



Abbeyfield Australia Ltd

Annual Report

2011 / 2012

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 Web: www.abbeyfield.org.au
ABN 91 005 954 905 ACN 005 954 905
Registered office: 385 Hawthorn Road, Caulfield VIC 3162

Vision and mission

About Abbeyfield

Abbeyfield provides affordable housing for older people and people with disabilities who wish to live independently within a supportive environment.

Abbeyfield Australia is the peak body representing and supporting local Abbeyfield societies. We are committed to the development of sustainable community-based housing.

Our vision

For people to have the choice of living in Abbeyfield housing which supports their independence and life choices.

Our mission

To ensure the sustainability and development of Abbeyfield housing.

Abbeyfield Australia's role

Abbeyfield Australia's role is to:

- Work strategically with governments at all levels, with local communities, and with other stakeholders to promote and grow the Abbeyfield model
- Provide support to local groups who aspire to initiate, develop and manage houses using the Abbeyfield model
- Develop policies and guidelines to support existing Abbeyfield societies
- Provide specialist advice and services regarding legal, financial, regulatory, and organisational management issues to Abbeyfield societies
- Ensure legal, regulatory, and fiduciary compliance, responsibility and best practice within Abbeyfield Australia as well as across all Abbeyfield societies to protect organisational viability and foster better outcomes for people who live in Abbeyfield houses
- Organise forums and meetings to share ideas and promote ongoing learning.

Abbeyfield's principles for local societies

Abbeyfield's principles for local Abbeyfield societies are:

- Abbeyfield houses provide appropriate, affordable group housing for people who seek companionship and support in the community in which they live
- Houses are planned, designed and furnished to ensure a comfortable environment which provides privacy and security
- Houses are established and operated by local community-based societies that are responsible for the day to day operation of the house and the wellbeing of the residents and staff
- Residents participate in the management of their houses, and in the decision making
- Residents are independent, have control over their own lives, and are provided with the information and assistance needed to retain their independence and freedom
- Residents, staff and volunteers acknowledge the necessity of maintaining an appropriate balance between the rights and responsibilities of individual residents and the rights and responsibilities of the all residents in an Abbeyfield house
- Residents are free to enjoy their own independent relationships with family and friends, and their own social, cultural, religious and leisure activities
- Abbeyfield uses effective and appropriate management practices in relation to its administration, communication and human resources.

Contents

Chairman's Report	4
Chief Executive Officer's Report	6
Treasurer's Report	9
Abbeyfield reflections: What does Abbeyfield mean to me?	11
Donors	13
Financial Statements 2011 / 2012	14



Chairman's Report

It's a great honour to deliver the Chairman's Report of Abbeyfield Australia Ltd for the year ending the 30th June 2012.

One of the most exciting events of the year was the opening of the Goulburn Abbeyfield House on the 27th June 2012. Financed by the NSW Government this most impressive House already has nine residents. Built for mildly intellectually disabled younger people the Abbeyfield House will fulfill a great need in the geographical area in which it is situated. Most sincere congratulations to the Goulburn Local Society for its brilliant efforts and tenacity in bringing this project to reality.

During the year under review the Narrabri Abbeyfield Branch has been working towards the construction of its new house which will commenced in October 2012. This House will accommodate younger people with mild intellectual disabilities. The Chairman Marion Pike and her Committee are to be congratulated on their efforts thus far. The Narrabri Abbeyfield House is scheduled to open by mid 2013.

The Castlemaine Abbeyfield Branch remains resolute in its pursuit of building an Abbeyfield House but finance is illusive at this time.

The Victorian country town of Timboon has established a subcommittee of the Abbeyfield Society (Mortlake) Inc. Plans are in place to build four independent living units. It is hoped to begin the ground work very soon preparatory to building the first unit. Congratulations to Peter Pope and his Committee for their dedication to this project. Doug Parker, former Executive Officer of the Abbeyfield Society (Mortlake) Inc. has lent of his knowledge and expertise to the newly formed Timboon subcommittee.

Each and every Abbeyfield Local Society is to be congratulated on running its House or Hostel most efficiently and in so doing making many older and younger residents happy and welcome in their communal surroundings.

The Abbeyfield Strategic Plan together with its Business Plan established the direction of Abbeyfield Australia until 2015. Central to the Strategic Plan is that Abbeyfield will collaborate with government, commercial and corporate partners and philanthropic organisations in order to make available more Abbeyfield Houses. Abbeyfield will provide the professional expertise in establishing and running the Houses and the partners will provide the necessary finance. Chris Reside our Chief Executive Officer has continued to focus his efforts on achieving certain of these goals during the year under review.

The Abbeyfield Australia Board members have maintained their respective roles as Liaison Directors responsible to keep in touch with three or four Local Societies on a regular basis. I believe this communication is vitally important for Local Society members and Board Directors alike to work together to do all they can to make Abbeyfield Houses and Hostels the best housing models they can be.

Alison Hancock retired from the Abbeyfield Australia Board at the Annual General Meeting held on the 19th November 2011. A foundation member and Chairman of ACT Abbeyfield Local Society, Alison brought great expertise and experience to the Board over a number of years. So very many thanks and deep appreciation to her for her valuable work on the Board. She will be greatly missed.

Andrew Dixon retired from the Board in 2011 following a significant number of years serving on the Board. Andrew was Chairman of East Malvern Abbeyfield House. Andrew brought a wealth of knowledge and experience to the Board in relation to the running of an Abbeyfield House. Andrew too will be greatly missed.

The Honorable David Hawker AO, Andrew Moylan and Eddy Bourke were appointed to the Board on 9th July 2011 and Peter Ridler nominated and became a Board member at the Annual General Meeting on 19th November 2011. Each of these men brings skills to the Board which add to the overall expertise of its members.

Dimitri Kiriacoulacos resigned during the year under review due to the very great workload he bears in his professional career. A former member of the South Australian State Board (no longer in being) Dimitri moved to Melbourne for professional reasons. He was appointed to the Abbeyfield Australia Board on 5 October 2005. His resignation was received with great regret on 8 June 2012. As Company Secretary and Vice Chairman his contribution to the work of the Board has been without peer. His wise counsel, his sound knowledge, expertise in legal matters and his governance skills were of enormous benefit to the Board. Great appreciation is expressed to Dimitri for his most outstanding contribution to Abbeyfield in Australia.

I referred in my last Annual Report to the imminent retirement of Virginia Lawrence as Office Manager and expressed great appreciation for the most significant contribution she has made during the twelve years in this role. Early this year Virginia retired. We wish her well in her future pursuits.

Ms Libby Heath was appointed on a part time basis as an Admin and Member Services Officer during April 2012. Part of her role is her availability to answer telephone calls from members of Local Societies and respond to their queries appropriately. Libby's appointment allows Chris to proceed with greater freedom in the execution of the vitally important Strategic Plan. The Board warmly welcomes her.

Robert Spralja has been engaged on a limited basis as Financial Controller to advise on the best financial practices appropriate to Abbeyfield Australia and in a style and format readily recognized by government agencies and the corporate sector. His work has been most beneficial during this year.

Chris Reside CEO has carried out his professional duties most conscientiously during the year. Congratulations to him and his wife Mary on the birth of their son Ben. Most unfortunately Mary became unwell which necessitated Chris taking unplanned leave to care for Mary and their new son. Chris has now returned to full capacity for which I am very pleased. There is much to be achieved.

To each and every member of the Abbeyfield Australia Board so many thanks for the work you have done throughout the year under review. To the Chairmen of each of the newly created Board Subcommittees and all members of these Committees thank you for the work carried out. Each new Subcommittee has been set up to take responsibility for a particular facet of the Board's work viz Executive Subcommittee (always in place), Finance & Audit Subcommittee, Governance Subcommittee and Communications Subcommittee. I believe these subcommittees will benefit the work of the Board and ultimately Abbeyfield as a whole.

