

abbeyfield

Housing for People in need

2008 - 2009

Annual Report

of

Abbeyfield Australia Limited

ABN 91 005 954 905

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ABBNEYFIELD SUPPORTIVE HOUSES & HOSTELS 2008 – 2009-11-05

HOUSES

AUSTRALIAN CAPITAL TERRITORY

The Abbeyfield Society (ACT) Inc., 75 Wakefield Gardens, **Ainslie**, ACT, 2602
The Abbeyfield Society (ACT) Inc., 15 Stephens Place, **Garran**, ACT, 2605
The Abbeyfield Society disAbility (ACT) Inc., 31 Throssell Street, **Curtin**, ACT. 2605

NEW SOUTH WALES

The Abbeyfield Society, (Orange) Inc., 19 Hill Street, **Orange**, NSW, 2800
The Abbeyfield Society (Wagga Wagga) Inc., 29 Wiradjuri Cres. **Wagga Wagga**, NSW 2650
The Abbeyfield Society (Goulburn), P.O. Box 38, **Goulburn**, NSW 2580, to open in 2010

QUEENSLAND

The Abbeyfield Society (Babinda) Inc., Hospital Street, **Babinda**, North Qld., 4861

SOUTH AUSTRALIA

The Abbeyfield Society (Marion) Inc., 5 St. Lawrence Avenue, **Edwardstown**, SA, 5039
The Abbeyfield Society, (Mt. Gambier) Inc., 15 Francis Street, **Mt. Gambier**, SA, 5290

TASMANIA

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

VICTORIA

The Abbeyfield Society (Croydon/Ringwood) Inc., 1 Trawalla Road, **Croydon**, Vic. 3166
The Abbeyfield Society (Dingley Village) Inc., 267 Spring Road, **Dingley Village**, Vic. 3172
The Abbeyfield Society (Frankston) Inc., 6 Nukara Court, **Frankston**, Vic. 3199
The Abbeyfield Society (Malvern) Inc., 226-228 Waverley Road, **Malvern**, Vic. 3144
The Abbeyfield Society (Mauritian Golden Age) Inc., 1-3 Menzies Avenue, **Dandenong North**, Vic. 3175
The Abbeyfield Society (Melton) Inc., 66-68 Brooklyn Road, **Melton South**, Vic. 3338
The Abbeyfield Society (North/West Melbourne) Inc., 17 Brougham Street, **North Melbourne**, Vic. 3054
The Abbeyfield Society (Richmond) Inc., 269 Burnley Road, **Richmond**, Vic 3121
The Abbeyfield Society (St. Joseph's Community) Inc., 41-43 Stanhope Street, **Malvern**, Vic. 3144
The Abbeyfield Society (Waverley) Inc., 48 Salisbury Road, **Ashwood**, Vic. 3147

BRANCHES

The Abbeyfield Society (Narrabri), 51 Hinds St, **Narrabri**, NSW 2390
The Abbeyfield Society (Mornington Peninsula), c/o 314 Stumpy Gully Rd, **Balnarring**, Vic 3926

HOSTELS

NEW SOUTH WALES

Charingfield Limited NSW, 282A Bronte Road, **Waverley**, NSW 2024

SOUTH AUSTRALIA

The Abbeyfield Society (District of Barossa) Inc., Memorial Drive, **Williamstown**, SA, 5351

VICTORIA

The Abbeyfield Society (Mortlake) Inc., 30 Shaw Street, **Mortlake**, Vic. 3272

VISION STATEMENT

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

MISSION STATEMENT

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

ABBEYFIELD'S ROLE

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

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

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

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

ABBEYFIELD'S PRINCIPLES

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

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

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

Residents participate in management and decision-making.

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

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

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

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

Chairman's Report

It gives me great pleasure to deliver my Annual Report as Chairman of Abbeyfield Australia Ltd for the year ending 30th June 2009.

The year 2008/2009 has been a year of great activity for Abbeyfield. Much is happening!

The Abbeyfield concept is being increasingly recognised by people in government and in the Housing Industry as a concept of housing which has many attributes and not only meets the needs of older people but the needs of younger people with mild intellectual disabilities. Such recognition is exemplified by Senator the Honourable Ursula Stephens Parliamentary Secretary for Social Inclusion and the Voluntary Sector when she announced a grant of \$500,000 to Abbeyfield Australia by the NSW government Department of Ageing, Disability and Home Care (DADHC) for the purchase of a house in Goulburn NSW. Further monies are to follow to renovate the house for the purposes of an Abbeyfield disAbility house for younger people with a mild intellectual disabilities. The Senator said "*The Abbeyfield house in Goulburn will provide the right mix of independence and a supportive environment for individuals with mild disability. This type of accommodation empowers individuals to live full lives within the community*". This is great news!

Our Marion Abbeyfield house situated at Edwardstown in SA and established more than ten years ago for older people most unfortunately was forced to close due to the very few residents in the house. However the house will shortly reopen as an Abbeyfield Disability house for younger people who are mildly intellectually disabled. Having made sure the remaining residents at the Abbeyfield house were comfortably settled elsewhere Mr Philip Watchman, Chairman of The Marion Abbeyfield Society and committee members came to an agreement with the Downs Syndrome Society of South Australia whereby Abbeyfield would make the Marion house available for younger people with mild intellectual disabilities in accordance with established Abbeyfield practices. In this way younger people may enjoy an independent lifestyle while having the security of others around them. Members of The Board and I are very pleased that this Abbeyfield House will open once again and will meet a most important need for these younger people.

