



Abbeyfield Australia Ltd

Annual Report 2009 / 2010

Abbeyfield Australia Limited

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ABN 91 005 954 905 ACN 005 954 905

Registered office: Suite 5, 250 Gore Street, Fitzroy VIC 3065

Affiliated Abbeyfield local societies and branches 2009 / 2010

Australian Capital Territory

Abbeyfield Society (ACT), 75 Wakefield Gardens, **Ainslie**, 2602
Abbeyfield Society (disAbility) ACT, 31 Throssell Street, **Curtin** 2605
Abbeyfield Society (ACT), 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 (Opening mid 2011)
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

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**), 15 Francis Street, Mt Gambier, 5290

Tasmania

Abbeyfield Society (**Burnie**), 125 View Road, Burnie, 7320
Abbeyfield Society (**Glenorchy**), Cnr. Milpara Street & Moorina Court, Chigwell, 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 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 Josephs 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

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Directors' Report

30 June 2010

Chairman's Report 2010

It is a great privilege and pleasure to deliver the Annual Report as Chairman of Abbeyfield Australia Ltd for the year ending 30th June 2010.

It has been a year of intense deliberation for the Abbeyfield Australia Board. Members have engaged in planning for a future in which Abbeyfield will expand in such a way that it creates its own financial resources drawing from government and private enterprise. Appropriate strategies for this purpose are being most carefully considered.

As part of the Boards planning for the future, CEO Chris Reside has spoken with prominent people in government the Executive and private enterprise. People from each of these sectors have shown a marked interest in Abbeyfield and the quality of its housing. The profile of Abbeyfield has been raised through Chris' efforts for which members of the Board express their appreciation.

To assist Chris in writing the appropriate plans to present to Government and other important organizations, the Board engaged John Coxon and Associates. John has been of immense value to Abbeyfield in the work he has done and the wise counsel he has offered to the Board and to Chris.

To free up Chris for this important work for Abbeyfield's future, Abbeyfield Australia directors have taken over some of Chris' responsibilities. National conferences have been organised in Tasmania, Victoria (including South Australia) and the ACT. Directors in each of these states have played a most significant part together with the respective Local Societies in organising and participating in these conferences. Local Society members have not only enjoyed hearing speakers on topics most pertinent to the "running" of Abbeyfield houses but have had the opportunity to exchange views on issues common to each of the houses.

The Abbeyfield Hostels continue to operate extremely well for frailer Abbeyfield residents. The Abbeyfield Local Society at Mortlake, operating a Hostel, is bearing responsibility for the establishment of an Abbeyfield house at Timboon. This is a very exciting venture

Once again the Housekeepers Conference was a lively meeting of housekeepers from most of the Abbeyfield houses around Australia. Guest speakers who addressed the Conference were outstanding. Much discussion took place between the housekeepers on a variety of issues found to be common to many of the Houses

Our new developments include a house at Goulburn bought with funding from the NSW Department of Ageing, Disability and Home Care. This house is scheduled very shortly to undergo major renovations in order to provide a home for mildly intellectually disabled people. The Disability House in Canberra continues to go from strength to strength. The Abbeyfield Disability House at Edwardstown newly opened is progressing well and is to be congratulated on this most important and challenging transition from an Abbeyfield House for older people to a house for younger mildly intellectually disabled people. There are a number of groups of people around Australia very keen to establish Abbeyfield Houses including Narrabri (rural NSW), Castlemaine (rural Vic) and, Annandale (inner city Sydney). Funding is the challenge at this stage.

It is with the greatest possible appreciation and admiration that I thank members of each of the Local Societies throughout Australia for their extraordinarily generous contributions to the "running" of the Abbeyfield Houses and Hostels. Without these outstanding and most caring people there would be no Abbeyfield Houses in this country. May you continue your wonderful work in providing our residents with comfortable and secure housing.

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Directors' Report

30 June 2010

To Chris Reside, our CEO thank you for all your fine and challenging work throughout the year. To Virginia Lawrence Office Manager thank you for your contribution to Abbeyfield and the expertise you bring to the work you do.

Our most sincere thanks to Corrs Chambers Westgarth Lawyers for the legal advice they have most generously given to Abbeyfield Australia during the past year – it has been invaluable and greatly appreciated.

I would like to pay tribute to Peter Reed who has been a Director of Abbeyfield Australia for a number of years and a Vice Chairman. An architect Peter has given freely of his professional expertise on a number of planning and building matters in relation to the construction of Abbeyfield houses and continues to do so most generously. On behalf of the Abbeyfield Australia Board and all Abbeyfield members we express our thanks to him for his outstanding contribution to Abbeyfield throughout Australia.

May I say how much I value the generous and unstinting contributions each and every Board member has made to the work which is carried out by the Abbeyfield Australia Board. The expertise which each member brings to the Board Room is of the highest order.

May I express my most sincere wish that Abbeyfield may continue to provide comfortable and secure and affordable housing for its residents and in the near future there will be a broader range of housing to meet the varying needs of our Australian people.



Gay Gardner, AM
Chairman

Abbeyfield Australia Limited

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Directors' Report

30 June 2010

Chief Executive Officer's Report

Reflecting on the year that was 2009/2010, I think it's fair to say we've had quite a few wins, the occasional very big win, and the odd disappointment.

On the positive side of the ledger, I am pleased to reflect that we had some important achievements. For example, we have:

- launched our new Abbeyfield Australia web site (Feb 2010)
- implemented our new logo (Feb 2010)
- received accreditation as a Community Housing Provider in NSW (Jan 2010)
- commenced a thorough strategic planning process for 2010 – 2015
- made significant inroads into promoting the Abbeyfield model in Federal circles
- held the 2010 Tasmanian Abbeyfield Conference (Feb 2010)
- held the 2010 Abbeyfield Housekeepers Conference (May 2010)
- continued to assist the transition of the Marion Abbeyfield House into a successful disAbility house (Jan 2010)
- worked with the St Joseph Abbeyfield Malvern as it successfully recommissions its new beautiful house (Dec 2009).

