



# **Abbeyfield Australia Ltd Annual Report 2015**

**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.

## Table of contents

Chairman's Report .....	4
Treasurer's Report .....	7
Breakdown of operational income and expenditure .....	8
Chief Executive Officer's Report .....	9
Donors and supporters .....	10
Corporate and government support .....	10
Small business supporters .....	11
Industry body memberships .....	11
Abbeyfield local societies and branches (July 2015) .....	12
Development, lease and title details for Abbeyfield houses and hostels .....	14
Directors' report .....	19
Abbeyfield Australia financial report 2015.....	27
Income statement .....	28
Balance sheet.....	29
Statement of changes in equity .....	30
Statement of cash flows .....	31
Notes to financial statements .....	32
Directors' declaration.....	50
Independent Auditor's report and declaration.....	51



## Chairman's Report

It is my pleasure, on behalf of the Board, to present this 2014/2015 Annual Report. This is the 33<sup>rd</sup> occasion on which the company has presented a report to members for activities during a financial year.

### Development of new Abbeyfield Houses or projects

One of the highlights of the year was the official opening on October 2014 of the Narrabri Abbeyfield House (northern NSW) for people with a mild intellectual disability. The development of this house was subject to many difficulties and all involved are to be commended on bringing the development to a successful conclusion. From all reports this beautiful new Abbeyfield House is operating very successfully.

The NSW Government has generously provided \$1.5M partial capital funding for a second Abbeyfield House in Wagga Wagga (southern NSW). An ideal site has purchased in Koorinal (a suburb of Wagga Wagga) and concepts plan and costings have been completed. Once confirmation of the balance of capital funding is received, the design and building phase will commence.

A new project for older people has been proposed by community members on Bruny Island, off the south east coast of Tasmania. This project is receiving support from the local council and is at the stage of a feasibility study. I anticipate that land including a block with four existing independent living units will be made available should the project proceed.

In April the first two independent living units of the Timboon Abbeyfield community (SW Victoria) were opened. The proposal is to develop a number of units which will be sold and the funds raised used to then develop an Abbeyfield House for older people. The development is being supported by the Mortlake Abbeyfield Society.

### National operating structure

The Board has been concerned for some time about the increasing costs at both Local Society and National levels, the reducing number of volunteers, and the ever increasing complexity of reporting standards. These developments have resulted in almost half of our local Societies seeking external assistance with accounting and financial returns. The number of societies operating with committees of two or three members is concerning as the strength of Societies has been in the distribution of activities amongst the members of a much larger committee.

These issues have been raised by a number of societies and in response to the concerns the Board appointed Mr David Ross of Phoenix Strategic Management to conduct a corporate review.

A report was also commissioned from Denise Sheard of Documentia on the status of Local Society Constitutions and their conformity to the relevant Association Incorporation Acts and the level of adherence by Local Societies to the requirements of these documents.

These reports are being considered by the Board with the intention of preparing a structural review report to be considered by the members and local societies in April - May of 2016.



David Kay - Chairman

### **Abbeyfield Houses for older people**

We now have 21 houses for older people following the closure of the House in Launceston on June 2015 and the commencement of the transition of the house at Garran in the ACT to a residence for people living with a mild intellectual disability.

The combination of a housing stock that is now twenty years old, increasing costs (particularly for essential services), a reducing number of volunteers, and the government policy of "Ageing in place" are all creating new challenges for the ongoing operation of the traditional house for older people. These issues will be considered in the structural review mentioned earlier in this report.

### **Abbeyfield Houses for people living with an intellectual disability**

With the opening of the Narrabri Abbeyfield House we now have four Abbeyfield Houses for people living with a mild intellectual disability. These houses are at Marion in South Australia, Goulburn and Narrabri in New South Wales, and Curtain in the ACT. Additionally the Garran Abbeyfield House in the ACT is also gradually transitioning to accommodate people living with a mild intellectual disability, and as mentioned above, we hope to soon develop the Koorinal Abbeyfield House for people living with a mild intellectual disability.

The establishment of the National Disability Insurance Scheme and the experience we have gained have made these houses a potential area of growth for Abbeyfield nationally.

### **Aged care hostels**

The Hostels at Mortlake and Williamstown have continued to provide excellent service to their respective communities. However, changing Government policies are making it increasingly difficult for small operators to continue in the aged care industry. These changes will create increasing difficulties for the Hostels.

The joint venture property Charingfield in Sydney is facing similar challenges and it is envisaged that this will result in a change in the relationship between Abbeyfield and the Christian Brothers.

### **Abbeyfield international**

In February we hosted the triennial Abbeyfield International Conference in Melbourne. This was the first occasion since the establishment of Abbeyfield in Australia in 1982 that we have hosted the conference. When compared to the previous conference in Milan we increased the number of attendees from 40 to almost 100 delegates. Delegates were principally from Australia and New Zealand with the other International Members represented by members of the International Council and paid officers. The Abbeyfield Society (the parent organisation in the UK) was represented by its then Chair John Robinson, Vice Chair Ian Plaistow and International Director David Coe.

### **Board committees**

During the year the Board continued to operate three committees, the Communications Committee chaired by Eddy Bourke (till November 2014) and David Hawker, the Governance Committee chaired by Gay Gardner (till November 2014) and Jill Parker, and the Finance and Audit Committee chaired by Andrew Moylan (till November 2014) and Peter Ridler. These committees when coupled with the Executive Committee and the CEO Appraisal Committee have ensured that we are continuing to review and operate the organisation to achieve the maximum possible benefits for our residents and members.

### **Abbeyfield local societies**

The benefits for our residents are provided by the members of Local Societies who continue to ensure that their respective Abbeyfield Houses are managed in accordance

with the standards required by Abbeyfield Australia and regulatory authorities. It is envisaged that these regulatory requirements will continue to increase.

