



# **Abbeyfield Australia Ltd**

## **Annual Report 2010/2011**

**Abbeyfield Australia Limited**

**All post to: PO Box 1293 Collingwood VIC 3066**

**Tel: (03) 9419 8222 Fax: (03) 9419 8575**

**Email: [admin@abbeyfield.org.au](mailto:admin@abbeyfield.org.au) Web: [www.abbeyfield.org.au](http://www.abbeyfield.org.au)**

**ABN 91 005 954 905 ACN 005 954 905**

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

## Affiliated Abbeyfield local societies and branches 2010/2011

### Australian Capital Territory

Abbeyfield Society (**disAbility**), 31 Throssell Street, Curtin 2605

Abbeyfield Society (**ACT**), 75 Wakefield Gardens, Ainslie 2602 and 15 Stephens Place, Garran 2605

### New South Wales

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

Abbeyfield Society (**Goulburn**), PO Box 38 Goulburn 2580

Abbeyfield Australia **Narrabri** Branch, 51 Hinds Street, Narrabri 2390

Abbeyfield Society (**Orange**), 19 Hill Street, Orange 2800

Abbeyfield Society (**Wagga Wagga**), 29 Wiradjuri Crescent, Wagga Wagga 2650

Abbeyfield Australia **Sydney Inner West** 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**), 15 Francis Street, Mt Gambier 5290

### Tasmania

Abbeyfield Society (**Burnie**), 125 View Road, Burnie 7320

Abbeyfield Society (**Glenorchy**), Cnr. Milpara Street & Moorina Court, Chigwell 7011

Abbeyfield Society (**Hull Street**), 7 Hull Street, Glenorchy 7010

Abbeyfield Society (**Huon Valley**), 75 Wilmot Road, Huonville 7109

Abbeyfield Society (**Launceston**), 16-18 Woodland Grove, Newnham 7248

### Victoria

Abbeyfield Australia – **Castlemaine** Branch, PO Box 178, Castlemaine Vic 3450

Abbeyfield Society (**Croydon/Ringwood**), 1 Trawalla Road, Croydon 3136

Abbeyfield Society (**Dingley Village**), 267 Spring Road, Dingley Village 3172

Abbeyfield Society (**Frankston**), 6 Nukara Court, Frankston 3199

Abbeyfield Society (**St Joseph's Community**), 41-43 Stanhope Street, Malvern 3144

Abbeyfield Society (**Malvern**), 226-228 Waverley Road, East Malvern 3144

Abbeyfield Society (**Mauritian Golden Age**), 1-3 Menzies Avenue, Dandenong North 3175

Abbeyfield Society (**Melton**), 66-68 Brooklyn Road, Melton South 3338

Abbeyfield Society (**Mortlake**), 30 Shaw Street, Mortlake 3272

Abbeyfield Society (**North/West Melbourne**), 17 Brougham Street, North Melbourne 3054

Abbeyfield Society (**Richmond**), 269 Burnley Road, Richmond 3121

Abbeyfield Society (**Waverley**), 48 Salisbury Road, Ashwood 3147

# Abbeyfield Australia Ltd

For the Year Ended 30 June 2011

## Chairman's Report 2011

It is with the greatest possible pleasure that I deliver the Annual Report of Abbeyfield Australia Limited for the year ending 30<sup>th</sup> June 2011. The year under review has been outstanding in a number of ways.

The Abbeyfield Strategic Plan 2010-2015 was adopted by the Abbeyfield Australia Board on the 29<sup>th</sup> August 2010. The Strategic Plan seeks to assist in meeting the ever increasing housing needs of people in Australia. In parallel, there will be an increasing demand for more of our Abbeyfield Hostels for people needing care as life expectancy continues to increase.

In addition diversity of our client group is part of our Strategic Plan. At the present time, two Abbeyfield Houses have younger residents who have mild intellectual disabilities. The construction of our new house at Goulburn is proceeding well and is to be used by this particular client group. There is no doubt a demonstrated need to use our Abbeyfield Houses in this way. Other uses of our Abbeyfield concept will be very seriously considered.

Integral to the Strategic Plan is the recognition that the cost of constructing houses is a significant burden not something that can be taken on by Abbeyfield Australia alone. The Board seeks to collaborate with government, commercial partners and philanthropic organisations that have the resources to achieve these goals. Abbeyfield Australia has an additional goal of building equity into future developments so that eventually this equity may be leveraged into ongoing investment in housing.

In using these strategies, Abbeyfield Australia will become financially secure and viable and have developed a sustainable durable model.

In working towards these goals, Chris Reside our CEO has been conferring with government officials and people in the private sector. Through Chris's efforts there is a greater recognition of Abbeyfield at government level and in the private domain than in the past. Abbeyfield is now recognised as one of only a handful of recognised national community housing providers.

Our Strategic Plan is bold and achievable. It establishes a new strategic direction for the Abbeyfield movement in Australia and complements a solid Abbeyfield Australia Business Plan.

We see a future in which we provide better services to our affiliated Abbeyfield Local Societies whilst growing nationally through collaboration.

Abbeyfield Australia and the Narrabri Abbeyfield Local Society were extremely pleased to receive capital funding of \$2.5 million for the building of a disability house in Narrabri. This capital funding was announced by Andrew Constance NSW Minister for Disability Services. The Minister said "The development of alternative accommodation models that responds to the needs of the people with a disability is a welcome initiative and I commend the efforts and commitment of Abbeyfield in working towards the provision of independent living for young adults". Sincere congratulations to President Marion Pike and the Committee of the Narrabri Local Society in obtaining this grant.