This is my last Annual Report as Chairman of the Abbeyfield Australia Board. I will not seek reelection for the forthcoming year. It has been a great privilege to serve Abbeyfield in this way.

Much has changed over the last few years. I believe the Board "runs" a much tighter ship in accord with current financial accounting requirements and the myriad of provisions with which there must be conformity in running Abbeyfield Houses and Hostels throughout Australia.

My greatest wish is that Abbeyfield should go forward in a measured way to increase the number of its Houses and Hostels so that more people may enjoy the comforts and security of the Abbeyfield way of life. Particularly I believe there is a need which Abbeyfield can meet in providing more housing for mildly intellectually disabled people. Most excitingly this is happening. During next year with the opening of the Narrabri House we will have four houses in which younger people with their particular needs will enjoy the Abbeyfield style of living.

In the future I hope there will be houses fully funded by their residents. Such houses will be a very attractive option for those who are able to make such contributions.

I believe the Abbeyfield concept is excellent and may be adapted to a variety of human needs in the future. In this way Abbeyfield will take its place as an important housing option

for people in Australia.

I will always have the greatest possible respect and affection for all the volunteers throughout Australia who work so hard to provide Abbeyfield Houses which are “home” to so many people in this country.

It has been a great pleasure to “chair” the Board, and I wish it very well and all members and friends of Abbeyfield in the future, but above all may the comfort, happiness and security of our residents always be maintained.

Yours Sincerely,



Gay Gardner, AM
Chairman

Chief Executive Officer’s Report

As I reflect upon the year that was; it was yet again another very big year!

Regulation of the community housing sector

Abbeyfield Australia has continued to respond to a more highly regulated community housing sector. Regulation of itself is not a bad thing as it does bring with it consistent quality outcomes for residents in the community housing sector and also provides a degree of third party accreditation for the Registered Community Housing Provider. Abbeyfield Australia is one such Registered Community Housing Provider

Abbeyfield Australia operates in six state and territory jurisdictions, each currently with its own approach to regulating the community housing sector. Abbeyfield Australia is registered as a Registered Community Housing Provider in NSW, which takes an extremely thorough and rigorous risk based approach to its registration process.

In 2010 Abbeyfield Australia commenced the work to become a Registered Community Housing Provider in NSW. The initial catalyst for this was to attain accreditation lest we jeopardise the continued operation of the Wagga Wagga Abbeyfield House. At the time, the assessment of our *Blue Book* was that it failed to meet many of the minimum standards required of a registered community housing provider. The *Blue Book* was and remains a popular and valuable resource, but it needed much updating.

In assessing Abbeyfield Australia, the NSW Registrar of Community Housing applies a regulatory code which has eight performance areas with requirements that community housing providers must meet. The eight performance areas are:

1. Fairness and Resident Satisfaction
2. Sustainable Tenancies and Communities
3. Asset Management
4. Sound Governance
5. Standards of Probity
6. Protection of Government Investment
7. Efficient and Competitive Delivery of Community Housing
8. Development Projects

Importantly for Abbeyfield local societies outside NSW, the NSW regulatory framework complements the national regulatory framework for community housing which was endorsed

by Commonwealth, State and Territory Housing Ministers in 2010. The Ministers foreshadowed a single common national registration scheme for all community housing providers in all jurisdictions – and means that Abbeyfield local societies in Tasmania, Victoria, South Australia, the ACT and Queensland will also benefit from Abbeyfield Australia being a Registered Community Housing provider in NSW.

Today the most tangible sign of Abbeyfield Australia's response to registration is the *Abbeyfield House Management Manual* which will be canvassed at the 2012 Abbeyfield Australia National Conference. The Manual has had a two year gestation period and been the subject of much review. The result is a procedure manual for Abbeyfield Houses which meets contemporary best practice in the community housing sector and complies with our regulatory obligations.

The Manual will be a living document and be revised and reissued in softcopy and hardcopy as often as required and likely annually. The Manual will also be available to local societies on the Abbeyfield Australia website.

I readily accept criticism that the Manual has been too long time in coming. I take responsibility for that and acknowledge that it was a far more complex task than I had envisaged in 2010. The Manual however had to be written in such a way as to:

- retain the essence of an Abbeyfield House as per our former Blue Book
- comply with the requirements of a Registered Community Housing Provider
- comply with disability support principles (relevant to Abbeyfield Houses accommodating adults with an intellectual disability)
- be informed by external information sources including The Abbeyfield Society in the United Kingdom, the NSW Federation of Community Housing Associations, Aged Community Care Victoria, the NSW Department of Disability and Homecare, and the Commonwealth Department of Health and Ageing
- recognise that we are a volunteer based organisation operating in an increasingly professionalised and regulated sector.

In September 2012 Abbeyfield Australia was advised that it had been successful in having its Registration as Community Housing Provider confirmed until its next scheduled review in June 2014. This achievement reflects very heavily on the substantial work done to develop and revise the Abbeyfield House Management Manual.

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

Abbeyfield Australia remains indebted to our corporate supporters who provide invaluable pro-bono services or services at significantly reduced rates. In particular I thank Justin Fox and his team at Corrs Chambers Westgarth (lawyers), the team from Fresh Dynamics (IT support) and Philip McNeil from RedBike Systems (web site design).

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

To Gay and the Board, my sincere thanks and admiration. It is a 'hard ask' being a Director on the Board of any Not-For-Profit organisation, and this is even more so when the organisation has a national focus; limited resources at its disposal; and operates in a changing and increasingly regulated environment. That being the case however, the Abbeyfield Australia Board to its credit has achieved a great deal in a very busy year.

To Gay Gardner, having foreshadowed her intention not seek re-election as Chairman of the

Board, I must particularly express my thanks. I have had the pleasure of working closely with Gay since my appointment as CEO in July 2008 and have benefited greatly from her counsel, support and leadership.

To the Abbeyfield 'family': simply a personal 'thank you'. Earlier in 2012 I had the joy of the birth of a strapping young son, followed by the unfortunate lengthy illness and hospitalisation of my wife. This necessitated I take unplanned career's leave in addition to planned annual leave and this impacted negatively upon my Abbeyfield role. The response and warmth from the Abbeyfield 'family' however was heart-warming and greatly encouraging – and in many ways underscored the culture of our volunteer based organisation so intently focused on helping others. Happily my wife and son are now well restored but I remain indebted for the love and support extended to me and my family.

Regards,



Chris Reside
Chief Executive Officer

Treasurer's Report

It is my pleasure as Company Treasurer to present the Company's Financial Statements 2011 / 2012.

These Statements give members a thorough and transparent overview of the Company's financial position and are the result of much effort to more clearly differentiate between the Company's core activities and funds, from those activities and funds which relate to the Company holding funds or assets in trust on behalf of other entities (such as the very large ADHC capital grants discussed throughout the accounts.)

The Income Statement (Page 24) shows a loss for the year of \$34,962 which needs some clarification. As detailed in Note 9 to the Financial Statements, the company has equity in a number of properties (Abbeyfield Houses) which have been depreciated in accordance with the Australian Accounting Standards. These properties return no income to the company yet incur a depreciation expense which in the 2011 / 2012 year amounted to \$36,110.

It should also be noted that the Endowment Fund previously invested with the ANZ Trustees saw a reduction in value of \$15,326 and at June 30 had a balance of \$187,173. On the recommendation of the Finance and Audit subcommittee, the Board resolved to remove these funds from the ANZ in the belief that they can be more beneficially invested. The funds were withdrawn in July 2012 and are now being reinvested directly by the company. The Board has commenced work on a prudent Investment Policy with which to manage and grow the corpus.