The negative side of the ledger is that these things have all taken time to deliver – and in some instances, regrettably too much time.

The Abbeyfield model has significant strengths, not the least of which is its high level of local community involvement; the consistency of the outcomes it delivers across all houses and hostels; and its cost effectiveness to government. But it also faces significant stresses and challenges. These include finding a pathway to keep the model relevant in a contemporary community housing environment and delivering a 'product' which the next generation will find attractive. I am pleased that the Board has keenly grasped this nettle and is well underway in a thorough strategic planning / business planning process which aims to keep the organisation sustainable, whilst growing the model and providing more services to affiliated local Abbeyfield societies.

A considerable effort was made in preparing and implementing the new Abbeyfield Australia Constitution which was adopted at the 2009 AGM. The proposed constitution attracted much debate at the 2008 AGM and was the subject of further member consultation in 2009. The result at the 2009 AGM was an excellent Constitution for a contemporary not-for-profit company focused on advancing the Abbeyfield model in Australia. I support the new Constitution entirely and appreciate the work required by (then) Company Secretary Dimitri Kiriacoulacos, the Board, and our legal team at Corrs Chambers Westgarth to produce the end result.

Volunteerism is at the heart of Abbeyfield and one of the joys of my role is meeting the local society committees of management and volunteers who actually 'make it happen on the ground'. You are a truly remarkable band of people and to you each I say thank you. Whenever I have rung to ask a favour – it is almost always obliged. Whenever I have been slow to respond to an email, I am almost always forgiven. And whenever I meet and talk to you, I am always impressed. Thank you.

Abbeyfield Australia operates a small office in Fitzroy. We have very limited resources and much to do. Consequently I am indebted to our corporate supporters who provide invaluable pro-bono services or services at significantly reduced rates. In particular I thank Justin Fox and his colleagues at Corrs Chambers Westgarth (legal advisors), the team from Fresh Dynamcs (IT support) and Philip McNeil from RedBike Systems (web site design).

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30 June 2010

Donations are always vital to Abbeyfield Australia – and I am greatly indebted to our donors acknowledged in this report.

In closing, a quick thank you to the Board for its work, and to Virginia Lawrence, Abbeyfield Australia's Office Manager. Virginia is contracted for about eight hours per week yet seems to be available any day of the week with her good humour, famously direct approach, and support.

Regards,



Chris Reside
Chief Executive Officer

Treasurer's Report

Abbeyfield Australia's financial statements for the year ended 30 June 2010 reveal a number of improvements in both our method of reporting and the trading result.

On page one of the report in clause 2 we report the result for the year (\$1,263, 654) but have included a second statement to recognise the receipt of capital grant funds from the NSW Department of Aged Disability and Homecare (ADHC) for the construction of the Goulburn Abbeyfield disAbility House (\$1,430,000). This provides a more balanced view of the company's trading result for the year.

The other significant change in the reports is on page six with a line item for operating activities showing a favourable operational result of \$36,696 and then recording the non operational activities which in the past have distorted reports.

Again this year we are required to include new Accounting Standards but these will have limited effect on the operations and reporting for Abbeyfield Australia.

During the year under review we have improved the method of financial reporting to the Board with reports provided to directors by the 20th day of each month. This has made directors more aware of the financial position of the organisation. This change would not have been possible without the assistance and cooperation of CEO Chris Reside and Office Manager Virginia Lawrence and I thank both of them for their contributions.

One aspect contained in the Statements as prepared by our Auditor and accounting advisor is the use of the term 'profit'. I believe this to be contrary to our incorporation as a Not-For-Profit organisation and that we should be reporting trading results as a surplus of deficit, rather than profit or Loss. The information from our Auditor is that the term 'profit' is in general use but I do not accept that that makes it preferable.

On the whole I am pleased with the financial result for the year. For in a very busy year the company has returned a modest operating surplus, whilst also making significant in-roads into Federal and sector stakeholders, assisted with the development of new Abbeyfield house proposals, improved our

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30 June 2010

communication with members, and maintained services to our invaluable affiliated local Abbeyfield Societies.

Future years will continue to require careful management of the finances of Abbeyfield Australia but I believe that developments during the past year have opened up opportunities to improve our financial basis and establish Abbeyfield as a significant body in supportive accommodation in Australia.
Regards,



David Kay
Treasurer

Donors 2009/2010

The following list of donors is not complete. It does not include those many donors who so generously support Abbeyfield at the local level or those who have given substantially in the past. Abbeyfield Australia records its gratitude to you all. The individuals and organisations mentioned below have made contributions to the work of Abbeyfield either directly or through a donation to the Abbeyfield Endowment Fund. We take this opportunity to thank them for their kindness and practical support for Abbeyfield.

The William Angliss (Vic) Charitable Fund

The Bell Charitable Fund

The Peggy Foundation

Microsoft Corporation

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Directors' Report

30 June 2010

VISION STATEMENT

To empower and enable communities to meet the needs of their members for affordable, secure and supportive group housing.

MISSION STATEMENT

To assist communities to establish and to maintain affordable, secure and supportive group housing for people in need.

ABBEYFIELD'S ROLE

Abbeyfield is a company limited by guarantee committed to the development of community based housing for people in need who wish to retain their independence but who seek the company and security of others.

Abbeyfield develops policies, guidelines and standards to support local groups who initiate, develop and manage supportive houses for up to ten people with limited incomes and few assets.

Abbeyfield works closely with governments at all levels, with local communities and with communities of interest to ensure that the particular needs of residents are taken into account in a strategic and needs based way.

Abbeyfield provides management and support to existing houses; and expertise and guidance in the planning and development and funding of new societies and houses.