The Board's most sincere congratulations to Mr Neil Dickins and his Committee for his Abbeyfield House at Mount Gambier celebrating its 20<sup>th</sup> birthday. This is truly a great achievement. Neil was the Foundation Chairman and has "guided the ship" right throughout the life of this Abbeyfield House. Morva who was the foundation housekeeper still carries out her duties in an exemplary way.

Without the most efficient Chairman and Committee members of each of the Abbeyfield Local Societies, Abbeyfield Houses would not exist in Australia today. Very deep appreciation is expressed by all members of the Abbeyfield Australia Board for the very outstanding work which these dedicated people do in making each Abbeyfield House a home for their residents.

In concluding my report, I wish to thank Chris Reside for the very good work he has done during the year under review and his achievements for Abbeyfield. In addition, very sincere thanks to Virginia Lawrence, our Office Manager who will retire very shortly. With us since February 2000, Virginia has been a most valued member of the Abbeyfield team and much loved and respected by local society members who have sought her advice over a number of years. Virginia will be greatly missed. On behalf of all Abbeyfielders our sincere thanks and appreciation to Virginia.

# Abbeyfield Australia Ltd

For the Year Ended 30 June 2011

My most sincere thanks to each and every Board member for their tireless efforts as Directors in furthering the work of Abbeyfield Australia. My very great appreciation of your support during the year.

May the year 2011-2012 be a year when each and every resident continues to enjoy their occupancy at their Abbeyfield House. May the Strategic Plan assist Abbeyfield Australia to realise its full potential as a significant national housing provider

A handwritten signature in cursive script that reads "Gay Gardner".

Gay Gardner, AM  
Chairman

# Abbeyfield Australia Ltd

For the Year Ended 30 June 2011

## Chief Executive Officer's Report 2011

### The only constant is change

As a national organisation Abbeyfield Australia operates in a constantly changing environment. Four of the most prominent change drivers are: the regulation of the community housing sector, the increasing demand for Abbeyfield housing for adults with a disability, the advent of a National Disability Insurance Scheme (NDIS) and the potential to restructure the way Australia cares for older Australians.

Regulation of the Australian community housing sector commenced in the early / mid 2000's and saw state and territory jurisdictions to varying degrees move to a regulated community housing sector linking service expectations, quality standards, and good corporate governance, to access to government funding. Significant housing stock transfers also occurred between housing authorities and community housing providers as governments realised the ability of the community sector to manage and grow housing stock. Abbeyfield Australia responded to this trend by seeking to become a registered community housing provider in NSW which was achieved in early 2010.

During 2011 the Australia Government and state /territory housing ministers reached agreement on the parameters for a single national scheme for the regulation of the community housing sector. This new scheme is flagged to commence in 2012 and is welcome news for Abbeyfield Australia which has supported from the outset the creation of a single national regulatory scheme for the community housing sector.

The growth in demand for Abbeyfield housing for adults with an intellectual disability will continue to simultaneously challenge and present opportunities for Abbeyfield Australia. Internally, the challenge is for Abbeyfield Australia to inculcate Abbeyfield 'disability' houses into the wider Abbeyfield 'family' as being 'just another Abbeyfield house'. In reality this is the case and a visit to the Curtin Abbeyfield House (accommodating residents with a disability) reveals exactly the same house ambiance and resident outcomes as delivered by the Garran Abbeyfield House (accommodating older residents) just five minutes away.

Within the broader disability sector there is interest in the Abbeyfield model but also some pockets of uncertainty. This tension generally stems from an Abbeyfield house being perceived erroneously as a disability service, when it is really a housing solution. The distinction seems subtle but belies its significance. All Abbeyfield houses, including houses accommodating residents with an intellectual disability, are primarily a housing solution. They provide an attractive and affordable community based housing choice for those who choose it.

The Australian Productivity Commission released two particularly important reports during the year. The first, entitled *Caring for Older Australian* recommends generational change to the nation's aged care system, and the second *Disability Care and Support* recommended the introduction of a National Disability Insurance Scheme. The NDIS will wholly reform the funding of services for people with a disability. Abbeyfield Australia lodged submissions with the Productivity Commission in response to both of these far reaching reports.

Together, these four catalysts will shape much of Abbeyfield Australia's world for decades to come, so it is essential we continue to stay abreast of national trends, contribute to the national housing debate, and plan for a future in which we adapt to our changing environment.

In closing, it would be remiss of me not to thank the Board for its dedication over a very busy year, and to again acknowledge our office manager, Virginia Lawrence. Virginia is often the voice on the other end of the Abbeyfield telephone or email, and I am indebted to her for her enduring support and commitment to Abbeyfield.

Regards,



Chris Reside  
Chief Executive Officer

# Abbeyfield Australia Ltd

For the Year Ended 30 June 2011

## Treasurer's Report 2011

As I reported last year the Abbeyfield Australia Board has continued to review its management and reporting systems to enhance its governance. This ensures we act in the interests of the Company and comply with the accounting standards relating to the level of funding that is now being handled following receipt of Government grants for developments at Goulburn and Narrabri. It also better meets the accounting standards required as a Registered Community Housing Provider.

To facilitate these changes the Board approved the appointment of a Financial Controller (a casual position) which has built on the work to date. This has resulted in improved and more transparent reporting to the Board and completion of the transition to full accrual accounting.

In addition to these improvements you will note in the 2011 Annual Report that we are now including two additional tables, one detailing all property leased by the Company and the other details of all properties in which we have a level of ownership

The equity in properties continues to complicate our financial reporting with the Company recording a Loss of \$24,891 (note 2) for the year. However, the accounts include an expense of \$35,642 for depreciation. After adjusting the result for the depreciation and a Government grant from FaCHSIA of \$4,936 which was used to upgrade IT equipment we again achieved a small surplus for the year.