In relation to the Finance and Audit Subcommittee, I am pleased to report that the Subcommittee has had a very productive year during which it has:

- overseen the final stages of the adoption of full accrual accounting
- reviewed and made recommendations in relation to investment funds
- reviewed the Annual Financial Statements and recommended their adoption to the Board
- reviewed, and incorporated in the Financial statements all 14 properties in which we have equity
- commenced a review of the lease or access arrangement on the other 12 properties for inclusion in the 2013 Annual Report
- ensured accurate and timely financial reports are provided to all Directors each month.

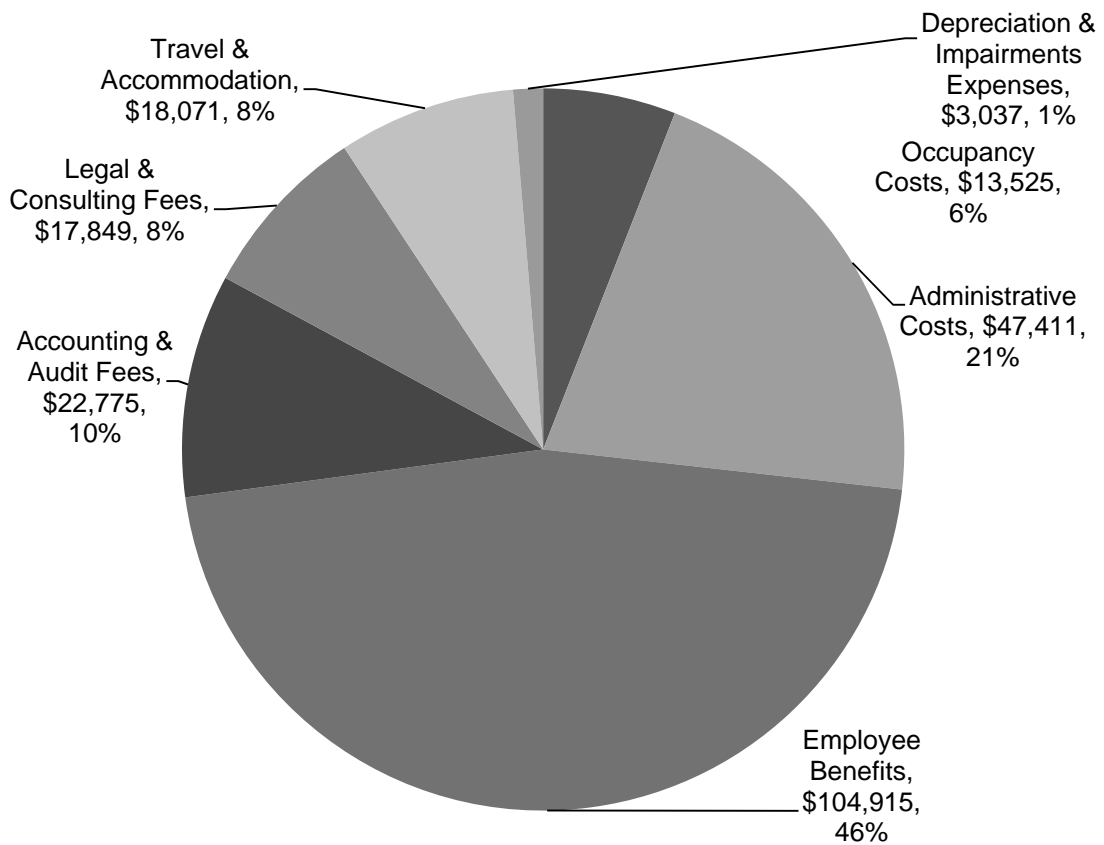
At the 2011 Annual General Meeting a request was made for details of the operational income and expenditure of the company. The pie-charts overleaf provide a snap shot of our revenue sources (particularly the company's current heavy reliance upon affiliation levies) and expenditure incurred.

Regards,

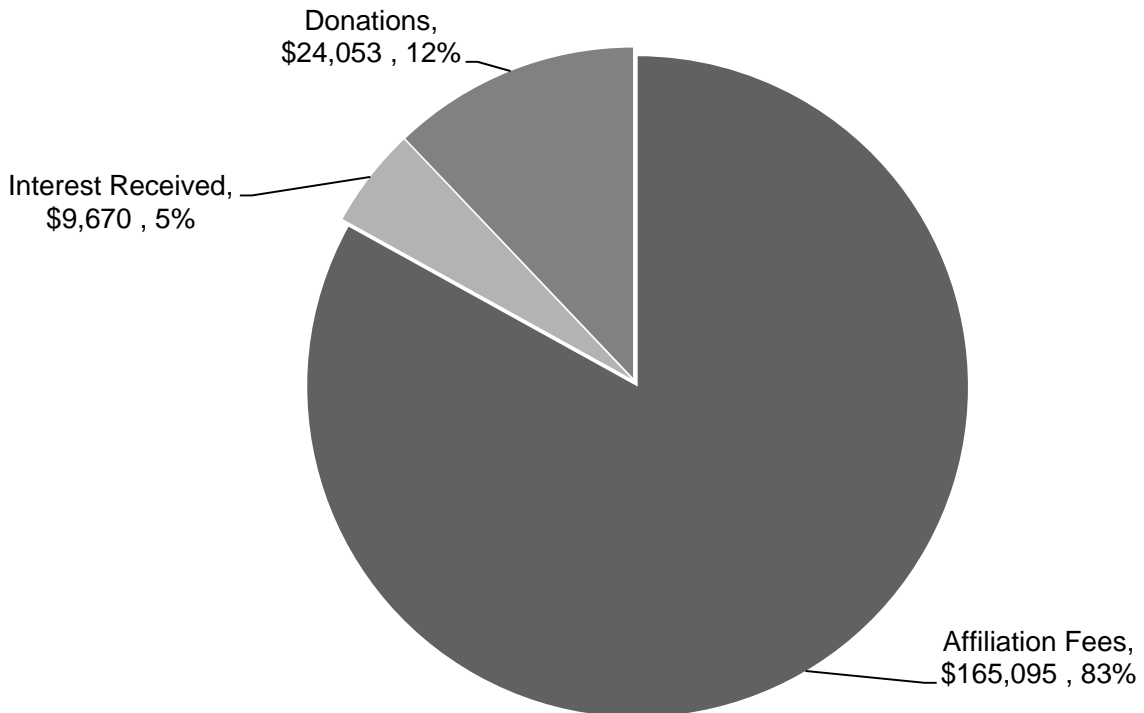


David Kay
Treasurer

Operational expenditure



Operational income



Abbeyfield reflections: What does Abbeyfield mean to you?

We asked Abbeyfield volunteers, residents and staff from across the country: what does Abbeyfield mean to you?

Group discussion by some residents of Abbeyfield Curtin, ACT

"I like it here... everything I like best is cooking, doing laundry and making cakes and making my bed and cleaning room." *Kathy*.

"What I love about Abbeyfield Curtin is...

- close to transport
- furnish your room the way I like
- free to come and go as you like
- Darlene is a great cook
- good friends (housemates)
- I like being independent
- the house is big enough to walk around in" *Amanda*

"I like the house at Abbeyfield that I live in because I can do my own washing. It is easy to get to work and back. When I get home I can do my own computer games, DVD and music. I can make my own lunch and I like the food." *Trevor*

"I love that Darlene and Melissa always try to make our dinner meals healthier. I love that there is a bus stop right outside the house and I also love that everybody here is so friendly and helpful." *Laura*

"It is close to the bus stop and Darlene is a good cook and I like her food. I like that everyone has their own room and the house is in a nice area. I have my friends here like Trevor and James and all the other housemates. You are free to come and go. I like it because I have the keys to my own room." *Greg*

"What I like about my place at Abbeyfield is the room, the food...it is very good. The house is very comfortable and the house is big enough to wander around in. I like the garden and I look after my own garden." *Garry*

"I like Darlene's cooking. You get the experience of doing your own laundry. I like being independent and mixing with good friends. My boyfriend can visit me. I can help with the baking and being with the house coordinator." *Leckie*

"I really like having my independence and having friends to live with. Without them I would be very lonely. I like to visit my mum and dad's place for dinner at weekends". *Jess*

Amy Redfern, Abbeyfield Williamstown resident, SA

'What does Abbeyfield mean to you?' When Amy was asked this question she leant forward and said slowly and definitely "Home".