### **Abbeyfield Australia board members**

The current Board of Directors is comprised of Jacquelyn Landos (1<sup>st</sup> Vice Chair) Jill Parker (2<sup>nd</sup> Vice Chair), Eddy Bourke (Company secretary) Peter Ridler (Treasurer) Gay Gardner, Nandi Segbedzi, David Hawker, John Lawrence, Andrew Moylan and myself. To all these directors I thank them for their contributions during the year.

This was the first year of involvement for Nandi and I welcome her to the Board while farewelling Leo Hurst who faithfully served the Board for 15 years.



**Abbeyfield Australia Board (November 2015)**

(L to R) David Hawker, Jill Parker, David Kay, Jacquelyn Landos, Nandi Segbedzi, Gay Gardner, Peter Ridler, John Lawrence. (Absent: Andrew Moylan and Eddie Bourke.)

### **Staff**

Our staff has continued to provide services, assistance and advice to the Board and Local Societies, for which I thank them.

### **Conclusion**

With the opening of new Abbeyfield Houses in Narrabri and Timboon, the conducting of the International Conference, proceeding with the Joint Venture to secure our finances with the development at East Malvern, we can look at the year under review with deal of satisfaction for the number of achievements. However, in the climate in which we are operating we still have many challenges to address and I look forward to the support and assistance of the Directors and Members as we prepare the organisation for a continuing role in the provision of community housing.

Yours sincerely,

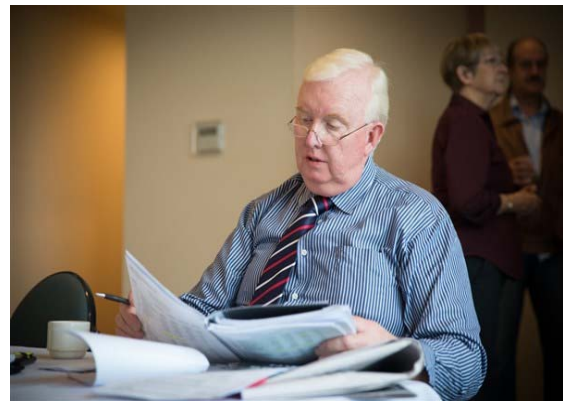
**David Kay  
Chairman**

## Treasurer's Report

The audited Financial Statements of Abbeyfield Australia Limited give members and other stakeholders a transparent view of the company's financial records of our operations and the state of our balance sheet. Our income report differentiates between the Company's core operational activities and investment activities. Additionally, the balance sheet details the funds and assets that we hold in trust on behalf of other entities (predominantly State and Local Governments.)

The Income Statement (Page 29) shows a deficit from all activities of \$58,061. This includes non-cash items of depreciation of \$30,318 (notes 3 and 5), meaning that our adjusted operating deficit was \$27,743.

Presently, 80% of the company's revenue is generated from Local Society levies, so we see the need for other revenue streams to be created. Other than donations our successful bookkeeping service to a number of Local Societies has become a new revenue source. Currently, there is no fundraising or philanthropic support received by Abbeyfield Australia. The Board remains proactive in wanting a healthier income statement that



Peter Ridler - Treasurer

incorporates new revenue streams and is reviewing the structure and cost of operating the peak body to continue delivering a suite of essential services to Local Societies and their residents.

As reported last year, the site of the former Malvern East Abbeyfield House (Victoria) is to be redeveloped into a complex of 21 residential units. The City of Stonnington approved the Development Application in December 2014 and now with Building Approval the marketing of the complex is under way. Once two thirds of the development has been sold off-the-plan, then construction will commence.

The redevelopment (a Joint Venture Agreement with Partnership Finance Group Pty Limited) will on completion and sale of all the constructed residential units provide Abbeyfield Australia additional investment capital to assist in generating investment income. The end result will be a stronger Abbeyfield Australia, better equipped to serve the needs of its affiliated Local Societies and stakeholders in an operating environment which has an expanding regulatory base. The redevelopment project will take almost two years to construct, strata and settle before releasing our share of the capital.

During the year the Abbeyfield Australia Investment Fund increased in value by \$7,710. 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 following pie-charts give greater clarity on our income sources and expenditure.

Finally, many thanks to the valuable contribution that the Finance & Audit Subcommittee makes to the organisation with great input in particular from Robert Spralja, our part-time Financial Controller.

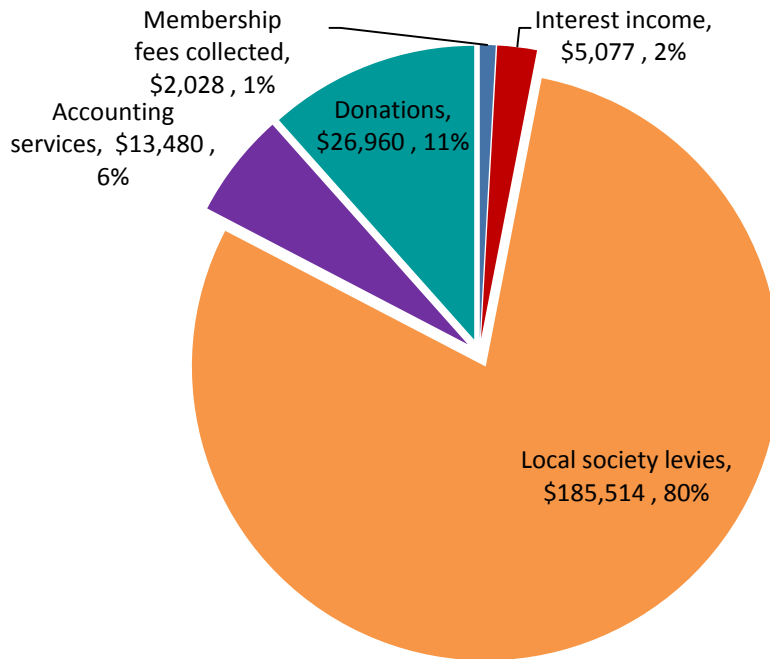
Yours sincerely,

A handwritten signature in blue ink that reads "Peter Ridler".