Two other groups of people, one at Narrabri in NSW and one on the Mornington Peninsula in Victoria, are keen to establish Abbeyfield Houses similar to those planned at Goulburn and Edwardstown. Once again the Abbeyfield Board welcomes the new use of The Abbeyfield concept.

Our mainstream housing for older people continues to satisfy the needs of many older Australians in this country. We are very proud of our Abbeyfield houses and hostels and all the volunteers who manage them across Australia. Without our volunteers these houses and hostels could not operate. Each and every volunteer numbering more than 400 is vital to the provision of good comfortable and secure housing for our residents. Our three Abbeyfield Hostels are doing extremely well, designed to provide care for our frailer Abbeyfield residents. Our most sincere thanks and appreciation to each and every Abbeyfield volunteers.

Members of The Abbeyfield Society (Mortlake) committee are hopeful of establishing an Abbeyfield House at Timboon in the south west of Victoria. This is very exciting.

A fire broke out at St Josephs Abbeyfield house at Malvern, Victoria on 16 February of this year. All our residents including a visitor from an Abbeyfield house in Canberra escaped and each of them almost entirely unharmed. The house was destroyed but with good insurance a new one has been built. The majority of the original residents will shortly return to live there. While the house was being rebuilt most of the residents were accommodated in our Waverley, East Malvern and Richmond houses. Chairman John Boland and the local society of St Josephs are to be congratulated on the huge efforts made to rebuild and make the house ready for the return of the residents.

I am delighted to report that the first edition of the Abbeyfield Observer has been published. It provides a variety of news for Abbeyfield members. Our new website is near completion. It will provide comprehensive information about each of our houses, their occupancy and the way in which a potential resident may make an enquiry.

The Abbeyfield Australia Board's most sincere thanks to Chris Reside CEO of Abbeyfield. He has worked long hours to assist various societies, to encourage fledgling Abbeyfield groups and to serve the Board. His efforts are greatly appreciated. Virginia Lawrence our Office Manager has continued to faithfully serve Abbeyfield for which we are most appreciative. I thank Virginia for all the work she has done throughout the year.

I turn to the Abbeyfield Australia Board. It is with the greatest sadness that I report the tragic loss of our Senior Vice Chairman Mr Colin Haines JP OAM. He died very peacefully in his sleep on the 21st August of this year. He was most active right up until the time he died. All who knew him were very shocked at this most unexpected tragedy.

Colin was Chairman of the Abbey field Society Marion and for a number of years a Director on the Abbeyfield Board and most recently senior vice chairman. Colin's expertise, wise counsel and most active participation in Abbeyfield affairs will always be greatly appreciated. We have all lost a very good friend whom we will long

remember with great affection. Our love and sympathy go to Mavis, Colin's wife, and their four children and families.

To all members of the Abbeyfield Australia Board so many thanks to each of you for your contribution to the work of Abbeyfield. It has been a very busy year but I believe much has been achieved.

The Abbeyfield Australia Board wishes to continue to provide comfortable and secure housing for all our older residents located in our houses and hostels and for our younger ones who have recently joined our Abbeyfield family. At the same time our aim is to increase the number of houses and hostels available for more people to enjoy our comfortable and secure Abbeyfield style of living which provide a communal atmosphere while each resident maintains his or her independence. May this be achieved in 2009/2010.



Gay Gardner, AM
Chairman

Chief Executive Officer's Report

2008/2009 was my first full year with Abbeyfield Australia and upon reflection, a year of some great highs, the occasional lows, and a lot of pleasure working with such an active volunteer based organisation.

One of the most enjoyable aspects of the year has been visiting as many Abbeyfield houses and hostels as possible. This *Tour de Abbeyfield* was a great introduction to the Abbeyfield family, and the diversity and similarities between each local society. Without exception I was made to feel very welcome and was encouraged by the commitment of local committee to their Abbeyfield house/hostel and their residents.

During October 2008 I had the opportunity to attend the Abbeyfield International Conference in Toronto, Canada. The AI Conference was an invaluable experience and opportunity to meet first hand, my counterparts and representatives from Abbeyfield countries around the globe. Many contacts made at the AI conference have proven extremely beneficial, as delegates have continued to share advice and solutions to common problems around the Abbeyfield world.

The fire at Abbeyfield St Josephs Malvern on Monday 16 February 2009 also ironically had some positive aspects. For whilst it was a wrenching sight to see the house destroyed and the displaced residents recuperating after the evacuation – I take much solace in the fact that not a single life was lost. The fire also highlighted the great capacity of the Abbeyfield organisation when under pressure, and in particular the willingness of other Abbeyfield societies and members to offer assistance. John Boland, chairman at Abbeyfield St Josephs oversaw the refurbishment of the house and I am pleased that Abbeyfield Australia had the opportunity to support John and his committee throughout the entire process.

The Marion Abbeyfield House (Edwardstown, SA) has also been notable during 2008/2009 as the local chairman Philip Watchman and his committee took the difficult but necessary decision to close the Marion House in June 2009, and is now working closely with Abbeyfield Australia and the Down Syndrome Society of South Australia to re-open the Marion House in early 2010 as South Australia's inaugural Abbeyfield disAbility House.

The Abbeyfield model in all its guises (older persons houses, disAbility houses, and hostels) continues to provide brilliant community based solutions to local housing needs. One of the challenges now facing Abbeyfield Australia is to advocate the strengths of the model to State and Federal governments to ensure a sustainable future for the model and the organisation itself.