Amy said her daughter lives in a small nearby town and that is why she had chosen to move to Abbeyfield as she wanted to be close to her. Amy said her girls would not be able to look after her as she is 96 and they are all in their 70's. She first came to Abbeyfield on respite and wrote letters herself to ask if she could be accepted as a resident, she was very proud of this. Amy likes the beautiful situation of the home with the nice fresh air, trees and she thinks Williamstown is a nice little town.

Amy says there is nothing like home cooking but the food is tasty and varied in the home, her daughter brings her in some fancy cheese which Amy says she enjoys. The staff are all very kind, the dining room is nice but her favourite is her room which she says is her "Heaven" and she has everything that she needs in it. "I have nice friends but enjoy my own company as well and I am able to do this here".

Amy said she would like to have an iPad and learn how to use it and she stressed how she likes to remain independent from her family who live in Australia and England but she likes to keep in touch with them.

Amy said she was aware a nice man started up Abbeyfield and she thought it very good that it was open to all people.

Marion Pyke, Narrabri Branch Chairman (and mother of Chris), (NSW)

What does Abbeyfield mean to me?

Our family home is an hour and three quarters west of Narrabri, an hour east of Walgett on a black soil road. Our son (Chris) attended High School in Narrabri in a weekly host family boarding situation. This changed four times in the six years he was at high school. Different house, different people, different rules. After completing high school, he didn't want to be a farmer so after different scenarios, back to Narrabri we went. No places for him at the group home. This then made us "drive in, drive out" residents.

Chris now works three days, has one day of living skills and the other three he continues to get shunted around the countryside to respite, or friends or if I'm really persuasive, west to "home". Continuous bag packing, continuous rotating of beds and continuous organization for his mother.

Abbeyfield gives our son the opportunity to live where he wants to be. It will give him his own space, the independence he craves, companionship, a social life he can organise himself, good food and security.

What will it give us, his father and me? Relief to know he's settled where he wants to be in a house that has the security of one housekeeper but not the more restrictive system of a rotation of carers. It gives us the chance to be together again for more than three days at a time, on the farm that is my husband's soul. In doing that it also keeps us connected. We are free to visit and share in his life as much as he wants. It fills that gap between group home living and independent community living.

Most importantly, what does it mean to Chris: "It will change my life!"

Susan Daszczyk, Housekeeper at the Ainsley Abbeyfield House (ACT).

I walked into Abbeyfield Ainslie over ten years ago for my interview as weekend cook. I said "What a lovely house". I don't think it was anything to do with shape, colour or décor. It was more a feeling of contentment and home. I had never heard of Abbeyfield Society before that interview.

Over the coming months I learned more about the residents, where they came from, the jobs they held when they were younger, the families who supported them and those who did not, and what made the house 'tick'. All of the differences between each resident weaves a different pattern and feel to the house.

I thought the committee was and is wonderful for doing what they do voluntarily with no reward other than well run houses with happy residents.

This is one of the most worthwhile and satisfying things that I have ever done. I keep the residents independent for as long as possible and they hang onto their piece of Abbeyfield tenaciously because they don't want to go anywhere else!

Abbeyfield is love and loyalty and laughter (it is sometimes better than watching TV or a circus). Abbeyfield is crossed wires and crankiness. It is also saying sorry and moving on. We are family and friends.

Sure, it's a job, but it is a job I hang onto jealously, because I love my Abbeyfield.

Ronnie Hazelton, Committee member, Orange Abbeyfield Society (NSW)

I have been involved with Abbeyfield Orange for about seven years now and have enjoyed being a part of the Abbeyfield family. The family consists of not only the residents, but the committee and the staff.

I have had a few different roles, starting off as Vice President till our then Secretary resigned suddenly whereupon I became Secretary, followed by a stint as Treasurer till we could find a very well qualified gentleman who has agreed to undertake that role and I will be able to focus on my ongoing role as Admissions Officer.

One of the side benefits of being on the Abbeyfield committee is getting to know these generous and well skilled people who give unstintingly.

The warmth and friendliness of the residents who live there is testimony to the success of the Housing model on which Abbeyfield is based. What a wise man Richard Carr-Gomm was, and how lucky we have been here in Orange to have people with the vision who were willing to work towards achieving that goal.

Amazingly 20 years on and our Foundation President Marlene Farrell still has the chair. What is also amazing is that we are now able to offer residency to the very man whose daughter introduced him to the Abbeyfield model. Peter Selden was the Chief Executive Officer of Orange Base Hospital in the late 70's and his daughter Amanda was living in the UK. She encouraged her dad to consider setting up an Abbeyfield House in Orange and so here we are today with the vision realised. We still have the letter she wrote to him framed and hanging proudly on the wall at our Abbeyfield House Orange!

Libby Heath, Admin and Members Services Officer, Abbeyfield Australia

I join Abbeyfield Australia in April 2012 as Admin and Members Services Officer, and have thoroughly enjoyed my first eight months in the role. What I love most is talking to all the people connected with this really interesting organisation. Having been a bookkeeper for the past few years, this makes a refreshing change. Everyone has a story to tell and has been generous in sharing their Abbeyfield experience. I've learnt so much along the way.

Having had so much kind advice and direction from Chris and support from the Board members, a universal generosity and understanding from the Local Society volunteers, I now feel more equipped to fulfil my role as Admin & Member Services Officer.

At the national conference it will be great to meet at long last the many Local Society members with whom I've spoken over the last few months.

Donations

Abbeyfield Australia is a Public Benevolent Institution and greatly appreciates donations to assist our work.

In 2011 / 2012 our very generous donors included:

- | | |
|--|---------|
| • The Bell Charitable Fund | \$5000 |
| • The Peggy Charitable Foundation | \$9000 |
| • Tudor & Company Pty Ltd | \$5000 |
| • Grill'd Pty Ltd | \$300 |
| • The Abbeyfield Society (Richmond) Inc. | \$3,725 |

Donations over \$2.00 are tax deductible and can be made securely online by visiting www.abbeyfield.org.au

Abbeyfield Australia Ltd

Financial Statements

For the Year Ended 30 June 2012

(As accepted by the Abbeyfield Australia Board on 5 November 2012. (V6F))

CONTENTS

	<u>Page</u>
Financial Statements	
Directors' Report	16
Income Statement	24
Balance Sheet	25
Statement of Changes in Equity	26
Statement of Cash Flows	27
Notes to the Financial Statements	28
Directors' Declaration	49
Independent Audit Report	50
Auditors Independence Declaration under Section 307C of the Corporations Act 2001	51

Your directors present their report on the company for the financial year ended 30 June 2012.

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
Andrew Dixon	Retired 19 November 2011
Gay Gardner AM	Re-elected 21 November 2009
Alison Hancock	Retired 19 November 2011
Leo Hurst	Re-elected 19 November 2011
David Kay	Re-elected 21 November 2009
Dimitri Kiriacoulacos	Resigned 8 June 2012
Jacquelyn Landos	Confirmed 20 November 2010
John Lawrence	Elected 21 November 2009
Jill Parker	Re-elected 19 November 2011
The Hon David Hawker AO	Appointed 9 July 2011 / Confirmed 19 November 2011
Andrew Moylan	Appointed 9 July 2011 / Confirmed 19 November 2011
Eddy Bourke	Appointed 9 July 2011 / Confirmed 19 November 2011
Peter Ridler RFD	Elected 19 November 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 based on an 'assisted independent living' philosophy to provide affordable, secure and supportive group housing for people in need; and more specifically to provide and manage housing and accommodation of all kinds for the relief, maintenance, care and welfare of persons who are older, but may be of any age, underprivileged, socially disadvantaged, living with a disability, in circumstances of social need or otherwise in necessitous circumstances.

