



Abbeyfield Australia Ltd

Annual Report 2014

Abbeyfield Australia Limited
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Registered company office: Level 10, 530 Collins Street, Melbourne 3000

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 2013/2014 Annual Report. This is the 32nd occasion on which the Company has presented a report to members for activities during a financial year.

Development of new Abbeyfield Houses or projects

During the year the Narrabri Abbeyfield House was granted a certificate of occupancy on 22 April 2014 and the first seven residents took up residency the following week. The initial plan was for residents to be admitted in October 2013 but due to differing interpretations of the Building Code the completed house sat vacant for six months until matters could be resolved and alterations made to conform to the revised interpretations. We are still in the process of seeking compensation for the additional work and ongoing recurrent costs.

In Wagga Wagga (NSW) we have purchased suitable land on the corner of Paull and Stanley Streets, Koorringal for the development of an Abbeyfield House for adults with a mild intellectual disability. Some fund raising has commenced and discussions are continuing with the Local Society, and the New South Wales department of Ageing Disability and Home Care to raise the additional funds for the project. This may be assisted by a Committee of the Board which is reviewing the built form of future Abbeyfield Housing with the objective of using contemporary design to reduce construction costs and minimize recurrent house operating and maintenance costs.

We have also been in contact with some 12 other groups interested in our housing model. These groups have ranged from Port Macquarie (NSW) to Hopetoun (WA), to Bruny Island off the Tasmanian east coast. Unfortunately our limited resources restrict the level of support and assistance we are able to provide to support these applications.

National operating structure

The Financial Statements, Auditors Report, and Treasurer Report presented to the Annual Meeting clearly report the activities of Abbeyfield Australia Ltd. What the reports do not disclose are the financial returns of our 27 affiliated Abbeyfield Societies which provide accommodation for over 350 people and have a combined turn-over of \$10+M.

During the past year our long standing auditors Tudor and Co. resigned and the board appointed Moore Stephens Accountants and Advisors to undertake the audit for the current year. The Board recommends to the AGM that the appointment of Moore Stephens Accountants and Advisors as our Auditors be ratified.

In December 2013 the Malvern East Abbeyfield House was closed and its remaining residents assisted to relocate to alternative accommodation including other Melbourne metro Abbeyfield Houses. The Board has now entered into a joint venture contract to redevelop the site into residential apartments to be sold on the open market. The units will be sold 'off the plan' and on completion of the project it is estimated that in excess of \$3m will be deposited into our Abbeyfield Australia Investment Fund. This Fund will then provide the Board with the capacity to better service the membership and provide the Company with a sound financial basis.

Abbeyfield Houses for older people

We now have 20 Abbeyfield Houses for older people spread across Queensland, New South Wales, the ACT, Victoria, South Australia and Tasmania. All these Abbeyfield Houses provide safe, secure and supportive accommodation to residents. With a few exceptions the houses are running at 90 per cent occupancy which ensures the financial viability of the individual societies. However, we do have some Abbeyfield Houses that have had difficulty in maintaining high resident numbers and this can lead to financial problems given that our resident House fee is maintained at the lowest possible level.

Abbeyfield Houses for people with an intellectual disability

As stated earlier in this report the Narrabri Abbeyfield House is now operating and is the fourth Abbeyfield House in Australia to provide a housing choice to people with an intellectual disability. The reception of this adaption of the Abbeyfield House model, particularly in New South Wales, has identified this model of housing as the major growth area for the organisation. This growth may be self-generating because of our existing regular contact with New South Wales government officers and it is my opinion that we need to actively use these contacts to further develop similar positive relationships in other jurisdictions.

The four Abbeyfield Houses providing a supportive housing choice to people with an intellectual disability are: Marion (South Australia), Curtin (ACT) and Goulburn (NSW) and Narrabri (NSW).

Abbeyfield aged care hostels

The Abbeyfield aged care hostels at Williamstown (South Australia), Mortlake (Vic.) and the joint venture with the Christian Brothers at Charingfield in Sydney (NSW) all continue to maintain the principles and philosophy of the Abbeyfield movement in small hostels. In doing this they ensure that residents receive a high standard of aged care in a homely atmosphere and not in an institutional environment.

The Mortlake Abbeyfield Society has been working with, and supporting a group at Timboon in western Victoria. At Timboon work is well advanced on the first two of seven Independent Living Units. The Units will then be sold to raise funds for the second stage of the development which on current plans will be a traditional ten resident Abbeyfield House.

Abbeyfield International affiliations

In my 2013 report I advised of some difficulties in our relationship with our parent organisation *The Abbeyfield Society* (TAS) which is based in St Albans, England. I am pleased to now report that those difficulties have been overcome and we are enjoying a much more harmonious relationship with this organisation.

This improved relationship has resulted in our involving all interested local societies in a webinar on strategic planning and as additional training programs are made available by TAS, we will make the necessary arrangements for participation by Australian local societies.

We have also agreed to host the 2015 Abbeyfield International Conference in Melbourne in February next year. The triennial conference has been held in South Africa, New Zealand, Italy, Canada, Brussels and Scotland but never in our 32 years of activities in Australia. This will provide an opportunity to share your experiences with the international Abbeyfield community and to learn of their experiences and application of the model.

Committees of Management

The management of Abbeyfield Houses and Hostels requires a significant commitment of time, energy and skills from their respective local Committees of Management. On behalf of the Board, I thank all volunteers for their individual contributions to the organisation.

Review of Abbeyfield House operating costs

The recent increases in the cost of services such as water and energy has placed additional financial pressure on Abbeyfield Houses and in an effort to address this issue a member of the Board has undertaken to prepare a report on costs and operating procedures. This report will provide possible courses of action for consideration by the Board. Consistent with recent practice the Board will seek comment from Local Societies before adopting any recommendations.

Policies and procedures

Last year I reported on the circulation of the *Abbeyfield House Management Manual* which had replaced the former *Blue Book* as the operating manual for Abbeyfield Houses. With an eye on continuous improvement and the increasing requirements from regulators, the Board has now adopted a number of Policies which have now been combined into an updated policy manual. Hard copies will be issued to all Societies and soon be available from the members section of the Abbeyfield Australia web site.