ABBEYFIELD'S PRINCIPLES

Abbeyfield houses provide appropriate, affordable, group housing for people in need seeking companionship and support in a community in which they have links.

Houses are planned, designed and furnished to provide an environment which is homelike and provides safety, privacy and physical and personal security.

Houses are established and operated by community-based societies, non-profit volunteer organisations which are responsible for the day-to-day operation of the house and the well-being of the residents and staff.

Residents participate in management and decision-making.

Residents are independent, control their own lives and are provided with the information and support needed to retain their independence and freedom.

Residents, staff and volunteers acknowledge the necessity of maintaining an appropriate balance between individual and group rights and responsibilities.

Residents are free to enjoy independently, relationships with family and friends and their own social, cultural, religious and leisure activities.

Abbeyfield uses effective management practices in relation to its administration, communication and human resources.

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Directors' Report

30 June 2010

Financial Statements for Year Ending 30 June 2010

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Your directors present their report on the company for the financial year ended 30 June 2010.

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Directors' Report

30 June 2010

1. General information

a Directors

The names of the directors in office for all or some of the financial year are:

Names	Appointed/Resigned
Gay Gardner AM	
Peter Reed	Retired November 2009
David Kay	
Leo Hurst	
Dimitri Kiriacoulacos	
Andrew Dixon	
Wanda Edmunds	
Alison Hancock	
Colin Haines OAM	Deceased August 2009
Jill Parker	
Francis Duffy	Elected November 2009
John Lawrence	Elected November 2009
Jacquelyn Landos	Appointed May 2010

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

b Company Secretary

The following person held the position of company secretary at the end of the financial year:

Jill Parker

c Principal Activities

The principal activity of Abbeyfield Australia Limited during the financial year was to provide accommodation for the aged.

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

2. Business review

a Operating Results

The Profit of Abbeyfield Australia Limited after providing for income tax amounted to \$ 1,263,654.

During the year the company received a government grant of \$1,430,000 inclusive of GST. This amount was provided exclusively for the construction of a property in Goulburn, NSW. The property will provide supported accommodation.

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Directors' Report

30 June 2010

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.

3. 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 set out at page 31.

b Significant Changes in State of Affairs

No significant changes in Abbeyfield Australia Limited'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 Limited, the results of those operations or the state of affairs of Abbeyfield Australia Limited 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

e Non-audit services

The board of directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non audit services are reviewed and approved by the directors prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence as set out in the Institute of Chartered Accountants in Australia and CPA Australia's Professional Statement F1: Professional Independence.

The following fees for non-audit services were paid/payable to the external auditors during the year ended 30 June 2010:

	2010	2009
	\$	\$
Audit and review services of the financial reports and other audit work under the Corporations Act 2001 paid or accrued to Tudor & Company	3,000	3,250
	<u>3,000</u>	<u>3,250</u>

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Directors' Report

30 June 2010

4. Director Information

a Information on Directors

Gay Gardner AM	Chairperson
Qualifications	Bachelor of Laws
Experience	Aged 71, Member of The Law Society of South Australia, 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.
Peter Reed	
Qualifications	Bachelor of Architecture, ARAIA
Experience	Aged 64, Architect, Director of South West Inner Sydney Housing Co-Operative, Member Housing and Urban Design Committee of RAIA.
David Kay	Treasurer
Experience	Aged 60, Member of the Institute of Credit Management
Leo Hurst	
Experience	Aged 74, Nurse (Retired), retired Chairperson of the Abbeyfield Society (Glenorchy) Inc. Member and Vice President of the Anglican Men's Society of Tasmania
Dimitri Kiriacoulacos	1st Vice Chairperson
Qualifications	Bachelor of Laws (Honours), Bachelor of Accounting, CPA, F Fin
Experience	Aged 43, Corporate lawyer and accountant with experience in private practice, investment banking and corporate roles. Currently Group General Counsel for Centro Properties Group.
Andrew Dixon	
Qualifications	B.Soc.Sci. (Lib), Grad Dip (Comm Dat Proc)
Experience	Aged 57, Subject Librarian, Caulfield Campus, Monash University, Ambassador of the W.R. Johnston Collection, Board member Duldig Studio, Staff representative on MONSU Board (Monash University Caulfield-Peninsula Student Union).
Wanda Edmunds	
Experience	Aged 72, retired. Committee Member Babinda and District Aged Care Association, Chairperson of The Abbeyfield Society (Babinda) Inc.

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Directors' Report

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Alison Hancock

Experience Aged 70, Social Worker, past member of Aged Care Assessment Team (ACT), past member of Board Carers Association (ACT)

Colin Haines OAM (Deceased) 2nd Vice Chairperson

Qualifications Justice of the Peace

Experience Age 75, Retired Public Servant; Board Member Commonwealth Area Consultative Committees and State Patawalonga Water Catchment Management Board. Eighteen years as an elected member in Local Government including 9 years as Mayor.

Jill Parker Secretary

Qualifications Master of Education, Grad. Dip in Educational Administration, Diploma of Education, Bachelor of Agricultural Science.

Experience Age 63, Shire Councillor. Director Corangamite Regional Library Corporation. Director South West Waste Reduction Group. Chairperson - Barwon South Western Council Adult Community and Further Education. Chairperson – Leadership Great South Coast. Member – Municipal Association of Victoria, Human Services Advisory group. Former Senior Teacher, Curriculum Leader and Acting Principal.

Francis Duffy

Qualifications Bachelor of Social Work (Hons); Graduate Certificate in Social Development. Master of Social Work in Counselling; Member of Australian Association of Social Work – MAASW.

Experience Age 49, Senior Social Worker, Aged care, St Vincent's Hospital, Sydney. Casual Academic, Charles Sturt University. Board member of Charingfield Ltd.