One other aspect of the report which requires clarification is Note 21 members. In 2010 we had 432 members almost all of whom were members of Local Societies and thereby members of Abbeyfield Australia. With the adoption of the new constitution this position changed and the Local Societies in their own right are now members of the Company not the members of the Societies. The detailed breakdown of the membership is;

Individual Members	64
Local Society Members	25
Life Members	7

To ensure that the improvements that have been made in the financial management of the Company over recent years are maintained and that we continue to seek for the maximum benefits from our resources the Board has appointed a Finance and Audit Subcommittee. The Subcommittee will use the achievements in reporting as a tool to seek additional funds thereby improving the financial sustainability of the Company.



David Kay  
Treasurer

## Donors 2010/2011

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

The Bell Charitable Fund

The Peggy Foundation

Microsoft Corporation

Australian Government (FaCHSIA)

Insurance House Group

Corrs Westgarth Chambers Solicitors

Redbike Systems

Abbeyfield Richmond Inc. for financial support of the 2011 Housekeepers conference

# Abbeyfield Australia Ltd

For the Year Ended 30 June 2011

## VISION STATEMENT

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

## MISSION STATEMENT

To encourage and assist communities to establish and to maintain affordable, secure and supportive group housing for people in need using the Abbeyfield Model.

## ABBEYFIELD AUSTRALIA'S ROLE

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

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

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

Abbeyfield Australia explores and provides advice on new funding models and strategies.

## ABBEYFIELD'S PRINCIPLES FOR LOCAL SOCIETIES

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.

# Abbeyfield Australia Ltd

For the Year Ended 30 June 2011

## Financial Statements

For the Year Ended 30 June 2011

### CONTENTS

	<u>Page</u>
<b>Financial Statements</b>	
Directors' Report	1
Income Statement	7
Balance Sheet	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to the Financial Statements	11
Directors' Declaration	30
Independent Audit Report	31
Auditors Independence Declaration under Section 307C of the Corporations Act 2001	33

# Abbeyfield Australia Ltd

## Directors' Report

30 June 2011

Your directors present their report on the company for the financial year ended 30 June 2011.

### 1. General information

#### a Directors

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

<b>Names</b>	<b>Appointed/Resigned</b>
Andrew Dixon	Term expired 20 November 2010, Re-appointed by the Board 21 November 2010
Francis Duffy	Resigned 21 November 2010
Wanda Edmunds	Term expired 20 November 2010
Gay Gardner AM	
Alison Hancock	
Leo Hurst	
David Kay	
Dimitri Kiriacoulacos	
Jacqui Landos	
John Lawrence	
Jill Parker	
The Hon David Hawker	Appointed 9 July 2011
Andrew Moylan	Appointed 9 July 2011
Eddy Bourke	Appointed 9 July 2011

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

#### b Company Secretary

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

Jill Parker

#### c Principal Activities

The principal activity of Abbeyfield Australia 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 to aged and disabled persons.

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

### 2. Business review

#### a Operating Results

The loss of Abbeyfield Australia Ltd after providing for income tax amounted to \$ (24,891).

During the year the company received a government grant of \$2,559,807 inclusive of GST. This amount was provided exclusively for the construction of a property in Narrabri NSW. The property will provide supported accommodation.

# Abbeyfield Australia Ltd

## Directors' Report

30 June 2011

### 2. Business review continued

#### b Dividends

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

### 3. Other items

#### a Auditors Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out at page 33.

#### 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

#### 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 2011:

	2011	2010
	\$	\$
Audit and review services of the financial reports and other audit work under the Corporations Act 2001 paid or accrued to Tudor & Company	9,000	3,000
	<b>9,000</b>	<b>3,000</b>

# Abbeyfield Australia Ltd

## Directors' Report

30 June 2011

### 4. Director Information

#### Information on directors - current directors only

Andrew Dixon

Qualifications B.Soc.Sci. (Lib), Grad Dip (Comm Dat Proc)

Experience Aged 58, Subject Librarian, Caulfield Campus, Monash University, Ambassador of the W.R. Johnston Collection committee, Board member Duldig Studio, Staff representative on MONSU Board (Monash University Caulfield – Peninsula Student Union).

Gay Gardner AM

Chairman

Qualifications

LLB

Experience

Aged 72, Member of The Law Society of South Australia, Practising in the area of Migration Law. President of The Victoria League for Commonwealth Friendship. Priests Warden St Chads Anglican Church Fullarton, South Australia. Director Abbeyfield International.

Alison Hancock

Experience

Aged 71, Social Worker, past member of Aged Care Assessment Team (ACT), past member of Board Carers Association (ACT).

Leo Hurst

Experience

Aged 75, Nurse (Retired), Retired Chairperson of the Abbeyfield Society (Glenorchy) Inc., Member and Vice President of the Anglican Men's Society of Tasmania.

David Kay

Treasurer

Experience

Aged 61, Former Member and Director of the Australian Institute of Credit Management, Foundation member of the Abbeyfield Society (Burnie) Inc. Former Chairman of Abbeyfield Tasmania. Director of Community Connections Inc.

Dimitri Kiriacoulacos

1st Vice Chairman

Qualifications

Bachelor of Laws (Honours), Bachelor of Accounting, CPA, F Fin

Experience

Aged 44, Corporate Lawyer with commercial and legal experience. He has worked in private practice, investment banking and corporate roles principally in the areas of mergers and acquisitions, business development and corporate governance. Currently Group General Counsel for Centro Properties Group.

Jacquelyn Landos

2<sup>nd</sup> Vice Chairman

Qualifications

B App Sc, Grad Dip (Neuroscience)

Experience

Aged 63, Hospital (Respiratory) scientist (Retired), former Secretary and past Chair, Current Vice chair of The Abbeyfield Society disability (ACT) Inc., past member of Australian & New Zealand Society of Respiratory Science, and the Australian Institute of Medical Scientists.

