strength of the Abbeyfield 'family' in Australia.

Abbeyfield House Management Manual

During 2012 / 2013, a tremendous amount of work was done finalizing the inaugural version of the Abbeyfield House Management Manual. Much of this Manual will be familiar to 'Abbeyfielders' as very similar to the former Blue Book. This is intentional as every effort has been made to retain the essence of the Blue Book in Abbeyfield House procedures.

The catalyst for the Manual is two-fold. To comply with compliance standards within our increasingly regulated community housing sector; and to maintain best practice procedures in the way we operate. The most significant differences between the former Blue Book and the current Manual relate to house governance and management (section three), and resident administration (section eight).

Regulation of the community housing sector

As you may aware, in early 2010 Abbeyfield Australia achieved the status of a Registered Community Housing Provider in NSW. This was done as a forerunner to a national registration system. So it was pleasing to receive confirmation on 4 October 2013 that Abbeyfield Australia had received provisional registration as a Tier 3 community housing provider under the new national registration system for the community housing sector, and that the Registrar for Community Housing NSW has been provisionally appointed our lead regulator.

Abbeyfield Australia is now scheduled to commence its registration application process under the national system in June 2014. This again is likely to be a sizable piece of work but an excellent investment in Abbeyfield's continued status as a registered community housing provider.

The National Regulatory Code for community housing sets out the performance requirements which registered community housing providers must meet. The new national code focuses on:

- tenant and housing services
- housing assets
- community engagement
- governance
- probity
- management
- financial viability.

These performance outcomes under that national code complement the eight 'performance areas' within the NSW regulatory regime upon which the Abbeyfield House Management Manual is based.

Resources and support

Abbeyfield Australia operates a very small corporate office in Melbourne. Whilst nationally the Abbeyfield family employs 180+ people, our small national office has a total staff load of about 1.5 EFT. With this we strive to provide timely services to all Abbeyfield societies,

branches and interest groups nationally; liaise with six state and territory jurisdictions; oversee development proposal in multiple states; respond to changes in national and local legislation; provide intensive interventions when requested by local societies; and keep our eye on the bigger community housing picture.

Our level of success in meeting these targets is sometimes mixed and I readily accept the criticism for that. We strive to meet deadlines and provide a responsive service but sometimes this is not possible as of necessity we prioritize where our time is invested. This results in some very satisfied customers but also regrettably some customers who need to wait too long for the support they quite legitimately seek.

The Abbeyfield Australia Board is acutely aware of the changes within the national community housing space and the resourcing pressures within the Abbeyfield Australia office. It has also identified the nexus between developing a secure and reliable independent income stream for the Abbeyfield Australia and its ability to engage the resources it needs to provide better and more comprehensive services to all its Abbeyfield societies nationally.

Finally, may I extend my thanks to immediate past Chairman Gay Gardner, and current Chairman David Kay, and the Board for their commitment and contributions over a particularly busy year. I suspect Heraclitus' adage about the constancy of change will continue to hold true for the Abbeyfield organisation for many years to come, so it is comforting to have an elected Board prepared to put in the hours, do the work, and make the often difficult decisions necessary to keep us true to our core vision and mission.

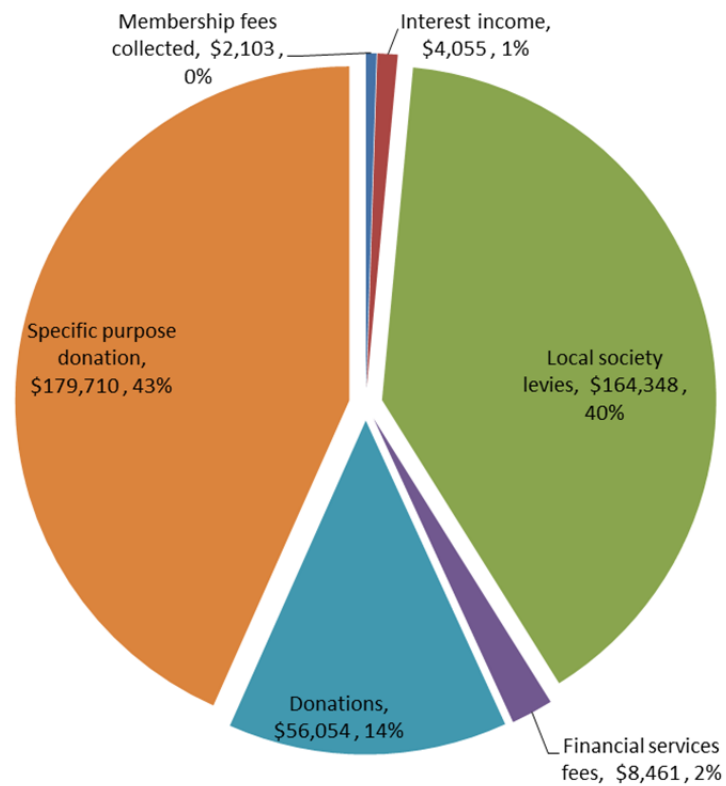
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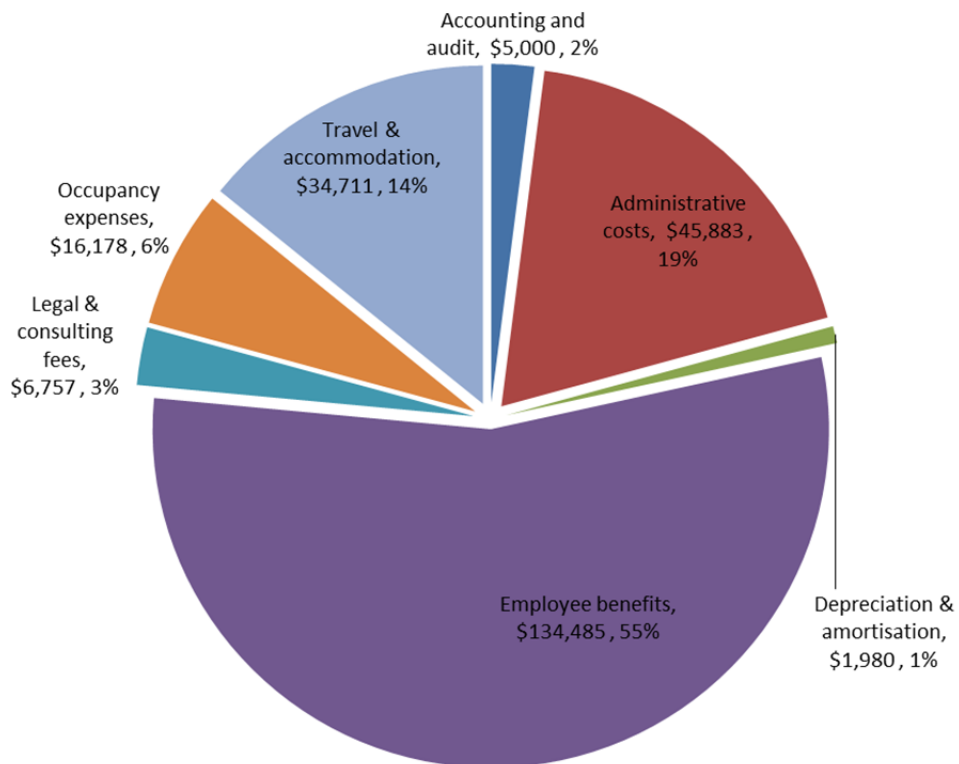
Chris Reside
Chief Executive Officer

Breakdown of operational income and expenditure

Operational income



Operational expenditure



Donations and corporate supporters

Donors

Abbeyfield Australia is a Public Benevolent Institution and greatly appreciates donations to assist our work. In 2012 / 2013 our very generous donations exceeded \$55,000 and included donations from the following very kind donors.