Cheers,



Chris Reside,
Chief Executive Officer

Treasurer's Report

The Financial Report and Auditors Statement have been prepared in accordance with the Australian Accounting Standards. These standards do not necessarily meet the requirements for the "Not for Profit" sector of the community and in the case of Abbeyfield complicate our reported information.

Abbeyfield Australia has a substantial asset base which generates no income but under the Standards must be depreciated thereby creating a substantial financial cost on the Society's operations. In the 2008-09 year this is further complicated by the receipt of a grant to purchase a property in Goulburn. The funding agreement was executed and funds received prior to June 30 but the purchase of the property did not occur until September 24 with the funds treated under the Standards as revenue. This requirement has resulted in a profit, according to the Standards, of \$356,596 for the 2009 year and an adjusting loss can be expected in 2010.

The report also includes an amount of \$2,124,054 of Non Current Financial Liabilities (page 22) item 16(a). This is the total of the equity held by various Government Departments in the properties owned by the Society. Our liability would only become payable should the respective houses become unviable and the properties sold. To clarify this situation clause 2 (a) of the Directors Report (page 1) has been worded to identify the Operating Loss of \$ 70,000, the depreciation cost of \$68,000 and the income for Goulburn of \$550,000, These matters are detailed in the Income statement (page 6) which clearly identifies the areas of Operations, Depreciation and Grants.

The operating loss has increased during the year from \$5,343 in the 2007-08 year to \$70,362 in 2008-09. This increase is due to a number of factors including;

1. With the appointment of a new CEO there were two senior officers on the payroll for the first part of the year,
2. It was a year in which the National Local Society's Day and Seminar were conducted,
3. The increased travel associated with the CEO visiting houses and supporting the changes at the Marion House,
4. Costs associated with the support of the St Joseph's Local Society and residents following the fire, (it is hoped these costs will be recovered in an insurance claim), and
5. Consultant's fees for legal advice and the web page.

In an effort to better control the finances of the society the Board has;

1. Adopted an accounting procedure based on cost centres and more detailed monthly reporting; and
2. To improve cash flow at both the national and local society levels instituted a policy to enable the levies to be paid in quarterly instalments.

Finally I wish to thank CEO Chris Reside and Office Manager Virginia Lawrence for their contributions to the financial management and accounting functions of the Society during the year under review.



David Kay
Treasurer.

DONORS 2008/2009

The following list of donors is not complete. It does not include those many donors who so generously support Abbeyfield at the local level or those who have given substantially in the past. Abbeyfield Australia records it gratitude to you all.

The individuals and organisations mentioned below have made contributions to the work of Abbeyfield either directly or through a donation to the Abbeyfield Endowment Fund. We take this opportunity to thank them for their kindness and practical support for Abbeyfield.

Major Donors

The William Angliss (Vic) Charitable Fund
The Bell Charitable Fund

Abbeyfield Australia Limited

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Financial Statements

For the Year Ended 30 June 2009

Abbeyfield Australia Limited

91 005 954 905

For the Year Ended 30 June 2009

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Abbeyfield Australia Limited

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Directors' Report

30 June 2009

Your directors present their report on the company for the financial year ended 30 June 2009.

1. General information

a Directors

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

| Names | Appointed/Resigned |
|-----------------------|---------------------------|
| Gay Gardner | |
| Peter Reed | |
| David Kay | |
| Leo Hurst | |
| Dimitri Kiriacoulacos | |
| Andrew Dixon | |
| Wanda Edmunds | |
| Alison Hancock | |
| Colin Haines | Deceased August 2009 |
| Jill Parker | |

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

b Company Secretary

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

Dimitri Kiriacoulacos

c Principal Activities

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

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

2. Business review

a Operating Results

The operating loss of Abbeyfield Australia Limited after providing for income tax amounted to \$70,362. The net profit of after providing for income tax amounted to \$ 356,596.

During the year the company received a government grant of \$550,000 inclusive of GST. This amount was provided exclusively for the purchase of a property in Goulburn, NSW. The property will provide supported accommodation. The purchase will be settled in September 2009.

\$73,042 of depreciation, amortisation and impairment was recognised as a non operating expense during the year (2008: \$64,964). This was for the diminishing value of properties and investments that the company has an ownership in. The company treats this as non-operating.

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.

Abbeyfield Australia Limited

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Directors' Report

30 June 2009

3. Other items

a Auditors Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out at page 30.

b Significant Changes in State of Affairs

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

During the year the company changed its name from The Abbeyfield Society (Australia) Limited to Abbeyfield Australia Limited.

c After balance day events

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

d Environmental Issues

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

e Non-audit services

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

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

The following fees for non-audit services were paid/payable to the external auditors during the year ended 30 June 2009:

| | 2009 | 2008 |
|--|--------------|--------------|
| | \$ | \$ |
| Audit and review services of the financial reports and other audit work under the Corporations Act 2001 paid or accrued to Tudor & Company | 3,250 | 2,750 |
| | <u>3,250</u> | <u>2,750</u> |

4. Director Information

a Information on Directors

| | |
|----------------------------|---|
| Gay Gardner AM | Chairman |
| Qualifications | LLB |
| Experience | Aged 71, Practising solicitor, Vice Patron and Council Member of the Australian Cranio Maxilla Facial Foundation. |
| Colin Haines OAM JP | 1st Vice Chairman |
| Qualifications | Justice of the Peace |