John Lawrence

Qualifications

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

Experience

Aged 56, 15 years as Health, Aged Care and Community Services Consultant for the not for profit sector, local, state and federal government and Universities. Project officer for regional cancer services for the CALD/migrant elderly. Member, Australian College of Health Services Executives.

Jill Parker

Secretary

Qualifications

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

Experience

Age 64, Shire Councillor. Director Corangamite Regional Library Corporation. Director South West Waste Reduction Group. Chairperson – Barwon South Western Council Adult Community and Further Education. Chairperson – Leadership Great South Coast. Member – Municipal Association of Victoria, Human Services Advisory Group. Former Senior Teacher, Curriculum Leader, Acting Principal.

# Abbeyfield Australia Ltd

## Directors' Report

30 June 2011

The Hon David Hawker

Qualifications

Bachelor of Engineering (1971) from the University Melbourne

Experience

Aged 62. The Hon David Hawker was appointed to the Board on 9 July 2011. He has Bachelor of Engineering (1971) from the University Melbourne and has 27 years' experience as the Member for Wannan in the Commonwealth Parliament, including two years as Deputy Chairman of the Joint Standing Committee on Foreign Affairs Defence and Trade, and four years as Speaker of the House of Representatives.

Andrew Moylan

Qualifications

Bachelor Economics (Macquarie University), a Cert IV Workplace Assessment & Training, and is a Justice of Peace (NSW), and a Fellow Financial Services Institute of Australasia (F Fin)

Experience

Aged 53, Andrew is the owner and Director of The F P Mechanic Pty Ltd, a business consultancy specialising in the financial planning industry. Director Charingfield Limited, an operator of an aged care facility at Waverley NSW. He is also a Director of Optimised Investment Limited, Optimised Management Pty Ltd, and President North Ryde RSL Youth Club

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.

Edward (Eddy) Bourke

Qualifications

Bachelor of Community Development, majoring in political science, from the University of Canberra

Experience

Aged 34, Eddy Bourke is the Policy Officer at the Community Housing Federation of Australia, the peak body representing not-for-profit housing providers in Australia. In addition to his paid work at CHFA he has sat on a number of volunteer boards, and is currently a Council Member of National Shelter.

# Abbeyfield Australia Ltd

## Directors' Report

30 June 2011

### a Meetings of Directors

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

	Directors' Meetings	
	Number eligible to attend	Number attended
Andrew Dixon	7	5
Francis Duffy	5	4
Wanda Edmunds	4	3
Gay Gardner AM	7	7
Alison Hancock	7	7
Leo Hurst	7	7
David Kay	7	6
Dimitri Kiriacoulacos	7	5
Jacqui Landos	7	6
John Lawrence	7	6
Jill Parker	7	7
The Hon David Hawker	-	-
Andrew Moylan	-	-
Eddy Bourke	-	-

### 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 wilful breach of duty in relation to the company.

### 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 Ltd

## Directors' Report

30 June 2011

### 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 AM, Chairman.

Director:  David Kay, Treasurer

Dated this .29 October 2011

# Abbeyfield Australia Ltd

## Income Statement

For the Year Ended 30 June 2011

	2011	2010
	\$	\$
Sales and services revenue	190,033	188,199
Cost of sales	-	-
<b>Gross profit</b>	<b>190,033</b>	<b>188,199</b>
Other income	35,726	25,133
Occupancy expenses	(14,755)	(14,540)
Administrative expenses	(151,148)	(144,483)
Legal and consulting fees	(21,629)	(28,825)
Travel and accommodation	(24,124)	(40,442)
Investment expenses	(3,352)	(3,050)
Other expenses	(35,642)	(35,074)
<b>Loss or deficit before income taxes</b>	<b>(24,891)</b>	<b>(53,082)</b>
Income tax expense	-	-
<b>Loss or deficit attributable to members of the parent entity</b>	<b>(24,891)</b>	<b>(53,082)</b>

The accompanying notes form part of the financial statements

# Abbeyfield Australia Ltd

## Balance Sheet

30 June 2011

	Note	2011 \$	2010 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	4,299,282	1,750,183
Trade and other receivables	6	235,182	72,768
Investments	8	202,499	187,940
Other current assets	7	445	394
<b>Total current assets</b>		<b>4,737,408</b>	<b>2,011,285</b>
<b>Non-current assets</b>			
Investments	8	23,329	25,663
Property, plant and equipment	9	4,862,919	4,890,082
<b>Total non-current assets</b>		<b>4,886,248</b>	<b>4,915,745</b>
<b>TOTAL ASSETS</b>		<b>9,623,656</b>	<b>6,927,030</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	10	479,277	229,740
Short-term provisions	11	12,820	10,970
<b>Total current liabilities</b>		<b>492,097</b>	<b>240,710</b>
<b>Non-current liabilities</b>			
Trade and other payables	10	2,124,054	2,124,054
Other non-current liabilities	17	3,772,548	1,302,419
<b>Total non-current liabilities</b>		<b>5,896,602</b>	<b>3,426,473</b>
<b>TOTAL LIABILITIES</b>		<b>6,388,699</b>	<b>3,667,183</b>
<b>NET ASSETS</b>		<b>3,234,957</b>	<b>3,259,847</b>
<b>EQUITY</b>			
Reserves		2,024,346	2,024,346
Accumulated profits		1,210,611	1,235,501
<b>TOTAL EQUITY</b>		<b>3,234,957</b>	<b>3,259,847</b>