Barker Wealth Management	\$20,000
The Bell Charitable Foundation	\$10,000
Savills Australia	\$5,000
The Peggy Charitable Foundation	\$5,000
Tudor and Company	\$4,500
Centro Retail Australia	\$3,500
The Abbeyfield Society (Richmond) Inc. (Supporting the 2013 Abbeyfield Australia Housekeeper Conference.)	\$3,242
Mr Andrew Moylan	\$2,796
The Insurance House Group (Supporting the 2012 Abbeyfield Australia National Conference.)	\$1,500

The generous donations above are in addition to a remarkable \$179,710 contribution to Abbeyfield Australia made by the Goulburn Abbeyfield Australia Society Inc. towards the construction cost of the Goulburn Abbeyfield House.

Corporate and government support

Abbeyfield Australia is small organisation providing a national service in a multifaceted environment. We cannot achieve this alone and so we are immensely grateful for the many corporate supporters who assist the work of Abbeyfield Australia. Chief amongst these is Corrs Chambers Westgarth. Justin Fox and his colleagues at Corrs provide tens of thousands of dollars of pro-bono legal services across many disciplines to Abbeyfield Australia each year. To all at Corrs, thank you.

Similarly, Abbeyfield Australia is fortunate to have supportive relationship with firms including:

- The Insurance House Group – providing guidance on our risk management framework and general insurance advice
- Red Bike Systems – maintaining the Abbeyfield Australia website
- Fresh Dynamics – providing IT support to Abbeyfield Australia.

Good relationships with government departments in all the jurisdictions in which we operate are also vital, and so we appreciate the open and constructive relationships enjoyed with all the Ministers and departmental officers with whom we work, and in particular the NSW department of Aged and Disability Care (ADAC), the Victorian Department of Human Services (DHS), and the Registrar of Community Housing NSW.

Abbeyfield local societies and branches

Australian Capital Territory

- Abbeyfield Curtin, 31 Throssell Street, Curtin 2605
- Abbeyfield Society (ACT), 75 Wakefield Gardens, Ainslie, 2602 and 15 Stephens Place, Garran, 2605

New South Wales

- Charingfield, Charingfield Limited NSW, 282A Bronte Road, Waverley 2024
- Abbeyfield Society (Goulburn), PO Box 38 Goulburn, 2580
- Abbeyfield Australia Narrabri Branch, 51 Hinds Street, Narrabri 2390
- Abbeyfield Society (Orange), 19 Hill Street, Orange, 2800
- Abbeyfield Society (Wagga Wagga), 29 Wiradjuri Crescent, Wagga Wagga, 2650
- Sydney Inner West Abbeyfield Australia Branch, 1 Albion Street, Annandale, 2038

Queensland

- Abbeyfield Society (Babinda), Hospital Street, Babinda 4861

South Australia

- Abbeyfield Society (District of Barossa), Memorial Drive, Williamstown 5351
- Abbeyfield Society (Marion), 5 St Lawrence Avenue, Edwardstown 5039
- Abbeyfield Society (Mt Gambier & district), 15 Francis Street, Mt Gambier, 5290

Tasmania

- Abbeyfield Society (Burnie), 125 View Road, Burnie, 7320
- Abbeyfield Society (Glenorchy), Cnr. Milpara Street & Moorina Court, Berriedale, 7011
- Abbeyfield Society (Hull Street), 7 Hull Street, Glenorchy, 7010
- Abbeyfield Society (Huon Valley), 75 Wilmot Road, Huonville, 7109
- Abbeyfield Society (Launceston), 16-18 Woodland Grove, Newnham, 7248

Victoria

- Abbeyfield Australia – Castlemaine Branch, PO Box 178, Castlemaine Vic 3450
- Abbeyfield Society (Croydon/Ringwood), 1 Trawalla Road, Croydon, 3136
- Abbeyfield Society (Dingley Village), 267 Spring Road, Dingley Village, 3172
- Abbeyfield Society (Frankston), 6 Nukara Court, Frankston, 3199
- Abbeyfield Society (St Joseph's Community), 41-43 Stanhope Street, Malvern, 3144
- Abbeyfield Society (Malvern), 226-228 Waverley Road, East Malvern, 3144
- Abbeyfield Society (Mauritian Golden Age), 1-3 Menzies Avenue, Dandenong North, 3175
- Abbeyfield Society (Melton), 66-68 Brooklyn Road, Melton South, 3338
- Abbeyfield Society (Mortlake), 30 Shaw Street, Mortlake 3272
- Abbeyfield Society (North/West Melbourne), 17 Brougham Street, North Melbourne, 3054
- Abbeyfield Society (Richmond), 269 Burnley Road, Richmond, 3121
- Abbeyfield Society (Waverley), 48 Salisbury Road, Ashwood, 3147

Development, lease and title details for Abbeyfield houses and hostels

Abbeyfield House or Hostel	Street address	Title or lease description	Lease start	Term	Lease end
Ainslie	75 Wakefield Gardens Ainslie ACT 2602	The Ainslie Abbeyfield House is occupied under a <i>Sub Lease and Operating Agreement</i> between the Commissioner for Housing (ACT) and Abbeyfield Australia.	31/12/98	25 years	30/12/23
Babinda	Hospital Street , Babinda Qld 4861	The Babinda Abbeyfield House was constructed under a May 2000 capital funding agreement between the Queensland Housing Commission, the Babinda and District Aged Care Association (BDACA) and the Cairns City Council. The Abbeyfield House is occupied under a Management Agreement between BDACA, Abbeyfield Australia and the Abbeyfield Society (Babinda) Inc.	-	-	-
Burnie	125 View Rd, Burnie Tas 7320	The Burnie Abbeyfield House is occupied pursuant to a lease between the Burnie City Council and the Abbeyfield Society (Burnie) Inc.	1/08/97	20 yrs	31/07/17
Croydon	1 Trawalla Rd, Croydon Vic 3136	The Croydon Abbeyfield House was developed in conjunction with the Director of Housing (Vic.). The premises are owned by the Maroondah City Council and leased to Abbeyfield Australia.	1/03/00	50 yrs	28/02/50
Charingfield	282A Bronte Rd, Waverley NSW 2024	The Charingfield aged care hostel is a joint venture established in 1993 between the Christian Brothers and Abbeyfield Australia. The premises are owned by The Christian Brothers.	-	-	-
Dingley Village	267 Spring Rd, Dingley Village Vic 3172	The Dingley Village Abbeyfield House was developed in conjunction with the Director of Housing (Vic.) The premises are occupied under a sublease between the Kingston City Council, the Director of Housing (Vic.) and Abbeyfield Australia.	16/12/94	50 yrs	15/12/44
Curtin	31 Throssell St, Curtin ACT 2605	The Curtin Abbeyfield House is occupied under a lease from the Commonwealth Government to Abbeyfield Australia.	11/05/05	99yrs	11/05/2104
Frankston	6 Nukura Ct, Frankston Vic 3199	The Frankston Abbeyfield House was developed in conjunction with the Director of Housing (Vic.). The premises are occupied under a lease between the Frankston City Council and Abbeyfield Australia.	28/02/06	15	27/02/21

Abbeyfield House or Hostel	Street address	Title or lease description	Lease start	Term	Lease end
Garran	15 Stephens Place, Garran ACT 2605	The Garran Abbeyfield House is occupied under a Sub Lease and Operating Agreement between the Commissioner for Housing (ACT) and Abbeyfield Australia.	1/12/98	25 years	30/11/23
Glenorchy	17 Moorina Place, Berriedale, Tas 7011	The construction of the Glenorchy Abbeyfield House was funded in 1994 by the Commonwealth Government under its Community Housing Program. The premises are owned by the Glenorchy City Council and leased to Abbeyfield Australia.	28/06/93	21 years	27/06/14
Goulburn	82 Cowper Street, Goulburn NSW	The development of the Goulburn Abbeyfield House was predominantly funded by the NSW Government (Department of Aged Disability and Home Care.) supplemented by generous community donations via the Goulburn Abbeyfield Australia Society Inc. The premises are owned Abbeyfield Australia and the Department takes a financial interest proportional to its capital contribution. (For full financial details refer the Notes to the financial statements.)	-	-	-
Hull Street (Glenorchy)	7 Hull St, Glenorchy Tas 7010	The Hull Street Abbeyfield House is leased by the Tasmanian Government (Southern Regional Health Board) to Abbeyfield Australia.	1/04/96	10 +10 years	31/03/16
Huon Valley	Wilmot Ave, Huonville Tas 7109	The development of the Huonville McMullen Abbeyfield House was part funded by the Tasmanian Government, supplemented by community support and a very substantial bequest from the McMullen Estate. The premises are owned by Abbeyfield Australia, though subject to the conditions within the Tasmanian Government capital funding agreement. (Full financial details are shown in the Notes to the financial statements.)	-	-	-
Launceston	16-18 Woodland Grove, Newnham, Tas 7248	The development of the Launceston Abbeyfield House was funded by the Tasmanian Government. The premises are owned by Abbeyfield Australia, though subject to the conditions within the Tasmanian Government capital funding agreement. (Full financial details are shown in the Notes to the financial statements.)	-	-	-