There are currently 24 Abbeyfield Houses for assisted independent living across eastern Australia from Cairns to Huonville to the Barossa Valley with a further house being constructed in Narrabri, northern NSW. In addition, there are three Abbeyfield aged care facilities providing higher levels of care to residents in need. Each house and aged care facility is a locally managed by a local not for profit Association. Abbeyfield Australia effectively provides accommodation for 350 elderly pensioners or young adults pensioners with a mild intellectual disability at no on-going cost to any tier of government.

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

2. Business review

a Operating Results

The Loss of Abbeyfield Australia Ltd after providing for income tax amounted to \$ 34,962.

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 Ltd

Directors' Report

30 June 2012

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 36.

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.

The directors realised the investment in the ANZ Endowment Trust in July 2012 for \$188,563.

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 Finance & Audit Sub 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 2012:

	2012	2011
	\$	\$
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	9,000
	9,000	9,000

Abbeyfield Australia Ltd

Directors' Report

30 June 2012

4. Directors information

Information on directors in office at any time during, or since the end of the year

Director (In alphabetical order)	Year first joined board	Current term expires*	Qualification and experience
Edward (Eddy) Bourke	2011	2014	Aged 35 Bachelor of Community Development, majoring in political science, from the University of Canberra. Eddy Bourke is the Policy Officer at the Community Housing Federation of Australia, the peak body representing not-for-profit housing providers in Australia. In addition to his paid work at CHFA he has sat on a number of volunteer boards, and is currently a Council Member of National Shelter.
Andrew Dixon (Retired from the Board on 19 November 2011.)	2001	N/a	Aged 59 B.Soc.Sci. (Lib), Grad Dip (Comm Dat Proc) Subject Librarian, Caulfield Campus, Monash University, Ambassador of the W.R. Johnston Collection, Board member Duldig Studio, Staff representative on MONSU Board (Monash University Caulfield-Peninsula Student Union).
Gay Gardner AM, Chairman	1986	2012	Aged 73 Bachelor of Laws, 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 (Retired from the Board on 19 November 2011)	2002	N/a	Aged 72 Social Worker, past member of Aged Care Assessment Team (ACT), past member of Board Carers Association (ACT)
The Hon David Hawker AO	2011	2014	Aged 63 Bachelor of Engineering (1971) from the University Melbourne. Company Directors Course, Australian Institute of Company Directors (2012) The Hon David Hawker AO was appointed to the Board on 9 July 2011. He has Bachelor of Engineering (1971) from the University Melbourne and has 27 years' experience as the Member for Wannon in the Commonwealth Parliament, including two years as Deputy Chairman of the Joint Standing Committee on Foreign Affairs Defence and Trade, and four years as Speaker of the House of Representatives.
Leo Hurst	1999	2014	Aged 76 Nurse (Retired), retired Chairperson of the Abbeyfield Society (Glenorchy) Inc. Member and Vice President of the Anglican Men's Society of Tasmania.
David Kay, Company Treasurer	1998	2012	Aged 63 Foundation Member Abbeyfield Burnie 1995. Burnie Representative on Abbeyfield Tasmania 1995-1998. Chairman of the Abbeyfield Tasmania Society 1996-1998 (Abbeyfield Tasmania was disbanded in 1998 as part of a National restructure) Represented Abbeyfield Australia in all negotiations relating to the development of the Burnie, Huonville and Hull Street Abbeyfield Houses. Member of the Joint Executive Committee of Abbeyfield Australia 1997-1998. Elected to the restructured

Abbeyfield Australia Ltd

Directors' Report

30 June 2012

			<p>Board of Abbeyfield Australia 1998 – current. Elected Treasurer Abbeyfield Australia 2000 –current. Elected Chairman of the Abbeyfield Australia Finance and Audit Subcommittee 2011-current</p> <p>Other activities: Director Community Connections Inc., Member of North West Tasmanian Youth Service consolidation committee. Former Member, Tasmanian Chairman, and National Director of the Australian Institute of Credit Management. Former Executive member Local Govt. Community Services Association Tasmania. Former Member of Tasmanian Ministerial Housing Advisory Committee. Former Director and Chairman Roland Children's Services Inc.</p>
Dimitri Kiriacoulacos 1st Vice Chairman (Resigned from the Board 8 June 2012)	2004	n/a	<p>Aged 45</p> <p>Bachelor of Laws (Honours), Bachelor of Accounting, CPA, F Fin Corporate lawyer and accountant with experience in private practice, investment banking and corporate roles. Currently Group General Counsel for Centro Properties Group.</p>
Jacquelyn Landos, 2nd Vice Chairman	2010	2013	<p>Age 64</p> <p>B App Sc, Grad Dip (Neuroscience)</p> <p>Hospital (Respiratory) Scientist (Retired), former Secretary and past Chair, Current Vice Chair of Abbeyfield Curtin Inc., past member of Australian and New Zealand Society of Respiratory Science, and The Australian Institute of Medical Scientists.</p>
John Lawrence	2009	2012	<p>Age 57</p> <p>BBS (Hons), Dip.Ed., MHSc (in progress)</p> <p>5 years as Health, Aged Care and Community Services Consultant for not for profit sector, local, state and federal government and Universities. Project officer for regional cancer services and services for the CALD/ migrant elderly. Member, Australian College of Health Services Executives</p>
Andrew Moylan	2011	2014	<p>Aged 54</p> <p>Andrew is employed as National Operations Manager for Mortgage Choice Financial Planning Pty Limited. Director Charingfield Limited, an operator of an aged care facility at Waverley NSW. He is owner/Director of The FP Mechanic Pty Ltd and also President North Ryde RSL Youth Club.</p> <p>Andrew has spent his working career in the financial services industry. He commenced work as an accounting graduate before spending more than 20 years involved in investment banking and investment management before specialising in the practice management space of the financial planning industry.</p>
Jill Parker, Secretary	2008	2014	<p>Age 65</p> <p>Master of Education, Grad. Dip in Educational Administration, Diploma of Education, Bachelor of Agricultural Science.</p> <p>Shire Councillor. Director Corangamite Regional Library Corporation. Director South West Waste Reduction Group. Chairperson – Leadership Great South Coast. Chairperson, Western Coastal Board. Member, Victorian Coastal Council. Member, National Sea Change Taskforce Executive committee. Member – Municipal Association of Victoria, Human Services Advisory group. Former Senior Teacher, Curriculum Leader and Acting Principal.</p>

Abbeyfield Australia Ltd

Directors' Report

30 June 2012

Peter Ridler RFD (Elected to the Board on 19 November 2011.)	2011	2014	Aged 59 Bachelor of Economics, Diploma of Company Director. Qualified Chartered Secretary, Certified Practising Accountant and Queen's Commission in the Australian Army. Held senior executive roles in industry and government businesses before establishing a multi-partnered accountancy and business advisory practice. Thereafter, established a patented software firm, providing internet based financial management solutions to Blue Chip entities. Presently, involved in establishing consumer appliance rental business via franchising. Over 25 years as an alderman on Tasmania's third largest city council including its various committees. Office bearer on a number of sporting and not-for-profit organisations. Presently a trustee on the Wellington Park Management Trust and a member of Southern Waste Strategy Authority a multi-council joint authority. Previously, a trustee of the Southern Regional Cemetery Trust in Tasmania and director of Quadrant Superannuation the largest complying superannuation fund in Tasmania.
--	------	------	---

Abbeyfield Australia directors are elected for a three year term. However in certain circumstances, the Constitution (Clause 18.6) provides that some Directors' terms be shortened, with the overall objective that one third of the Board faces re-election each year. This will affect some of the seven directors elected at the November 2011 Annual General Meeting and whose three year term would normally expire in November 2014.