Abbeyfield Australia Limited

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Directors' Report

30 June 2009

| | |
|------------------------------|--|
| Experience | Age 75, Retired Public Servant; Board Member Commonwealth Area Consultative Committees and State Patawalonga Water Catchment Management Board. Eighteen years as an elected member in Local Government including 9 years as Mayor. *Sadly, Colin Haines OAM passed away on 21 August 2009 |
| Dimitri Kiriacoulacos | 2nd Vice Chairman & Company Secretary |
| Qualifications | Bachelor of Laws (Honours), Bachelor of Accounting, CPA |
| Experience | Aged 42, Member of the Law Institute of Victoria, Member of the Securities Institute of Australia, Member of the CPA Australia, Member of Supreme Court of Victoria and South Australia, Member of the High Court of Australia. Currently General Counsel for Centro Properties Group. |
| David Kay | Treasurer |
| Experience | Aged 60, Former Member and Director of the Institute of Credit Management, foundation member of Abbeyfield Society (Burnie) Inc. Director Roland Childrens Services Inc. Director and Treasurer Community Connections Inc. |
| Andrew Dixon | |
| Qualifications | B.Soc.Sci. (Lib), Grad Dip (Comm Dat Proc) |
| Experience | Aged 56, Subject Librarian, Caulfield Campus Library, Monash University, Member Friends of The Johnston Collection committee, Staff representative on MONSU Board at Monash University. |
| Wanda Edmunds | |
| Experience | Aged 71, retired. Committee Member Babinda and District Aged Care Association, Chairperson of The Abbeyfield Society (Babinda) Inc. |
| Alison Hancock | |
| Experience | Aged 70, Social Worker, past member of Aged Care Assessment Team (ACT), past member of Board Carers Association (ACT), Current secretary The Abbeyfield Society (ACT) Ltd. |
| Leo Hurst | |
| Experience | Aged 73, Nurse (Retired), Chairperson of the Abbeyfield Society (Glenorchy) Inc. |
| Jill Parker | |
| Qualifications | Master of Education, Grad. Dip in Educational Administration, Diploma of Education, Bachelor of Agricultural Science. |
| Experience | Age 62, Senior Teacher, Curriculum Leader, Acting Principal. Chairperson - Barwon South Western Council Adult Community and Further Education. Secretary / Treasurer - Mortlake Fire Brigades Group, Moyne Shire Councillor |
| Peter Reed | |
| Qualifications | Bachelor of Architecture, ARAIA |
| Experience | Aged 63, Architect, member of Australian Institute of Architects, member of Emergency Architects, vice chairman Charingfield Hostel, past chairman of South West Inner Sydney Housing Co-Operative, past Member Housing and Urban Design Committee of RAlA. |

Abbeyfield Australia Limited

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Directors' Report

30 June 2009

b Meetings of Directors

During the financial year, 6 meetings of directors were held. Attendances by each director during the year were as follows:

Gay Gardner
Peter Reed
David Kay
Leo Hurst
Dimitri Kiriacoulacos
Andrew Dixon
Wanda Edmunds
Alison Hancock
Colin Haines
Jill Parker

| Directors' Meetings | |
|---------------------------|-----------------|
| Number eligible to attend | Number attended |
| 6 | 6 |
| 6 | 5 |
| 6 | 6 |
| 6 | 6 |
| 6 | 6 |
| 6 | 6 |
| 6 | 5 |
| 6 | 5 |
| 6 | 6 |
| 6 | 5 |

5. 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 following directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a willful breach of duty in relation to the company. The total amount of the premium was \$ 2,575.

| | | |
|---------------|-----------------------|----------------|
| Gay Gardner | Peter Reed | David Kay |
| Leo Hurst | Dimitri Kiriacoulacos | Andrew Dixon |
| Wanda Edmunds | Jill Parker | Alison Hancock |
| Colin Haines | | |

6. Options

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

Abbeyfield Australia Limited

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Directors' Report

30 June 2009

7. Proceedings on Behalf of Company

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

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

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

Director:  (Gay Gardner, Chairman)

Director: ...  (David Kay, Treasurer)

Dated this third day of October 2009

Abbeyfield Australia Limited

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Income Statement

For the Year Ended 30 June 2009

| | Note | 2009 \$ | 2008 \$ |
|--|------|-----------------|------------|
| Operating activities | | | |
| Sales and services revenue | 2 | 202,536 | 187,472 |
| Cost of sales | | - | - |
| <hr/> | | | |
| Gross profit | | 202,536 | 187,472 |
| Other income | 3 | 9,141 | 3,896 |
| Occupancy expenses | | (14,540) | (13,647) |
| Administrative expenses | | (144,482) | (87,932) |
| Legal and consulting fees | | (28,825) | (39,918) |
| Travel and accommodation | | (40,442) | (12,582) |
| Investment expenses | | (3,050) | (3,614) |
| Other expenses | 4 | (50,700) | (39,018) |
| <hr/> | | | |
| Operating loss before income tax and non-operating activities | | (70,362) | (5,343) |
| Non-operating activities | | | |
| Government grant income | | 500,000 | - |
| Depreciation, amortisation and impairment on buildings and investments | | (73,042) | (64,964) |
| <hr/> | | | |
| Profit / (Loss) before income tax | | 356,596 | (70,307) |
| Income tax expense | | - | - |
| <hr/> | | | |
| Profit / (Loss) attributable to members of the parent entity | | 356,596 | (70,307) |