Abbeyfield House or Hostel	Street address	Title or lease description	Lease start	Term	Lease end
Malvern East	226-228 Waverley Rd Malvern East Vic 3144	The development of the Malvern East Abbeyfield House was funded in 1986 by the Commonwealth Government. The premises are owned by Abbeyfield Australia.	-	-	-
Marion	5 St Lawrence Ave, Edwardstown SA 5048	The construction of the Marion Abbeyfield House was funded by the Commonwealth Government under its Community Housing Program. The premises are owned by the Marion City Council and leased to Abbeyfield Australia.	28/06/91	25 yrs	30/06/16
Mauritian	1-3 Menzies Ave, Dandenong Nth Vic 3175	The Mauritian (Dandenong) Abbeyfield House was developed in conjunction with the Director of Housing (Vic.). The premises are owned by Abbeyfield Australia, though subject to the conditions within the Victorian Government capital funding agreement. (Full financial details are shown in the Notes to the financial statements.)	-	-	-
Melton	66-68 Brooklyn Rd Melton South Vic 3338	The Melton Abbeyfield House was developed in conjunction with the Director of Housing (Vic.). The premises are owned by the Melton Shire Council and occupied subject to a lease between the Shire of Melton and Director of Housing (Vic), and sublease between the Director of Housing (Vic) and Abbeyfield Australia.	8/11/93	50 yrs	6/11/43
Mortlake	30 Shaw Street, Mortlake Vic 3272	The original Mortlake Abbeyfield hostel comprising 11 rooms was opened in 1990. In response to community need, Abbeyfield Mortlake has subsequently added ten independent living units (The Dan Brumley Homes), 29 additional federally funded aged care bed licences (including an eight bed dementia specific wing, and a respite bed), and in-community services including meals on wheels and a home handyman service.	07/05/90	30 yrs	06/05/20
Mt. Gambier	15 Francis St , Mt Gambier SA 5290	The Mount Gambier Abbeyfield House was funded in 1990 under the Local Government Community Housing Program (LGCHP), supplemented by extensive local community support. The premises are owned by the Abbeyfield Society (Mount Gambier and District) Incorporated.	-	-	-

Abbeyfield House or Hostel	Street address	Title or lease description	Lease start	Term	Lease end
Narrabri	35-37 Doyle Street, Narrabri NSW	The development of the Narrabri Abbeyfield House is being funded by the NSW Government (Department of Aged Disability and Home Care.) supplemented by generous community support. The premises are owned by Abbeyfield Australia and the Department takes a financial interest proportional to its capital contribution. (For full financial details refer the Notes to the financial statements.)	-	-	-
North Melbourne	17 Brougham St, North Melbourne 3051	The North Melbourne Abbeyfield House was developed in 1996 in conjunction with the Director of Housing (Vic.). The premises are owned by the Director of Housing (Vic) and leased to Abbeyfield Australia.	01/04/96	25 yrs	31/03/21
Orange	19 Hill St, Orange NSW 2800	The Orange Abbeyfield House was developed on land contributed by the Orange City Council and constructed with a capital grant from the NSW Land & Housing Corporation. The premises are occupied subject to a lease between the Orange City Council and the NSW Land & Housing Corporation, and a sublease between the NSW Land & Housing Corporation and Abbeyfield Australia.	10/10/91	30 yrs	09/10/21
Richmond	269 Burnley St Richmond Vic 3121	The Richmond Abbeyfield House was developed in conjunction with the Director of Housing (Vic.) The premises are occupied subject to a sublease between the Uniting Church in Australia, the Director of Housing (Vic), and Abbeyfield Australia.	02/02/93	55 yrs	31/01/48
St. Josephs	39-43 Stanhope St Malvern Vic 3144	Abbeyfield StJosephs Malvern was developed in conjunction with the Director of Housing (Vic.). The premises are occupied subject to a lease between the Roman Catholic Trusts Corporation and the Director of Housing (Vic), and a sublease between the Director of Housing (Vic), and Abbeyfield Australia.	03/06/96	55 yrs	02/06/51

Abbeyfield House or Hostel	Street address	Title or lease description	Lease start	Term	Lease end
Wagga Wagga	29 Wiradjuri Cres, Wagga Wagga NSW 2650	The Wagga Wagga Abbeyfield House was developed on land contributed by the Wagga Wagga City Council and constructed with a capital grant from the NSW Land & Housing Corporation. The premises are occupied subject to a lease between the Wagga Wagga City Council and the NSW Land & Housing Corporation, and a sublease between the NSW Land & Housing Corporation and Abbeyfield Australia.	01/07/97	25 yrs Opts. 25 +25+24	30/06/22
Waverley	48 Salisbury Rd Ashwood Vic	The Waverley Abbeyfield House was developed in conjunction with the Director of Housing (Vic.). The premises are occupied subject to a lease between the Monash City Council and the Director of Housing (Vic), and a sublease between the Director of Housing (Vic), and Abbeyfield Australia.	15/12/89	50 yrs	14/12/39
Williamstown	Memorial Drive, Williamstown, SA 5351	Abbeyfield Williamstown commenced operation in 1986 when it opened eight independent living units funded by the SA Housing Trust. In 1989 an Abbeyfield assisted living house was developed which eventually transitioned into a low care Hostel. Abbeyfield Williamstown subsequently also added seven retirement units and now has 23 federally funded aged care bed licences. The premises are owned by the Abbeyfield Society (District of Barossa) Inc.	-	-	-

Abbeyfield Australia Ltd

Financial Statements

For the Year Ended 30 June 2013

**Abbeyfield Australia Limited
ABN 91 005 954 905**

abbeyfield.org.au

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Directors' report

The directors of Abbeyfield Australia Ltd present their report on the company for the financial year ended 30 June 2013.

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Director (In alphabetical order)	Appointed
Eddy Bourke	Confirmed 19 November 2011
Gay Gardner AM	Re-elected 17 November 2012
The Hon David Hawker AO	Confirmed 19 November 2011
Leo Hurst	Re-elected 19 November 2011
David Kay	Re-elected 17 November 2012
Jacquelyn Landos	Confirmed 20 November 2010
John Lawrence	Re-elected 17 November 2012
Andrew Moylan	Confirmed 19 November 2011
Jill Parker	Re-elected 19 November 2011
Peter Ridler RFD	Elected 19 November 2011

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company Secretary

Eddy Bourke held the position of company secretary at the end of the financial year.

Principal Activities

The principal activity of Abbeyfield Australia Ltd during the financial year was to coordinate activities of its member Abbeyfield Societies and provide support services to its member societies involved in the provision of housing solutions based on an 'assisted independent living' philosophy to provide affordable, secure and supportive group housing for people in need; and more specifically to provide and manage housing and accommodation of all kinds for the relief, maintenance, care and welfare of persons who are older, but may be of any age, underprivileged, socially disadvantaged, living with a disability, in circumstances of social need or otherwise in necessitous circumstances.

There are currently 24 Abbeyfield Houses for assisted independent living across eastern Australia from Babinda to Huonville to the Barossa Valley with a further house being constructed in Narrabri, northern NSW. In addition, there are three Abbeyfield aged care facilities providing higher levels of care to residents in need. Each house and aged care facility is a locally managed by a local not for profit Association. Abbeyfield Australia effectively provides accommodation for 350 elderly pensioners or young adults pensioners with a mild intellectual disability at no on-going cost to any tier of government.