Royal Patron's Award

In association with the Board meeting in February 2014 we held a Dinner at which the 2013 *Abbeyfield Royal Patron's Award (International volunteer)* was presented to Gay Gardner. The Royal Patron, HRH Prince Charles only provides one International Award annually and this is only the second time the Award has been conferred upon an Australian. The previous recipient was our founder Judy Dunster and she made the presentation to Gay.

Abbeyfield Australia Board members

The ten member Abbeyfield Australia Board has met in Melbourne on five occasions during the year. As detailed earlier in the report the increased level of regulation has required an immense amount of work by all directors and I thank them for their commitment and dedication to the organisation.

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 further advance our aims and objectives.

During the year we have made many advances and have progressed towards achieving financial stability and a high standard of policy documentation. There is however still much to be achieved and I look forward to the continued support of all members as we strive to advance the work of Abbeyfield 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) shows a deficit from all activities of \$61,197. This includes non-cash items of depreciation of \$39,414 (notes 3 and 5), meaning that our operating deficit was \$21,783. The Board is conscious of the need to improve the operating position of Abbeyfield Australia.

During the year the Board, after much detailed consideration, resolved to redevelop the site of the former Malvern East Abbeyfield House (Victoria). The Board believes that the redevelopment (in a Joint Venture Agreement with Partnership Finance Group Pty Limited) will provide the capital required to enable Abbeyfield Australia to operate in a profitable way as well as providing additional resourcing so desperately needed. The end result will be a stronger Abbeyfield Australia, better equipped to serve the needs of its affiliated Local Societies and stakeholders in our increasingly demanding environment. The Development Application was lodged with the Stonnington City Council in July 2014. It is expected that this project will be almost two years to complete before releasing the capital.

During the year the Abbeyfield Australia Investment Fund increased in value by \$11,924. 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.

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

Also during the year our long time Auditors, Tudor & Company Pty Ltd resigned and an interim appointment of Moore Stephens was undertaken. Moore Stephens is a larger firm and we believe will assist us into the future as we move into the era of new standards for the Not-for-Profit sector.

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.

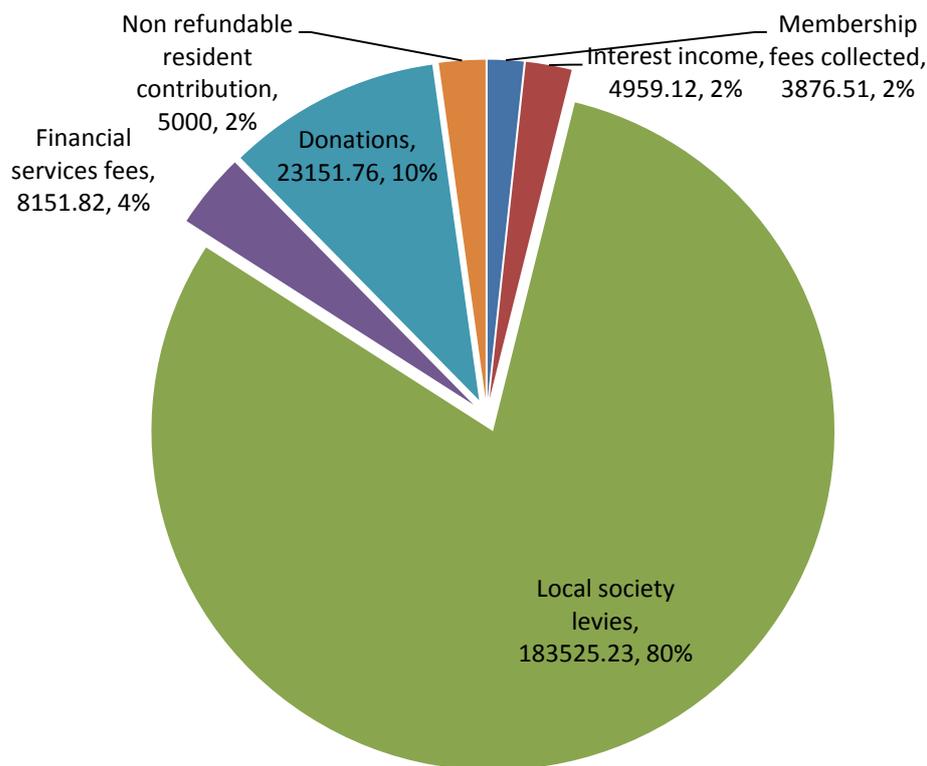
Yours sincerely,



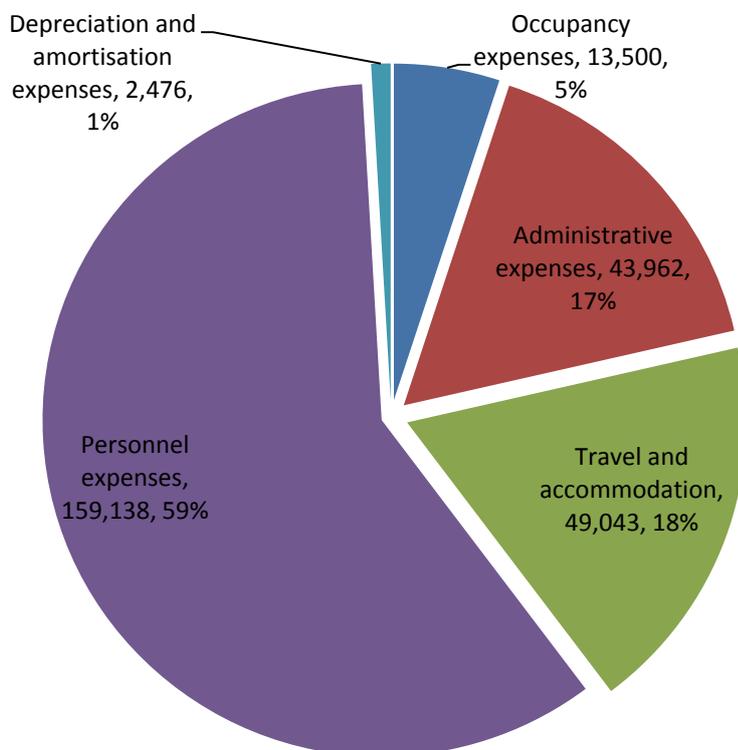
Andrew Moylan B Ec
Abbeyfield Australia Treasurer

Breakdown of operational income and expenditure

Operational income



Operational expenditure



Chief Executive Officer's Report

The Abbeyfield organisation in Australia is a true gem. Yes, it has its challenges. Yes, it has its stresses. Yes, it has shortcoming. But yes, it also has clear sense of purpose, a strong commitment to its vision statement, a detailed knowledge of its industry sectors, and an abundance of talented and dedicated people.