The accompanying notes form part of the financial statements

# Abbeyfield Australia Ltd

## Statement of Changes in Equity

For the Year Ended 30 June 2011

2011

	Retained Earnings	Capital Profits Reserve	Asset Realisation Reserve	General Reserves	Total
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2010</b>	1,235,501	481,215	1,417,467	125,664	3,259,847
Profit / (Loss) attributable to members of the entity	(24,891)	-	-	-	(24,891)
<b>Balance at 30 June 2011</b>	<b>1,210,610</b>	<b>481,215</b>	<b>1,417,467</b>	<b>125,664</b>	<b>3,234,956</b>

2010

	Retained Earnings	Capital Profits Reserve	Asset Realisation Reserve	General Reserves	Total
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2009</b>	1,288,583	481,215	1,263,132	125,664	3,158,594
Profit / (Loss) attributable to members of the entity	(53,082)	-	-	-	(53,082)
<b>Balance at 30 June 2010</b>	<b>1,235,501</b>	<b>481,215</b>	<b>1,263,132</b>	<b>125,664</b>	<b>3,105,512</b>

The accompanying notes form part of the financial statements

# Abbeyfield Australia Ltd

## Statement of Cash Flows

For the Year Ended 30 June 2011

	Note	2011 \$	2010 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers including GST		2,674,824	1,601,926
Payments to suppliers and employees including GST		(210,537)	(218,971)
Interest / Investment returns received		76,971	10,089
Net cash provided by (used in) operating activities	14	2,541,258	1,393,044
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property, plant and equipment		(6,145)	(503,238)
Net cash provided by (used in) investing activities		(6,145)	(503,238)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Loans from / (to) local societies		32,970	(15,000)
Net cash provided by (used in) financing activities		32,970	(15,000)
Net increase (decrease) in cash and cash equivalents held		2,549,099	874,806
Cash and cash equivalents at beginning of financial year		1,750,183	875,377
Cash and cash equivalents at end of financial year	5	4,299,282	1,750,183

The accompanying notes form part of the financial statements

# Abbeyfield Australia Ltd

## Notes to the Financial Statements

For the Year Ended 30 June 2011

### 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 Ltd as an individual entity. Abbeyfield Australia Ltd 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 Ltd

## Notes to the Financial Statements

For the Year Ended 30 June 2011

### 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.

Collectibility 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 every four years, 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 Ltd

## Notes to the Financial Statements

For the Year Ended 30 June 2011

### 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 Ltd

## Notes to the Financial Statements

For the Year Ended 30 June 2011

### 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 Ltd

## Notes to the Financial Statements

For the Year Ended 30 June 2011

### 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 charges 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 Ltd

## Notes to the Financial Statements

For the Year Ended 30 June 2011

### 2 Revenue

	2011	2010
	\$	\$
Operating activities		
- services revenue	153,795	140,374
- interest received	24,583	34,825
- donations	11,654	13,000
<b>Total Revenue</b>	<b>190,032</b>	<b>188,199</b>

	2011	2010
	\$	\$
(a) Interest revenue from:		
interest income from banks and trusts	24,583	34,825
<b>Total interest revenue</b>	<b>24,583</b>	<b>34,825</b>

### 3 Other operating income

	2011	2010
	\$	\$
Administration and management fees	10,000	22,660
Increase in the value of trusts	16,974	2,473
Other income	3,817	-
Government grants	4,936	-
<b>Total</b>	<b>35,727</b>	<b>25,133</b>

# Abbeyfield Australia Ltd

## Notes to the Financial Statements

For the Year Ended 30 June 2011

### 4 Other expenses

	2011	2010
	\$	\$
Depreciation, amortisation and impairments	35,642	34,701
Unrealised Loss on Investments	-	372
<b>Total</b>	<b>35,642</b>	<b>35,073</b>

### 5 Cash and Cash Equivalents

	2011	2010
	\$	\$
Cash on hand	273	282
Cash at bank	4,170,647	1,631,167
Short-term bank deposits	128,362	118,734
<b>Total</b>	<b>4,299,282</b>	<b>1,750,183</b>

### 6 Trade and Other Receivables

	2011	2010
	\$	\$
CURRENT		
Trade receivables	53,668	41,815
Provision for impairment of receivables	-	-
	<b>53,668</b>	<b>41,815</b>
Other related parties	1,000	1,000
Goods and services tax (receivable)	144,409	2,336
Sundry debtors	23,100	22,111
Other receivables	13,005	5,506
<b>Total</b>	<b>235,182</b>	<b>72,768</b>

# Abbeyfield Australia Ltd

## Notes to the Financial Statements

For the Year Ended 30 June 2011

### 7 Other Assets

	2011	2010
	\$	\$
CURRENT		
Prepayments	445	394
<b>Total</b>	<b>445</b>	<b>394</b>

### 8 Investments

#### (a) Investments Comprise of:

	2011	2010
	\$	\$
-ANZ Charitable Trust (i)	202,499	187,940
<b>Total current investments</b>	<b>202,499</b>	<b>187,940</b>

#### (b) Other Investments Comprise of:

	2011	2010
	\$	\$
Other available for sale assets		
share in Frankston lease (ii)	23,329	25,663
<b>Total non-current investments</b>	<b>23,329</b>	<b>25,663</b>

Investment assets comprise of :

- (i) \$202,499 is held with ANZ Charitable Trust Australia. There are no fixed returns or fixed maturity dates attached to these investments.
- (ii) \$23,329 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.