No significant change in the nature of these activities occurred during the year.

Business review

a Operating Results

The Income Statement shows a surplus for the year of \$204,591

b Dividends

No dividends were paid or declared since the start of the financial year. The company is a company limited by guarantee and is therefore unable to pay or declare dividends.

Other items

a Auditors Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is enclosed with these financial statements.

b Significant Changes in State of Affairs

No significant changes in Abbeyfield Australia Ltd's state of affairs occurred during the financial year.

c After balance day events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of Abbeyfield Australia Ltd, the results of those operations or the state of affairs of Abbeyfield Australia Ltd in future financial years.

d Environmental Issues

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory

Directors' qualifications and experience

Information on directors in office at any time during, or since the end of the year

Director (In alphabetical order)	Year first joined board	Current term expires *	Qualification and experience
Edward (Eddy) Bourke, Secretary	2011	2014	Aged 36 Bachelor of Community Development, majoring in political science, from the University of Canberra. Eddy Bourke is the Policy Officer at the Community Housing Federation of Australia, the peak body representing not-for-profit housing providers in Australia. In addition to his paid work at CHFA he has sat on a number of volunteer boards, and is currently a Council Member of National Shelter.

Gay Gardner AM	1986	2015	<p>Aged 74</p> <p>Bachelor of Laws, Member of The Law Society of South Australia</p> <p>Practising in the area of Migration Law. President of The Victoria League for Commonwealth Friendship. Priests Warden St Chads Anglican Church Fullarton, South Australia. Director Abbeyfield International.</p>
The Hon David Hawker AO	2011	2014	<p>Aged 64</p> <p>Bachelor of Engineering (1971) from the University Melbourne. Company Directors Course, Australian Institute of Company Directors (2012)</p> <p>The Hon David Hawker AO was appointed to the Board on 9 July 2011. He has Bachelor of Engineering (1971) from the University Melbourne and has 27 years' experience as the Member for Wannan in the Commonwealth Parliament, including two years as Deputy Chairman of the Joint Standing Committee on Foreign Affairs Defence and Trade, and four years as Speaker of the House of Representatives.</p>
Leo Hurst	1999	2014	<p>Aged 77</p> <p>Nurse (Retired), Life Member and retired Chairperson of the Abbeyfield Society (Glenorchy) Inc.</p> <p>Member and Vice President of the Anglican Men's Society of Tasmania.</p>
David Kay, Chairman	1998	2015	<p>Aged 64</p> <p>Foundation Member Abbeyfield Burnie 1995. Burnie Representative on Abbeyfield Tasmania 1995-1998. Chairman of the Abbeyfield Tasmania Society 1996-1998 (Abbeyfield Tasmania was disbanded in 1998 as part of a National restructure)</p> <p>Represented Abbeyfield Australia in all negotiations relating to the development of the Burnie, Huonville and Hull Street Abbeyfield Houses. Member of the Joint Executive Committee of Abbeyfield Australia 1997-1998. Elected to the restructured Board of Abbeyfield Australia 1998 – current. Treasurer Abbeyfield Australia 2000 - 2012. Elected Chairman of Abbeyfield Australia 2012.</p> <p>Other activities: Director Youth Families and Community connections Inc. Former Member, Tasmanian Chairman, and National Director of the Australian Institute of Credit Management. Former Executive member Local Govt. Community Services Association Tasmania. Former Member of Tasmanian Ministerial Housing Advisory Committee. Former Director and Chairman Roland Children's Services Inc.</p>
Jacquelyn Landos, 1st Vice Chairman	2010	2013	<p>Age 65</p> <p>B App Sc, Grad Dip (Neuroscience)</p> <p>Hospital (Respiratory) Scientist (Retired), former Secretary and past Chair, Current Vice Chair of Abbeyfield Curtin Inc., past member of Australian and New Zealand Society of Respiratory Science, and The Australian Institute of Medical Scientists.</p> <p>Member of NDS Supportive Housing Advisory group</p>

John Lawrence	2009	2015	<p>Age 58</p> <p>BBSc (Hons), Dip.Ed., MHSc (in progress)</p> <p>5 years as Health, Aged Care and Community Services Consultant for not for profit sector, local, state and federal government and Universities. Project officer for regional cancer services and services for the CALD/ migrant elderly. Member, Australian College of Health Services Executives</p>
Andrew Moylan, Treasurer	2011	2013	<p>Aged 55</p> <p>Andrew is employed as National Operations Manager for Mortgage Choice Financial Planning Pty Limited in North Sydney.</p> <p>Andrew has spent his working career in the financial services industry. He commenced work as an accounting graduate before spending more than 20 years involved in investment banking and investment management before specialising in the practice management space of the financial planning industry.</p>
Jill Parker, 2 nd Vice Chairman	2008	2014	<p>Age 66</p> <p>Master of Education, Grad. Dip in Educational Administration, Diploma of Education, Bachelor of Agricultural Science, Associate in Theology. Jill was involved in education for 25 years as a Leading Teacher, Curriculum Leader and Acting Principal.</p> <p>Her current positions include Shire Councillor; Director South West Waste Reduction Group; Chairperson – Leadership Great South Coast; Chairperson, Western Coastal Board; Member, Victorian Coastal Council; Member, National Sea Change Taskforce Executive committee; Member – Municipal Association of Victoria, Environment Committee; Member - Bishop in Council, Ballarat Anglican Diocese.</p>
Peter Ridler RFD	2011	2013	<p>Aged 60</p> <p>Bachelor of Economics, Diploma of Company Director. Qualified Chartered Secretary, Certified Practising Accountant and Queen's Commission in the Australian Army.</p> <p>Held senior executive roles in industry and government businesses before establishing a multi-partnered accountancy and business advisory practice. Thereafter, established a patented software firm, providing internet based financial management solutions to Blue Chip entities. Presently, involved in establishing consumer appliance rental business via franchising.</p> <p>Over 26 years as an Alderman on Tasmania's third largest city council including its various committees. Office bearer on a number of sporting and not-for-profit organisations. Currently a member of Southern Waste Strategy Authority a multi-council joint authority. Previously, trustee on the Wellington Park Management Trust and a Trustee of the Southern Regional Cemetery Trust in Tasmania and director of Quadrant Superannuation the largest complying superannuation fund in Tasmania.</p>

Meetings of directors

During the financial year, seven Board meetings of directors were held. Attendance by each director during the year was as follows.

Directors (in alphabetical order)	Number of Board meetings eligible to attend	Number of Board meetings attended
Edward (Eddy) Bourke	7	6
Gay Gardner AM	7	6
The Hon. David Hawker AO	7	7
Leo Hurst	7	6
David Kay	7	7
Jacquelyn Landos	7	5
John Lawrence	7	6
Andrew Moylan	7	6
Jill Parker	7	5
Peter Ridler	7	6

Indemnifying Officers or Auditors

During or since the end of the financial year the company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

The company has paid premiums to insure each of the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the company.

Options

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report. The company is a company limited by guarantee and is therefore unable to pay or declare dividends.

Proceedings on behalf of Abbeyfield Australia Ltd.

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.



David Kay
Abbeyfield Australia Chairman
11 October 2013



Andrew Moylan
Abbeyfield Australia Treasurer
11 October 2013

Abbeyfield Australia Ltd

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INCOME STATEMENT

For the year ended 30 June 2013

	Note	2013 \$	2012 \$
Revenues from ordinary activities	2	414,731	208,157
Administrative expenses		(39,728)	(50,592)
Selling expenses		(38,198)	(25,412)
Personnel expenses		(165,088)	(148,542)
Depreciation and amortisation expenses	3	(1,980)	(3,037)
SURPLUS FROM ORDINARY ACTIVITIES		<u>169,737</u>	<u>(19,425)</u>
Investment activities			
Investment income	4	68,469	55,176
Investment expenses	5	(33,616)	(70,713)
SURPLUS FROM INVESTMENT ACTIVITIES		<u>34,853</u>	<u>(15,537)</u>
SURPLUS FROM ALL ACTIVITIES		<u><u>204,590</u></u>	<u><u>(34,962)</u></u>

The accompanying notes form part of these financial statements.