Abbeyfield Australia Limited

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Balance Sheet

30 June 2009

| | Note | 2009 \$ | 2008 \$ |
|--------------------------------------|------|------------------|------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | 5 | 875,377 | 349,188 |
| Trade and other receivables | 6 | 46,588 | 21,782 |
| Financial assets | 8 | 184,335 | 208,778 |
| Other current assets | 7 | 393 | 1,854 |
| Total current assets | | 1,106,693 | 581,602 |
| Non-current assets | | | |
| Financial assets | 8 | 242,349 | 248,016 |
| Property, plant and equipment | 9 | 4,667,600 | 4,732,062 |
| Total non-current assets | | 4,909,949 | 4,980,078 |
| TOTAL ASSETS | | 6,016,642 | 5,561,680 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Trade and other payables | 10 | 171,875 | 78,167 |
| Short-term provisions | 11 | 4,658 | - |
| Total current liabilities | | 176,533 | 78,167 |
| Non-current liabilities | | | |
| Trade and other payables | 10 | 2,124,054 | 2,278,389 |
| Total non-current liabilities | | 2,124,054 | 2,278,389 |
| TOTAL LIABILITIES | | 2,300,587 | 2,356,556 |
| NET ASSETS | | 3,716,055 | 3,205,124 |
| EQUITY | | | |
| Reserves | 13 | 2,024,346 | 1,870,011 |
| Accumulated profits | 12 | 1,691,709 | 1,335,113 |
| TOTAL EQUITY | | 3,716,055 | 3,205,124 |

Abbeyfield Australia Limited

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Statement of Changes in Equity

For the Year Ended 30 June 2009

2009

| | Retained Earnings | Capital Profits Reserve | Asset Revaluation Reserve | General Reserves | Total |
|---|-------------------|-------------------------|---------------------------|------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Balance at 1 July 2008 | 1,335,113 | 481,215 | 1,263,132 | 125,664 | 3,205,124 |
| Profit attributable to members | 356,596 | - | - | - | 356,596 |
| Total recognised income and expense for the year | 356,596 | - | - | - | 356,596 |
| Revaluation increment (decrement) | - | - | 154,335 | - | 154,335 |
| Balance at 30 June 2009 | 1,691,709 | 481,215 | 1,417,467 | 125,664 | 3,716,055 |

2008

| | Retained Earnings | Capital Profits Reserve | Asset Revaluation Reserve | General Reserves | Total |
|---|-------------------|-------------------------|---------------------------|------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Balance at 1 July 2007 | 1,405,420 | 481,215 | 474,418 | 125,664 | 2,486,717 |
| Profit attributable to members | (70,307) | - | - | - | (70,307) |
| Total recognised income and expense for the year | (70,307) | - | - | - | (70,307) |
| Revaluation increment (decrement) | - | - | 788,714 | - | 788,714 |
| Balance at 30 June 2008 | 1,335,113 | 481,215 | 1,263,132 | 125,664 | 3,205,124 |

Abbeyfield Australia Limited

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Statement of Cash Flows

For the Year Ended 30 June 2009

| | Note | 2009 \$ | 2008 \$ |
|--|------|----------------|------------|
| Cash from operating activities: | | | |
| Receipts from customers including GST | | 718,011 | 150,896 |
| Payments to suppliers and employees including GST | | (229,358) | (189,396) |
| Interest / Investment returns received | | 12,042 | 59,319 |
| Net cash provided by (used in) operating activities | 14 | 500,695 | 20,819 |
| Cash flows from investing activities: | | | |
| Acquisition of property, plant and equipment | | (4,505) | - |
| Net cash provided by (used in) investing activities | | (4,505) | - |
| Cash flows from financing activities: | | | |
| Loans from / (to) local societies | | 30,000 | (15,000) |
| Net cash provided by (used in) financing activities | | 30,000 | (15,000) |
| Net increase (decreases) in cash held | | 526,190 | 5,819 |
| Cash at beginning of financial year | | 349,187 | 318,231 |
| Cash at end of financial year | 5 | 875,377 | 324,050 |

Abbeyfield Australia Limited

91 005 954 905

Notes to the Financial Statements

For the Year Ended 30 June 2009

1 Statement of Significant Accounting Policies

(a) General information

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

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

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

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

(b) Basis of preparation

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

Historical cost convention

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

Critical accounting estimates

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

(i) Provisions for employee benefits

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

(c) Comparative Figures

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

(d) Cash and Cash Equivalents

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

Abbeyfield Australia Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2009

1 Statement of Significant Accounting Policies continued

(e) Trade and other receivables

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

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

(f) Property, Plant and Equipment

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

Property

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

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

Plant and equipment

Plant and equipment are measured on the cost basis.

Depreciation

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

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

Class of Fixed Asset

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

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

Abbeyfield Australia Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2009

1 Statement of Significant Accounting Policies continued

(g) Financial Instruments

Recognition

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

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

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

Available-for-sale financial assets

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

Financial liabilities

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

Fair value

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

Impairment

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

(h) Trade and other payables

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

Abbeyfield Australia Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2009

1 Statement of Significant Accounting Policies continued

(i) Employee Benefits

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

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

(ii) Long service leave

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

(iii) Termination benefits

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

(j) Provisions

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

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

(k) Revenue

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

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

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

(l) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

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

Abbeyfield Australia Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2009

1 Statement of Significant Accounting Policies continued

(m) Leases

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

(n) Income tax

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

(o) Segment reporting

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

Abbeyfield Australia Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2009

2 Revenue

| | Note | 2009 \$ | 2008 \$ |
|----------------------|------|----------------|----------------|
| Operating activities | | | |
| - services revenue | | 170,603 | 149,089 |
| - interest received | 2(a) | 29,383 | 38,133 |
| - donations | | 2,550 | 250 |
| Total Revenue | | 202,536 | 187,472 |

| | | 2009 \$ | 2008 \$ |
|---------------------------------------|--|---------------|---------------|
| (a) Interest revenue from: | | | |
| interest income from banks and trusts | | 29,383 | 38,133 |
| Total interest revenue | | 29,383 | 38,133 |