Abbeyfield Australia Ltd

Directors' Report

30 June 2012

a) **Meetings of Directors**

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

	Directors' Meetings	
	Number eligible to attend	Number attended
Directors	-	-
Andrew Dixon	3	3
Gay Gardner AM	7	7
Alison Hancock	3	2
Leo Hurst	7	7
David Kay	7	7
Dimitri Kiriacoulacos	7	5
Jacquelyn Landos	7	6
John Lawrence	7	5
Jill Parker	7	6
The Hon David Hawker AO	7	5
Andrew Moylan	7	7
Eddy Bourke	7	5
Peter Ridler RFD	4	4

Abbeyfield Australia Ltd

Directors' Report

30 June 2012

b) Abbeyfield Australia subcommittee members 2011 / 2012

The Abbeyfield Australia Board established four standing subcommittees during the year. Each Subcommittee functions within a specific Terms of Reference approved by the Board, and each is required to report back to the Board formally on an annual basis. The Terms of Reference for all Subcommittees are available on the publications / library page of the Abbeyfield Australia website.

The membership of the four Subcommittees is shown below.

Communications Subcommittee

- Eddy Bourke (Subcommittee Chairman)
- Andrew Dixon
- Jacquelyn Landos
- Leo Hurst
- David Hawker
- Peter Ridler (Appointed 19 November 2011)
- Gay Gardner (Ex-officio)

Executive Subcommittee

- Gay Gardner (Board Chairman)
- Dimitri Kiriacoulacos (1st Vice Chairman) (Resigned 8 June 2012)
- Jacquelyn Landos (2nd Vice Chairman)
- Jill Parker (Secretary)
- David Kay (Treasurer)

Finance and Audit Subcommittee

- David Kay (Subcommittee Chairman)
- Dimitri Kiriacoulacos (Resigned 8 June 2012)
- Andrew Moylan
- Peter Ridler (Appointed 6 May 2012)
- Robert Spralja (Financial Controller)
- Chris Reside (Abbeyfield Australia CEO)
- Gay Gardner (Ex-officio)

Governance Subcommittee

- Andrew Moylan (Subcommittee Chairman)
- Jill Parker
- John Lawrence
- David Hawker
- Gay Gardner (Ex-officio)

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 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 2012

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.



Director: Gay Gardner AO, Chairman

6 November 2012



Director: David Kay, Treasurer

6 November 2012

Abbeyfield Australia Ltd

Income Statement

For the Year Ended 30 June 2012

	Note	2012 \$	2011 \$
<i>Head office and administration income and expenses</i>			
Income			
Sales and service revenue	2	198,818	175,759
Other revenue	3	9,339	15,823
		208,157	191,582
Expenses			
Occupancy costs		(13,525)	(14,755)
Administrative costs		(47,411)	(56,154)
Employee benefits		(104,915)	(85,886)
Accounting & audit fees		(22,775)	(9,108)
Legal and consulting fees		(17,849)	(21,629)
Travel and accommodation		(18,071)	(24,123)
Depreciation, amortisation and impairments expenses	4	(3,037)	(2,570)
Total head office and administration expenses		(227,583)	(214,225)
Net profit / (loss) for head office and administration		(19,426)	(22,643)
<i>Investment activities</i>			
Income			
Investment revenue	2	32,176	14,273
Other revenue	3	23,000	19,903
Total investment income		55,176	34,176
Expenses			
Investment expenses		(3,167)	(3,352)
Depreciation, amortisation and impairments expenses	4	(33,073)	(33,072)
Diminution of fair value of financial investments	4	(34,472)	-
Total investment expenses		(70,712)	(36,424)
Net profit / (loss) for investment activities		(15,536)	(2,248)
Net loss before income taxes		(34,962)	(24,891)
Income tax expense		-	-
Loss attributable to members of the entity		(34,962)	(24,891)

Abbeyfield Australia Ltd

Balance Sheet

30 June 2012

	Note	2012 \$	2011 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	2,782,739	4,299,282
Trade and other receivables	6	263,327	235,182
Financial assets	8	187,173	202,499
Other current assets	7	613	445
Total current assets		3,233,852	4,737,408
Non-current assets			
Financial assets	8	20,995	23,329
Property, plant and equipment	9	4,904,972	4,862,919
Total non-current assets		4,925,967	4,886,248
TOTAL ASSETS		8,159,819	9,623,656
LIABILITIES			
Current liabilities			
Trade and other payables	10	460,438	479,277
Short-term provisions	11	13,652	12,820
Total current liabilities		474,090	492,097
Non-current liabilities			
Trade and other payables	10	2,121,399	2,124,054
Other non-current liabilities	12	2,327,059	3,772,547
Total non-current liabilities		4,448,458	5,896,601
TOTAL LIABILITIES		4,922,548	6,388,698
NET ASSETS		3,237,271	3,234,958
EQUITY			
Reserves	14	2,061,622	2,024,346
Accumulated profits	13	1,175,649	1,210,611
TOTAL EQUITY		3,237,271	3,234,957

Abbeyfield Australia Ltd

Statement of Changes in Equity

For the Year Ended 30 June 2012

2012

Note	Retained Earnings \$	Capital Profits Reserve \$	Asset Realisation Reserve \$	General Reserves \$	Total \$
Balance at 1 July 2011	1,210,611	481,215	1,417,467	125,664	3,234,957
Profit / (Loss) attributable to members of the entity	(34,962)	-	-	-	(34,962)
Revaluation increment (decrement)	-	-	37,276	-	37,276
Sub-total	(34,962)	-	37,276	-	2,314
Balance at 30 June 2012	1,175,649	481,215	1,454,743	125,664	3,237,271

2011

Note	Retained Earnings \$	Capital Profits Reserve \$	Asset Realisation Reserve \$	General Reserves \$	Total \$
Balance at 1 July 2010	1,235,502	481,215	1,417,467	125,664	3,259,848
Profit / (Loss) attributable to members of the entity	(24,891)	-	-	-	(24,891)
Sub-total	(24,891)	-	-	-	(24,891)
Balance at 30 June 2011	1,210,611	481,215	1,417,467	125,664	3,234,957

Abbeyfield Australia Ltd

Statement of Cash Flows

For the Year Ended 30 June 2012

	Note	2012 \$	2011 \$
CASH FROM OPERATING ACTIVITIES:			
Receipts from customers including GST		160,917	2,674,824
Payments to suppliers and employees including GST		(1,655,248)	(229,521)
Interest / Investment returns received		17,982	76,971
Net cash provided by (used in) operating activities	15	(1,476,349)	2,522,274
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisition of property, plant and equipment		(41,209)	(6,145)
Net cash used by investing activities		(41,209)	(6,145)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Loans from / (to) local societies		1,015	32,970
Net cash used by financing activities		1,015	32,970
Net increase (decrease) in cash and cash equivalents held		(1,516,543)	2,549,099
Cash and cash equivalents at beginning of year		4,299,282	1,750,183
Cash and cash equivalents at end of financial year	5	2,782,739	4,299,282

Abbeyfield Australia Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2012

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 2012

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 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 2012

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 2012

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 2012

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 2012

2 Revenue

	Note	2012 \$	2011 \$
Operating activities			
- affiliation fees		165,095	153,795
- interest received	2(a)	9,670	10,310
- income from investments in trusts		32,176	14,273
- donations		24,053	11,654
Total Revenue		230,994	190,032