Abbeyfield Australia Ltd

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BALANCE SHEET

As at 30 June 2013

	Note	2013 \$	2012 \$
CURRENT ASSETS			
Cash and cash equivalents	6	2,447,075	2,782,738
Trade and other receivables	7	20,457	131,250
Financial assets	8	210,285	187,173
Other current assets	9	-	613
TOTAL CURRENT ASSETS		2,677,817	3,101,773
NON-CURRENT ASSETS			
Financial assets	10	18,661	20,995
Property, plant and equipment	11	5,012,464	4,904,972
TOTAL NON-CURRENT ASSETS		5,031,125	4,925,967
TOTAL ASSETS		7,708,942	8,027,742
CURRENT LIABILITIES			
Trade and other payables	12	61,922	315,798
Provisions	13	15,959	13,652
Personnel-related items	14	3,484	1,869
Tax liabilities	15	67,759	1,695
Other current liabilities	16	5,000	9,000
TOTAL CURRENT LIABILITIES		154,124	342,013
NON-CURRENT LIABILITIES			
Trade and other payables	17	2,121,399	2,121,399
Other non-current liabilities	18	1,991,558	2,327,059
TOTAL NON-CURRENT LIABILITIES		4,112,957	4,448,458
TOTAL LIABILITIES		4,267,081	4,790,471
NET ASSETS		3,441,861	3,237,271
EQUITY			
Reserves	19	2,061,622	2,061,622
Accumulated surplus		1,380,239	1,175,649
TOTAL EQUITY		3,441,861	3,237,271

The accompanying notes form part of these financial statements.

Abbeyfield Australia Ltd

Statement of Changes in Equity

For the Year Ended 30 June 2013

2013

	Note	Retained Earnings \$	Capital Profits Reserve \$	Asset Realisation Reserve \$	General Reserves \$	Total \$
Balance at 1 July 2012		1,175,649	481,215	1,454,743	125,664	3,237,271
Profit / (Loss) attributable to members of the entity		204,590				204,590
Equity stake increment (decrement)						
Sub-total		204,590				204,590
Balance at 30 June 2013		1,380,239	481,215	1,454,743	125,664	3,441,861

2012

	Note	Retained Earnings \$	Capital Profits Reserve \$	Asset Realisation Reserve \$	General Reserves \$	Total \$
Balance at 1 July 2011		1,210,611	481,215	1,417,467	125,664	3,234,957
Profit / (Loss) attributable to members of the entity		(34,962)				(34,962)
Revaluation increment (decrement)				37,276		37,276
Sub-total		(34,962)		37,276		2,314
Balance at 30 June 2012		1,175,649	481,215	1,454,743	125,664	3,237,271

Abbeyfield Australia Ltd

Statement of Cash Flows

For the Year Ended 30 June 2013

	Note	2013 \$	2012 \$
CASH FROM OPERATING ACTIVITIES:			
Receipts from customers including GST		559,525	160,917
Payments to suppliers and employees including GST		-766,948	-1,655,248
Interest / Investment returns received		11,971	17,982
Net cash provided by (used in) operating activities	20	-195,452	-1,476,349
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisition of property, plant and equipment		-140,211	-41,209
Net cash used by investing activities		-140,211	-41,209
CASH FLOWS FROM FINANCING ACTIVITIES:			
Loans from / (to) local societies		0	1,015
Net cash used by financing activities		0	1,015
Net increase (decrease) in cash and cash equivalents held		-335,663	-1,516,543
Cash and cash equivalents at beginning of year		2,782,738	4,299,282
Cash and cash equivalents at end of financial year		2,447,075	2,782,738

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Notes to the Financial Statements
For the year ended 30 June 2013

Note 1 Statement of significant accounting policies

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report covers Abbeyfield Australia Ltd as an individual entity. Abbeyfield Australia Ltd is a company limited by shares, incorporated and domiciled in Australia.

The financial report of Abbeyfield Australia Ltd complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

First-time adoption of Australian equivalents to International Financial Reporting Standards
Abbeyfield Australia Ltd has prepared financial statements in accordance with the Australian equivalents to International Financial Reporting Standards (AIFRS) from 1 July 2005.

In accordance with the requirements of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards, adjustments resulting from the introduction of AIFRS have been applied retrospectively to 2005 comparative figures excluding cases where optional exemptions available under AASB 1 have been applied. These accounts are the first financial statements of Abbeyfield Australia Ltd to be prepared in accordance with AIFRS.

The accounting policies set out below have been consistently applied to all years presented. The company has elected to adopt the exemptions available under AASB 1 relating to AASB 132: Financial Instruments: Disclosure and Presentation, and AASB 139: Financial Instruments: Recognition and Measurement. Refer Notes for further details.

Financial statements of the company until 30 June 2005 had been prepared in accordance with previous Australian Generally Accepted Accounting Principles (AGAAP). AGAAP differs in certain aspects to AIFRS. As there has not been any material impact by adopting the revised statements, a reconciliation has not been disclosed.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

a. Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

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Notes to the Financial Statements
For the year ended 30 June 2013

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

b. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

c. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the economic entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original

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Notes to the Financial Statements
For the year ended 30 June 2013

cost is transferred from the revaluation reserve to retained earnings.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Office equipment	13-27%
Leasehold improvements	2.5%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

d. **Leases**

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the economic entity are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the economic entity will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

e. **Financial Instruments**

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

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Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

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 stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the group's intention to hold these investments to maturity. Any held-to-maturity investments held by the group are stated at amortized cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

Non-derivative financial liabilities are recognised at amortized cost, comprising original debt less principal payments and amortization.

Derivative instruments

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the income statement unless they are designated as hedges.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether any impairment has arisen. Impairment losses are recognised in the income statement.

f. **Impairment of Assets**

At each reporting date, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement. Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

g. **Investments in Associates**

Investments in associate companies are recognised in the financial statements by applying the equity method of accounting. The equity method of accounting recognises the entity's share of

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Notes to the Financial Statements
For the year ended 30 June 2013

post-acquisition reserves of its associates.

h. Intangibles

Goodwill

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Research and development

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably. Development costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project.

i. Foreign Currency Transactions and Balances

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined. Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange difference arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the income statement.

j. Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

k. Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

l. Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

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m. Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting. Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. All revenue is stated net of the amount of goods and services tax (GST).

n. Finance Costs

Finance costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use of sale.
 All other finance costs are recognised in income in the period in which they are incurred.

o. 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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash.

p. Comparative Figures

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

Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Note 2 Revenue

	\$ 2013	\$ 2012
Donations	56,054	24,053
Financial services fees	8,461	3,800
Fundraising income	-	1,266
Grants received	-	3,617
Interest income	4,055	9,670
Local society levies	164,348	163,819
Membership fees collected	2,103	1,932
Specific purpose donation	179,710	-
Totals	414,731	208,157

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Note 3 Depreciation and amortisation expenses

	\$ 2013	\$ 2012
Depreciation - Office equipment	1,980	3,037

Note 4 Investment income

	\$ 2013	\$ 2012
Interest received	11,971	32,176
Financial services fees		
Project Management Fees	56,498	23,000
Totals	68,469	55,176

Note 5 Investment expenses

	2013	2012
Diminution of fair value of financial investments	-	34,472
Investment expenses	543	3,168
Depreciation and impairment expenses	33,073	33,073
	33,616	70,713

Note 6 Cash and cash equivalents

	2013	2012
Cash on hand	200	273
Cheque account	223,294	2,470,774
Funds held	167,867	178,814
Short-term bank deposits	2,055,714	132,878
	2,447,075	2,782,738

Note 7 Trade and other receivables

	2013	2012
Accrued interest income	-	12,523
Sundry debtors	-	59,497
Trade debtors	20,457	59,230
	20,457	131,250

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Note 8 Financial Assets – Current

(a) Investments Comprise of:

	2013	2012
	\$	\$
Asgard Infinity eWrap Investment Account (i)	210,285	187,173
Total current investments	210,285	187,173

Investment assets comprise of \$210,285 is with Asgard. Last year \$187,173 was held with ANZ Charitable Trust Australia and was realised in July 2012.