# Abbeyfield Australia Ltd

## Notes to the Financial Statements

For the Year Ended 30 June 2011

### 9 Property Plant and Equipment

	2011	2010
	\$	\$
LAND AND BUILDINGS		
Freehold land		
At directors' valuation	2,035,000	2,035,000
<b>Total freehold land</b>	<b>2,035,000</b>	<b>2,035,000</b>
Buildings		
At fair value	2,695,000	2,695,000
Less accumulated depreciation	(82,215)	(54,810)
<b>Total buildings</b>	<b>2,612,785</b>	<b>2,640,190</b>
Leasehold Improvements		
At fair value	284,345	284,345
Less accumulated depreciation	(76,659)	(73,326)
<b>Total leasehold improvements</b>	<b>207,686</b>	<b>211,019</b>
<b>Total land and buildings</b>	<b>4,855,471</b>	<b>4,886,209</b>
PLANT AND EQUIPMENT		
Office equipment		
At Cost	48,348	42,203
Less accumulated depreciation	(40,900)	(38,330)
<b>Total office equipment</b>	<b>7,448</b>	<b>3,873</b>
<b>Total plant and equipment</b>	<b>7,448</b>	<b>3,873</b>
<b>Total property, plant and equipment</b>	<b>4,862,919</b>	<b>4,890,082</b>

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. The Directors commit to having a further independent valuation completed in June 2012 to revalue the assets at 30 June 2012.

# Abbeyfield Australia Ltd

## Notes to the Financial Statements

For the Year Ended 30 June 2011

### 9 Property Plant and Equipment continued

#### (a) Movements in Carrying Amounts

	Land	Buildings & Improvements	Office Equipment	Total
	\$	\$	\$	\$
Balance at the beginning of year	2,035,000	2,820,471	3,873	4,890,082
Additions	-	-	6,145	6,145
Depreciation expense	-	(33,072)	(2,570)	(35,642)
<b>Carrying amount at the end of year</b>	<b>\$ 2,035,000</b>	<b>\$ 2,787,399</b>	<b>\$ 7,448</b>	<b>\$ 4,862,919</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, Victoria. Under the agreement Abbeyfield is entitled to 3% of the sale of the property and the 97% to the Victorian government. The Victorian Government share is represented in Non-Current Liabilities (Note 10).

	2011	2010
	\$	\$
Fair value of land	350,000	350,000
Fair value of buildings	680,000	680,000
Less accumulated depreciation	(1,344)	(896)
Less Government share	(1,002,854)	(1,002,854)
<b>Total</b>	<b>25,802</b>	<b>26,250</b>

##### (ii) Malvern Land and Buildings

On 6 January 1986 Abbeyfield Australia entered into an agreement with the Commonwealth Government to fund the purchase of land and buildings at 226-228 Waverley Road, East Malvern, Victoria. Under the agreement, Abbeyfield owns and operates the property. No liability is recognised in the accounts as the Director's believe that no liability exists.

	2011	2010
	\$	\$
Fair value of land	1,350,000	1,350,000
Fair value of buildings	330,000	330,000
Less accumulated depreciation	(24,750)	(16,500)
Less Government share	-	-
<b>Total</b>	<b>1,655,251</b>	<b>1,663,500</b>

# Abbeyfield Australia Ltd

## Notes to the Financial Statements

For the Year Ended 30 June 2011

### 9 Property Plant and Equipment continued

#### (iii) Launceston Land and Buildings

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

	2011	2010
	\$	\$
Fair value of land	150,000	150,000
Fair value of buildings	770,000	770,000
Less accumulated depreciation	(8,085)	(5,390)
Less Government share	(791,200)	(791,200)
<b>Total</b>	<b>120,715</b>	<b>123,410</b>

#### (iv) Huon Valley Land and Buildings

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

	2011	2010
	\$	\$
Fair value of land	185,000	185,000
Fair value of buildings	915,000	915,000
Less accumulated depreciation	(48,036)	(32,024)
Less Government share	(770,000)	(770,000)
<b>Total</b>	<b>281,964</b>	<b>297,976</b>

# Abbeyfield Australia Ltd

## Notes to the Financial Statements

For the Year Ended 30 June 2011

### 9 Property Plant and Equipment continued

#### (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.

	2011	2010
	\$	\$
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 7 May 1990 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.

	2011	2010
	\$	\$
Leasehold improvements at cost	100,000	100,000
Accumulated depreciation	(76,659)	(73,326)
<b>Total</b>	<b>23,341</b>	<b>26,674</b>

#### (vii) Goulburn Land and Buildings

On 30 June 2009 Abbeyfield Australia entered into an agreement with the NSW government to fund the purchase of land and buildings at Cowper Street, Goulburn, NSW. Under the agreement Abbeyfield is entitled to Nil% of the sale of the property and 100% to the NSW Government, although title is held by Abbeyfield.

	2011	2010
	\$	\$
Land at cost	502,710	502,710
Buildings at cost	151,210	-
Government Grant	(653,920)	(502,710)
<b>Total</b>	<b>-</b>	<b>-</b>

# Abbeyfield Australia Ltd

## Notes to the Financial Statements

For the Year Ended 30 June 2011

### 10 Trade and Other Payables

	2011	2010
	\$	\$
CURRENT		
Unsecured liabilities		
Trade payables	2,961	5,334
Deposits	1,006	1,006
Goods and services tax payable	390,353	135,647
Accrued employee entitlements	1,003	1,002
Sundry payables and accrued expenses	16,924	6,751
Other payables – payable to local societies	67,030	80,000
<b>Total</b>	<b>479,277</b>	<b>229,740</b>

	2011	2010
	\$	\$
NON-CURRENT		
Secured Liabilities		
Other payables – payable to governments on realisation of assets	2,124,054	2,124,054
<b>Total</b>	<b>2,124,054</b>	<b>2,124,054</b>

### 11 Current provisions

	2011	2010
	\$	\$
Employee entitlements	12,820	10,970
<b>Total</b>	<b>12,820</b>	<b>10,970</b>

### 12 Accumulated profits / (Losses)

	2011	2010
	\$	\$
Accumulated profits at the beginning of the financial year	1,235,501	1,288,583
Net loss/income for the period	(24,891)	(53,082)
<b>Accumulated profits at the end of the financial year</b>	<b>1,210,610</b>	<b>1,235,501</b>

# Abbeyfield Australia Ltd

## Notes to the Financial Statements

For the Year Ended 30 June 2011

### 13 Reserves

#### a Asset Revaluation Reserve

The asset revaluation reserve records revaluations of non current assets.

