



ANNUAL REPORT

2023

OUR VISION AND MISSION

Our vision is for people to have the choice of living in Abbeyfield housing which supports their independence and life choices.

Our mission is to ensure the sustainability and development of Abbeyfield housing..



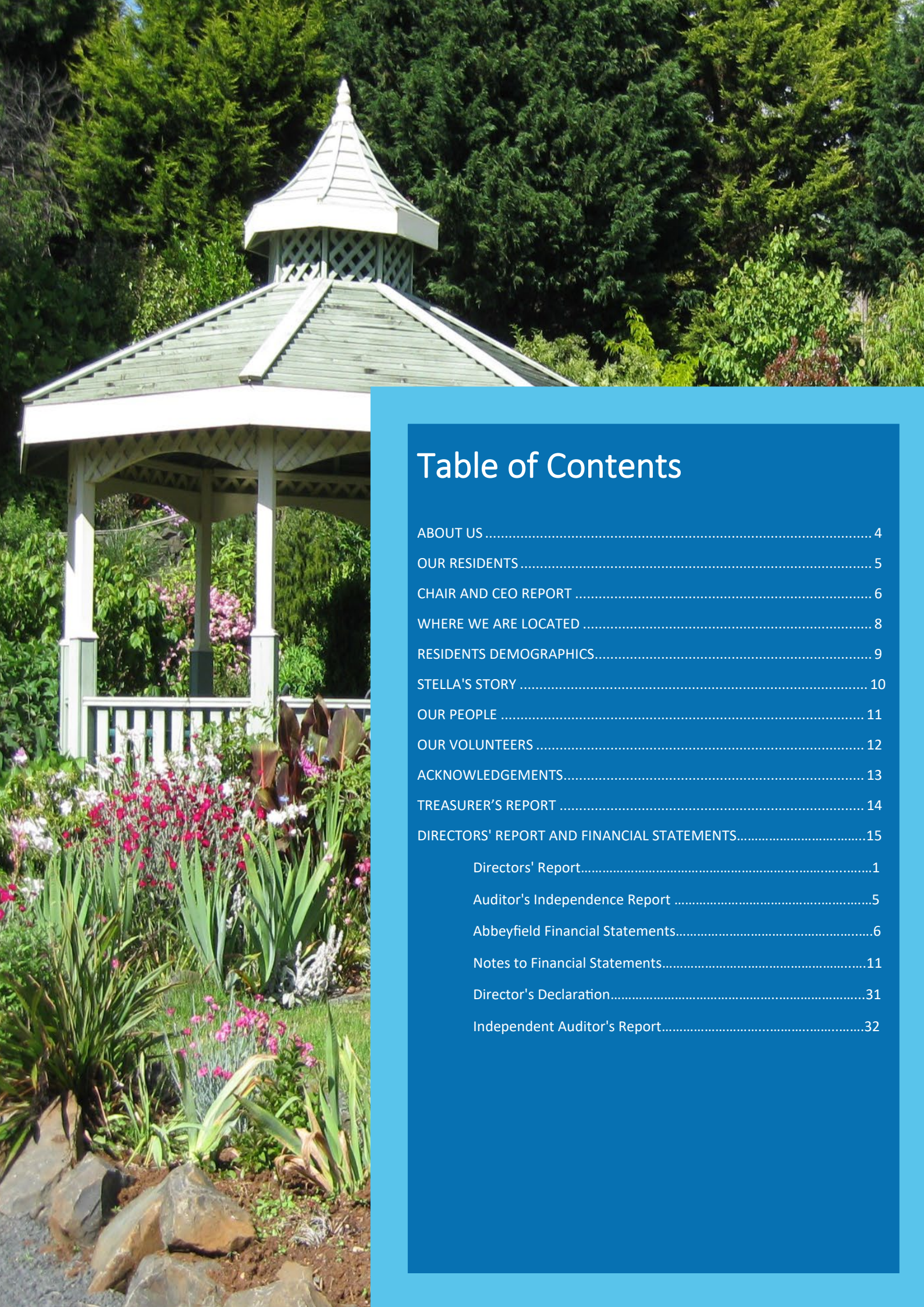


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The Abbeyfield model of assisted housing commenced in the United Kingdom in the 1950's and Abbeyfield Australia opened its first house in Melbourne in the early 1980's. For over 40 years our approach has been to assist local communities to provide a locally managed solution for a local community housing need.

Abbeyfield Australia is a national not-for-profit registered community housing provider established to assist local communities in providing a solution to community housing. We are committed to the development of sustainable community based housing nationally. An Abbeyfield House is a large house but it is not an institution or a facility. It is an ordinary house in an ordinary street. An Abbeyfield House is a group house in which residents live independently within a shared supportive environment.

Abbeyfield Australia's corporate office is in Melbourne and we are supported by house committees and volunteers nationally. Together we provide a niche, cost effective community housing alternative to communities.