Note 9 Other current assets

	2013	2012
Prepayments	-	613

Note 10 Financial Assets – Non-current

(a) Investments Comprise of:

	2013	2012
	\$	\$
Other available for sale assets		
Share in Frankston lease (ii)	18,661	20,995
Total non-current investments	18,661	20,995

Investment assets comprise of

\$18,661 is an investment in the Frankston local society lease of land and buildings. This amount represents the equity in the lease that is receivable on the possible sale of the assets of the Frankston local society. The amount receivable under the lease agreement is amortised over 30 years.

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Note 11 Property Plant and Equipment

	2013	2012
	\$	\$
LAND AND BUILDINGS		
Freehold land		
At directors' valuation	1,935,000	1,935,000
Total freehold land	1,935,000	1,935,000
Buildings		
At fair value	2,901,419	2,761,209
Less accumulated depreciation	(27,406)	-
Total buildings	2,874,013	2,761,209
Leasehold Improvements		
At fair value	284,345	284,345
Less accumulated depreciation	(83,325)	(79,992)
Total leasehold improvements	201,020	204,353
Total land and buildings	5,010,033	4,900,562
PLANT AND EQUIPMENT		
Office equipment		
At Cost	48,348	48,348
Less accumulated depreciation	(45,917)	(43,938)
Total office equipment	2,431	4,410
Total plant and equipment	2,431	4,410
Total property, plant and equipment	5,012,464	4,904,972

An independent valuation of land and buildings was made in June 2012 on the basis of current market value based on alternative use by All Suburb Valuers and Opteon (Tasmania) Pty Ltd.

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a Movements in Carrying Amounts

	Land \$	Buildings & Improvements \$	Office Equipment \$	Total \$
Balance at the beginning of year	1,935,000	2,965,561	4,411	4,904,972
Additions		140,210		140,210
Depreciation expense		(30,738)	(1,980)	(32,718)
Revaluation increase / (decrease) recognised in equity				
Carrying amount at the end of year	1,935,000	3,075,033	2,431	5,012,464

(b) Summary of Land, buildings and leasehold improvements held by Abbeyfield Australia

(i) Dandenong (Mauritian) Land and Buildings

On 28 March 1996 Abbeyfield Australia entered into an agreement with the Victorian Government to fund the purchase of land and buildings at Menzies Avenue, Dandenong, Vic. Under the agreement Abbeyfield is entitled to 3% of the sale of the property and the 97% to the Victorian Government. The Victorian Government share is represented in Non-Current Liabilities (Note 10).

	2013 \$	2012 \$
Fair value of land	415,000	415,000
Fair value of buildings	545,000	545,000
Less accumulated depreciation	(448)	-
Less Government share	(934,699)	(934,699)
Net fair value of Abbeyfield's share	24,853	25,301

(ii) Malvern Land and Buildings

On 6 January 1986, Abbeyfield Australia entered into a funding agreement with the Commonwealth Government in relation to the land and buildings at 226-228 Waverley Road, East Malvern, Victoria. Under the agreement, Abbeyfield owns and operates the property. No liability is recognised in the accounts as the Director's had confirmation during 2013 from the Commonwealth Government that Abbeyfield's obligations under the agreement have been discharged. As such no liability exists.

	2013 \$	2012 \$
Fair value of land	1,160,000	1,160,000
Fair value of buildings	390,000	390,000
Less accumulated depreciation	(8,250)	-
Total	1,541,750	1,550,000

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(iii) Launceston (Newnham) Land and Buildings

On 1 December 1998 Abbeyfield Australia entered into an agreement with the Tasmanian Government to fund the purchase of land and buildings at Woodlands Grove, Launceston. Under the agreement Abbeyfield is entitled to 14% of the sale of the property and the 86% to the Tasmanian Government. The Tasmanian Government share is represented in Non-Current Liabilities (Note 10).

	2013	2012
	\$	\$
Fair value of land	160,000	160,000
Fair value of buildings	810,000	810,000
Less accumulated depreciation	(2,695)	-
Less Government share	(834,200)	(834,200)
Net fair value of Abbeyfield's share	133,105	135,800

(iv) Huon Valley Land and Buildings

On 24 June 1998 Abbeyfield Australia entered into an agreement with the Tasmanian Government to fund the buildings at 75 Wilmot Road, Huonville, Tasmania. Under the agreement Abbeyfield is entitled to 70% of the sale of the property and the 30% to the Tasmanian Government. The Tasmanian Government share is represented in Non-Current Liabilities (Note 10).

	2013	2012
	\$	\$
Fair value of land	200,000	200,000
Fair value of buildings	975,000	975,000
Less accumulated depreciation	(16,013)	-
Less Government share	(352,500)	(352,500)
Net fair value of Abbeyfield's share	806,487	822,500

(v) Ainslie (ACT) Land and Buildings

On 31 December 1998 Abbeyfield Australia entered into a 25 year lease with the ACT Government to fund the purchase of land and buildings at Wakefield Gardens, Ainslie, ACT. Under the agreement Abbeyfield is entitled to 16% of the sale of the property and the 84% to the ACT Government.

	2013	2012
	\$	\$
Fair value of land and buildings	184,345	184,345
Total	184,345	184,345

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(vi) Mortlake Land and Buildings

On 17 May 1988 Abbeyfield Australia funded the improvements of the buildings at Shaw street, Mortlake, Victoria, through a Victorian Government grant. The Shire of Moyne owns the land and buildings on the property and Abbeyfield Australia leases the property for 30 years. The amount recognised is the leasehold improvements at cost.

	2013	2012
	\$	\$
Leasehold improvements at cost	100,000	100,000
Accumulated depreciation	(83,325)	(79,992)
Total	16,675	20,008

(vii) Goulburn Land and Buildings

On 30 June 2009 and 12 May 2010 Abbeyfield Australia entered into capital funding agreements for \$550,000 and \$1,430,000 respectively (inclusive of GST) with the NSW Government to fund the purchase of land and buildings at Cowper Street, Goulburn NSW, and the subsequent development of the Goulburn Abbeyfield House. Under the agreement, the NSW Government (Department of Aged Disability and Homecare) will have an equitable interest in the property equivalent to the proportion the Government's contribution bears to the final development cost of the project. The Goulburn Abbeyfield House was officially opened on Wednesday 27 June 2012. The equitable interest for Abbeyfield Australia is 10.08%.

	2013	2012
	\$	\$
Land at cost	502,710	502,710
Buildings	1,687,908	1,483,823
Grant offset	(2,009,198)	(1,945,324)
Total	181,420	41,209

(viii) Narrabri Land and Buildings

On 30 June 2011 Abbeyfield Australia entered into a \$2,559,807 (inclusive of GST) capital funding agreement with the NSW Government to fund the purchase of land and construction of an Abbeyfield House at 35 – 37 Doyle Street, Narrabri, NSW. Under the agreement, the NSW Government (Department of Aged Disability and Homecare) will have an equitable interest in the property equivalent to the proportion the Government's contribution bears to the final development cost of the project. The Narrabri Abbeyfield House development is anticipated to be completed by the end of 2013.

	2013	2012
	\$	\$
Land at cost	295,770	295,770
Buildings	1,998,513	74,341
Grant offset	(2,294,283)	(370,111)
Total	-	-

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(ix) Wagga Land and Buildings

On 28 June 2013 Abbeyfield Australia entered into a \$1,650,000 (inclusive of GST) capital funding agreement with the NSW Government to fund the purchase of land and construction of an Abbeyfield House in Wagga, NSW. Under the agreement, the NSW Government (Department of Aged Disability and Homecare) will have an equitable interest in the property equivalent to the proportion the Government's contribution bears to the final development cost of the project. At this early stage there is no anticipated completion date.