Responding to the challenges

The challenges and stresses we face are largely driven by the changing environment we operate within and the limited resources we currently have at our disposal. At the 2014 Abbeyfield Housekeeper Conference I mused that there were perhaps four key risks facing the Abbeyfield model in Australia. These were: financial risk (because our costs steadily increase whilst our income is very variable); volunteer related risks (because our organisation survives and thrives only because of the hard work and dedication of our volunteer (unpaid) Committees of Management); regulatory risk (the risk on non-compliance within our regulated sectors) and reputational risk (because our good name is our single biggest asset).

Abbeyfield Australia has not shied away from these risks but rather acknowledged and taken steps to progressively mitigate them. Four good examples of this approach are:

- the joint venture redevelopment of the site of the former Malvern East Abbeyfield House (which will give Abbeyfield Australia Ltd a long term reliable income stream and allow it to be better resourced and better service its member Local Societies)
- the introduction of the *Abbeyfield House Management Manual* (which supports our Local Societies and ensures that Abbeyfield Houses meet the mandatory performance standards required of a nationally registered community housing provider.)
- the comprehensive Risk Management Framework pilot tested at four Melbourne metro Abbeyfield Houses in 2014 as a prelude to national implementation in 2015 (which will assist each individual Local Society and the national organisation identify and mitigate risks across the Abbeyfield network)
- the sustained organisational effort invested into attaining registration as a registered community housing provider in New South Wales in 2010, which has culminated in Abbeyfield Australia Ltd attaining national registration under the new National Regulatory System for Community Housing in October 2014.

These are each important achievements for Abbeyfield Australia and indicative of the outcomes our small national organisation can achieve working collaboratively with local Abbeyfield societies, funding agencies and regulators.

Highs and lows

The year has had its highs and lows. On the positive side we conducted a series of very well received State Conferences across the country; hosted a very successful two day Housekeeper Conference in Melbourne, and assisted many Local Societies individually deal with some very challenging issues. The low point is perhaps the potential flaw identified in the implementation of the SCHADS Award for our national Housekeeper staff, which has regrettably necessitated much additional work and cost for Local Societies and a tremendous diversion of time and resources in the Abbeyfield Australia office.

Australia's affordable housing and aged care challenge

Abbeyfield operates in the community housing and aged care sectors. Whilst distinctly different sectors from a regulatory and service delivery perspective, they are similar in that they provide a choice to people needing support to live, and both sectors are under immense pressure to meet the growing community demand for services.

Adam Farrar (Chairperson, National Shelter) painted a stark picture of Australia's

affordable housing shortage at the Community Housing Federation of Australia (CHFA) *Housing and NDIS Forum*, March 2014. Adam observed that it is hard to exaggerate the challenge of rental affordability and that Australia needs over 539,000 more rental homes than are available and affordable to lower income renters (bottom 40 per cent).

The Hon Kevin Andrews MP, Minister for Social Services echoed the magnitude of the housing challenge at the CHFA forum saying there is a currently a national housing problem in Australia. *“Put simply, as a nation we do not build enough private dwellings for our growing population.”* Since the mid-1980s, Australia has produced on average around 150,000 new private dwellings annually. Yet over the same period, our nation’s population has grown by 44 per cent or more than 7.1 million people.

The National Housing Supply Council estimated the national shortfall in housing stock in 2011 was 228,000 dwellings. Assuming historic demographic and supply trends continue, this supply gap will increase to nearly 370,000 dwellings by 2016 and 663,000 dwelling by 2031.

Australia’s aged care sector faces a similar supply shortfall as our aging population moves into the aged care cohort and increasingly realises that the available choice may not match expectations or budget. The Australian government has responded to the issue by introducing reforms designed to give older people more choice, easier access and better aged care. The Government’s reforms also seek to build a more sustainable aged care system.

The first round of reforms commenced in 2012, and the second round commenced from 1 July 2014. The later reforms included income testing arrangements for home care packages, changed means testing in residential aged care, new accommodation payments arrangements for residential aged care, and the removal of the distinction between high and low care in residential care

The generational reform heralded by the commencement of the National Disability Insurance Scheme (NDIS) also has implications for Abbeyfield in Australia and may likely be the catalyst for closer collaboration with recognised and reputable disability support agencies in future Abbeyfield Houses.

Taken as a whole, these national trends reinforce the relevance of the Abbeyfield model and the growing contribution our small organisation can make towards Australia’s affordable housing and aged care solution. So yes, Abbeyfield Australia is a little gem of an organisation and yes, it does face challenges. But it also has many achievements of which to be proud; a readiness and capacity to be part of the solution to our nation’s housing and aged care needs; and a very bright future indeed.

Abbeyfield Australia national office

Many people and all Government departments I speak with are initially surprised at the very small size of the Abbeyfield Australia corporate office. For whilst nationally the Abbeyfield network employs 200+ staff, our small national office has 1.51EFT paid staff comprising a fulltime CEO, a 0.5 EFT Admin and Member Services Officer (Libby Heath), and our Financial controller and resident CPA, Robert Spralja (about 4 hours per month). Together we form a very tight and productive team and I am indebted to Libby and Robert for their commitment which extends well beyond the call of duty.

Regards,



Chris Reside
Chief Executive Officer

Donors and supporters

Donors

Abbeyfield Australia greatly appreciates donations to assist our work. In 2013 / 2014 our very generous donations exceeded \$74,000 and included over \$50,000 donated for new Abbeyfield developments planned in Bungendore (NSW), Wagga Wagga (NSW) and Castlemaine (Vic).