Abbeyfield Australia is:

- a not for profit company limited by guarantee and registered with the Australian Charities and Not For Profit Commission
- a public benevolent institution with Deductible Gift Recipient Status



OUR RESIDENTS

Our residents are generally over 55 years of age who can no longer afford to rent a home and prefer assisted, independent living. Some of our Abbeyfield houses can also accommodate younger adults with mild intellectual disabilities who wish to share with others.

An Abbeyfield House is a group house in which residents live independently within a shared supportive environment. Our residents 'come and go' as they please, socialise with other residents as much as desired, enjoy the support of a housekeeper and remain engaged with the community. Each house has 10 bedrooms with communal lounge, dining, and laundry areas.

Abbeyfield housing is based on an 'assisted independent living' philosophy and residential concept where:

- all residents enjoy individual private suites, comprising a bedroom and ensuite
- residents share a comfortable lounge room, dining room, garden, and laundry.
- nutritious meals are cooked onsite by the housekeeper
- maintenance and house costs are covered by Abbeyfield Australia

The benefits and impact on the overall life of residents afforded by an Abbeyfield House include:

- affordable, supportive, safe and long-term secure accommodation
- greater independence for older residents and increased opportunity for young adults with disabilities to leave their parents' home
- enhanced social relationships and companionship
- increased community participation and lessening of isolation for people living in areas with limited access to lifestyle and social relationship choices
- increased capacity to make choices and be involved in decision making
- increased opportunities to increase skills and activities of daily living
- increased ability to remain in their home town / community rather than having to relocate to another area to access appropriate accommodation
- enhanced relationships with family members who no longer have to carry the burden of care and concerns.



Abbeyfield Residents celebrating birthdays together.



We are pleased to present Abbeyfield Australia's 2023 Annual Report which confirms the organisation's year of consolidation and stability and sets the groundwork for future opportunities.

New investment strategy implemented

During the year, the Board established an investment committee and charter, and approved an investment strategy to lay a foundation of financial security and stability. The investment committee with the help of Andrew Moylan, an Abbeyfield Australia life member and former Treasurer met regularly during the year and implemented and executed Abbeyfield Australia's investment strategy, placing investments in a measured way over a range of diverse sectors.

Our objective is to provide opportunity and flexibility for the future in the medium to long term.

Abbeyfield disability services launched

Abbeyfield launched its Abbeyfield NDIS services program consistent with Abbeyfield principles following its NDIS registration approval. The successful rollout of this program continues across a majority of Abbeyfield Australia's disability houses.

A period of consultation and presentations with residents, families and carers was undertaken during the year as new arrangements were discussed and established with Abbeyfield residents in most of our disability houses.

The prospect of further and additional support and services to residents will follow a period of transition of the program's implementation.

Unification complete

Abbeyfield Australia's full unification was achieved during and subsequent to the financial year end with the Abbeyfield Melton and Abbeyfield Garran affiliated local societies joining by merger, and Abbeyfield Australia taking over the operations of the Abbeyfield Wagga Wagga house.

The final phase of the restructure is well underway, with the liquidation of the merged local societies by PwC.

New website developed

Our new website was developed and launched, providing a simpler and more accessible format with more information for potential Abbeyfield residents and other stakeholders. Development of our website continues to evolve, as more information on vacancies and Abbeyfield house layouts and picture galleries are introduced.

Together with our Abbeyfield colleagues and family across the globe in the United Kingdom, Belgium,

Abbeyfield World Council established

Together with our Abbeyfield colleagues and family across the globe in the United Kingdom, Belgium, Canada, New Zealand and South Africa work on the establishment of the Abbeyfield World Council was completed.

The Abbeyfield World Council is a newly registered charitable organisation with its office in the United Kingdom. The Council will oversee Abbeyfield's guiding principles and lead the broader strategic initiatives of the Abbeyfield family globally.

Abbeyfield Australia is a foundation member of the Abbeyfield World Council, with our Chair, Nandi Segbedzi, being appointed as Abbeyfield Australia's nominee and inaugural representative on the Council's Board of Directors and Trustees.

Conclusion

Thank you to the Abbeyfield Australia management team and our housekeepers for your support, drive and dedication to our Board, house committee members, volunteers and our Abbeyfield residents.

Finally, thanks to all house committee members, branch local committees and the many Abbeyfield volunteers and supporters and our Board for your commitment and effort to help make our Abbeyfield residents lives better.