#### b General Reserve

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

### 14 Cash Flow Information

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

	2011	2010
	\$	\$
Net loss/income for the period	(24,891)	(53,082)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
Depreciation and amortisation	35,642	35,074
Unrealised (gains) / losses on investments	-	372
Capitalised investment revenue	(50,293)	(24,738)
Capitalised investment expenses	2,766	2,859
changes in operating assets and liabilities:		
(Increase)/decrease in trade and term receivables	(162,414)	3,306
(Increase)/decrease in prepayments and other current assets	(51)	(28,110)
Increase/(decrease) in trade payables and accruals	249,537	78,276
Increase/(decrease) in other liabilities	2,470,128	1,372,775
Increase/(decrease) in provisions	1,850	6,312
<b>Cashflow from operations</b>	<b>2,522,274</b>	<b>1,393,044</b>

# Abbeyfield Australia Ltd

## Notes to the Financial Statements

For the Year Ended 30 June 2011

### 15 Changes in Accounting Policy

(a) During the year end company decided to amend its accounting treatment of Government Grants. In accordance with AASB 120, the company now amortises grant moneys received over the useful life of the asset purchased from grant money. The previous policy was to recognise the grant in the year of receipt as income.

The aggregate effect of the change in accounting policy on the comparatives for the annual financial statements for the year ended 30 June 2010 is as follows:

	Previously stated	2010 Adjustments	Restated
	\$	\$	\$
<b>Income Statement</b>			
Non operating - Grant Income	1,300,000	(1,300,000)	-
<b>Balance Sheet</b>			
Deferred grant	-	1,300,000	1,300,000

(b) During the year end company decided to amend its accounting treatment of depreciation. The policy is now to only depreciate Abbeyfield's share of any buildings or leasehold improvements held. The previous policy was to recognise the depreciation expense based on the gross fair value of the building or leasehold improvement.

The aggregate effect of the change in accounting policy on the comparatives for the annual financial statements for the year ended 30 June 2010 is as follows:

	Previously stated	2010 Adjustments	Restated
	\$	\$	\$
<b>Income Statement</b>			
Depreciation expense	74,671	(39,970)	34,701
<b>Balance Sheet</b>			
Accumulated depreciation	(173,080)	39,970	(133,110)

### 16 Auditors' Remuneration

	2011 \$	2010 \$
Remuneration of the auditor of the parent entity for:		
- Auditing or reviewing the financial report	9,000	3,000
- Other services	-	544
<b>Total</b>	<b>9,000</b>	<b>3,544</b>

### 17 Other non-current liabilities

	2011 \$	2010 \$
Deferred grants	3,772,548	1,302,419
<b>Total</b>	<b>3,772,548</b>	<b>1,302,419</b>

# Abbeyfield Australia Ltd

## Notes to the Financial Statements

For the Year Ended 30 June 2011

### 18 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	
	2011	2010	2011	2010	2011	2010
	%	%	\$	\$	\$	\$
<b>Financial Assets:</b>						
Cash and cash equivalents	3	5	4,170,647	1,631,167	128,362	118,734
Receivables	-	-	-	-	-	-
Investments	-	-	202,499	187,940	-	-
<b>Total Financial Assets</b>			<b>4,373,146</b>	<b>1,819,107</b>	<b>128,362</b>	<b>118,734</b>
<b>Financial Liabilities:</b>						
Trade and sundry payables	-	-	-	-	-	-
Non current payables	-	-	-	-	-	-
<b>Total Financial Liabilities</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
			Non-interest Bearing		Total	
			2011	2010	2011	2010
			\$	\$	\$	\$
<b>Financial Assets:</b>						
Cash and cash equivalents			273	282	4,299,282	1,750,183
Receivables			49,676	46,588	49,676	46,588
Investments			-	-	202,499	187,940
<b>Total Financial Assets</b>			<b>49,949</b>	<b>46,870</b>	<b>4,551,457</b>	<b>1,984,711</b>
<b>Financial Liabilities:</b>						
Trade and sundry payables			479,277	229,740	479,277	229,740
Non current payables			2,124,054	2,124,054	2,124,054	2,124,054
<b>Total Financial Liabilities</b>			<b>2,603,331</b>	<b>2,353,794</b>	<b>2,603,331</b>	<b>2,353,794</b>

#### (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 Ltd

## Notes to the Financial Statements

For the Year Ended 30 June 2011

### 18 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, NSW and Tasmanian State Governments. These liabilities are payable when the applicable properties are realised. The estimated total liability at 30 June 2011 is \$2,124,055 (2010: \$2,124,055). The company does not intend to realise these assets in the next twelve months.

#### (f) Credit risk

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

#### (g) Market risk

Market price risk is the risk that the company's operations will be adversely affected by a significant adverse fluctuation on the value of its available-for-sale investments. The company has engaged ANZ Trustees to advise on the management of its investment portfolio. The Board has approved risk 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 Ltd

## Notes to the Financial Statements

For the Year Ended 30 June 2011

### 19 Capital and Leasing Commitments

#### (a) Operating Lease Commitments

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

	2011	2010
	\$	\$
Payable - minimum lease payments		
- not later than 12 months	1,225	1,220
<b>Total</b>	<b>1,225</b>	<b>1,220</b>

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

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

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

#### (b) Capital Expenditure Commitments

Capital expenditure commitments contracted for:

Purchase and building expenses for the Goulburn property	1,146,079	1,297,289
Purchase and building expenses for the Narrabri property	2,559,807	-
<b>Total</b>	<b>3,705,886</b>	<b>1,297,289</b>

### 20 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.

### 21 Members' Guarantee

The company is limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of \$10 each towards any outstanding obligations of the company. At the date of signing the annual report the Company had 96 members including 25 affiliated Local Abbeyfield Societies, which are now members of Abbeyfield Australia Ltd in their own right. (2010:432 members excluding affiliated Abbeyfield Local Societies).