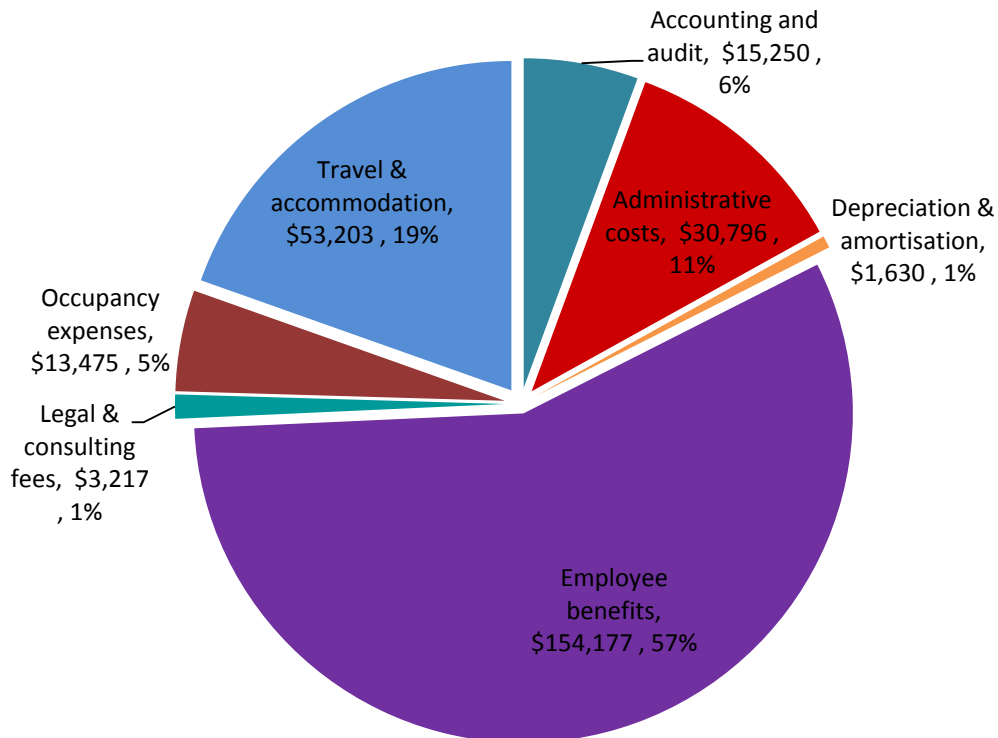
Peter Ridler RFD, BEc, FAICD(Dip)  
Abbeyfield Australia Treasurer

## Breakdown of operational income and expenditure

### Operational income



### Operational expenditure





## Chief Executive Officer's Report

2014 / 2015 was another challenging yet rewarding year for Abbeyfield in Australia. Spread across six state and territory jurisdictions and 3700 kilometres, our 28 disparate local Abbeyfield Societies make significant contributions to their respective communities by providing high quality community housing or aged care, 24 hours per day, seven days per week, 52 weeks per year. It's a remarkable achievement and likely unmatched by any other Australian national volunteer based organisation. So take a bow Abbeyfield. I think you've earned the applause!

The success of Abbeyfield in Australia and the way we face challenges is underpinned by the Abbeyfield Australia *vision and mission statements*. These are shown on page 2 of this Annual Report and go to the heart of what we do and who we are. They echo our *raison d'être*: *to give people the choice of living in Abbeyfield housing which supports their independence and life choices*.

Abbeyfield Australia operates from a small corporate office in Melbourne. Whilst nationally the Abbeyfield family employs 200+ staff, our small national office has a total staff load of about 1.51 EFT. With this we strive to provide timely services to all Abbeyfield societies, branches and interest groups nationally; liaise with each state and territory jurisdiction;

oversee development proposals in multiple states; respond to changes in national and local legislation; provide intensive interventions when requested by local societies; and keep our eye on the bigger community housing and aged care sectors.

Our success in meeting these targets is sometimes mixed and I readily accept criticism for that. We strive to meet deadlines and provide a responsive service but sometimes of necessity we must prioritize where our limited time is invested. This results in some very satisfied customers but also regrettably some customers who occasionally wait too long for the support they quite legitimately seek.

In reviewing the year it would be remiss not to thank the local society Committees of Management, Abbeyfield Australia staff, and Abbeyfield Australia Board with whom I am able to work so closely. The role of CEO of a small national NFP is multifaceted, challenging and stressful but a singular joy of the role is the opportunity to work closely with local societies from all over Australia; to share time with residents and Housekeepers; and to occasionally stay overnight at *their* Abbeyfield Houses. These opportunities are uplifting and reenergizing; they anchor me to our *raison d'être*; and put the daily minutia our organisational challenges into context.

With regards our small Abbeyfield Australia team, what can I say? To Libby Heath (p/t Admin and Member Services Officer) and Robert Spralja (p/t Financial Controller), I record my esteem and great thanks. Together we form a tight and productive team and I am indebted to them both for their commitment which extends well beyond paid hours and the call of duty.

My thanks finally to the Abbeyfield Australia Board which continues to provide governance and leadership to the organisation at a time of challenge and change across the entire national NFP sector.

Regards,



**Chris Reside**  
**Chief Executive Officer**



Chris Reside - CEO

## Donors and supporters

Abbeyfield Australia greatly appreciates donations to assist our work. In 2014 / 2015 our very generous donations exceeded \$26,000 and included donations for Abbeyfield developments planned in Bungendore (NSW), and Kooringal (NSW).