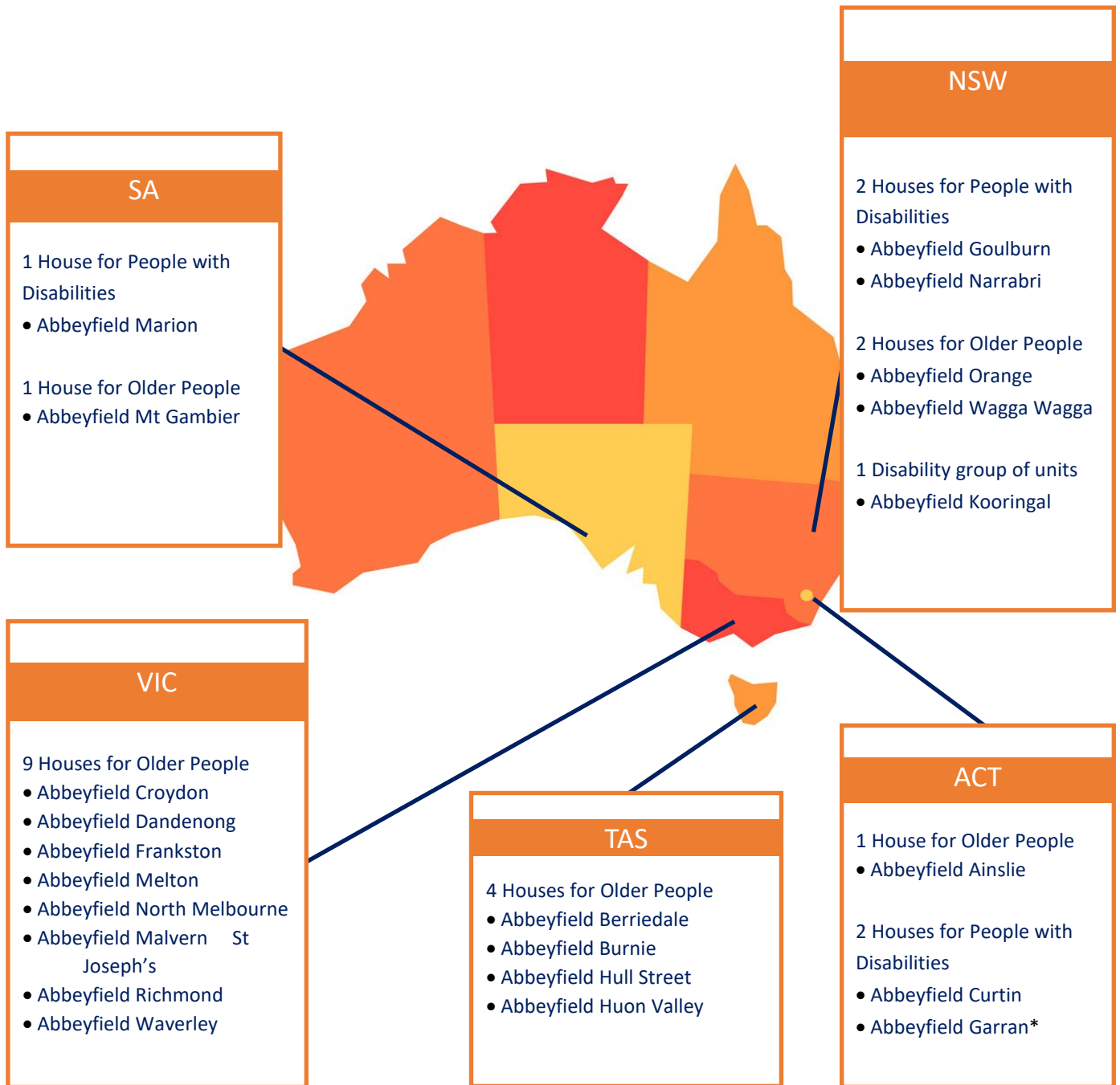


Nandi Segbedzi
Chair

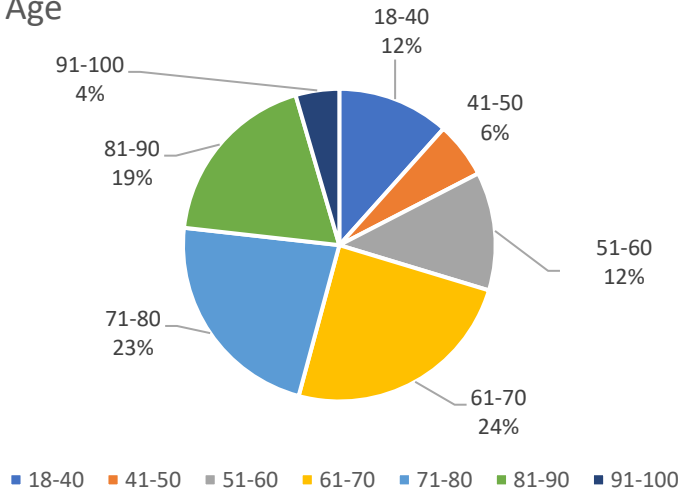


Dimitri Kiriacoulacos
Chief Executive Officer

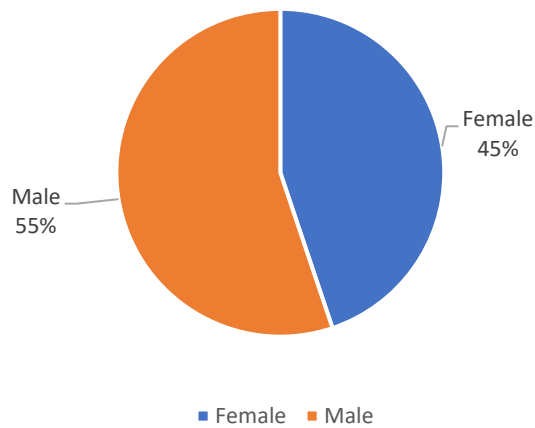
WHERE WE ARE LOCATED



Our Residents - Age



Our Residents - Gender



260: the Number of residents in Abbeyfield Houses in Victoria, Tasmania, South Australia, New South Wales and ACT.



In 1972 Stella Moved to Australia from Yorkshire England with her Husband and two kids.

When they first arrived in Sydney, they found shelter in a refuge home with their children as they didn't have the means to provide a home right away. The hostel would mind the kids while Stella and Micheal worked hard to save money for their new life here in Australia. Stella found a job selling wigs. Needless to say, with her amazing charm and experience as a professional hairdresser, Stella fast became their bestselling employee making this one of the best paying jobs she has had.

After about 6 years they moved from the suburbs of Sydney for a coastal change in Queensland. They called QLD their home for the next 35 years and had a wonderful life as they watched their children grow. Sadly, Stella lost her beloved husband in 2010 leaving her feeling very lost. Bereaved and disheartened Stella struggled to live without her dear husband.

Stella's daughter looked after her as she battled depression and helplessness for years. Her daughter was wanting to go away and was worried about her mother being left alone, so Stella came to stay with us at Abbeyfield for a period of two weeks. During this time Stella feel in love with the gardens, people and ideology that make Abbeyfield a home for many.

The time came for Stella return home and she said "I don't want to go this feel like home".

Stella has now been living in an Abbeyfield house for 12 years. Everyone that comes to know Stella, knows she is as Bubbly and fun as her favourite drink, Champagne.

Stella loves the flexibility that independent living allows her, she is very social and enjoys walking to the shops and days out with her best friend. As well as sipping on champagne with her Abbeyfield lunches Stella enjoys going to the gym and catching the bus to the city.