John Lawrence

Qualifications BBSoc (Hons), Dip.Ed., MHSc (in progress)

Experience Age 55, 15 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

Jacquelyn Landos

Qualifications B App Sc, Grad Dip (Neuroscience)

Experience Age 62, Hospital (Respiratory) Scientist (Retired), former Secretary and past Chair, Current Vice Chair of The Abbeyfield Society disability (ACT) Inc., past member of Australian and New Zealand Society of Respiratory Science, and The Australian Institute of Medical Scientists.

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Directors' Report

30 June 2010

b Meetings of Directors

During the financial year, 7 meetings of directors were held. Attendances by each director during the year were as follows:

Directors (in alphabetical order)	Number eligible to attend	Number attended
Andrew Dixon	7	7
Francis Duffy (Elected November 2009 AGM)	4	3
Wanda Edmunds	7	6
Gay Gardner AM	7	7
Colin Haines OAM (Deceased August 2009)	1	1
Alison Hancock	7	7
Leo Hurst	7	7
David Kay	7	7
Dimitri Kiriacoulacos	7	7
Jacquelyn Landos (Appointed 1 May 2010)	2	2
John Lawrence (Elected November 2009 AGM)	4	4
Jill Parker	7	7
Peter Reed (Retired November 2009 AGM)	3	2

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:

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Directors' Report

30 June 2010

The company has paid premiums to insure each of the following 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. The total amount of the premium was \$ 2,906.

Gay Gardner AM	Peter Reed	David Kay
Leo Hurst	Dimitri Kiriacoulacos	Andrew Dixon
Wanda Edmunds	Jill Parker	Alison Hancock
Colin Haines OAM	John Lawrence	Francis Duffy
Jacquelyn Landos		

6. 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.

7. Proceedings on Behalf of Company

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.

Signed in accordance with a resolution of the Board of Directors:

Director: 

Gay Gardener AM

Director: 

David Kay

Dated this 29th day of October 2010

Abbeyfield Australia Limited

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Income Statement

For the Year Ended 30 June 2010

	Note	2010 \$	2009 \$
Operating activities			
Sales and services revenue	2	188,199	202,536
Cost of sales		-	-
<hr/>			
Gross profit		188,199	202,536
Other income	3	25,133	9,141
Occupancy expenses		(14,700)	(14,540)
Administrative expenses		(131,616)	(144,483)
Legal and consulting fees		(13,356)	(28,825)
Travel and accommodation		(11,275)	(40,442)
Investment expenses		(3,687)	(3,050)
Other expenses	4	(2,002)	(50,700)
<hr/>			
Operating profit/ (loss) before income tax and non-operating activities		36,696	(70,362)
Non-operating activities			
Government grant income	3	1,300,000	500,000
Depreciation, amortisation and impairment on buildings and investments	4	(73,042)	(73,042)
<hr/>			
Profit / (Loss) before income tax		1,263,654	356,595
Income tax expense		-	-
<hr/>			
Profit / (Loss) attributable to members		1,263,654	356,595

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Balance Sheet

30 June 2010

	Note	2010 \$	2009 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	1,750,183	875,377
Trade and other receivables	6	72,768	46,588
Financial assets	8	187,940	184,335
Other current assets	7	394	393
Total current assets		2,011,285	1,106,693
Non-current assets			
Financial assets	8	236,682	242,349
Property, plant and equipment	9	5,101,833	4,667,600
Total non-current assets		5,338,515	4,909,949
TOTAL ASSETS		7,349,800	6,016,642
LIABILITIES			
Current liabilities			
Trade and other payables	10	234,869	171,875
Short-term provisions	11	10,970	4,658
Total current liabilities		245,839	176,533
Non-current liabilities			
Trade and other payables	10	2,124,054	2,124,054
Total non-current liabilities		2,124,054	2,124,054
TOTAL LIABILITIES		2,369,893	2,300,587
NET ASSETS		4,979,907	3,716,055
EQUITY			
Reserves	13	2,024,346	2,024,346
Accumulated profits	12	2,955,561	1,691,709
TOTAL EQUITY		4,979,907	3,716,055

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Statement of Changes in Equity

For the Year Ended 30 June 2010

2010

	Retained Earnings	Capital Profits Reserve	Asset Revaluation Reserve	General Reserves	Total
	\$	\$	\$	\$	\$
Opening balance at 1 July	1,691,709	481,215	1,417,467	125,664	3,716,055
Profit attributable to members	1,263,654	-	-	-	1,263,654
Total recognised income and expense for the year	1,263,654	-	-	-	1,263,654
Balance at 30 June 2010	2,955,363	481,215	1,417,467	125,664	4,979,709

2009

	Retained Earnings	Capital Profits Reserve	Asset Revaluation Reserve	General Reserves	Total
	\$	\$	\$	\$	\$
Opening balance at 1 July	1,335,113	481,215	1,263,132	125,664	3,205,124
Profit attributable to members	356,596	-	-	-	356,596
Total recognised income and expense for the year	356,596	-	-	-	356,596
Revaluation increment (decrement)	-	-	154,335	-	154,335
Balance at 30 June 2009	1,691,709	481,215	1,417,467	125,664	3,716,055

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Statement of Cash Flows

For the Year Ended 30 June 2010

	Note	2010 \$	2009 \$
Cash from operating activities:			
Receipts from customers including GST		1,601,926	718,011
Payments to suppliers and employees including GST		(218,971)	(229,358)
Interest / Investment returns received		10,089	12,042
Net cash provided by (used in) operating activities	14	1,393,044	500,695
Cash flows from investing activities:			
Acquisition of property, plant and equipment		(503,238)	(4,505)
Net cash provided by (used in) investing activities		(503,238)	(4,505)
Cash flows from financing activities:			
Loans from / (to) local societies		(15,000)	30,000
Net cash provided by (used in) financing activities		(15,000)	30,000
Net increase (decreases) in cash held		874,806	526,190
Cash at beginning of financial year		875,377	349,187
Cash at end of financial year	5	1,750,183	875,377

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Notes to the Financial Statements

For the Year Ended 30 June 2010

1 Statement of Significant Accounting Policies

(a) General information

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report covers the entity of Abbeyfield Australia Limited as an individual entity. Abbeyfield Australia Limited is a company limited by guarantee, incorporated and domiciled in Australia.