	2012 \$	2011 \$
(a) Interest revenue from:		
interest income from banks and trusts	9,670	10,310
Total interest revenue	9,670	10,310

3 Other operating income

	2012 \$	2011 \$
Administration and management fees	23,000	10,000
Increase in the value of trusts	-	9,903
Other income	5,732	10,887
Government grants	3,607	4,936
Total	32,339	35,726

Abbeyfield Australia Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2012

4 Impairments & depreciation

	2012	2011
	\$	\$
Depreciation, amortisation and impairments	36,110	35,642
Unrealised Loss on Investments	34,472	-
Total	70,582	35,642

5 Cash and Cash Equivalents

	2012	2011
	\$	\$
Cash on hand	273	273
Cash at bank	2,649,588	4,170,647
Short-term bank deposits	132,878	128,362
Total	2,782,739	4,299,282

6 Trade and Other Receivables

	2012	2011
	\$	\$
CURRENT		
Trade receivables	59,230	53,668
Provision for impairment of receivables	-	-
	59,230	53,668
Other related parties	-	1,000
Goods and services tax (receivable)	132,077	144,409
Sundry debtors	59,497	23,100
Other receivables	12,523	13,005
Total	263,327	235,182

Abbeyfield Australia Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2012

7 Other Assets

	2012	2011
	\$	\$
CURRENT		
Prepayments	613	445
Total	613	445

8 Investments

(a) Investments Comprise of:

	2012	2011
	\$	\$
ANZ Charitable trust (i)	187,173	202,499
Total current investments	187,173	202,499

(b) Other Investments Comprise of:

	2012	2011
	\$	\$
Other available for sale assets		
Share in Frankston lease (ii)	20,995	23,329
Total non-current investments	20,995	23,329

Investment assets comprise of:

- (i) \$187,173 is held with ANZ Charitable Trust Australia. There are no fixed returns or fixed maturity dates attached to these investments. The investment was realised in July 2012.
- (ii) \$20,995 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 2012

9 Property Plant and Equipment

	2012	2011
	\$	\$
LAND AND BUILDINGS		
Freehold land		
At directors' valuation	1,935,000	2,035,000
Total freehold land	1,935,000	2,035,000
Buildings		
At fair value	2,761,209	2,695,000
Less accumulated depreciation	-	(82,215)
Total buildings	2,761,209	2,612,785
Leasehold Improvements		
At fair value	284,345	284,345
Less accumulated depreciation	(79,992)	(76,659)
Total leasehold improvements	204,353	207,686
Total land and buildings	4,900,562	4,855,471
PLANT AND EQUIPMENT		
Office equipment		
At Cost	48,348	48,348
Less accumulated depreciation	(43,938)	(40,900)
Total office equipment	4,410	7,448
Total plant and equipment	4,410	7,448
Total property, plant and equipment	4,904,972	4,862,919

An independent valuation of land and buildings was made in June 2012 on the basis of current market value based on alternative use by All Suburb Valuers and Opteon (Tasmania) Pty Ltd.

Abbeyfield Australia Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2012

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	7,448	4,862,919
Additions	-	41,209		41,209
Depreciation expense	-	(30,739)	(3,037)	(33,776)
Revaluation increase / (decrease) recognised in equity	(100,000)	134,620	-	34,620
Carrying amount at the end of year	\$ 1,935,000	\$ 2,965,561	\$ 4,411	\$ 4,904,972

(b) Summary of Land, buildings and leasehold improvements held by Abbeyfield Australia

(i) Dandenong (Mauritian) Land and Buildings

On 28 March 1996 Abbeyfield Australia entered into an agreement with the Victorian Government to fund the purchase of land and buildings at Menzies Avenue, Dandenong, Vic. Under the agreement Abbeyfield is entitled to 3% of the sale of the property and the 97% to the Victorian Government. The Victorian Government share is represented in Non-Current Liabilities (Note 10).

	2012	2011
	\$	\$
Fair value of land	415,000	350,000
Fair value of buildings	545,000	680,000
Less accumulated depreciation	-	(1,344)
Less Government share	(934,699)	(1,002,854)
Net fair value of Abbeyfield's share	25,301	25,802

(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.

	2012	2011
	\$	\$
Fair value of land	1,160,000	1,350,000
Fair value of buildings	390,000	330,000
Less accumulated depreciation	-	(24,750)
Total	1,550,000	1,655,250

Abbeyfield Australia Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2012

9 Property Plant and Equipment continued

(iii) Launceston (Newnham) Land and Buildings

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

	2012	2011
	\$	\$
Fair value of land	160,000	150,000
Fair value of buildings	810,000	770,000
Less accumulated depreciation	-	(8,085)
Less Government share	(834,200)	(791,200)
Net fair value of Abbeyfield's share	135,800	120,715

(iv) Huon Valley Land and Buildings

On 24 June 1998 Abbeyfield Australia entered into an agreement with the Tasmanian Government to fund the buildings at 75 Wilmot Road, Huonville, Tasmania. Under the agreement Abbeyfield is entitled to 70% of the sale of the property and the 30% to the Tasmanian Government. The Tasmanian Government share is represented in Non-Current Liabilities (Note 10).

	2012	2011
	\$	\$
Fair value of land	200,000	185,000
Fair value of buildings	975,000	915,000
Less accumulated depreciation	-	(48,036)
Less Government share	(352,500)	(330,000)
Net fair value of Abbeyfield's share	822,500	721,964

Abbeyfield Australia Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2012

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.

	2012	2011
	\$	\$
Fair value of land and buildings	184,345	184,345
Total	184,345	184,345

(vi) Mortlake Land and Buildings

On 17 May 1988 Abbeyfield Australia funded the improvements of the buildings at Shaw street, Mortlake, Victoria, through a Victorian Government grant. The Shire of Moyne owns the land and buildings on the property and Abbeyfield Australia leases the property for 30 years. The amount recognised is the leasehold improvements at cost.

	2012	2011
	\$	\$
Leasehold improvements at cost	100,000	100,000
Accumulated depreciation	(79,992)	(76,659)
Total	20,008	23,341

Abbeyfield Australia Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2012

(vii) Goulburn Land and Buildings

On 30 June 2009 and 12 May 2010 Abbeyfield Australia entered into capital funding agreements for \$550,000 and \$1,430,000 respectively (inclusive of GST) with the NSW Government to fund the purchase of land and buildings at Cowper Street, Goulburn NSW, and the subsequent development of the Goulburn Abbeyfield House. Under the agreement, the NSW Government (Department of Aged Disability and Homecare) will have an equitable interest in the property equivalent to the proportion the Government's contribution bears to the final development cost of the project. The Goulburn Abbeyfield House was officially opened on Wednesday 27 June 2012 and it is anticipated the final development cost and proportion of the Government's equitable interest will be agreed with the NSW Government in October / November 2012.

	2012	2011
	\$	\$
Land at cost	502,710	502,710
Buildings	1,483,823	151,210
Grant offset	(1,945,324)	(653,920)
Total	41,209	-

(viii) Narrabri Land and Buildings

On 30 June 2011 Abbeyfield Australia entered into a \$2,559,807 (inclusive of GST) capital funding agreement with the NSW Government to fund the purchase of land and construction of an Abbeyfield House at 35 – 37 Doyle Street, Narrabri, NSW. Under the agreement, the NSW Government (Department of Aged Disability and Homecare) will have an equitable interest in the property equivalent to the proportion the Government's contribution bears to the final development cost of the project. The Narrabri Abbeyfield House development is anticipated to be completed by May – June 2013.