	2013	2012
	\$	\$
Land at cost	0	0
Buildings	0	0
Grant offset	(0)	(0)
Total	-	-

Note 12 Trade and other payables

	2013	2012
Trade creditors	257	233,981
Sundry creditors	9,620	14,772
Payable to local societies	52,045	67,045
Total	61,922	315,798

Note 13 Provisions

	2013	2012
Provision for holiday pay	12,504	12,035
Provision for long service leave	3,455	1,617
	15,959	13,652

Note 14 Personnel related items

	2013	2012
Superannuation payable	3,484	1,869

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Note 15 Tax liabilities

	2013	2012
GST collected	156,003	133,772
GST paid	(88,244)	(132,077)
	67,759	1,695

Note 16 Other current liabilities

	2013	2012
Accrued charges	5,000	9,000

Note 17 Trade and other payables

	2013	2012
Payables to government on realisation of asset - Huon Valley	352,500	352,500
Payables to government on realisation of asset - Launceston	834,200	834,200
Payables to gov't on realisation of asset - Mauritian house	934,699	934,699
	2,121,399	2,121,399

Note 18 Other noncurrent liabilities

	2013	2012
Deferred grants - Narrabri	491,558	2,327,059
Deferred grants - Wagga	1,500,000	-
	1,991,558	2,327,059

Note 19 Reserves

	2013	2012
Asset revaluation reserve	1,454,743	1,454,743
Capital grants reserve	481,216	481,216
Endowment fund reserve	125,664	125,664
	2,061,622	2,061,622

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Note 20 Cash Flow Information (Reconciliation of Cash Flow from Operations with Profit after Income Tax)

	2013	2012
	\$	\$
Net loss/income for the period	204,590	-34,962
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
Depreciation and amortisation	35,052	36,110
Unrealised (gains) / losses on investments		26,540
Capitalised investment revenue		-21,709
Capitalised investment expenses		3,168
changes in operating assets and liabilities:		
(Increase)/decrease in trade and term receivables	98,271	-36,397
(Increase)/decrease in prepayments and other current assets	-9,976	1,314
Increase/(decrease) in trade payables and accruals	-175,196	233,981
Increase/(decrease) in other liabilities	-350,501	-1,685,225
Increase/(decrease) in provisions	2,308	831
Cash flow from operations	-195,452	-1,476,349

Note 21 Auditors' Remuneration

	2013	2012
	\$	\$
Remuneration of the auditor of the parent entity for:		
- Auditing or reviewing the financial report		
	5,000	9,000

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Note 22 Financial instruments

(a) Interest Rate Risk

Financial instrument composition and maturity analysis

The company's exposure to interest rate risk, which is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Maturing within 1 Year	
	2013	2012	2013	2012	2013	2012
	%	%	\$	\$	\$	\$
Financial Assets:						
Cash and cash equivalents	3	3	391,161	2,649,587	2,055,714	132,878
Receivables	-	-	-	-	-	-
Investments	-	-	210,285	187,173	-	-
Total Financial Assets			601,896	2,836,760	2,055,714	132,878
Financial Liabilities:						
Trade and sundry payables	-	-	-	-	-	-
Non current payables	-	-	-	-	-	-
Total Financial Liabilities			-	-	-	-
			Non-interest Bearing		Total	
			2013	2012	2013	2012
			\$	\$	\$	\$
Financial Assets:						
Cash and cash equivalents			200	273	2,447,075	2,782,738
Receivables			20,457	59,230	20,457	59,230
Investments			-	-	210,285	187,173
Total Financial Assets			20,657	59,503	2,677,817	3,029,141
Financial Liabilities:						
Trade and sundry payables			138,165	328,361	138,165	328,361
Non current payables			2,121,399	2,121,399	2,121,399	2,121,399
Total Financial Liabilities			2,259,564	2,449,760	2,259,564	2,449,760

(b) Credit risk

The company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the company.

(c) Net fair values

Financial assets and liabilities approximate their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form. Financial assets, where the carrying amount exceeds net fair values, have not been written down as the company intends to hold these assets to maturity. Their aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to and forming part of the financial statements.

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(d) Financial risk management

The company's financial instruments comprise cash and cash equivalents, available-for-sale financial investments and finance lease liabilities. In addition the company has various financial assets and liabilities including amounts receivable in respect of residents at its long-term residential and day and respite care centres and amounts payable to trade and other creditors.

The main risks arising from the company's financial instruments are interest rate risk, liquidity risk, credit risk and market price risk. The company does not hold financial instruments denominated in foreign currencies and does not use derivative instruments to manage risks associated with its financial instruments.

The company's policies for managing each of these risks are summarised below. The policies are subject to Board approval and are reviewed regularly.

(e) Liquidity risk

The company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate liquid funds or unused overdraft facilities are maintained.

When necessary, cash for unforeseen events such as relief activities following natural disasters is sourced from liquidation of available-for-sale financial investments. It was the company policy to hold investments in an Endowment fund managed by the ANZ Trustees. In July 2012, the investment was realised and is now to be managed by the directors in accordance with an adopted investment policy.

The company has provided for long term liabilities owing to the Victorian, NSW and Tasmanian State Governments. These liabilities are payable when the applicable properties are realised. The estimated total liability at 30 June 2013 is \$2,121,399 (2012: \$2,121,399) please refer to note 17. The company does not intend to realise these assets in the next twelve months.

(f) Credit risk

Funds are deposited only with those banks and financial institutions approved by the Board. Such approval is only given in respect of banks that hold an AA rating from Standard and Poor's or an equivalent rating from another reputable ratings agency.

(g) Market risk

Market price risk is the risk that the company's operations will be adversely affected by a significant adverse fluctuation on the value of its available-for-sale investments. The company's Investment Fund uses the Asgard investment platform to record and manage the individual investment assets. The Board avails itself to the reporting functions provided by Asgard to monitor investments and overall performance.

Note 23 Capital and Leasing Commitments

(a) Operating Lease Commitments

(i) Non-cancellable operating leases contracted for but not capitalised in the financial statements

	2013	2012
	\$	\$
Payable - minimum lease payments		
- not later than 12 months	1,225	1,225
Total	1,225	1,225

Rental of offices at Suite 5, 250 Gore Street, Fitzroy, Victoria, 3065

(ii) Abbeyfield Australia enters into lease and sub-lease arrangements for use of Land and Buildings by local societies with Federal, State and Local Governments. The following leases and sub-leases are held by Abbeyfield for local societies:

Croydon	Lease with Maroondah Council, Victoria
Dingley	Sub-lease with Victorian State Government
Garran	Sub-lease with ACT Government
Glenorchy	Lease with Glenorchy City Council, Tasmania
Melton	Sub-lease with Melton City Council, Victoria
Waverley	Sub-lease with Victorian State Government

(b) Capital Expenditure Commitments

Capital expenditure commitments contracted for:

Purchase and building expenses for the Wagga property	1,500,000	0
Purchase and building expenses for the Narrabri property	2,327,059	2,327,059
Total	3,827,059	2,327,059

Note 24 Segment reporting

The company operates in one business segment. The segment is to operate as a not for profit company to assist in the provision of affordable housing for older people and people with a mild intellectual disability who choose to live independently within a supportive environment.