All donations regardless of size are important because every contribution make a difference. Thank you to all our donors.

Abbeyfield Society (Richmond)	\$2,196
Bell Charitable Fund	\$11,500
Peter Blematl	\$560
Foundation for Rural and Regional Renewal	\$10,000
Tony Giacon	\$550
Golden Gown Awards Inc.	\$40,000
Maggie Grills	\$10
David Kay	\$50
John Landos	\$1,000
Caroline Le Couteur	\$200
Andrew Moylan	\$2,996
Marjorie Nicholas	\$50
Joyce Nordsvan	\$30
Peggy Charitable Foundation	\$5,000
Joanna Quinn	\$100
Lindsay Thomas	\$100

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 our work. Chief amongst these is Corrs Chambers Westgarth. Justin Fox and Heidi Roberts and their 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.

Good relationships with government departments in all jurisdictions are vital so we appreciate the open and constructive relationships enjoyed with all the Ministers and departmental officers with whom we work. In particular we recognise and thank:

- The NSW Department of Ageing, Disability and Home Care (ADHC)
- The Victorian Department of Human Services (DHS)
- The Tasmanian Department of Health and Human Services (DHHS)
- The Queensland Department of Housing and Public Works
- Housing and Community Services ACT
- The NSW Registrar of Community Housing.

Small business support

The small office team at Abbeyfield Australia rely heavily on its friendly and productive relationships with the many small businesses with whom we regularly work.

To the teams at *3Dynamics* (IT support), *Pro-colour* (commercial printing), *Connecting-Up* and *Microsoft* (discounted software and hardware), *Redbike Systems* (website management), the *Insurance House Group* (insurance brokers and risk management advisors); and *Documentia* (governance policy development), we greatly appreciate your ongoing support, responsiveness and professionalism.

Volunteers

Abbeyfield Australia benefits from the generous assistance of skilled volunteers who deliver remarkable outcomes and supplement the work of our very small national staff. In this regard it would be remiss to not particularly acknowledge the great work of:

- John Landos, who has contributed countless hours and a fine talent for research and word-smithing in preparing funding applications
- Shelly Forceville, who is yet to decline a request to donate her time and substantial talent in desktop publishing several Abbeyfield brochures and pamphlets
- Jasper Coghlan (Volunteer client manager at Leadership Victoria) and Ian Pickering (OH&S specialist volunteer accessed via Leadership Victoria), who undertook a review of our OH&S / workplace health and safety policies and procedures.

Industry body memberships

Abbeyfield Australia maintains membership of industry bodies across the community housing, aged care, not for profit and disability services sectors. These include:

- National Disability Services
- The Community Housing Federation of Australia
- The Community Housing Federation of Victoria
- The Federation of NSW Housing Associations
- Leadership Victoria (incorporating the former Great Connections)
- Australasian Society of Association Executives
- Jobs Australia
- Leading Aged Services Australia
- Philanthropy Australia
- Australasian Housing Institute

Abbeyfield local societies and branches

Australian Capital Territory

- Abbeyfield Curtin Inc, 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 Australia Society Goulburn Inc, PO Box 38 Goulburn, 2580
- Abbeyfield Narrabri Inc, Doyle 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), 17 Moorina Crescent, 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), PO Box 132, Darling South 3145
- Abbeyfield Society (Mauritian Golden Age), Menzies Avenue, Dandenong Nth, 3175
- Abbeyfield Society (Melton), 66-68 Brooklyn Road, Melton South, 3338
- Abbeyfield Society (Mortlake), 30 Shaw Street, Mortlake 3272
- Abbeyfield Society (Nth/West Melbourne), 17 Brougham St., 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 yrs.	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	99 yrs.	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 yrs.	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 yrs.	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 yrs.	27/06/14 (Over holding whilst new lease negotiated with the GCC.)
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 yrs.	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 was predominantly funded by the NSW Government (Department of Aged Disability and Home Care.) supplemented by generous community support. 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.)	-	-	-
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 St.Josephs 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 Report
For the Year Ended 30 June 2014

Abbeyfield Australia Limited

ABN 91 005 954 905

Directors' report

The Directors of Abbeyfield Australia Ltd present their report on the company for the financial year ended 30 June 2014.

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	Re-elected 23 November 2013
John Lawrence	Re-elected 17 November 2012
Andrew Moylan	Re-elected 23 November 2013
Jill Parker	Re-elected 19 November 2011
Peter Ridler RFD	Re-elected 23 November 2013

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 has been the company secretary for the entire 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. 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 locally managed by a local not for profit Association. Abbeyfield Australia effectively provides accommodation for 375 elderly pensioners or young adult 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.

Abbeyfield Australia Limited

ABN 91 005 954 905

Business review

a Operating Results

The Income Statement shows a deficit for the year of \$61,197

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, Company Secretary	2011	2014	Aged 37 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.

Abbeyfield Australia Limited

ABN 91 005 954 905

Director (In alphabetical order)	Year first joined board	Current term expires	Qualification and experience
Gay Gardner AM,	1986	2015	<p>Aged 75</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 65</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 Wannon 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 78</p> <p>Nurse (Retired), retired Chairperson of the Abbeyfield Society (Glenorchy) Inc.</p> <p>Member and Vice President of the Anglican Men's Society of Tasmania.</p> <p>for several years the Treasurer of the St Mary's Anglican Church Men's Society, Treasurer of the Parish of Moonah, Life Member of the St John's Park Bowling Club.</p>

Abbeyfield Australia Limited

ABN 91 005 954 905

Director (In alphabetical order)	Year first joined board	Current term expires	Qualification and experience
David Kay, Chairman	1998	2015	<p>Aged 65</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. Elected Treasurer Abbeyfield Australia 2000 –2012. Elected Chairman of the Abbeyfield Australia 2012-current</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 Member of Tasmanian Ministerial Housing Advisory Committee. Former Director and Chairman Roland Children’s Services Inc.</p>
Jacquelyn Landos, 1st Vice Chairman	2010	2016	<p>Age 66</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. Member of NDS Supportive Housing Advisory group</p>
John Lawrence	2009	2015	<p>Age 59</p> <p>BBSsc (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>