3 Other operating income

| | | 2009 \$ | 2008 \$ |
|---------------------------------|--|--------------|--------------|
| Increase in the value of trusts | | 9,141 | 3,866 |
| Other income | | - | 30 |
| Total | | 9,141 | 3,896 |

Abbeyfield Australia Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2009

4 Other expenses - operating

| | 2009 | 2008 |
|--|---------------|---------------|
| | \$ | \$ |
| Depreciation, amortisation and impairments of office furniture and equipment | 1,592 | 6,835 |
| Sundry expenses | (393) | 1,476 |
| Unrealised Loss on Investments | 38,796 | 30,707 |
| Bad debts | 10,704 | - |
| Total | 50,700 | 39,018 |

5 Cash and Cash Equivalents

| | 2009 | 2008 |
|--------------------------|----------------|----------------|
| | \$ | \$ |
| Cash on hand | 100 | 100 |
| Cash at bank | 724,835 | 87,575 |
| Short-term bank deposits | 150,442 | 261,513 |
| Total | 875,377 | 349,188 |

6 Trade and Other Receivables

| | 2009 | 2008 |
|---|---------------|---------------|
| | \$ | \$ |
| CURRENT | | |
| Trade receivables | 45,121 | 18,757 |
| Provision for impairment of receivables | - | - |
| | 45,121 | 18,757 |
| Goods and services tax (receivable) | 959 | 3,025 |
| Other receivables | 508 | - |
| Total | 46,588 | 21,782 |

Abbeyfield Australia Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2009

7 Other Assets

| | 2009 | 2008 |
|--------------|------------|--------------|
| | \$ | \$ |
| CURRENT | | |
| Prepayments | 393 | 1,854 |
| Total | 393 | 1,854 |

8 Financial Assets

(a) Held-to-maturity Investments Comprise:

| | 2009 | 2008 |
|----------------------------------|----------------|----------------|
| | \$ | \$ |
| Other financial assets - current | 184,335 | 208,778 |
| Total | 184,335 | 208,778 |

(b) Available-for-sale Financials Assets Comprise

| | 2009 | 2008 |
|--|----------------|----------------|
| | \$ | \$ |
| Other available for sale assets | | |
| other financial assets | 242,349 | 248,016 |
| Total available-for-sale financial assets | 242,349 | 248,016 |

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

- (i) \$184,335 is held with ANZ Charitable Trust Australia. There are no fixed returns or fixed maturity dates attached to these investments.
- (ii) \$242,349 is investments in local society land and buildings (Ainslie (ACT), Dandenong North (Vic), Malvern East (Vic), Mortlake (Vic), Frankston (Vic), Launceston (Tas) and Huon Valley (Tas)). This amount represents the equity in these assets that is receivable on the possible sale of these assets.

| | Note | 2009 | 2008 |
|-------------------------------------|------|-----------|-----------|
| | | \$ | \$ |
| Available for sale financial assets | 8(b) | 242,349 | 248,016 |
| Held-to-maturity financial assets | 8(a) | 184,335 | 208,778 |
| | | 426,684 | 456,794 |
| Less non-current portion | | (242,349) | (248,016) |
| Current portion | | 184,335 | 208,778 |

Abbeyfield Australia Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2009

9 Property Plant and Equipment

| | 2009 | 2008 |
|--|------------------|------------------|
| | \$ | \$ |
| LAND AND BUILDINGS | | |
| Freehold land | | |
| At directors' valuation | 2,035,000 | 2,035,000 |
| Total freehold land | 2,035,000 | 2,035,000 |
| Buildings | | |
| At fair value | 2,695,000 | 2,695,000 |
| Less accumulated depreciation | (67,375) | - |
| Total buildings | 2,627,625 | 2,695,000 |
| Total land and buildings | 4,662,625 | 4,730,000 |
| PLANT AND EQUIPMENT | | |
| Office equipment | | |
| At Cost | 41,676 | 37,172 |
| Less accumulated depreciation | (36,701) | (35,110) |
| Total office equipment | 4,975 | 2,062 |
| Improvements | | |
| Total plant and equipment | 4,975 | 2,062 |
| Total property, plant and equipment | 4,667,600 | 4,732,062 |

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

Abbeyfield Australia Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2009

9 Property Plant and Equipment continued

a Movements in Carrying Amounts

| | Land | Buildings | Office Equipment | Total |
|---|---------------------|---------------------|---------------------|---------------------|
| | \$ | \$ | \$ | \$ |
| Balance at the beginning of year | 2,035,000 | 2,695,000 | 2,062 | 4,732,062 |
| Additions | - | - | 4,505 | 4,505 |
| Depreciation expense | - | (67,375) | (1,592) | (68,967) |
| Carrying amount at the end of year | \$ 2,035,000 | \$ 2,627,625 | \$ 4,975 | \$ 4,667,600 |

10 Trade and Other Payables

| | 2009 | 2008 |
|--------------------------------------|------------------|------------------|
| | \$ | \$ |
| CURRENT | | |
| Unsecured liabilities | | |
| Trade payables | 2,730 | 1,022 |
| Deposits | 5,250 | - |
| Goods and services tax payable | 57,371 | 6,950 |
| Accrued employee entitlements | 6,457 | 2,445 |
| Sundry payables and accrued expenses | 5,067 | 2,750 |
| Other payables | 95,000 | 65,000 |
| Total | 171,875 | 78,167 |
| | | |
| | 2009 | 2008 |
| | \$ | \$ |
| NON-CURRENT | | |
| Secured Liabilities | | |
| Other payables | 2,124,054 | 2,278,389 |
| Total | 2,124,054 | 2,278,389 |