Note 25 Adoption of new and revised accounting standards

During the current year, the Company adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these Standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these Standards and Interpretations has had on the financial statements of Abbeyfield Australia Pty Ltd

Standard Name	Impact
AASB 2011-9 Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income	There has been no impact on the reported financial position and performance
AASB 112 Income Taxes	There has been no impact on the reported financial position and performance

Note 26 New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Company has decided against early adoption of these Standards. The following table summarises those future requirements, and their impact on the Company:

Standard Name	Effective date for entity	Requirements	Impact
AASB 9 Financial Instruments and amending standards AASB 2010-7 / AASB 2012-6	30 June 2016	Changes to the classification and measurement requirements for financial assets and financial liabilities. New rules relating to de-recognition of financial instruments.	The impact of AASB 9 has not yet been determined as the entire standard has not been released.
AASB 1053 - Application of Tiers of Australian Accounting Standards and amending standards AASB 2010-2, AASB 2011-11, AASB 2012-1, AASB 2012-7 and AASB 2012-11	30 June 2014	This standard allows certain entities to reduce disclosures.	The entity is not adopting the RDR and therefore these standards are not relevant.
AASB 2011-2 Amendments to Australian Accounting Standards arising from Trans-Tasman convergence – Reduced Disclosure Requirements	30 June 2014	Highlights the disclosures not required in AASB 1054 for entities applying the RDR.	FOR RDR ENTITIES Little impact since the disclosures are not included in the RDR financials. FOR NON RDR ENTITIES The entity is not adopting the RDR and therefore this standard is not relevant.
AASB 10 Consolidated Financial Statements / AASB 11 Joint Arrangements / AASB 12 Disclosures of Interests in Other Entities, AASB 127 Separate Financial Statements, AASB 128 Investments in Associates and AASB 2012-10 Amendments to	30 June 2014	AASB 10 includes a new definition of control, which is used to determine which entities are consolidated, and describes consolidation procedures. The Standard provides additional guidance to assist in the determination of control where this is difficult to assess. AASB 11 focuses on the rights and	The Group will review its controlled entities to determine whether they should be consolidated under AASB 10, no changes are anticipated. All joint ventures of the group are equity

<p>Australian Accounting Standards - Transition Guidance and Other Amendments</p>		<p>obligations of a joint venture arrangement, rather than its legal form (as is currently the case). IFRS 11 requires equity accounting for joint ventures, eliminating proportionate consolidation as an accounting choice.</p> <p>AASB 12 includes disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.</p>	<p>accounted and therefore minimal impact is expected due to the adoption of AASB 11.</p> <p>Additional disclosures will be required under AASB 12 but there will be no changes to reported position and performance.</p>
<p>AASB 13 Fair Value Measurement.</p> <p>AASB 2011-8 - Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]</p>	<p>30 June 2014</p>	<p>AASB 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across Accounting Standards but does not change when fair value is required or permitted.</p> <p>There are a number of additional disclosure requirements.</p>	<p>Fair value estimates currently made by the entity will be revised and potential changes to reported values may be required.</p> <p>The entity has not yet determined the magnitude of any changes which may be needed.</p> <p>Some additional disclosures will be needed.</p>
<p>AASB 2011-4 - Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124]</p>	<p>30 June 2014</p>	<p>Remove individual key management personnel disclosure requirements (i.e. components of remuneration) for disclosing entities.</p>	<p>The entity is not a disclosing entity and therefore this will have no impact.</p> <p>OR</p> <p>Since the entity is a disclosing entity, the KMP remuneration note in the financial statements will not include individual components of remuneration.</p>
<p>AASB 2011-6 - Amendments to Australian Accounting Standards - Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation - Reduced Disclosure Requirements [AASB 127, AASB 128 & AASB 131]</p>	<p>30 June 2014</p>	<p>This Standard extends the relief from consolidation, the equity method and proportionate consolidation by removing the requirement for the consolidated financial statements prepared by the ultimate or any intermediate parent entity to be IFRS compliant, provided that the parent entity, investor or venturer and the ultimate or intermediate parent entity comply with Australian Accounting Standards or Australian Accounting Standards - Reduced Disclosure Requirements.</p>	<p>Since the entity does not comply with the Reduced Disclosure Regime there is no impact on the adoption of this standard.</p> <p>OR</p> <p>The entity will cease preparation of consolidated financial statements under this standard.</p>
<p>AASB 2011-7 - Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]</p>	<p>30 June 2014</p>	<p>This standard provides many consequential changes due to the release of the new consolidation and joint venture standards.</p>	<p>The impact of this standard is expected to be minimal.</p>

AASB 119 Employee Benefits (September 2011) AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) and AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements	30 June 2014	The main changes in this standard relate to the accounting for defined benefit plans and are as follows: - elimination of the option to defer the recognition of gains and losses (the 'corridor method'); - requiring remeasurements to be presented in other comprehensive income; and - enhancing the disclosure requirements.	Since the entity does not have a defined benefit plan, the adoption of these standards will not have any impact. OR Where the entity has a defined benefit plan, the impact of this standard should be calculated and disclosed.
AASB 2010-10 - Further Amendments to Australian Accounting Standards - Removal of Fixed Dates for First-time Adopters [AASB 2009-11 & AASB 2010-7]	30 June 2014	Makes amendments to AASB 1	No impact since the entity is not a first-time adopter of IFRS.
AASB 2012-2 - Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities [AASB 132 & AASB 7]	30 June 2014	Requires the inclusion of information about the effect or potential effect of netting arrangements.	There is no impact on disclosures as there are no offsetting arrangements currently in place.
AASB 2012-4 - Amendments to Australian Accounting Standards – Government Loans [AASB 1]	30 June 2014	Adds exception to retrospective application of Australian Accounting Standards for first time adopters.	No impact as these are not the first time adoption accounts for the entity.
AASB 2012-5 - Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle [AASB 1, AASB 101, AASB 116, AASB 132 & AASB 134 and Interpretation 2]	30 June 2014	AASB 1 - this standard clarifies that an entity can apply AASB 1 more than once. AASB 101 - clarifies that a third statement of financial position is required when the opening statement of financial position is materially affected by any adjustments. AASB 116 - clarifies the classification of servicing equipment. AASB 132 and Interpretation 2 - Clarifies that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction shall be accounted for in accordance with AASB 112 Income Taxes AASB 134 - provides clarification about segment reporting.	No expected impact on the entities financial position or performance.
AASB 2011-12 Amendments to Australian Accounting Standards arising from Interpretation 20	30 June 2014	Allows transitional provisions for stripping costs in accordance with Interpretation 20.	There will be no impact as entity is not in the mining industry.
AASB 2012-9 Amendment to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039	30 June 2014	Removes reference to withdrawn Interpretation 1039.	No impact on the financial statements.
AASB 1055 - Budgetary Reporting AASB 2013-1 Amendments to AASB 1049 - Relocation of Budgetary Reporting Requirements	30 June 2015	This standard specifies the nature of budgetary disclosures and circumstances for inclusion in the financial statements.	No impact as the entity is not a public sector entity.

AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities [AASB 132]	30 June 2015	This standard adds application guidance to AASB 132 to assist with applying some of the offset criteria of the standard.	There will be no impact to the entity as there are no offsetting arrangements currently in place..
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Directors' declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 19 to 52, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2013 and of the performance as represented by the results of their operations, changes in equity and their cash flows, for the year ended on that date of the company.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



David Kay
Abbeyfield Australia Chairman
11 October 2013



Andrew Moylan
Abbeyfield Australia Treasurer
11 October 2013

Independent Audit Report to the members of Abbeyfield Australia Ltd

Report on the Financial Report

We have audited the accompanying financial report of Abbeyfield Australia Ltd, which comprises the balance sheet as at 30 June 2012, and the income statement, statement of changes in equity and statement of cash flows for the year ended that date a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes 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

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we 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 company'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 directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Abbeyfield Australia Ltd on 29 September 2010, would be in the same terms if provided to the directors as at the date of this auditor's report.

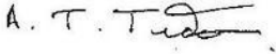
Auditor's Opinion

In our opinion the financial report of Abbeyfield Australia Ltd is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

Tudor & Company Pty Ltd



Mr Alan T Tudor FCA

Dated 11 October 2013

385 Hawthorn Road
Caulfield Victoria 3162

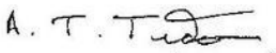
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Auditor's declaration

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2013 there has been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Tudor & Company Pty Ltd



Mr Alan T Tudor FCA

Dated: 11 October 2013

385 Hawthorn Road
Caulfield Victoria 3162

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Notes



Abbeyfield Australia Limited
All post to: PO Box 1293 Collingwood VIC 3066
Tel: (03) 9419 8222 Fax: (03) 9419 8575
Email: admin@abbeyfield.org.au Web: www.abbeyfield.org.au
ABN 91 005 954 905 ACN 005 954 905
Registered office: 385 Hawthorn Road, Caulfield VIC 3162