Abbeyfield Australia Limited

ABN 91 005 954 905

Director (In alphabetical order)	Year first joined board	Current term expires	Qualification and experience
Andrew Moylan, Treasurer	2011	2016	<p>Aged 55</p> <p>B Ec, DFP, JP(NSW)</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 67</p> <p>Master of Education, Grad. Dip in Educational Administration, Diploma of Education, Bachelor of Agricultural Science, Associate in Theology, Graduate, Australian Institute of company Directors. 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, Barwon South West Waste and Resource Recovery Group; Chairperson – Leadership Great South Coast; Chairperson, Western Coastal Board; Member, Victorian Coastal Council; Treasurer, National Sea Change Taskforce Executive committee; Member – Municipal Association of Victoria, Environment Committee; Member - Bishop in Council, Ballarat Anglican Diocese.</p>

Abbeyfield Australia Limited

ABN 91 005 954 905

Director (In alphabetical order)	Year first joined board	Current term expires	Qualification and experience
Peter Ridler RFD	2011	2016	Aged 61 Bachelor of Economics, Diploma of Company Director. Qualified Chartered Secretary, Certified Practising Accountant and Queen's Commission in the Australian Army. 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. Over 27 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. Presently a member of Southern Waste Strategy Authority a multi-council joint authority. Previously, a trustee of the Southern Regional Cemetery Trust in Tasmania and director of Quadrant Superannuation the largest complying superannuation fund in Tasmania.

Meetings of directors

During the financial year, five 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	5	4
Gay Gardner AM	5	5
The Hon. David Hawker AO	5	5
Leo Hurst	5	5
David Kay	5	5
Jacquelyn Landos	5	4
John Lawrence	5	4
Andrew Moylan	5	5
Jill Parker	5	5
Peter Ridler RFD	5	4

Abbeyfield Australia Limited

ABN 91 005 954 905

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.

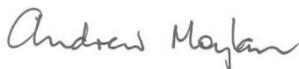
Proceedings on behalf of Abbeyfield Australia Ltd.

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
30 October 2014



Andrew Moylan
Abbeyfield Australia Treasurer
30 October 2014

Abbeyfield Australia Limited

ABN 91 005 954 905

Income statement For the year ended 30 June 2014

	Note	2014 \$	2013 \$
Revenues from ordinary activities	2	228,953	414,731
Occupancy expenses		(13,500)	(16,178)
Administrative expenses		(43,962)	(49,616)
Travel and accommodation		(49,043)	(38,198)
Personnel expenses		(159,138)	(139,023)
Depreciation and amortisation expenses	3	(2,476)	(1,980)
(DEFICIT) / SURPLUS FROM ORDINARY ACTIVITIES		(39,165)	169,736
Investment activities			
Investment income	4	14,906	68,469
Investment expenses	5	(36,938)	(33,616)
(DEFICIT) / SURPLUS FROM INVESTMENT		(22,032)	34,853
(DEFICIT) / SURPLUS FROM ALL ACTIVITIES		(61,197)	204,590

Abbeyfield Australia Limited

ABN 91 005 954 905

Balance sheet As at 30 June 2014

	Note	2014 \$	2013 \$
CURRENT ASSETS			
Cash and cash equivalents	6	1,732,951	2,447,075
Trade and other receivables	7	10,948	20,457
Financial assets	8	222,209	210,285
TOTAL CURRENT ASSETS		1,966,107	2,677,817
NON-CURRENT ASSETS			
Financial assets	9	16,327	18,661
Property, plant and equipment	10	7,155,482	5,012,464
TOTAL NON-CURRENT ASSETS		7,171,809	5,031,125
TOTAL ASSETS		9,137,916	7,708,942
CURRENT LIABILITIES			
Trade and other payables	11	80,726	61,922
Provisions	12	22,782	15,959
Personnel-related items	13	290	3,484
Tax liabilities	14	(3,432)	67,759
Other current liabilities	15	9,725	5,000
TOTAL CURRENT LIABILITIES		110,091	154,124
NON-CURRENT LIABILITIES			
Trade and other payables	16	4,130,597	2,121,399
Other non-current liabilities	17	1,350,064	1,991,558
TOTAL NON-CURRENT LIABILITIES		5,480,661	4,112,957
TOTAL LIABILITIES		5,590,752	4,267,081
NET ASSETS		3,547,164	3,441,861
EQUITY			
Reserves	18	2,228,122	2,061,622
Accumulated surplus		1,319,042	1,380,239
TOTAL EQUITY		3,547,164	3,441,861

**Statement of changes in equity
For the Year Ended 30 June 2014**

2014

	Note	Retained Earnings	Capital Profits Reserve	Asset Realisation Reserve	General Reserves	Total
		\$	\$	\$	\$	\$
Balance at 1 July 2013		1,380,239	481,215	1,454,743	125,664	3,441,861
Profit / (Loss) attributable to members of the entity		(61,197)				(61,197)
Equity stake increment (decrement)				166,500		166,500
Sub-total		(61,197)	0	166,500	0	105,303
Balance at 30 June 2014		1,319,042	481,215	1,454,743	125,664	3,380,664

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
Revaluation increment (decrement)						0
Sub-total		204,590	0	0	0	204,590
Balance at 30 June 2013		1,380,239	481,215	1,454,743	125,664	3,441,861

Statement of cash flows
For the Year Ended 30 June 2014

	Note	2014 \$	2013 \$
CASH FROM OPERATING ACTIVITIES:			
Receipts from customers including GST		226,538	559,525
Payments to suppliers and employees including GST		(951,170)	(766,948)
Interest / Investment returns received		14,906	11,971
Net cash provided by (used in) operating activities	19	(709,725)	(195,452)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisition of property, plant and equipment		(4,399)	(140,211)
Net cash used by investing activities		(4,399)	(140,211)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Loans from / (to) local societies		0	0
Net cash used by financing activities		0	0
Net increase (decrease) in cash and cash equivalents held		(714,125)	(335,663)
Cash and cash equivalents at beginning of year		2,447,076	2,782,739
Cash and cash equivalents at end of financial year		1,582,951	2,447,076

Notes to the financial report

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

Abbeyfield Australia Limited applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards* and AASB 2010–2: *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 19 September 2014 by the directors of the company.