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, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

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

(b) Basis of preparation

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). A statement of compliance with International Financial Reporting Standards cannot be made due to the company applying the not-for-profit sector specific requirements contained in the AIFRS

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available for sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed below.

(i) Provisions for employee benefits

Provisions for employee benefits payable after 12 months from the reporting date are based on future wage and salary levels, experience of employee departures and periods of service, as discussed in (policy) Note 1(i). The amount of these provisions would change should any of these factors change in the next 12 months.

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Notes to the Financial Statements

For the Year Ended 30 June 2010

(c) Comparative Figures

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

(d) Cash and Cash Equivalents

Cash and cash equivalents include 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 short-term borrowings in current liabilities on the balance sheet.

(e) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are due for settlement no more than 120 days from the date of recognition for land development and resale debtors, and no more than 30 days for other debtors.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the income statement.

(f) 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.

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Notes to the Financial Statements

For the Year Ended 30 June 2010

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the company 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

Buildings	2.50%
Office Equipment	13 - 27%
Leasehold improvements	2.50%

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

(g) 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.

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 and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. 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 company's intention to hold these investments to maturity. Any held-to-maturity investments held by the company are stated at amortised cost using the effective interest rate method.

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Notes to the Financial Statements

For the Year Ended 30 June 2010

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 amortised cost, comprising original debt less principal payments and amortisation.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine 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 company assess 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 an impairment has arisen. Impairment losses are recognised in the income statement.

(h) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(i) Employee Benefits

(i) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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Notes to the Financial Statements

For the Year Ended 30 June 2010

(iii) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

(j) Provisions

Provisions are recognised when the group 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.

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.

(k) Revenue

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. Revenue is recognised for the major business activities as follows:

Commercial revenue is for services rendered and recognised as work is performed for the customer.

Interest revenue is recognised on a proportional basis taking into account the effective interest rates applicable to the financial assets.

(l) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as 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 flows.

(m) Leases

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

(n) Income tax

No provision for income tax has been raised as the Company is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

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Notes to the Financial Statements

For the Year Ended 30 June 2010

(o) Segment reporting

A business segment is identified for a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is identified when products or services are provided within a particular economic environment subject to risks and returns that are different from those of segments operating in other economic environments.

2 Revenue

	Note	2010 \$	2009 \$
Operating activities			
- services revenue		140,374	170,603
- interest received	2(a)	34,825	29,383
- donations		13,000	2,550
Total Revenue		188,199	202,536

	2010 \$	2009 \$
(a) Interest revenue from:		
interest income from banks and trusts	34,825	29,383
Total interest revenue	34,825	29,383

3 Other operating income

	2010 \$	2009 \$
Administration and management fees	22,660	-
Increase in the value of trusts	2,473	9,141
Government grants	1,300,000	500,000
Total	1,325,133	509,141

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Notes to the Financial Statements

For the Year Ended 30 June 2010

4 Other expenses

	2010	2009
	\$	\$
Depreciation, amortisation and impairments	74,671	74,634
Sundry expenses	-	(393)
Unrealised Loss on Investments	372	38,796
Bad debts	-	10,704
Total	75,043	123,741

5 Cash and Cash Equivalents

	2010	2009
	\$	\$
Cash on hand	282	100
Cash at bank	1,631,167	724,835
Short-term bank deposits	118,734	150,442
Total	1,750,183	875,377

6 Trade and Other Receivables

	2010	2009
	\$	\$
CURRENT		
Trade receivables	41,815	45,121
Provision for impairment of receivables	-	-
	41,815	45,121
Other related parties	1,000	-
Goods and services tax (receivable)	2,336	959
Sundry debtors	22,111	-
Other receivables	5,506	508
Total	72,768	46,588

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Notes to the Financial Statements

For the Year Ended 30 June 2010

7 Other Assets

	2010	2009
	\$	\$
CURRENT		
Prepayments	394	393
Total	394	393

8 Financial Assets

(a) Held-to-maturity Investments Comprise:

	2010	2009
	\$	\$
Other financial assets - current	187,940	184,335
Total	187,940	184,335

(b) Available-for-sale Financials Assets Comprise

	2010	2009
	\$	\$
Other available for sale assets		
other financial assets	236,682	242,349
Total available-for-sale financial assets	236,682	242,349

Available-for-sale financial assets comprise of investments in:

- (i) \$187,940 is held with ANZ Charitable Trust Australia. There are no fixed returns or fixed maturity dates attached to these investments.
- (ii) \$236,682 is investments in local society land and buildings (Ainslie (ACT), Dandenong North (Vic), Malvern East (Vic), Mortlake (Vic), Frankston (Vic.) Launceston (Tas) and Huon Valley (Tas)). This amount represents the equity in these assets that is receivable on the possible sale of these assets.