	2012	2011
	\$	\$
Land at cost	295,770	-
Buildings	74,341	-
Grant offset	(370,111)	-
Total	-	-

Abbeyfield Australia Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2012

10 Trade and Other Payables

	2012	2011
	\$	\$
CURRENT		
Unsecured liabilities		
Trade payables	233,681	2,961
Deposits	(256)	1,006
Goods and services tax payable	133,772	390,353
Accrued employee entitlements	3,350	1,003
Sundry payables and accrued expenses	22,846	16,924
Other payables - payable to local societies	67,045	67,030
Total	460,438	479,277

	2012	2011
	\$	\$
NON-CURRENT		
Secured Liabilities		
Payables to governments on realisation of asset – Huon Valley	352,500	330,000
Payables to governments on realisation of asset - Launceston	834,200	791,200
Payables to governments on realisation of asset – Mauritian house	934,699	1,002,854
Total	2,121,399	2,124,054

11 Current provisions

	2012	2011
	\$	\$
Employee entitlements	13,652	12,820
Total	13,652	12,820

Abbeyfield Australia Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2012

12 Other non-current liabilities

	2012	2011
	\$	\$
Deferred grants - Goulburn	-	1,212,740
Deferred grants - Narrabri	2,327,059	2,559,807
Total	2,327,059	3,772,547

13 Accumulated profits / (Losses)

	2012	2011
	\$	\$
Accumulated profits at the beginning of the financial year	1,210,611	1,235,502
Net loss for the period	(34,962)	(24,891)
Accumulated profits at the end of the financial year	1,175,649	1,210,611

14 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 Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2012

15 Cash Flow Information

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

	2012 \$	2011 \$
Net loss/income for the period	(34,962)	(24,891)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
Depreciation and amortisation	36,110	35,642
Unrealised (gains) / losses on investments	26,540	-
Capitalised investment revenue	(21,709)	(50,293)
Capitalised investment expenses	3,168	2,766
changes in operating assets and liabilities:		
(Increase)/decrease in trade and term receivables	(36,397)	(162,414)
(Increase)/decrease in prepayments and other current assets	1,314	(51)
Increase/(decrease) in trade payables and accruals	233,981	249,537
Increase/(decrease) in other liabilities	(1,685,225)	2,470,128
Increase/(decrease) in provisions	831	1,850
Cashflow from operations	(1,476,349)	2,522,274

16 Auditors' Remuneration

	2012 \$	2011 \$
Remuneration of the auditor of the parent entity for:		
- Auditing or reviewing the financial report	9,000	9,000

Abbeyfield Australia Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2012

17 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	
	2012 %	2011 %	2012 \$	2011 \$	2012 \$	2011 \$
Financial Assets:						
Cash and cash equivalents	3	3	2,649,587	4,170,647	132,878	128,362
Receivables	-	-	-	-	-	-
Investments	-	-	187,173	202,499	-	-
Total Financial Assets			2,836,760	4,373,146	132,878	128,362
Financial Liabilities:						
Trade and sundry payables	-	-	-	-	-	-
Non current payables	-	-	-	-	-	-
Total Financial Liabilities			-	-	-	-
			Non-interest Bearing		Total	
			2012 \$	2011 \$	2012 \$	2011 \$
Financial Assets:						
Cash and cash equivalents			273	273	2,782,738	4,299,282
Receivables			59,230	53,668	59,230	53,668
Investments			-	-	187,173	202,499
Total Financial Assets			59,503	53,941	3,029,141	4,555,449
Financial Liabilities:						
Trade and sundry payables			460,438	479,277	460,438	479,277
Non current payables			2,121,399	2,124,054	2,121,399	2,124,054
Total Financial Liabilities			2,581,837	2,603,331	2,581,837	2,603,331

(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 2012

17 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 was the company policy to hold investments in an Endowment fund managed by the ANZ Trustees. In July 2012, the investment was realised and is now to be managed by the directors in accordance with an adopted investment policy.

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 2012 is \$2,121,399 (2011: \$2,124,055) please refer to note 10. 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 engaged ANZ Trustees to July 2012 to advise and manage the investment portfolio. The Board 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 2012

18 Capital and Leasing Commitments

(a) Operating Lease Commitments

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

	2012	2011
	\$	\$
Payable - minimum lease payments		
- not later than 12 months	1,225	1,225
Total	1,225	1,225

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, Victoria
Dingley	Sub-lease with Victorian State Government
Garran	Sub-lease with ACT Government
Glenorchy	Lease with Glenorchy City Council, Tasmania
Melton	Sub-lease with Melton City Council, Victoria
Waverley	Sub-lease with Victorian State Government

(b) Capital Expenditure Commitments

Capital expenditure commitments contracted for:

Purchase and building expenses for the Goulburn property	164,198	1,146,079
Purchase and building expenses for the Narrabri property	2,327,059	2,559,807
Total	2,491,257	3,705,886

19 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 Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2012

20 Members' Guarantee

The company is limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of \$10 each towards any outstanding obligations of the company. At the date of signing the annual report the company had 92 members including 26 affiliated local Abbeyfield Societies, which are now members of Abbeyfield Australia Ltd in their own right. (2011: 96).

21 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 Ltd.

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:

Abbeyfield Australia Ltd

Notes to the Financial Statements

For the Year Ended 30 June 2012

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"> - Clarification of the definition of a related party - Requirement to disclose commitments to related parties - Disclosure exemptions for government-related entities 	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"> - Changes to the classification and measurement requirements for financial assets and financial liabilities. - New rules relating to derecognition of financial instruments. 	The impact of AASB 9 has not yet been determined.
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: <ul style="list-style-type: none"> - 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 33, 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 2012 and of the performance as represented by the results of their operations, changes in equity and their cash flows, for the year ended on that date of the company.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Director: Gay Gardner AO, Chairman

6 November 2012



Director: David Kay, Treasurer

6 November 2012

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 2012, 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

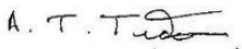
In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Abbeyfield Australia Ltd on 29 September 2010, would be in the same terms if provided 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 2012 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 Pty Ltd



Mr Alan T Tudor FCA

Dated 6th November 2012

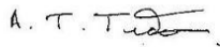
385 Hawthorn Road
Caulfield Victoria 3162

Liability limited by a scheme approved under Professional Standards Legislation

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2012 there has 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 Pty Ltd

A handwritten signature in black ink, appearing to read 'A. T. Tudor' with a stylized flourish at the end.

Mr Alan T Tudor FCA

Dated: 6th November 2012

385 Hawthorn Road
Caulfield Victoria 3162

Liability limited by a scheme approved under Professional Standards Legislation

Abbeyfield local societies and branches

Australian Capital Territory

- Abbeyfield Society (disAbility) ACT, 31 Throssell Street, Curtin 2605
- Abbeyfield Society (ACT), 75 Wakefield Gardens, Ainslie, 2602 and 15 Stephens Place, Garran, 2605

New South Wales

- Charingfield, Charingfield Limited NSW, 282A Bronte Road, Waverley 2024
- Abbeyfield 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
- Sydney Inner West Abbeyfield Australia Branch, 1 Albion Street, Annandale, 2038

Queensland

- Abbeyfield Society (Babinda), Hospital Street, Babinda 4861

South Australia

- Abbeyfield Society (District of Barossa), Memorial Drive, Williamstown 5351
- Abbeyfield Society (Marion), 5 St Lawrence Avenue, Edwardstown 5039
- Abbeyfield Society (Mt Gambier & district), 15 Francis Street, Mt Gambier, 5290

Tasmania

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

Victoria

- Abbeyfield Australia – Castlemaine Branch, PO Box 178, Castlemaine Vic 3450
- Abbeyfield Society (Croydon/Ringwood), 1 Trawalla Road, Croydon, 3136
- Abbeyfield Society (Dingley Village), 267 Spring Road, Dingley Village, 3172
- Abbeyfield Society (Frankston), 6 Nukara Court, Frankston, 3199
- Abbeyfield Society (St Joseph's Community), 41-43 Stanhope Street, Malvern, 3144
- Abbeyfield Society (Malvern), 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