In her 51 years in Australia Stella now has 6 grandkids and 6 great grand kids. With her eagerness, determination and active living she is looking forward to living independently in an Abbeyfield house for years to come.

*Names and some identifying details changed.

Our greatest asset is our people. Abbeyfield Australia comprises of a team of passionate and dedicated people who work to provide affordable, secure and supportive group housing for Abbeyfield residents.

Management

Dimitri Kiriacoulacos	Chief Executive Officer
Rob Sprajla	Treasurer
Nancy Trajcevski	Operations Manager
Angela Babari	Administration
Jenelle Runciman	Finance Officer

Housekeepers

Abu Chaleh	Isabelle Blackadder	Marianne Bradley
Afroditi (Di) Tsohas	Jamie Smith	Marie Symon
Agnes Nabanoba	Janice West	Marriane Rainbird
Agnes Watkins	Jayne Fletcher	Mavis Hayes
Allysha Crawford	Jianxia (Samantha) Zhu	May Cause
Amanda Humphries	Jill Charles	Melany- Sue Ranger
Amie Kelly	Joanne Paterson	Melissa Leggett
Anne Pitcher	Kasie Duke	Michael Bishop
Annette Nichols	Kathleen Fiegert	Miriam Fletcher
Beryl Allcorn	Kathy Bevis	Narelle Jeffrey
Binesh Joseph	Kaye McLaren	Noel Porter
Carol Carroll	Kayla Grace Collett	Patricia Wood
Carol McLaren	Kellie- Jayne Downey	Penelope Burbury
Cassandra Chisholm	Kelly Cowen	Ruth Austick
Cathy Carden	Kevin Bishop	Sarah Schreurs
Charlie Angela	Khatijatussalihah (Shelly)	Simon Greenhalgh
Dan Robinson	Shelly	Stephanie Hook
Debbie Kim	Kifah Farhan	Suzanne Milligan
Deborah Brown	Kimberlea Arnold	Tanya O'Neil
Dianne Johnson	Leata Stewart	Terri - Anne Parker
Dorothy Moorby	Leonie Schutz	Tracy Lincoln
Esraa Taha	Lindy Booth	Tshering Tobgay
Fiona Whitaker	Lorraine Bourchier	Wendy Bremner
Georgia Robinson	Lupe Wolfgramm	Yvette Blackmont
Heidi Pridham	Maeva Lereverend	
Iris Attenborough	Maria Glanvill	

* as at 2 May 2024

Abbeyfield's volunteers exemplify our mission to sustainably develop Abbeyfield houses, partnering with Abbeyfield Australia's team are a passionate and dedicated group of people who work voluntarily to provide affordable, secure and supportive group housing for Abbeyfield residents.