	Note	2010	2009
		\$	\$
Available for sale financial assets	8(b)	236,682	242,349
Held-to-maturity financial assets	8(a)	187,940	184,335
		424,622	426,684
Less non-current portion		(236,682)	(242,349)
Current portion		187,940	184,335

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Notes to the Financial Statements

For the Year Ended 30 June 2010

9 Property Plant and Equipment continued

9 Property Plant and Equipment

	2010	2009
	\$	\$
LAND AND BUILDINGS		
Freehold land		
At directors' valuation	2,035,000	2,035,000
At cost	502,711	-
Total freehold land	2,537,711	2,035,000
Buildings		
At fair value	2,695,000	2,695,000
Less accumulated depreciation	(134,750)	(67,375)
Total buildings	2,560,250	2,627,625
Total land and buildings	5,097,961	4,662,625
PLANT AND EQUIPMENT		
Office equipment		
At Cost	42,203	41,676
Less accumulated depreciation	(38,330)	(36,701)
Total office equipment	3,873	4,975
Total plant and equipment	3,873	4,975
Total property, plant and equipment	5,101,834	4,667,600

An independent valuation of land and buildings was made in June 2008 on the basis of current market value based on alternative use by DTZ Australia, certified practising valuers and by Brothers & Newton, independent valuers and property consultants.

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Notes to the Financial Statements

For the Year Ended 30 June 2010

9 Property Plant and Equipment continued

a Movements in Carrying Amounts

	Land	Buildings	Office Equipment	Total
	\$	\$	\$	\$
Balance at the beginning of year	2,035,000	2,627,625	4,975	4,667,600
Additions	502,711	-	527	503,238
Depreciation expense	-	(67,375)	(1,629)	(69,004)
Carrying amount at the end of year	\$ 2,537,711	\$ 2,560,250	\$ 3,873	\$ 5,101,834

10 Trade and Other Payables

	2010	2009
	\$	\$
CURRENT		
Unsecured liabilities		
Trade payables	5,334	2,730
Deposits	1,006	5,250
Goods and services tax payable	135,647	57,371
Accrued employee entitlements	1,002	6,457
Sundry payables and accrued expenses	11,880	5,067
Other payables	80,000	95,000
Total	234,869	171,875
	2010	2009
	\$	\$
NON-CURRENT		
Secured Liabilities		
Other payables	2,124,054	2,124,054
Total	2,124,054	2,124,054

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Notes to the Financial Statements

For the Year Ended 30 June 2010

11 Current provisions

	2010	2009
	\$	\$
Employee entitlements	10,970	4,658
Total	10,970	4,658

12 Accumulated profits / (Losses)

	2010	2009
	\$	\$
Accumulated profits at the beginning of the financial year	1,691,907	1,335,113
Net income/loss for the period	1,263,654	356,596
Accumulated profits at the end of the financial year	2,955,561	1,691,709

13 Reserves

a Asset Revaluation Reserve

The asset revaluation reserve records revaluations of non current assets.

b General Reserve

The general reserve records funds set aside for future expansion of the economic entity.

14 Cash Flow Information

a Reconciliation of Cash Flow from Operations with Profit after Income Tax

	2010	2009
	\$	\$
Net income/loss for the period	1,263,654	356,596
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
Depreciation and amortisation	69,004	68,967
Impairments	-	5,667
Unrealised (gains) / losses on investments	372	38,796
Capitalised investment revenue	(24,738)	(16,833)
Capitalised investment expenses	2,859	2,480

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Notes to the Financial Statements

For the Year Ended 30 June 2010

changes in operating assets and liabilities:		
(Increase)/decrease in trade and term receivables	3,306	(24,298)
(Increase)/decrease in prepayments and other current assets	(28,110)	953
Increase/(decrease) in trade payables and accruals	78,276	50,421
Increase/(decrease) in other liabilities	(1,659)	13,288
Increase/(decrease) in provisions	6,312	4,658
Cashflow from operations	1,369,276	500,695

15 Auditors' Remuneration

	2010	2009
	\$	\$
Remuneration of the auditor of the parent entity for:		
- Auditing or reviewing the financial report	3,000	3,250
- Other services	544	-

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Notes to the Financial Statements

For the Year Ended 30 June 2010

16 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	
	2010	2009	2010	2009	2010	2009
	%	%	\$	\$	\$	\$
Financial Assets:						
Cash and cash equivalents	2	5	1,631,171	724,835	118,734	150,442
Receivables	-	-	-	-	-	-
Investments	-	-	187,939	184,335	-	-
Total Financial Assets			1,819,110	909,170	118,734	150,442
Financial Liabilities:						
Trade and sundry payables	-	-	-	-	-	-
Non current payables	-	-	-	-	-	-
Total Financial Liabilities			-	-	-	-

	Non-interest Bearing		Total	
	2010	2009	2010	2009
	\$	\$	\$	\$
Financial Assets:				
Cash and cash equivalents	278	100	1,750,183	875,377
Receivables	49,676	46,588	49,676	46,588
Investments	-	-	187,939	184,335
Total Financial Assets	49,954	46,688	1,987,798	1,106,300
Financial Liabilities:				
Trade and sundry payables	234,869	171,876	234,869	171,876
Non current payables	2,124,054	2,124,054	2,124,054	2,124,054
Total Financial Liabilities	2,358,923	2,295,930	2,358,923	2,295,930

(b) Credit risk

The company does not have any material credit risk exposure to any single debtor or group of

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Notes to the Financial Statements

For the Year Ended 30 June 2010

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.

(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 is company policy to hold only those investments held by ANZ Trustees in their Endowment fund.

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 2010 is \$3,424,055 (2009: \$2,624,055). 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 has engaged ANZ Trustees to advise on the management of its investment portfolio. The Board has approved risk

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Notes to the Financial Statements

For the Year Ended 30 June 2010

and return parameters for investment in available-for-sale investments and receives reports from management and ANZ Trustees on a quarterly basis regarding the performance of the investment portfolio.

17 Capital and Leasing Commitments

(a) Operating Lease Commitments

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

	2010	2009
	\$	\$
Payable - minimum lease payments		
- not later than 12 months	14,700	14,700
Total	14,700	14,700

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

(b) Capital Expenditure Commitments

Capital expenditure commitments contracted for:

Purchase of Goulburn property	1,300,000	500,000
Total	1,300,000	500,000

18 Segment reporting

The company operates in one business segment. The segment is to operate as a not for profit company to assist in providing accommodation for the aged.