Accounting Policies

a. Revenue

Non-reciprocal grant revenue is recognised in profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the state of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Abbeyfield Australia Limited receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in profit or loss.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

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.

b. Inventories

Inventories held for sale are measured at the lower of cost and net realisable value.

Inventories held for distribution are measured at cost adjusted, when applicable, for any loss of service potential.

Inventories acquired at no cost, or for nominal consideration, are valued at the current replacement cost as at the date of acquisition.

c. **Property, Plant and Equipment**

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

Freehold property

Freehold land and buildings are shown at their fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

In periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss.

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

Freehold land and buildings that have been contributed at no cost, or for nominal cost, are initially recognised and measured at the fair value of the asset at the date it is acquired.

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over the asset's useful life 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%
Plant and equipment	13 – 27%
Leased plant and equipment	2.5%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which

they arise. When revalued assets are sold, amounts included in the revaluation surplus 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) are transferred to the entity, are classified as finance leases.

Finance leases are capitalised, recognising an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

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**

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (ie trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified “at fair value through profit or loss” in which case transaction costs are recognised immediately as expenses in profit or loss.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value (refer to Note 1(q)), amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at “fair value through profit or loss” when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) *Available-for-sale investments*

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

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

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

(v) *Financial liabilities*

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

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

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

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

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount

was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged or cancelled, or have expired. The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

f. Impairment of Assets

At the end of each reporting period, the entity assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

g. Employee Benefits

Short-term employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

The company classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the company's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in

profit or loss classified under employee benefits expense.

The company's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

Retirement benefit obligations

Defined contribution superannuation benefits

All employees of the company receive defined contribution superannuation entitlements, for which the company pays the fixed superannuation guarantee contribution (currently 9.25% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The company's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the company's statement of financial position.

h. 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 statement of financial position.

i. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

j. Income Tax

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

k. Intangibles

Software

Software is initially recognised at cost. It has a finite life and is carried at cost less any accumulated amortisation and impairment losses. Software has an estimated useful life of between one and three years. It is assessed annually for impairment.

l. Provisions

Provisions are recognised when the entity 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 recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

m. Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to

conform with changes in presentation for the current financial year. Certain comparative figures have been restated as a result of the changes discussed in Note 1(r).

n. **Trade and Other Payables**

Trade and other payables represent the liabilities for goods and services received by the company during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

o. **Critical Accounting Estimates and Judgments**

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

Key estimates

Valuation of freehold land and buildings

The freehold land and buildings were independently valued at June 2012 by All Suburb Valuers and Opteon (Tasmania) Pty Ltd. The valuation was based on the fair value less cost to sell. The critical assumptions adopted in determining the valuation included the location of the land and buildings, the current strong demand for land and buildings in the area and recent sales data for similar properties. The valuation resulted in a revaluation increment of \$37,276 being recognised for the year ended 30 June 2012. During the 2013-2014 financial year the Board, after much detailed consideration, resolved to redevelop the site. The Board decided to undertake the redevelopment in a Joint Venture arrangement with Partnership Finance Group Pty Limited. The initial equity stake of Abbeyfield Australia is \$1.7 million. This valuation was undertaken by Rann Property Adval (Christopher Rann) in March 2014. The application for development approval was lodged in July 2014. We anticipate a development gain, with the construction phase of the project not to commence until all the units in the development have been sold "Off the Plan" with deposits taken and contracts executed. The revaluation resulted in a revaluation increment of \$166,500 being recognised for the year ended 30 June 2014.

At 30 June 2014, the directors have performed a directors' valuation on the freehold land and buildings. The directors have reviewed the key assumptions adopted by the valuers in 2013 and do not believe there has been a significant change in the assumptions at 30 June 2014. The directors therefore believe the carrying amount of the land correctly reflects the fair value less cost to sell at 30 June 2014.

Key judgments

Available-for-sale investments

The company maintains a portfolio of securities with a carrying amount of \$222,209 at the end of the reporting period.

Employee benefits

For the purpose of measurement, AASB 119: *Employee Benefits* (September 2011) defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. As the company expects that most employees will not use all of their annual leave entitlements in the same year in which they are earned or during the 12-month period that follows (despite an informal company policy that requires annual leave to be used within 18 months), the directors believe that obligations for annual leave entitlements satisfy the definition of other long-term employee benefits and, therefore, are required to be measured at the present value of the expected future payments to be made to employees.

p. **Economic Dependence**

Abbeyfield Australia Limited is not dependent on any Government Department or Agency..

q. **Fair Value of Assets and Liabilities**

The company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

“Fair value” is the price the company would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant’s ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity’s own equity instruments (if any) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and where significant, are detailed in the respective note to the financial statements.

r. **New and Amended Accounting Policies**

Employee benefits

During the year, the company adopted AASB 119: *Employee Benefits* (September 2011) and the relevant consequential amendments arising from the related Amending Standards, which are mandatorily applicable from 1 January 2013. (As a result, the company early adopted AASB 2011-11: *Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements* because the company’s financial statements are prepared under Australian Accounting Standards – Reduced Disclosure Requirements).

The company has applied AASB 119 (September 2011) with retrospective effect. Among other things, the main changes introduced by AASB 119 (September 2011) relate to defined benefit plans and termination benefits, which have no impact on the company’s financial statements as the company has no defined benefit obligations or termination benefits at present. Additionally, AASB 119 (September 2011) has introduced revised definitions for “short-term employee benefits” and “other long-term employee benefits”. These revisions cause a change in accounting policy for the annual leave provision amounts recognised in the financial statements as explained below.

Provision for employee benefits: annual leave

For the purpose of measurement, AASB 119 (September 2011) defines obligations for short-term employee benefits as obligations *expected* to be settled *wholly* before 12 months after the end of the annual reporting period in which the employees render the related services. Previously, annual leave satisfied the definition of short-term employee benefits and therefore the leave liability was measured on an undiscounted basis at the amounts expected to be paid when the liability was settled. However, under AASB 119 (September 2011), as the company expects that most employees will not use all of their

annual leave entitlements in the same year in which they are earned or during the 12-month period that follows, obligations for annual leave entitlements now meet the definition of other long-term employee benefits and, therefore, are required to be measured at the present value of the expected future payments to be made to employees. The effects of the adjustments required for each period presented are set out in the table below. Note, however, that these changes do not impact the classification of leave entitlements between current and non-current liabilities in the statement of financial position.