All donations regardless of size are important because every contribution make a difference. Thank you to all our donors (listed in alphabetical order)

Mick Andrews	\$100
Kay Beatton	\$45
Bell Charitable Foundation	\$11,500
Melissa Blematl	\$765
John Dooley	\$50
Don Giacon	\$550
Maggie Grills	\$5
Eva Gyarmati	\$280
David Kay	\$45
John Landos	\$1,000
Sandra McCullough	\$45
David McDonald	\$500
Andrew Moylan	\$1,724
Marjorie Nicholas	\$45
Ingrid Osborne and family	\$2,000
The Gibson Family Foundation (via Capital Region Community Foundation)	\$1,000
The Peggy Charitable Foundation	\$10,000
Joanna Quinn	\$100
Nandi Segbedzi	\$500
Wagga Wagga Field Archers Inc.	\$1,500

## 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 Family and Community Services

- 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 ACT
- The NSW Registrar of Community Housing.

### **Small business supporters**

Abbeyfield Australia relies heavily on its friendly and productive relationships with the many small businesses with whom we regularly work. So we greatly appreciate the ongoing support of:

- *3Dynamics* (IT support)
- *Pro-colour* (commercial printing)
- *Connecting-Up* and *Microsoft* (discounted software and hardware)
- *The Insurance House Group* (insurance brokering / risk management advisors)
- Street Ink (graphic design)
- *Documentia* (policy development).

### **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                                     | • Community Housing Industry Association         |
| • 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 (July 2015)**

### **Australian Capital Territory**

- Abbeyfield Curtin Inc, 31 Throssell Street, Curtin 2605
- Abbeyfield Society (ACT), 75 Wakefield Gardens, Ainslie, 2602
- Abbeyfield Garran Inc, 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

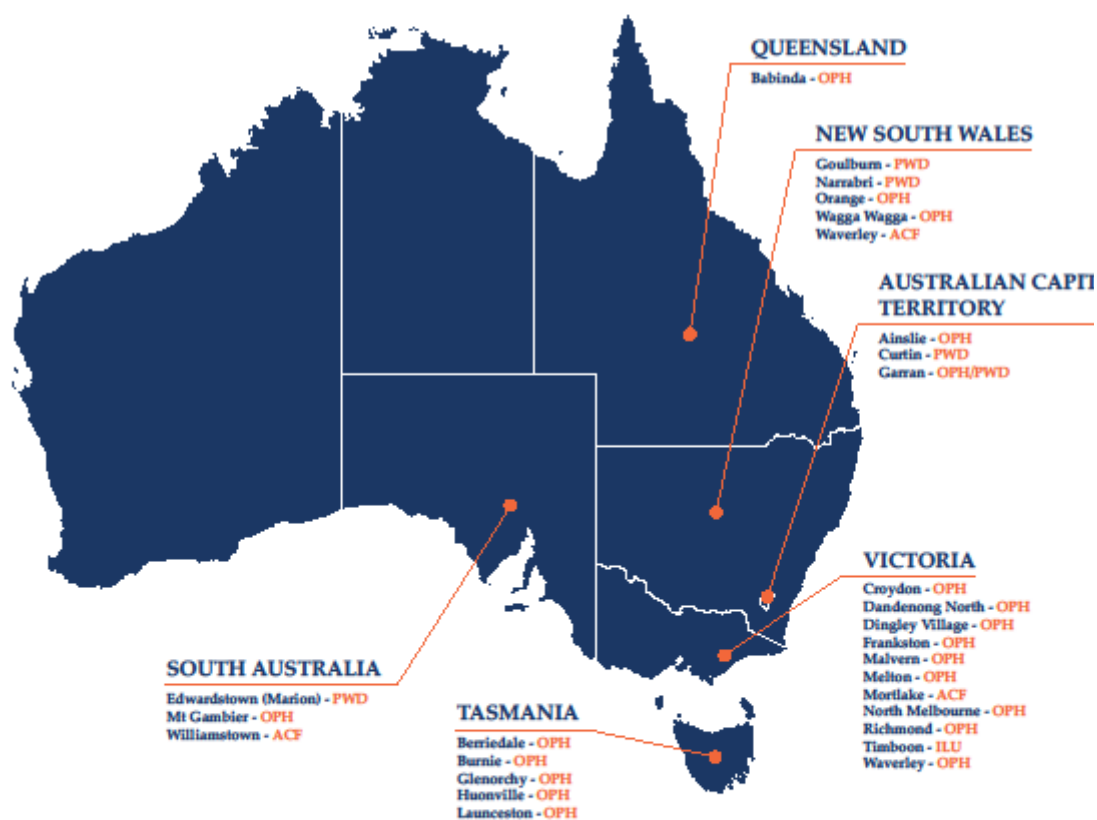
### **Victoria**

- 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

## Abbeyfield community housing and aged care facilities in Australia

[www.abbeyfield.org.au](http://www.abbeyfield.org.au)

**OPH:** Abbeyfield House for older people  
**PWD:** Abbeyfield House for people living with a disability  
**ACF:** Abbeyfield aged care facility  
**ILU:** Independent living unit



July 2015

## 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.	-	-	-
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
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
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 (Berriedale)	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
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 StJosephs Malvern was developed in conjunction with the Director of Housing (Vic.). The premises are occupied subject to a lease between the Roman Catholic Trusts Corporation and the Director of Housing (Vic), and a sublease between the Director of Housing (Vic), and Abbeyfield Australia.	03/06/96	55 yrs.	02/06/51
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

Abbeyfield House or Hostel	Street address	Title or lease description	Lease start	Term	Lease end
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.	-	-	-

## Directors' report

The Directors of Abbeyfield Australia Ltd present their report on the company for the financial year ended 30 June 2015

### 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. Re-elected 21 November 2014.
Gay Gardner AM	Re-elected 17 November 2012
The Hon David Hawker AO	Confirmed 19 November 2011. Re-elected 21 November 2014.
Leo Hurst	Re-elected 19 November 2011. Final term of office expired 21 November 2014
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. Re-elected 21 November 2014.
Peter Ridler RFD	Re-elected 23 November 2013
Nandi Segbedzi	Elected 21 November 2014

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.