This year over 65 volunteers served and supported our residents. Our volunteer House Committees are as diverse in age, culture and background as the roles they undertake. They bring different skills, knowledge and experience and are united in believing in the everyone deserves to live in secure, safe and affordable accommodation.

Abbeyfield Waverley - Brian Norton

Brian Norton was an integral part of the original planning committee in 1986 for the development of our Abbeyfield Waverley house and, he continued his service on the committee until 2019. Brian held a great affection for the house, the residents and the staff, and gave over 30 years to support this community.

His contribution was long and given freely with love, he was a fixer, a solver of problems, a cleaner of fans, a support with the veggie garden and a good listener. He enjoyed the outings in the bus or cars to the pub for lunches, and other spots for a day's leisure activity. With his extensive business experience Brian worked well with tradesmen, organised painting, air conditioning, phones and the refurbishments to the Housekeepers flat.

Sadly he passed away prior to the Covid Pandemic. A memorial garden has been dedicated to Brian, for all his work in establishing and maintain the Abbeyfield Waverly House.



ACKNOWLEDGEMENTS

We would like to acknowledge the following partners for their kind support throughout the financial year – as well as other kind donors, including those who have chosen to remain anonymous.

ACT Housing	Inner North Community Foundation
Alfred Deakin	Huon Valley Council
Ansell Strategic	Irene Oreman
Banjós Huonville	Joanna Quinn
B & M Osborne	Jacquai and John Landos
B W Griggs & Sons	K&L Gates
Bernice Dickins	Kathleen Fiegert
Berriedale RSL	Narrabri Shire Council
Bunnings Edwardstown	Northwest Motor Cycle Club
Bunnings Frankston	Orange Ex Services club (RSL)
Bunnings Marion	Reid Fruits
Bunnings Narrabri	The Department of Family and Community Services
Commonwealth Bank North Melbourne	The NSW Registrar of Community Housing
Corrs Chambers Westgarth	The Peggy Charitable Foundation
Cripps Bakery	The Tasmanian Department of Health and Human Services
Department of Communities Tasmania	The Victorian Department of Human Services (DHS)
Department of Industry	The William Angliss (Victoria) Charitable Fund
Estate of Francis Chen	Toni Macdonald
Goulburn Workers Club	Various Anonymous donors

Abbeyfield Australia gratefully acknowledges the ongoing support of the Victorian, Tasmanian, ACT and NSW State Governments, Local Councils, which have enabled us to deliver much needed, affordable community housing.



The company's financial statements give members and other stakeholders a transparent view of Abbeyfield Australia's financial performance and position. Abbeyfield Australia's key financial focus during the 2023 financial year was to further consolidate all the hard work that went into the restructure and merger to establish a new unified Abbeyfield Australia, generate income from investments and term deposits and lay the ground work for our new Abbeyfield NDIS services.

The Statement of profit or loss shows a profit for the year of \$155,567 (2022: \$308,020 profit).

The profit includes \$124,540 for funds received from the restructure and merger and several related additional expenses that are not readily quantifiable.

The Statement of financial position remains very healthy and includes over \$5.0 million in cash reserves and investment holdings that can be readily converted into cash. The Board established an investment committee in 2022 and commenced placing investments during the 2023 financial year in accordance with a Board approved investment charter. This included \$1.0 million in term deposits and other investments in direct shares and index funds of \$3.2 million with returns comprising \$57,000 dividend income, \$25,000 interest and \$147,000 of unrealised gains on the direct shares and index funds.

Finally, many thanks to the management and staff for the valuable contribution made to the organisation during the year.

A handwritten signature in blue ink, appearing to read 'R Spralja'. The signature is fluid and cursive, written over a white background.

Robert Spralja B Bus, CPA
Treasurer

Directors' Report and Financial Statements

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Abbeyfield Australia Limited
ABN 91 005 954 905

Annual Report - 30 June 2023

The directors present their report, together with the financial statements, on Abbeyfield Australia Limited (referred to hereafter as the 'company' or 'entity') for the year ended 30 June 2023.

Directors

The following persons were directors of Abbeyfield Australia Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Ms Nandi Segbedzi (Chair)
Mr David Hawker
Mr Scott Samson
Mr Robert Spralja
Mr Paul Walec (resigned 12 October 2023)
Mr David Kay
Ms Dianne Moore
Ms Helen Small
Ms Serena Wilson (resigned 16 November 2022)

Objectives

The short-term objective of the company is to ensure the sustainability and development of Abbeyfield housing.

The long-term objective is to provide people with the choice of living in Abbeyfield housing which supports their independence and life choices.