Fair value measurement

The company has applied AASB 13: *Fair Value Measurement* and the relevant consequential amendments arising from the related Amending Standards prospectively from its mandatory application date of 1 January 2013 and in accordance with the transitional requirements in AASB 13. (As a result, the company early adopted AASB 2012-1: *Amendments to Australian Accounting Standards – Fair Value Measurement – Reduced Disclosure Requirements* because the company's financial statements are prepared under Australian Accounting Standards – Reduced Disclosure Requirements).

No material adjustments to the carrying amounts of any of the company's assets or liabilities were required as a consequence of applying AASB 13. Nevertheless, AASB 13 requires some additional disclosures regarding assets and liabilities that are measured at fair value in the company's financial statements. These enhanced disclosures are provided in Note 20.

NOTE 2: REVENUE

	2014	2013
	\$	\$
Donations	23,152	56,054
Financial services fees	8,152	8,461
Fundraising income	289	-
Interest income	4,959	4,055
Local society levies	183,525	164,348
Membership fees collected	3,877	2,103
Non-refundable resident contribution	5,000	-
Specific purpose donation	-	179,710
	228,953	414,731

NOTE 3: DEPRECIATION AND AMORTISATION EXPENSES

	2014	2013
	\$	\$
Depreciation - Office equipment	2,476	1,980

NOTE 4: INVESTMENT INCOME

	2014	2013
	\$	\$
Interest received	14,906	11,971
Project Management Fees	-	56,498
	14,906	68,469

NOTE 5: INVESTMENT EXPENSES

	2014 \$	2013 \$
Investment expenses	-	543
Depreciation and impairment expenses	36,938	33,073
	<u>36,938</u>	<u>33,616</u>

NOTE 6: CASH AND CASH EQUIVALENTS

	2014 \$	2013 \$
Cash on hand	142	200
Cheque account	182,988	223,294
Funds held	190,619	167,867
Short-term bank deposits	1,359,201	2,055,714
	<u>1,732,951</u>	<u>2,447,076</u>

NOTE 7: TRADE AND OTHER RECEIVABLES

	2014 \$	2013 \$
Trade debtors	10,948	20,457

NOTE 8: FINANCIAL ASSETS – CURRENT**(a) Investments Comprise of:**

	2014 \$	2013 \$
Asgard Infinity eWrap Investment Account	222,209	210,285
Total current investments	<u>222,209</u>	<u>210,285</u>

Investment assets comprise of:

	2014 \$	2013 \$
Cash (at call)	24,237	49,920
Bank Term Deposits (St George Bank)	125,000	92,000
Vanguard Australian Shares Index Fund	21,034	18,775
Vanguard Property Securities Fund	21,009	19,582
NAB Convertible Preference Shares (150)	15,479	15,023
Westpac Capital Notes (150)	15,450	14,985
TOTAL	<u>222,209</u>	<u>210,285</u>

NOTE 9 FINANCIAL ASSETS – NON-CURRENT

(a) Investments Comprise of:

	2014	2013
	\$	\$
Other available for sale assets		
Share in Frankston lease (ii)	16,327	18,661
Total non-current investments	16,327	18,661

Investment asset comprise of:

\$16,327 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.

NOTE 10 PROPERTY PLANT AND EQUIPMENT

	2014	2013
	\$	\$
LAND AND BUILDINGS		
Freehold land		
At directors' valuation	2,977,710	1,935,000
Total freehold land	2,977,710	1,935,000
Buildings		
At fair value	4,017,907	2,901,419
Less accumulated depreciation	(42,176)	(27,406)
Total buildings	3,975,731	2,874,013
Leasehold Improvements		
At fair value	284,345	284,345
Less accumulated depreciation	(86,658)	(83,325)
Total leasehold improvements	197,687	201,020
Total land and buildings	7,151,128	5,010,033
PLANT AND EQUIPMENT		
Office equipment		
At Cost	52,747	48,348
Less accumulated depreciation	(48,393)	(45,917)
Total office equipment	4,354	2,431
Total plant and equipment	4,354	2,431
Total property, plant and equipment	7,155,482	5,012,464

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.

(a) Movements in Carrying Amounts

	Land	Buildings & Improvements	Office Equipment	Total
	\$	\$	\$	\$
Balance at the beginning of year	1,935,000	3,075,033	2,431	5,012,464
Additions	502,710	1,506,488	4,399	2,013,597
Depreciation expense		34,604	2,476	37,080
Revaluation increase / (decrease) recognised in equity	540,000	-373,500		166,500
Carrying amount at the end of year	2,977,710	4,173,418	4,354	7,155,482

(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 16).

	2014	2013
	\$	\$
Fair value of land	415,000	415,000
Fair value of buildings	545,000	545,000
Less accumulated depreciation	(896)	(448)
Less Government share	(934,699)	(934,699)
Net fair value of Abbeyfield's share	24,405	24,853

(ii) Malvern Land and Buildings

During the 2013-2014 financial year the Board, after much detailed consideration, resolved to redevelop the site. The Board decided to undertake the redevelopment in a Joint Venture arrangement with Partnership Finance Group Pty Limited. The initial equity stake of Abbeyfield Australia is \$1.7 million. This valuation was undertaken by Rann Property Adval (Christopher Rann) in March 2014. The application for development approval was lodged in July 2014. We anticipate a development gain, with the construction phase of the project not to commence until all the units in the development have been sold "Off the Plan" with deposits taken and contracts executed.

	2014	2013
	\$	\$
Fair value of land	1,700,000	1,160,000
Fair value of buildings		390,000
Less accumulated depreciation		(8,250)
Total	1,700,000	1,541,750

(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 16).

	2014	2013
	\$	\$
Fair value of land	160,000	160,000
Fair value of buildings	810,000	810,000
Less accumulated depreciation	(5,390)	(2,695)
Less Government share	(834,200)	(834,200)
Net fair value of Abbeyfield's share	130,410	133,105

(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 16).