There has been no significant change in the nature of these activities occurred during the year.

## **Business review**

### **a Operating Results**

The Income Statement shows a deficit from all activities of \$58,061 and a total comprehensive loss for the year of \$65,367.

### **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	Curren t term expire s	Qualification and experience
Edward (Eddy) Bourke, Company Secretary	2011	2014	<p>Aged 38</p> <p>Bachelor of Community Development, majoring in political science, from the University of Canberra.</p> <p>Eddy Bourke is the Community Liaison Officer at CHC Affordable Housing. His role at CHC involves communicating and engaging with local community members, governments, and other key stakeholders where CHC is conducting major redevelopment projects. Prior to this appointment Eddy worked at the Community Housing Federation of Australia, and has experience as a director on a number of boards, including as a council member for National Shelter.</p>
Gay Gardner AM,	1986	2015	<p>Aged 76</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 66</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>

<p>Leo Hurst</p> <p>(Leo Hurst ceased being an Abbeyfield Australia director at the AGM held 21 November 2014.)</p>	<p>1999</p>	<p>2014</p>	<p>Aged 79</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. 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>
<p>David Kay, Chairman</p>	<p>1998</p>	<p>2015</p>	<p>Aged 66</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 67</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 ACT NDS Supportive Housing Advisory group</p>
John Lawrence	2009	2015	<p>Age 60</p> <p>BBSc (Hons), Dip.Ed., MHlthSc</p> <p>John has spent 20 years as Health, Aged Care and Community Services Consultant, manager, researcher and educator for the not for profit sector, local, state and federal government and universities. Also as project officer for regional cancer services and for CALD elderly services.</p> <p>Member, Australian College of Health Services Executives</p>
Andrew Moylan,	2011	2016	<p>Aged 56</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>

<p>Jill Parker, 2<sup>nd</sup> Vice Chairman</p>	<p>2008</p>	<p>2014</p>	<p>Age 68</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>
<p>Peter Ridler RFD, Treasurer</p>	<p>2011</p>	<p>2016</p>	<p>Aged 62</p> <p>Bachelor of Economics, Diploma of Company Director. Qualified Chartered Secretary, Certified Practising Accountant and Queen's Commission in the Australian Army.</p> <p>Held senior executive roles in industry and government businesses before establishing a multi-partnered accountancy and business advisory practice. Thereafter, established a patented software firm, providing internet based financial management solutions to Blue Chip entities.</p> <p>Presently, Chief Executive Officer of Ozerentals Pty Ltd an Australian Credit Licensee involved in establishing a trademarked consumer appliance rental business via franchising.</p> <p>Until October, 2014 served 27 years as an Aldermen on Tasmania's third largest city council including its various committees.</p> <p>Office bearer on a number of sporting and not-for-profit organisations, including as director and treasurer of Abbeyfield Australia Ltd.</p> <p>Previously, a member of the Southern Waste Strategy Authority a multi-council joint authority, trustee of the Southern Regional Cemetery Trust in Tasmania and a director of Quadrant Superannuation the largest complying superannuation fund in Tasmania.</p>



Nandi Segbedzi	2014	2017	<p>Aged 41</p> <p>Bachelor of Arts (Hons), LLB.</p> <p>Graduate, Australian Institute of Company Directors, 2013</p> <p>Over 16 years of experience in employment and workplace relations law, as a solicitor in private and also as a member of the Victorian Bar. Currently holds the position of Legal Practitioner Director, Ai Group Workplace Lawyers, a division of the Australian Industry Group.</p>
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### 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	3
The Hon. David Hawker AO	5	5
Leo Hurst	2	2
David Kay	5	5
Jacquelyn Landos	5	5
John Lawrence	5	5
Andrew Moylan	5	3
Jill Parker	5	4
Peter Ridler RFD	5	5
Nandi Segbedzi	3	2

### 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  
21 October 2015



Peter Ridler RFD, BEc, FAICD(Dip)  
Abbeyfield Australia Treasurer  
21 October 2015

# **Abbeyfield Australia Limited**

**ABN 91 005 954 905**

## **FINANCIAL STATEMENTS** For the year ended 30 June 2015

[abbeyfield.org.au](http://abbeyfield.org.au)

**Income statement**  
For the year ended 30 June 2015

	Note	2015 \$	2014 \$
<b>Operational activities</b>			
Revenues from ordinary activities	2	233,059	228,953
Occupancy expenses		(13,475)	(13,500)
Administrative expenses		(46,046)	(43,961)
Travel and accommodation		(53,203)	(49,043)
Personnel expenses		(154,177)	(149,635)
Consultant expenses		(3,217)	(9,503)
Depreciation and amortisation expenses	3	(1,630)	(2,476)
(Deficit) / surplus from operational activities		<u>(38,689)</u>	<u>(39,165)</u>
<b>Investment activities</b>			
Investment income	4	9,316	14,906
Investment expenses	5	(28,688)	(36,938)
(Deficit) / surplus from investment activities		<u>(19,372)</u>	<u>(22,032)</u>
<b>(Deficit) / surplus from all activities</b>		<b><u>(58,061)</u></b>	<b><u>(61,197)</u></b>
Other, comprehensive (loss) / income	18	(7,306)	166,500
<b>Total comprehensive (loss) / income for the year</b>		<b><u>(65,367)</u></b>	<b><u>105,303</u></b>