Abbeyfield Australia Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2009

11 Current provisions

| | 2009 | 2008 |
|-----------------------|--------------|----------|
| | \$ | \$ |
| Employee entitlements | 4,658 | - |
| Total | 4,658 | - |

12 Accumulated profits / (Losses)

| | 2009 | 2008 |
|---|------------------|------------------|
| | \$ | \$ |
| Accumulated profits at the beginning of the financial year | 1,335,113 | 1,405,420 |
| Net income/loss for the period | 356,596 | (70,307) |
| Accumulated profits at the end of the financial year | 1,691,709 | 1,335,113 |

13 Reserves

a Asset Revaluation Reserve

The asset revaluation reserve records revaluations of non current assets.

b General Reserve

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

Abbeyfield Australia Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2009

14 Cash Flow Information

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

| | 2009 \$ | 2008 \$ |
|--|----------------|---------------|
| Net income/loss for the period | 356,596 | (70,307) |
| Cash flows excluded from profit attributable to operating activities | | |
| Non-cash flows in profit | | |
| Depreciation and amortisation | 68,967 | 66,132 |
| Impairments | 5,667 | 5,667 |
| Unrealised (gains) / losses on investments | 38,796 | 30,707 |
| Capitalised investment revenue | (16,833) | 7,645 |
| Capitalised investment expenses | 2,480 | - |
| changes in operating assets and liabilities: | | |
| (Increase)/decrease in trade and term receivables | (24,298) | (17,637) |
| (Increase)/decrease in prepayments and other current assets | 953 | (2,772) |
| Increase/(decrease) in trade payables and accruals | 50,421 | 646 |
| Increase/(decrease) in other liabilities | 13,288 | 15,000 |
| Increase/(decrease) in provisions | 4,658 | (14,262) |
| Cash flow from operations | 500,695 | 20,819 |

15 Auditors' Remuneration

| | 2009 \$ | 2008 \$ |
|---|------------|------------|
| Remuneration of the auditor of the parent entity for: | | |
| - Auditing or reviewing the financial report | 3,250 | 2,750 |
| - Other services | - | - |

Abbeyfield Australia Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2009

16 Financial instruments

(a) Interest Rate Risk

Financial instrument composition and maturity analysis

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

| | Weighted Average Effective Interest Rate | | Floating Interest Rate | | Maturing within 1 Year | |
|------------------------------------|--|-----------|------------------------|------------------|------------------------|------------------|
| | 2009 % | 2008 % | 2009 \$ | 2008 \$ | 2009 \$ | 2008 \$ |
| Financial Assets: | | | | | | |
| Cash and cash equivalents | 5 | 6 | 724,835 | 87,575 | 150,442 | 261,513 |
| Receivables | - | - | - | - | - | - |
| Investments | - | - | 184,335 | 208,778 | - | - |
| Total Financial Assets | | | 909,170 | 296,353 | 150,442 | 261,513 |
| Financial Liabilities: | | | | | | |
| Trade and sundry payables | - | - | - | - | - | - |
| Non current payables | - | - | - | - | - | - |
| Total Financial Liabilities | | | - | - | - | - |
| | | | Non-interest Bearing | | Total | |
| | | | 2009 \$ | 2008 \$ | 2009 \$ | 2008 \$ |
| Financial Assets: | | | | | | |
| Cash and cash equivalents | | | 100 | 100 | 875,377 | 349,188 |
| Receivables | | | 46,588 | 21,782 | 46,588 | 21,782 |
| Investments | | | - | - | 184,335 | 208,778 |
| Total Financial Assets | | | 46,688 | 21,882 | 1,106,300 | 579,748 |
| Financial Liabilities: | | | | | | |
| Trade and sundry payables | | | 171,876 | 78,167 | 171,876 | 78,167 |
| Non current payables | | | 2,124,054 | 2,278,389 | 2,124,054 | 2,278,389 |
| Total Financial Liabilities | | | 2,295,930 | 2,356,556 | 2,295,930 | 2,356,556 |

(b) Credit risk

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

Abbeyfield Australia Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2009

16 Financial instruments continued

(c) Net fair values

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

(d) Financial risk management

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

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

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

(e) Liquidity risk

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

When necessary, cash for unforeseen events such as relief activities following natural disasters is sourced from liquidation of available-for-sale financial investments. It is company policy to hold only those investments held by ANZ Trustees in their Endowment fund.

The company has provided for long term liabilities owing to the Victorian and Tasmanian State Governments. These liabilities are payable when the applicable properties are realised. The estimated total liability at 30 June 2009 is \$2,124,055 (2008: \$2,278,389). The company does not intend to realise these assets in the next twelve months.

(f) Credit risk

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

(g) Market risk

Market price risk is the risk that the company's operations will be adversely affected by a significant adverse fluctuation on the value of its available-for-sale investments. The company has engaged ANZ Trustees to advise on the management of its investment portfolio. The Board has approved risk and return parameters for investment in available-for-sale investments and receives reports from management and ANZ Trustees on a quarterly basis regarding the performance of the investment portfolio.