Strategy for achieving the objectives

Abbeyfield Australia is undertaking a strategic review and has engaged the assistance of an external strategic adviser which will include the development of an updated strategic plan, following the implementation of Abbeyfield Australia's previous merger and restructure strategic objectives and plan, establishment of a framework to assess and explore growth opportunities and the development of a clear service model.

Principal activities

The principal activity of Abbeyfield Australia during the financial year was based on an 'assisted independent living' Abbeyfield philosophy to provide affordable, secure and supportive group housing for older people in need and adults with mild disabilities. More specifically to provide, operate and manage housing and accommodation of all kinds for the relief, maintenance 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.

Performance measures

The company measures its performance on a number of factors including the execution and implementation of its merger and restructure strategic objectives and plan, transition and integration of previous affiliated Abbeyfield local societies and operations, financial and operational metrics including the maintenance of resident occupancy and resident satisfaction surveys.

Information on current directors

Name:	Nandi Segbedzi
Title:	Chair
Qualifications:	Bachelor of Arts (Hons) Bachelor of Laws Australian Institute of Company Directors
Experience and expertise:	Nandi has over 17 years of experience in employment and workplace relations and law and also as a member of the Victorian Bar.
Special responsibilities:	Investment Committee Member Abbeyfield International Council of Chairs Representative

Information on current directors (continued)

Name: David Hawker
Title: First Vice Chairman
Qualifications: Bachelor of Engineering
Australian Institute of Company Directors
Experience and expertise: David has 27 years' experience as the Member for Wannon in the Commonwealth Parliament including four years as Speaker of the House of Representatives.
Special responsibilities: None

Name: Scott Samson
Title: Second Vice Chairman
Qualifications: Bachelor of Letters (Hons)
Bachelor of Laws
Bachelor of Arts
Experience and expertise: Scott is a senior legal, corporate and public sector executive with a high level of government experience, government and media relations and public policy development.
Special responsibilities: None

Name: Robert Spralja
Title: Director and Treasurer
Qualifications: Bachelor of Business (Accounting)
Certified Practising Accountant
Chartered Tax Advisor
Experience and expertise: Robert is a qualified CPA and has operated his own accountancy and business services practice for over 20 years.
Special responsibilities: Investment Committee Member

Name: David Kay
Title: Director
Qualifications: None
Experience and expertise: David has served on a Tasmanian Ministerial advisory committee, been a Director of the Australian Institute of Credit Management and held a number of senior administrative positions in commerce and Local Government.
Special responsibilities: None

Name: Dianne Moore
Title: Director
Qualifications: Bachelor of Commerce (Accounting and Human Resources)
Advanced Diploma of Business (Accounting)
Certificate in Vocational Studies
Experience and expertise: Dianne is a senior executive with a background in managing finance, human resources, information technology and administration functions of several not for profit organisations in the health and welfare sectors.
Special responsibilities: None

Information on current directors (continued)

Name: Helen Small
 Title: Director
 Qualifications: Master of Management (Health Services)
 Graduate Diploma of Occupational Health and Safety
 Diploma of Fine Art
 Diploma of Health
 Experience and expertise: Helen is a senior executive and has worked in the aged care, community housing, disability and homelessness services sectors.
 Special responsibilities: None

Company secretary

Paul Walec held the role of Company Secretary from 29 January 2022 to 12 October 2023. No Company Secretary has been appointed as of the date of this report.

Meetings of directors

	Full Board		Investments Committee	
	Attended	Held	Attended	Held
Nandi Segbedzi	2	2	25	25
David Hawker	2	2	-	-
Scott Samson	2	2	-	-
Robert Spralja	2	2	25	25
Paul Walec	1	2	25	25
David Kay	2	2	-	-
Dianne Moore	2	2	-	-
Helen Small	2	2	-	-
Serena Wilson	-	-	-	-

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Contributions on winding up

In the event of the company being wound up, ordinary members are required to contribute a maximum of \$10 each. Honorary members are not required to contribute.

The total amount that members of the company are liable to contribute if the company is wound up is \$770, based on 77 current ordinary members.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

Auditor

RSM Australia Partners continues in office in accordance with section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of the director, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the directors



Nandi Segbedzi
Director

2 May 2024
Melbourne

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Abbeyfield Australia Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Rsm

RSM AUSTRALIA PARTNERS

A handwritten signature in black ink that reads "K J Dundon".

K J DUNDON
Partner

Dated: 2 May 2024
Melbourne, Victoria

Abbeyfield Australia Limited
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General information

The financial statements cover Abbeyfield Australia Limited as an individual entity. The financial statements are presented in Australian dollars, which is Abbeyfield Australia Limited's functional and presentation currency.

Abbeyfield Australia Limited is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business are:

4/860 Doncaster Road
Doncaster East VIC 3109

A description of the nature of the entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 2 May 2024. The directors have the power to amend and reissue the financial statements.