**Balance sheet**  
**As at 30 June 2015**

	Note	2015 \$	2014 \$
<b>Current assets</b>			
Cash and cash equivalents	6	1,727,240	1,732,951
Trade and other receivables	7	9,367	10,948
Tax receivables	8	3,071	3,432
Financial assets	9	229,919	222,208
<b>Total current assets</b>		<b>1,969,597</b>	<b>1,969,539</b>
<b>Non-current assets</b>			
Financial assets	10	13,993	16,327
Property, plant and equipment	11	7,242,612	7,155,482
<b>Total non-current assets</b>		<b>7,256,605</b>	<b>7,171,809</b>
<b>Total assets</b>		<b>9,226,202</b>	<b>9,141,348</b>
<b>Current liabilities</b>			
Trade and other payables	12	77,217	80,726
Provisions	13	26,949	22,782
Personnel-related items	14	6,311	290
Other current liabilities	15	9,000	9,725
<b>Total current liabilities</b>		<b>119,477</b>	<b>113,523</b>
<b>Non-current liabilities</b>			
Trade and other payables	16	4,249,515	4,130,597
Other non-current liabilities	17	1,375,413	1,350,064
<b>Total non-current liabilities</b>		<b>5,624,928</b>	<b>5,480,661</b>
<b>Total liabilities</b>		<b>5,744,405</b>	<b>5,594,184</b>
<b>Net assets</b>		<b>3,481,797</b>	<b>3,547,164</b>
<b>Equity</b>			
Reserves	18	2,095,152	2,228,122
Accumulated surplus		1,386,645	1,319,042
<b>Total equity</b>		<b>3,481,797</b>	<b>3,547,164</b>

**Statement of changes in equity  
For the Year Ended 30 June 2015**

**2015**

	Note	Retained Earnings	Capital Profits Reserve	Asset Realisation Reserve	General Reserves	Total
		\$	\$	\$	\$	\$
<b>Balance at 1 July 2014</b>		1,319,042	481,215	1,621,243	125,664	3,547,164
Profit / (Loss) attributable to members of the entity		(58,061)	-	-	-	(58,061)
Equity stake increment (decrement)	18	-	-	(7,306)	-	(7,306)
Transfer to general reserves to retained earnings		125,664	-	-	(125,664)	-
<b>Sub-total</b>		67,003	-	(7,306)	(125,664)	(65,367)
<b>Balance at 30 June 2015</b>		1,386,645	481,215	1,613,937	-	3,481,797

**2014**

	Note	Retained Earnings	Capital Profits Reserve	Asset Realisation Reserve	General Reserves	Total
		\$	\$	\$	\$	\$
<b>Balance at 1 July 2013</b>		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)
Revaluation increment (decrement)	18	-	-	166,500	-	166,500
<b>Sub-total</b>		(61,197)	-	166,500	-	105,303
<b>Balance at 30 June 2014</b>		1,319,042	481,215	1,621,243	125,664	3,547,164

**Statement of cash flows**  
**For the Year Ended 30 June 2015**

	Note	2015 \$	2014 \$
<b>Cash from operating activities:</b>			
Receipts from customers including GST		226,930	226,538
Payments to suppliers and employees including GST		(233,865)	(951,170)
Interest / Investment returns received		9,316	14,906
Net cash provided in (used in) operating activities	<b>19</b>	2,381	(709,726)
<b>Cash flows from investing activities:</b>			
Acquisition of property, plant and equipment		(3,503)	(4,399)
Net cash used by investing activities		(3,503)	(4,399)
<b>Cash flows from financing activities:</b>			
Loans from / (to) local societies		(4,589)	-
Net cash used by financing activities		(4,589)	-
Net increase / (decrease) in cash and cash equivalents held		(5,711)	(714,125)
Cash and cash equivalents at beginning of year		1,732,951	2,447,076
Cash and cash equivalents at end of financial year		1,727,240	1,732,951

## Notes to financial statements

### 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 21 October 2015 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. 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 valuations by external independent valuers or directors valuations, 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:

<b>Class of fixed asset</b>	<b>Depreciation Rate</b>
Buildings	2.5%

Plant and equipment	13 – 27%
Leasehold improvements	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.

#### c. **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.

#### d. **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 re-measurements 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.

## **De-recognition**

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.

### **e. 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 (for example, 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.

### **f. 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 re-measurement 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 9.5% 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.

#### **g. 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.

#### **h. 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.

i. **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*.

j. **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.

k. **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.

l. **Comparative figures**

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

m. **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.

n. **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 Property Group. 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 at 226 Waverley Road, East Malvern, Victoria. 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 2015, the directors have reviewed the key assumptions adopted by the valuers in 2012 at the directors meeting conducted on 5 July 2015. It was determined to have the property located in Huonville, Tasmania be revalued by Opteon Property Group. The revaluation resulted in a revaluation increment for land of \$20,000 and a revaluation decrement for buildings of \$46,963. Further it was decided to revalue the properties in Dandenong North and Launceston based on the movement in the Australian Housing Construction Index as published by the Australian Bureau of Statistics. This resulted in revaluation increment of \$138,574 being recognised. For all remaining properties the directors believe there has been no significant change in the assumptions at 30 June 2015. The directors therefore believe the carrying amount of the land correctly reflects the fair value less cost to sell at 30 June 2015 for these remaining properties.

## **Key judgments**

### *Available-for-sale investments*

The company maintains a portfolio of securities with a carrying amount of \$229,919 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.