	2014	2013
	\$	\$
Fair value of land	200,000	200,000
Fair value of buildings	975,000	975,000
Less accumulated depreciation	(32,026)	(16,013)
Less Government share	(352,500)	(352,500)
Net fair value of Abbeyfield's share	790,475	806,487

(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 represented in Non-Current Liabilities (Note 16).

	2014	2013
	\$	\$
Fair value of land and buildings	184,345	184,345
Total	184,345	184,345

(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.

	2014	2013
	\$	\$
Leasehold improvements at cost	100,000	100,000
Accumulated depreciation	(86,658)	(83,325)
Total	13,342	16,675

(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 9.16%. The NSW Government share is represented in Non-Current Liabilities (Note 16).

	2014	2013
	\$	\$
Land at cost	502,710	502,710
Buildings	1,687,908	1,687,908
Grant offset		(2,009,198)
Accumulated depreciation	(3,865)	
Less Government share	(2,009,198)	
Total	177,555	181,420

(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 total cost of the house has been covered by the capital provided by the NSW Government. Occupancy was obtained in April 2014. At the present time there is a damages claim lodged with the Narrabri Shire Council for the delay, and if successful, will be placed into a Sinking Fund for future anticipated maintenance expenses associated with the required fire sprinkler system.

	2014	2013
	\$	\$
Land at cost	295,770	295,770
Buildings	2,433,147	1,998,513
Grant offset	(2,728,917)	(2,294,283)
	0	0

(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. In December 2013, a parcel of land was purchased at the Corner of Stanley and Paull Streets, Koorinal. At this stage there is no anticipated completion date as we continue to look at the development of a dwelling knowing that the cost of the project currently exceeds available funding resources.

	2014	2013
	\$	\$
Land at cost	273,695	0
Buildings	1,747	0
Grant offset	(275,442)	0
Total	0	0

NOTE 11: TRADE & OTHER PAYABLES

	2014	2013
	\$	\$
Trade creditors	3,242	257
Sundry creditors	10,440	9,620
Payable to local societies	67,045	52,045
	80,726	61,922

NOTE 12: PROVISIONS

	2014	2013
	\$	\$
Provision for holiday pay	16,617	12,505
Provision for long service leave	6,165	3,455
	22,782	15,959

NOTE 13 : PERSONNEL-RELATED ITEMS

	2014	2013
	\$	\$
Superannuation payable	290	3,484

NOTE 14: TAX LIABILITIES

	2014	2013
	\$	\$
GST - Prior years liabilities	67,759	-
GST collected	(148,211)	156,003
GST paid	77,020	(88,244)
	<u>(3,432)</u>	<u>67,759</u>

NOTE 15: OTHER CURRENT LIABILITIES

	2014	2013
	\$	\$
Accrued charges	9,725	5,000

NOTE 16: TRADE & OTHER PAYABLES

	2014	2013
	\$	\$
Payables to gov't on realisation of asset - Huon Valley	352,500	352,500
Payables to gov't on realisation of asset - Launceston	834,200	834,200
Payables to gov't on realisation of asset - Mauritian house	934,699	934,699
Payables to gov't on realisation of asset - Goulburn	2,009,198	-
	<u>4,130,597</u>	<u>2,121,399</u>

NOTE 17: OTHER NON CURRENT LIABILITIES

	2014	2013
	\$	\$
Deferred grants - Narrabri	50,729	491,558
Deferred grants - Wagga	1,299,335	1,500,000
	<u>1,350,064</u>	<u>1,991,558</u>

NOTE 18: RESERVES

	2014	2013
	\$	\$
Asset revaluation reserve	1,621,243	1,454,743
Capital grants reserve	481,216	481,216
Endowment fund reserve	125,664	125,664
	<u>2,228,122</u>	<u>2,061,622</u>

NOTE 19: CASH FLOW INFORMATION

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

	2014	2013
	\$	\$
Net loss/income for the period	(61,197)	204,590
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
Depreciation and amortisation	39,414	35,052
Unrealised (gains) / losses on investments		
Capitalised investment revenue		
Capitalised investment expenses		
Changes in operating assets and liabilities		
(Increase)/decrease in trade and term receivables	9,509	98,271
(Increase)/decrease in prepayments and other current assets	(11,924)	(9,976)
Increase/(decrease) in trade payables and accruals	7,710	(175,196)
Increase/(decrease) in other liabilities	(700,059)	(350,501)
Increase/(decrease) in provisions	6,822	2,308
Cash flow from operations	(709,725)	(195,452)

NOTE 20: AUDITORS' REMUNERATION

	2014	2013
	\$	\$
Remuneration of the auditor of the parent entity for: - Auditing or reviewing the financial report	8,000	5,000

Directors' declaration

The directors of the company declare that:

1. the financial statements and notes attached, present fairly the company's financial position as at 30/06/2014 and its performance for the year ended on that date in accordance with Accounting Standards and other mandatory professional reporting requirements;
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
30 October 2014

Independent Auditor's report

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ABBEYFIELD AUSTRALIA LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Abbeyfield Australia Limited (the Company), which comprises the statement of financial position as at 30 June 2014, the income statement, the balance sheet, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Director's Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and the financial requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, and is appropriate to meet the needs of the members.

The Directors' responsibility also includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 judgment, 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 association's preparation of the financial report that gives a true and fair view 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 Company'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 audit, we have complied with the independence requirements of the *Corporations Act 2012* and the *Australian Charities and Not-for-profits Commission Act 2012*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Abbeyfield Australia Limited would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion the financial report of Abbeyfield Australia Limited is in accordance with the *Corporations Act 2001* and the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a) giving a true and fair view of the Company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards – Reduced Disclosure Requirements to the extent described in Note 1, the *Corporations Act 2001* and the financial reporting requirements of the *Australian Charities and Not-for-profits Regulation 2013*.

Moore Stephens

Moore Stephens
Chartered Accountants



Scott Phillips
Partner

Melbourne, 30 October 2014

Personal notes

Personal notes



Abbeyfield Australia Limited

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