Abbeyfield Australia Limited
Statement of profit or loss and other comprehensive income
30 June 2023



	Note	2023	2022
		\$	\$
Revenue	3	3,255,196	2,780,404
Other income	4	850,952	612,066
Expenses			
Administrative expenses	5	(504,136)	(351,683)
Employee benefits expense	5	(1,974,389)	(1,537,296)
Depreciation and amortisation expense	5	(342,624)	(216,084)
Finance costs	5	(6,738)	(8,624)
House expenses	5	(1,122,694)	(970,763)
Surplus for the year		155,567	308,020
Other comprehensive income for the year		-	-
Total comprehensive income for the year attributable to the members of Abbeyfield Australia Limited		155,567	308,020

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Abbeyfield Australia Limited
Statement of financial position
30 June 2023



	Note	2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents	6	485,502	4,686,884
Financial assets	7	4,546,852	-
Trade and other receivables	8	144,731	319,728
Total current assets		<u>5,177,085</u>	<u>5,006,612</u>
Non-current assets			
Financial assets	7	16,500	16,500
Property, plant and equipment	9	11,958,654	12,077,018
Right-of-use assets	10	107,515	149,632
Total non-current assets		<u>12,082,669</u>	<u>12,243,150</u>
Total assets		<u>17,259,754</u>	<u>17,249,762</u>
Liabilities			
Current liabilities			
Trade and other payables	11	215,485	253,789
Contract liabilities	12	59,746	52,702
Employee benefits	13	197,778	142,104
Borrowings	14	11,569	12,236
Lease liabilities	15	46,084	42,311
Total current liabilities		<u>530,662</u>	<u>503,142</u>
Non-current liabilities			
Trade and other payables	11	6,955,224	7,087,288
Employee benefits	13	21,769	10,716
Borrowings	14	11,137	17,137
Lease liabilities	15	76,500	122,584
Total non-current liabilities		<u>7,064,630</u>	<u>7,237,725</u>
Total liabilities		<u>7,595,292</u>	<u>7,740,867</u>
Net assets		<u>9,664,462</u>	<u>9,508,895</u>
Equity			
Reserves	16	4,285,271	4,285,271
Retained surpluses	17	5,379,191	5,223,624
Total equity		<u>9,664,462</u>	<u>9,508,895</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Abbeyfield Australia Limited
Statement of changes in equity
30 June 2023



	Asset revaluation reserve \$	Capital grants reserve \$	Retained surpluses \$	Total equity \$
Balance at 1 July 2021	4,285,271	481,216	4,162,810	8,929,297
Adjustment for correction to merger funds	-	-	271,578	271,578
Balance at 1 July 2021 - restated	4,285,271	481,216	4,434,388	9,200,875
Surplus for the year	-	-	308,020	308,020
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	308,020	308,020
Transfers	-	(481,216)	481,216	-
Balance at 30 June 2022	4,285,271	-	5,223,624	9,508,895
	Asset revaluation reserve \$	Capital grants reserve \$	Retained earnings \$	Total equity \$
Balance at 1 July 2022	4,285,271	-	5,223,624	9,508,895
Surplus for the year	-	-	155,567	155,567
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	155,567	155,567
Balance at 30 June 2023	4,285,271	-	5,379,191	9,664,462

The above statement of changes in equity should be read in conjunction with the accompanying notes

Abbeyfield Australia Limited
Statement of cash flows
30 June 2023



	2023	2022
	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	4,139,747	3,379,781
Payments to suppliers and employees (inclusive of GST)	<u>(3,836,407)</u>	<u>(2,904,208)</u>
	303,340	475,573
Interest received	11,165	4,301
Dividends received	57,011	-
Donations received	63,303	44,189
Grants received	1,500	37,627
Interest paid on lease liabilities	<u>(6,738)</u>	<u>(8,624)</u>
Net cash from operating activities	<u>429,581</u>	<u>553,066</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(182,143)	(310,444)
Payments for investments	(4,400,090)	-
Proceeds from disposal of investments	<u>-</u>	<u>278,920</u>
Net cash used in investing activities	<u>(4,582,233)</u>	<u>(31,524)</u>
Cash flows from financing activities		
Proceeds from repayment of local society loans	248	117,319
Repayment of external borrowings	(6,000)	(6,000)
Repayment of lease liabilities	<u>(42,311)</u>	<u>(38,766)</u>
Net cash (used in)/from financing activities	<u>(48,063)</u>	<u>72,553</u>
Net increase/(decrease) in cash and cash equivalents	(4,200,715)	594,095
Cash and cash equivalents at the beginning of the financial year	<u>4,680,648</u>	<u>4,086,553</u>
Cash and cash equivalents at the end of the financial year	<u>479,933</u>	<u>4,680,648</u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the entity.

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB'), the *Australian Charities and Not-for-profits Commission Act 2012* and Victorian legislation the *Fundraising Act 1998* and associated regulations and the *Corporations Act 2001*, as appropriate for not-for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements 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 in note 2.