#### **o. Economic dependence**

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

#### **p. 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.

#### q. **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.

## Note 2: Revenue

	2015 \$	2014 \$
Donations	26,960	23,152
Accountancy services to local societies	13,480	8,152
Fundraising income	-	289
Interest income (online saver)	5,077	4,959
Local society levies	185,514	183,525
Membership fees collected	2,028	3,877
Non-refundable resident contribution	-	5,000
	233,059	228,953

## Note 3: Depreciation and amortisation expenses

	2015 \$	2014 \$
Depreciation - Office equipment	1,630	2,476

## Note 4: Investment income

	2015 \$	2014 \$
Interest Asgard investment	7,710	11,924
Interest Huon Valley Accounts	766	1,991
Interest Trust Company	786	761
Interest Perpetual	54	-
Interest Endowment Fund	-	230
	9,316	14,906

## Note 5: Investment expenses

	2015 \$	2014 \$
Depreciation and impairment expenses (Buildings)	28,688	36,938

Depreciation is net of the government's share on the related property, plant and equipment.

## Note 6: Cash and cash equivalents

	2015 \$	2014 \$
Cash on hand	142	142
Cheque account	301,281	182,988
Funds held on behalf of local society residents (bonds)	52,295	190,619
Wagga Term Deposit (held on trust)	1,080,560	1,040,000
Wagga Transaction Account (held on trust)	29,412	38,279
Wagga Online Saver (held on trust)	226,053	221,054
Narrabri online saver (held on trust)	37,497	59,869
	<u>1,727,240</u>	<u>1,732,951</u>

## Note 7: Trade and other receivables

	2015 \$	2014 \$
Trade debtors	9,367	10,948

## Note 8: Tax receivables

	2015 \$	2014 \$
GST - Prior years liabilities	(3,432)	67,759
GST collected	(7,410)	(148,211)
GST paid	7,771	77,020
	<u>(3,071)</u>	<u>(3,432)</u>

## Note 9: Financial assets - current

### (a) Investments comprise of:

	2015 \$	2014 \$
Asgard Infinity eWrap Investment Account	229,919	222,209
<b>Total current investments</b>	<u>229,919</u>	<u>222,209</u>

### Investment assets comprise of:

	2015 \$	2014 \$
Cash (at call)	10,445	24,237
Bank Term Deposits (St George Bank)	145,000	125,000
Vanguard Australian Shares Index Fund	21,244	21,034
Vanguard Property Securities Fund	24,066	21,009
NAB Convertible Preference Shares (150)	14,531	15,479
Westpac Capital Notes (150)	14,633	15,450
<b>TOTAL</b>	<u>229,919</u>	<u>222,209</u>

## Note 10 Financial assets – non-current

### (a) Investments comprise of:

	2015 \$	2014 \$
Other available for sale assets		
Share in Frankston lease	13,993	16,327
Share in Frankston lease (ii)		
<b>Total non-current investments</b>	<b>13,993</b>	<b>16,327</b>

Investment assets comprise of:

\$13,993 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 11 Property plant and equipment

	2015 \$	2014 \$
<b>Land and buildings</b>		
<b>Freehold land</b>		
At directors' valuation	3,038,995	2,977,710
Total freehold land	<b>3,038,995</b>	<b>2,977,710</b>
<b>Buildings</b>		
At fair value	4,068,233	4,017,907
Less accumulated depreciation	(65,197)	(42,176)
Total buildings	<b>4,003,036</b>	<b>3,975,731</b>
<b>Leasehold Improvements</b>		
At fair value	284,345	284,345
Less accumulated depreciation	(89,991)	(86,658)
Total leasehold improvements	<b>194,354</b>	<b>197,687</b>
<b>Total land and buildings</b>	<b>7,236,385</b>	<b>7,151,128</b>
<b>Office equipment</b>		
At Cost	56,250	52,747
Less accumulated depreciation	(50,022)	(48,393)
<b>Total office equipment</b>	<b>6,227</b>	<b>4,354</b>
<b>Total property, plant and equipment</b>	<b>7,242,612</b>	<b>7,155,482</b>

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 Property Group.

A subsequent independent valuation of land and buildings was made in June 2015 for the Huonville property. The Dandenong North and Launceston properties were revalued by the directors based on the Australian Housing Construction Index published by the Australia Bureau of Statistics.

**(a) Movements in carrying amounts**

	Land \$	Buildings & Improvements \$	Office Equipment \$	Total \$
Balance at the beginning of year	2,977,710	4,173,418	4,354	7,155,482
Additions	-	-	3,503	3,503
Depreciation expense	-	26,354	1,630	27,984
Revaluation increase / (decrease) recognised in equity	61,285	50,326	-	111,611
<b>Carrying amount at the end of year</b>	<b>3,038,995</b>	<b>4,197,390</b>	<b>6,227</b>	<b>7,242,612</b>

**(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). The directors revalued the property by applying the Australian Housing Construction Index as at 30 June 2015 compared to the index as at the last valuation on 30 June 2012.

	2015 \$	2014 \$
Fair value of land	444,797	415,000
Fair value of buildings	584,131	545,000
Less accumulated depreciation	(1,344)	(896)
Less Government share	(1,001,810)	(934,699)
<b>Net fair value of Abbeyfield's share</b>	<b>25,773</b>	<b>24,405</b>

**(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. Stonington Council has approved the construction of 21 units on the site. The joint venture continues to obtain construction costs and sale estimates to validate the economies of the project, prior to final submission to council for construction of the project.

	2015 \$	2014 \$
Fair value of land	1,700,000	1,700,000
<b>Total</b>	<b>1,700,000</b>	<b>1,700,000</b>

### (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). The directors revalued the property by applying the Australian Housing Construction Index as at 30 June 2015 compared to the index as at the last valuation on 30 June 2012.

The Launceston (Newnham) Abbeyfield House closed on Thursday 25 June 2015 and Abbeyfield Australia is now exploring options for its future use. Subject to the agreement of the Tasmanian Government those options may include a range of outcomes including realising the asset, reopening the House in its previous form, or collaborating with another Tasmanian based not for profit organisation.