# Abbeyfield Australia Ltd

## Notes to the Financial Statements

For the Year Ended 30 June 2011

### 22 Accounting Standards

#### (a) Adoption of new and revised accounting standards

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

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

Standard Name	Impact
AASB 2010-3 / AASB 2009-5 Amendments and further Amendments to Australian Accounting Standards - Group Cash-settled Share-based Payment Transactions	No significant changes on adoption of these standards.
AASB 2009-8 Amendments to Australian Accounting Standards – Group Cash-settled Share-based Payment Transactions	No significant changes on adoption of these standards.
AASB 2009-9 Amendments to Australian Accounting Standards – Additional Exemption for First-time Adopters / AASB 2010-1 Limited exemption from comparative AASB 7 disclosures for first-time adopters	No impact since the entity is not a first-time adopter of IFRS.
AASB 2009-10 Amendments to Australian Accounting Standards – Classification of Rights Issues	No significant changes on adoption of this standard.
Interpretation 19 Extinguishing liabilities with equity instruments	No significant changes on adoption of this standard.

#### (b) New Accounting Standards for Application in Future Periods

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

Standard name	Effective date for entity	Requirements	Impact
AASB 124 Related Party Disclosures and amending standard AASB 2009-12	30 June 2012	<ul style="list-style-type: none"> <li>- Clarification of the definition of a related party</li> <li>- Requirement to disclose commitments to related parties</li> <li>- Disclosure exemptions for government-related entities</li> </ul>	Minimal impact expected
AASB 9 Financial Instruments and amending standards AASB 2009-11 / AASB 2010-7	30 June 2014	<ul style="list-style-type: none"> <li>- Changes to the classification and measurement requirements for financial assets and financial liabilities.</li> <li>- New rules relating to Derecognition of financial instruments.</li> </ul>	The impact of AASB 9 has not yet been determined.

# Abbeyfield Australia Ltd

## Notes to the Financial Statements

For the Year Ended 30 June 2011

### 22 Accounting Standards (cont.)

#### (b) New Accounting Standards for Application in Future Periods (cont.)

AASB 2009-14 Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement	30 June 2012	Changes where the entity is subject to minimum funding requirements and makes an early payment to cover these requirements in relation to defined benefit plans.	No significant impact expected.
AASB 2010-4 / 2010-5 Amendments and further amendments to Australian Accounting Standards arising from the Annual Improvements Project	30 June 2012	Makes changes to a number of standards / interpretations including: - Clarification of the content of the statement of changes in equity - Financial instrument disclosures - Fair value of award credits	No impact expected.
AASB 2010-6 Amendment to Australian Accounting Standards – Disclosures on transfers of financial assets	30 June 2012	Requires additional disclosures regarding for example, remaining risks where an entity has transferred a financial asset	No impact expected.
AASB 2010-8 Amendment to Australian Accounting Standards – Deferred tax: Recovery of underlying assets	30 June 2013	Adds a presumption to AASB 112 that the recovery of the carrying amount of an investment property at fair value will be through sale.	No impact expected.
AASB 2010-9 / 2010-10 Amendment to Australian Accounting Standards – Severe hyperinflation and removal of fixed dates for first-time adopters	30 June 2012	Makes amendments to AASB 1	No impact since the entity is not a first-time adopter of IFRS.
AASB 1054 Additional Australian disclosures / AASB 2011-1 Amendments to Australian Accounting Standards arising from Trans-Tasman convergence	30 June 2012	Collates the Australian specific disclosures into one Accounting Standard rather than including them within a number of different standards.	Little impact since most of the disclosures required by AASB 1054 are already included within the financial statements.

# Abbeyfield Australia Ltd

## Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 1 to 30, are in accordance with the Corporations Act 2001 and:
  - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
  - (b) give a true and fair view of the financial position as at 30 June 2011 and of the performance as represented by the results of their operations, changes in equity and their cash flows, for the year ended on that date of the company.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors passed on 29 November 2011.

Director:  Gay Gardner AM, Chairman.

Director:  David Kay, Treasurer

Dated: 29 October 2011

# Abbeyfield Australia Ltd

## Independent Audit Report to the members of Abbeyfield Australia Ltd

### Report on the Financial Report

We have audited the accompanying financial report of Abbeyfield Australia Ltd, which comprises the balance sheet as at 30 June 2011, and the income statement, statement of changes in equity and statement of cash flows for the year ended that date a summary of significant accounting policies, other explanatory notes and the directors' declaration.

### Directors' Responsibility for the Financial Report

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

### Auditor's Responsibility

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

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

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

### Independence

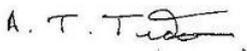
In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Abbeyfield Australia Ltd on 19 October 2011, would be in the same terms if provided to the directors as at the date of this auditor's report.

### Auditor's Opinion

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

- (a) giving a true and fair view of the company's financial position as at 30 June 2011 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

Dated: 29<sup>th</sup> October 2011

385 Hawthorn Road  
Caulfield South Victoria 3162  
Chartered Accountants  
Liability limited by a scheme approved under Professional Standards Legislation

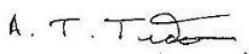
# Abbeyfield Australia Limited

91 005 954 905

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2011 there have been:

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

Tudor & Company



Mr Alan T Tudor FCA

Dated: 29<sup>th</sup> October 2011

385 Hawthorn Road  
Caulfield South Victoria 3162  
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.