19 Accounting Standards

The following Australian Accounting Standards have been issued or amended and are applicable to the company but are not yet effective and have not been adopted in preparation of the financial statements at reporting date.

Pronouncement	Who will it affect?	Impact/Action	What's new?
AASB 3 <i>Business combinations</i> (revised), AASB 127 <i>Consolidated and separate financial statements</i> (revised) and AASB 2008-3 <i>Amendments arising from the revisions to AASB 3 and AASB 127</i>	Entities that: <ul style="list-style-type: none"> are planning a business combination dispose of a subsidiary and retain a non-controlling interest buy or sell interests 	High. A number of changes affect entities' earnings at the time of an acquisition and in subsequent years.	Some aspects of accounting for business combinations have changed. For example: <ul style="list-style-type: none"> Transaction costs must be expensed. Contingent consideration must be included in purchase consideration at fair value, with subsequent changes to purchase consideration recorded in the income statement. Previously, contingent consideration was only recognised if it was probable that it would be paid, and subsequent changes were recognised as adjustments to goodwill.

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For the Year Ended 30 June 2010

	in existing subsidiaries without losing control.		<ul style="list-style-type: none"> For an acquisition of less than 100% of an entity, under the full goodwill method the goodwill attributable to the non-controlling interest (minority interest) may be recognised as an asset. Under the existing 'partial goodwill' approach, only the goodwill attributable to the parent entity is recognised as an asset. In a step acquisition, the existing investment in the acquiree is re-measured to fair value and the difference recorded in the income statement. The fair value of the investment is included as part of the purchase consideration.
<p><i>Changes to AASB 139 Financial Instruments: Recognition and Measurement (Classification and Measurement) IASB ED/2009/7 AASB ED 184 Application date yet to be confirmed.</i></p>	Effects all entities with financial instruments.	<p>High for some entities.</p> <p>If adopted, the proposals would replace the fair value measurement guidance contained in individual IFRS standards with a single definition of fair value. It would also provide additional guidance on how entities should apply the fair value measurement requirements in inactive markets.</p>	<p>The IASB has changed how financial instruments are classified and measured under the international equivalent of AASB 139.</p> <p>Under the amendments all instruments must be recognised at fair value, except debt instruments with basic loan features that are managed on a contracted yield basis (such as trade receivables and payables or bonds). These instruments would be measured at amortised cost or fair value.</p>
<p><i>Changes to the discount rate in AASB 119 Employee Benefits IASB ED/2009/10 AASB ED 187 Application date 1 January 2010</i></p>	The proposals would affect all Australian entities with employee benefit plans. The company expects material adjustments to the employee benefits provisions.	<p>High.</p> <p>If adopted, Australian entities would measure their employee benefit obligations by estimating the rate for high quality corporate bonds, which would significantly reduce their defined benefit obligations.</p>	<p>We expect the IASB to endorse proposed changes to the international equivalent of AASB 119 Employee benefits, which would require Australian entities to measure their long-term employee benefit obligations (including long service leave, annual leave and defined benefit obligations) by estimating the discount rate by reference to market yields on high quality corporate bonds.</p> <p>Currently Australian entities measure their employee benefit obligations using a government bond rate, which generally results in a lower discount rate than when a corporate bond rate is used. Australian entities use the higher discount rate to measure their employee benefit plans, which would significantly reduce their employee benefit obligations.</p>
<p><i>AASB 2008-6 Further amendments arising from the first annual improvements project</i></p>	Entities that have a subsidiary which is part of a disposal group. It will not affect the company.	<p>Moderate.</p> <p>It clarifies the accounting for sale plans that involve the loss of control of a subsidiary.</p>	<p>The accounting for sale plans that involve the loss of control of a subsidiary has been clarified. Under AASB 1 and AASB 5, all the assets and liabilities of such a subsidiary should be classified as held for sale. Various disclosure requirements have also been clarified.</p> <p>*Note: 2008-6 only refers to improvements concerning AASB 1 and AASB 5 because they apply to entities with annual reporting periods beginning on or after 1 July 2009. The remaining improvements released by the AASB have a later application date.</p>

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For the Year Ended 30 June 2010