Abbeyfield Australia Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2009

17 Capital and Leasing Commitments

(a) Operating Lease Commitments

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

| | 2009 | 2008 |
|----------------------------------|---------------|---------------|
| | \$ | \$ |
| Payable - minimum lease payments | | |
| - not later than 12 months | 14,700 | 15,878 |
| Total | 14,700 | 15,878 |

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

(b) Capital Expenditure Commitments

Capital expenditure commitments contracted for:

| | | |
|-------------------------------|----------------|----------|
| Purchase of Goulburn property | 500,000 | - |
| Total | 500,000 | - |

Purchase of property to provide supported accommodation in accordance with government grant.

18 Segment reporting

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

Abbeyfield Australia Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2009

19 Accounting Standards

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

| AASB Amendment | AASB Standard Affected | Outline of Amendment | Application Date of the Standard | Application Date for the Trust |
|---|--|---|----------------------------------|--------------------------------|
| AASB 2007-3 Amendments to Australian Accounting Standards | AASB 5: Non-current Assets Held for Sale and Discontinued Operations | The disclosure requirements of AASB 114: Segment Reporting have been replaced due to the issuing AASB 8: Segment Reporting in February 2007. These amendments will involve changes to segment reporting disclosures. However it is anticipated there will be no direct impact on recognition and measurement criteria amounts included in the financial report as the association does not fall within the scope of AASB 8. | 1 January 2009 | 1 July 2009 |
| | AASB 6: Exploration for and Evaluation of Mineral | | | |
| | AASB 102: Inventories | | | |
| | AASB 107: Cash Flow Statements | | | |
| | AASB 119: Employee Benefits | | | |
| | AASB 127: Consolidated and Separate Financial Statements | | | |
| | AASB 134: Interim Financial Reporting | | | |
| | AASB: 136: Impairment of Assets | | | |
| | AASB 1023: General Insurance Contracts | | | |
| AASB 8: Operating Segments | AASB 114: Segment Reporting | As above | 1 January 2009 | 1 July 2009 |
| | AASB 1038: Life Insurance Contracts | | | |
| AASB 2007-6 Amendments to Australian Accounting Standards | AASB 1: First-time Adoption of AIFRS | The revised AASB 123: Borrowing Costs issued in June 2007 has removed the option to expense all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. However, there will be no direct impact to the amounts included in the association as it already capitalise borrowing costs related to qualifying assets. | 1 January 2009 | 1 July 2009 |
| | AASB 101: Presentation of Financial Statements | | | |
| | AASB 107: Cash Flow Statements | | | |
| | AASB 111: Construction Contracts | | | |
| | AASB 116: Property, Plant and Equipment | | | |
| AASB 123: Borrowing Costs | AASB 138: Intangible Assets | As above | 1 January 2009 | 1 July 2009 |
| | AASB 123: Borrowing Costs | | | |

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Notes to the Financial Statements

For the Year Ended 30 June 2009

| | | | | |
|---|---|---|----------------|-------------|
| AASB 2007-8 Amendments to Australian Accounting Standards | AASB 101: Presentation of Financial Statements | The revised AASB 101: Presentation of Financial Statements issued in September 2007 requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in recognised income and expenditure. | 1 January 2009 | 1 July 2009 |
| AASB 101 | AASB 101: Presentation of Financial Statements | As above | 1 January 2009 | 1 July 2009 |
| AASB 2008-5 | Amendments to Australian Accounting Standards arising from the Annual Improvements Project | The improvements project is an annual project that provides a mechanism for making non-urgent, but necessary, amendments to IFRSs. The IASB has separated the amendments into two parts: Part 1 deals with changes the IASB identified resulting in accounting changes; Part II deals with either terminology or editorial amendments that the IASB believes will have minimal impact. This was the first omnibus of amendments issued by the IASB arising from the Annual Improvements Project and it is expected that going forward, such improvements will be issued annually to remove inconsistencies and clarify wording in the standards. | 1 January 2009 | 1 July 2009 |
| AASB 2008-6 | Further amendments to Australian Accounting Standards arising from the Annual Improvements Project | As above | 1 January 2009 | 1 July 2009 |

Abbeyfield Australia Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2009

20 Members' Guarantee

The company is limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of \$5 each towards any outstanding obligations of the company. At 30 June 2009 the number of members was 432 (2008: 400).

21 Company Details

The registered office of the company is:

Abbeyfield Australia Limited

Suite 5 / 250 Gore Street

Fitzroy Victoria 3065

Abbeyfield Australia Limited

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Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 1 to 27, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards as described in Note 1 to the financial statements and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the Company's financial position and changes in equity as at 30 June 2009 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
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 carried on 3 October 2009.



Director

(David Kay, Treasurer)

Dated 3 October 2009

Abbeyfield Australia Limited

91 005 954 905

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

Report on the Financial Report

I have audited the accompanying financial report of Abbeyfield Australia Limited, which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and statement of cash flows for the year ended that date a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

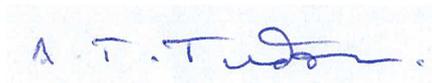
In conducting my review, I have complied with the independence requirements of the Corporations Act 2001. I confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Abbeyfield Australia Limited on 23 September 2009, would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's Opinion

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

- (a) giving a true and fair view of the company's financial position as at 30 June 2009 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

Tudor & Company



Mr Alan T Tudor FCA

3rd October 2009

385 Hawthorn Road
Caulfield South Victoria 3162

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Abbeyfield Australia Limited

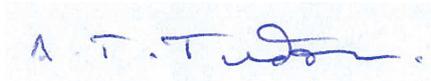
91 005 954 905

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2009 there have been:

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

Tudor & Company

A handwritten signature in blue ink that reads "A. T. Tudor".

Mr Alan T Tudor FCA

3rd October 2009

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Caulfield South Victoria 3162

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