	2015 \$	2014 \$
Fair value of land	171,488	160,000
Fair value of buildings	868,158	810,000
Less accumulated depreciation	(8,085)	(5,390)
Less Government share	(894,096)	(834,200)
<b>Net fair value of Abbeyfield's share</b>	<b>137,465</b>	<b>130,410</b>

### (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).

An independent valuation of land and buildings was made on 30 June 2015 by Opteon Property Group.

	2015 \$	2014 \$
Fair value of land	220,000	200,000
Fair value of buildings	928,038	975,000
Less accumulated depreciation	(48,038)	(32,026)
Less Government share	(344,411)	(352,500)
<b>Net fair value of Abbeyfield's share</b>	<b>755,589</b>	<b>790,475</b>

### (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).

	2015 \$	2014 \$
Fair value of land and buildings	184,345	184,345
<b>Total</b>	<b>184,345</b>	<b>184,345</b>

#### (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.

	2015 \$	2014 \$
Leasehold improvements at cost	100,000	100,000
Accumulated depreciation	(89,991)	(86,658)
<b>Total</b>	<b>10,009</b>	<b>13,342</b>

#### (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).

	2015 \$	2014 \$
Land at cost	502,710	502,710
Buildings	1,687,908	1,687,908
Grant offset		
Accumulated depreciation	(7,731)	(3,865)
Less Government share	(2,009,198)	(2,009,198)
<b>Net fair value of Abbeyfield's share</b>	<b>173,689</b>	<b>177,555</b>

### (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.

	2015 \$	2014 \$
Land at cost	295,770	295,770
Buildings	2,445,951	2,433,147
Grant offset	(2,741,721)	(2,728,917)
<b>Total</b>	<b>-</b>	<b>-</b>

### (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, Koorungal. 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.

	2015 \$	2014 \$
Land at cost	273,695	273,695
Buildings	(36,755)	1,747
Grant offset	(236,940)	(275,442)
<b>Total</b>	<b>-</b>	<b>-</b>

### Note 12: Trade and other payables

	2015 \$	2014 \$
Trade creditors	-	3,242
Sundry creditors	14,761	10,440
Payable to local societies (Huon Valley Bonds)	52,025	67,045
Payable to Bungendore branch, NSW	10,151	-
Payable to Bayside branch, Victoria	280	-
	<b>77,217</b>	<b>80,726</b>

**Note 13: Provisions**

	2015 \$	2014 \$
Provision for holiday pay	18,024	16,617
Provision for long service leave	8,925	6,165
	<u>26,949</u>	<u>22,782</u>

**Note 14 : Personnel-related items**

	2015 \$	2014 \$
Superannuation payable	6,311	290

**Note 15: Other current liabilities**

	2015 \$	2014 \$
Accrued charges	9,000	9,725

**Note 16: Trade and other payables**

	2015 \$	2014 \$
Payables to government on realisation of asset - Huon Valley	344,411	352,500
Payables to government on realisation of asset - Launceston	894,096	834,200
Payables to gov't on realisation of asset - Mauritian house	1,001,811	934,699
Payables to government on realisation of asset - Goulburn	2,009,198	2,009,198
	<u>4,249,515</u>	<u>4,130,597</u>

**Note 17: Other non-current liabilities**

	2015 \$	2014 \$
Deferred grants - Narrabri	37,497	50,729
Deferred grants - Wagga	1,337,916	1,299,335
	<u>1,375,413</u>	<u>1,350,064</u>



## Note 18: Reserves

	2015 \$	2014 \$
Asset revaluation reserve (a)	1,613,936	1,621,243
Capital grants reserve	481,216	481,215
Endowment fund reserve (b)	-	125,664
	2,095,152	2,228,122

(a) Movement in asset revaluation reserve is as follows:

	2015 \$	2014 \$
Balance at beginning of year	1,621,243	1,454,743
Not revaluation gain	111,611	166,500
Less revaluation gain relating to government share	(118,918)	-
	1,613,936	1,621,243

(b) During the year, the company transferred the fund reserved for endowment fund to retained earnings.

## Note 19: Cash flow information

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

	2015 \$	2014 \$
Net loss/income for the period	(58,061)	(61,197)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
Depreciation and amortisation	30,318	39,414
Changes in operating assets and liabilities		
(Increase)/(decrease in trade and term receivables	1,581	9,509
(Increase)/(decrease in prepayments and other current	(7,710)	(11,924)
Increase/(decrease) in trade payables and accruals	(3,966)	7,710
Increase/(decrease) in other liabilities	36,052	(700,059)
Increase/(decrease) in provisions	4,167	6,822
<b>Cashflow from operations</b>	<b>2,381</b>	<b>(709,725)</b>

## Note 20: Auditors' remuneration

	2015 \$	2014 \$
Remuneration of the auditor of the parent entity for:		
- Auditing or reviewing the financial report	9,000	8,000

## 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 30/06/2015 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  
21 October 2015

## Independent Auditor's report and declaration



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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 2015, 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.

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*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 2015 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 2012*.

ShineWing Australia

SHINEWING AUSTRALIA  
Chartered Accountants

A handwritten signature in black ink, appearing to read "S Phillips", with a horizontal line underneath.

Scott Phillips  
Partner

Melbourne, 21 October 2015



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**Auditor's Independence Declaration  
To the Directors of Abbeyfield Australia Limited**

I declare that, to the best of my knowledge and belief during the year ended 30 June 2015 there have been:

- (i) No contraventions of the auditor's independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit, and
- (ii) No contraventions of any applicable code of professional conduct in relation to the audit.

ShineWing Australia

SHINEWING AUSTRALIA  
Chartered Accountants

Scott Phillips  
Partner

Melbourne, 21 October 2015

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## Notes

## Notes



**Abbeyfield Australia Limited**

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**Registered company office: Level 10, 530 Collins Street, Melbourne 3000**

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