Pronouncement	Who will it affect?	Impact/Action	What's new?
AASB 2008-8 <i>Amendments to accounting for eligible hedged items</i>	Entities that hedge options. It will not affect the company.	Moderate. Entities cannot include changes in the time value of an option in a hedging relationship.	The application guidance in AASB 139 Financial instruments: Recognition and measurement has been amended to clarify how the existing principles underlying hedge accounting apply to: <ul style="list-style-type: none"> the designation of a one-sided risk in a hedged item inflation as a hedged risk or portion. The amendment means that only the intrinsic value of an option can be used for hedging. Any change in the time value of the option will have to be immediately recognised in the profit and loss. As a result, entities that currently hedge account the entire option of the fair value will have increased volatility in their profit and loss account.
AASB 2008-11 <i>Amendments to accounting for business combinations among not-for-profit entities</i>	Not-for-profit entities that are not commonly controlled.	Moderate. Broadens the scope of AASB 3 to apply to certain not-for profit entities.	Makes the requirements in AASB 3 Business combinations (issued in March 2008) applicable to business combinations among not-for-profit entities (other than restructures of local governments) that are not commonly controlled. The requirements of AASB 3 can be early adopted by relevant entities. The amendment also includes specific recognition, measurement and disclosure requirements in AASB 3 (issued in March 2008) for restructures of local governments.
Interpretation 18 <i>Transfers of Assets from customers</i>	Entities that receive property, plant and equipment from customers, especially entities in the utility sector.	Moderate. It clarifies the requirements for agreements where an entity receives from a customer an item of property, plant and equipment that the entity must then use either to connect the customer to a network or to provide the customer with services (such as a supply of electricity, gas or water)	The entity must assess whether a transferred item meets the definition of an asset. If it does, the transferred asset is recognised as an item of property, plant and equipment, with cost measured at its fair value. Any corresponding credit is allocated to each separate service to be performed under the agreement. Revenue is recognised for each service in accordance with the recognition criteria of AASB 118. A similar treatment is adopted if cash is received to acquire the item of property, plant and equipment rather than an item.
AASB 2009-4 and AASB 2009-5 <i>Amendments arising from the second annual improvements project</i> AASB 2009-5 applies from 1 January 2010.	All entities.	Moderate. It introduces various changes	In April 2009, the IASB published its second annual improvements project, which the AASB endorsed in May 2009. There are 15 amendments, affecting 12 standards – some more than others. While the improvements do not change the meaning of the standards, some result in changes to the way some companies and trusts account for particular transactions or balances.
IFRIC D25 <i>Extinguishing Financial Liabilities with Equity Instruments</i> Applies from 1 July 2010.	Entities that plan to renegotiate their borrowings with lenders and issue shares in full or partial settlement of that debt. It will not affect the company.	Moderate.	Changes the way that entities measure the equity instruments they issue to settle their debt obligations. In practice, this is commonly referred to as a 'debt for equity swap'. Under the proposals: <ul style="list-style-type: none"> If an entity settles a borrowing by issuing shares, those shares should be measured at either the fair value of the borrowing or the fair value of the shares issued, whichever amount is able to be determined more reliably. Currently, entities can measure the shares at the carrying amount of the liability or by following the proposed treatment. Any difference between the carrying amount of the borrowing and the fair value (as determined above) should be recognised as a gain or loss in the profit or loss account. For example, a difference might arise due to the market value of the shares or because the fair value of the borrowing is different to the carrying amount of the liability, which may have been recorded at amortised cost.

Abbeyfield Australia Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2010

Pronouncement	Who will it affect?	Impact/Action	What's new?
AASB 2009-8 Amendments to group cash-settled share-based payments (AASB 2) Applies from 1 January 2010.	Entities that receive goods or services in exchange for cash settled share-based payments where the payments are made by another entity in the group.	Moderate. Entities' subsidiaries that currently elect not to recognise an expense in their financial statements will need to change their accounting policy.	The amendments specifically clarify that an entity that receives goods or services in a share-based payment arrangement must recognise, in its separate financial statements, an expense for those goods or services regardless of which entity in the group settles the transaction or how the transaction is settled (ie. in shares or cash). The other side of the entry is an adjustment to equity, reflecting an equity contribution from the parent entity. The amendments incorporate the guidance contained in Interpretation 8 Scope of AASB 2 and Interpretation 11 AASB 2 – Group and treasury share transactions. As a result, the IASB and AASB have withdrawn both of these interpretations. The new rules apply retrospectively, which means that entities will need to determine an adjustment to their opening retained earnings.
AASB 2009-7 Editorial amendments to various accounting standards	All entities	Low. It makes various editorial changes.	Corrects editorial errors that occurred in prior amending pronouncements.
Interpretation 17 Distributions of noncash assets to owners and AASB 2008-13 Amendments arising from Interpretation 17.	Entities that issue dividends using assets other than cash.	Low. Clarifies how to measure dividends made in the form of assets rather than cash.	The new guidance clarifies the following: - A dividend payable should be recognised when appropriately authorised and no longer at an entity's discretion. - Where an owner has a choice of a dividend of a non-cash asset or cash, the dividend payable is estimated considering both the fair value and probability of the owner selecting each option. - The dividend payable is measured at the fair value of the net assets to be distributed. The difference between fair value of the dividend paid and the carrying amount of the net assets distributed is recognised in profit or loss.
AASB 132 Financial Instruments: Presentation (Classification of Rights Issues) IASB ED/2009/9 AASB ED 186 Application date yet to be confirmed,	Entities that seek to raise capital by rights issues denominated in foreign currencies, in particular entities that are listed on more than one stock exchange or have share capital listed in more than one currency.	Low. Not expect many Australian entities to be affected. Note. The proposals have a narrow focus. They do not affect the way that entities classify convertible bonds that are issued in a foreign currency.	Clarifies the accounting for rights issues that are denominated in a foreign currency. If such rights are issued pro-rata to an entity's existing shareholders for a fixed amount of currency, they will be classified as equity regardless of the currency in which the exercise price is denominated. Currently, the requirements are generally interpreted to require recognition as derivative liabilities.

20 Members' Guarantee

The company is limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of \$10 each towards any outstanding obligations of the company. At 30 June 2010 the number of members was 432 (2009: 432).

21 Company Details

The registered office of the company is:

Abbeyfield Australia Limited

Suite 5 / 250 Gore Street

Fitzroy Victoria 3066

Abbeyfield Australia Limited

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Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 1 to 27, 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 2010 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.



Director

David Kay, Treasurer

Dated 29 October 2010

Abbeyfield Australia Limited

91 005 954 905

Independent Audit Report

Report on the Financial Report

I have audited the accompanying financial report of Abbeyfield Australia Limited, which comprises the balance sheet as at 30 June 2010, 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

My responsibility is to express an opinion on the financial report based on our audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

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

Abbeyfield Australia Limited

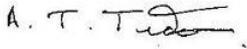
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Auditor's Opinion

In my opinion the financial report of Abbeyfield Australia Limited 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 2010 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



Mr Alan T Tudor FCA

29 October 2010

385 Hawthorn Road
Caulfield Victoria 3162

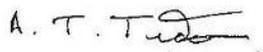
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Auditors Independence Declaration under Section 307C of the Corporations Act 2001

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2010 there have 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



Mr Alan T Tudor FCA

29 October 2010

385 Hawthorn Road
Caulfield Victoria 3162

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