Revenue recognition

The company recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Note 1. Significant accounting policies (continued)

Revenue recognition (continued)

Donations

Donations are recognised at the time the pledge is made.

Grants

Grant revenue is recognised in profit or loss when the company satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before the company is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other income

Other income is recognised when it is received or when the right to receive payment is established.

Government grants

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Income tax

As the company is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

Note 1. Significant accounting policies (continued)

Trade and other receivables

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Contract assets

Contract assets are recognised when the company has transferred goods or services to the customer but where the company is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Note 1. Significant accounting policies (continued)

Property, plant and equipment

Land and buildings are shown at fair value, based on periodic, at least every 5 years, valuations by external independent valuers, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. 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. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a diminishing value basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Buildings	40 years
Leasehold improvements	3-10 years
Plant and equipment	3-10 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Note 1. Significant accounting policies (continued)

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Contract liabilities

Contract liabilities represent the company's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the company recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the company has transferred the goods or services to the customer.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Note 1. Significant accounting policies (continued)

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at 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 corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Goods and Services Tax ('GST')

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Determination of variable consideration

Judgement is exercised in estimating variable consideration which is determined having regard to past experience with respect to the goods returned to the entity where the customer maintains a right of return pursuant to the customer contract or where goods or services have a variable component. Revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised under the contract will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Estimation of useful lives of assets

The entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

	2023	2022
	\$	\$
Note 3. Revenue		
<i>Revenue from contracts with customers</i>		
Resident fees	3,159,632	2,683,192
Other resident income	1,125	2,822
	<u>3,160,757</u>	<u>2,686,014</u>
<i>Other revenue</i>		
Donations	63,303	44,189
Affiliation levies	30,916	49,822
Membership fees	220	379
	<u>94,439</u>	<u>94,390</u>
	<u>3,255,196</u>	<u>2,780,404</u>

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

Geographical regions

Australia	<u>3,160,757</u>	<u>2,686,014</u>
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Note 4. Other income

Interest income	25,096	4,301
Investment income	-	2,247
Dividend income	57,011	-
Rental income	35,209	18,997
Insurance income	90,204	18,175
Grant income	1,500	37,627
Merger funds received	149,232	335,987
Fair value gain on investments	146,762	-
Other income	<u>345,938</u>	<u>194,732</u>
	<u>850,952</u>	<u>612,066</u>

Note 5. Expenses

Surplus for the year includes the following specific expenses:

Administrative expenses

Travel and accommodation	11,626	10,872
Insurance costs	178,172	119,853
Consulting expenses	25,626	19,776
Professional fees	139,040	129,648
Operating costs	67,653	15,486
Restructure costs	18,207	-
Other administrative expenses	<u>63,812</u>	<u>56,048</u>
Administrative expenses	<u>504,136</u>	<u>351,683</u>

	2023 \$	2022 \$
Note 5. Expenses (continued)		
<i>Employee benefits expense</i>		
Salaries and wages	1,688,772	1,336,503
Defined contribution superannuation expense	166,723	121,395
Other employee benefits expense	118,894	79,398
	<hr/>	<hr/>
Employee benefits expense	1,974,389	1,537,296
<i>Depreciation and amortisation expense</i>		
Depreciation of property, plant and equipment	300,507	173,967
Depreciation of right-of-use assets	42,117	42,117
	<hr/>	<hr/>
Depreciation expense	342,624	216,084
<i>Finance costs</i>		
Interest and finance charges paid/payable on lease liabilities	6,738	8,624
	<hr/>	<hr/>
Finance costs expensed	6,738	8,624
<i>House expenses</i>		
Council rates	29,874	21,168
Housekeeping expenses	524,304	449,564
Owner's corporation fees	5,338	4,185
Security and fire monitoring	34,265	39,057
Maintenance and repairs	210,828	173,297
Utilities	280,348	242,433
Other house expenses	37,737	41,059
	<hr/>	<hr/>
House expenses	1,122,694	970,763
Note 6. Cash and cash equivalents		
Cash at bank	410,502	4,636,884
Cash on deposit	75,000	50,000
	<hr/>	<hr/>
	485,502	4,686,884
<i>Reconciliation to cash and cash equivalents at the end of the financial year</i>		
The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:		
Balances as above	485,502	4,686,884
Credit cards (note 14)	(5,569)	(6,236)
	<hr/>	<hr/>
Balance as per statement of cash flows	479,933	4,680,648
	<hr/>	<hr/>

	2023 \$	2022 \$
Note 7. Financial assets		
<i>Current</i>		
Listed ordinary shares - designated at fair value through profit or loss	3,546,852	-
Term deposits	1,000,000	-
	<u>4,546,852</u>	<u>-</u>
<i>Non-Current</i>		
Bonds	16,500	16,500
	<u>16,500</u>	<u>16,500</u>
Note 8. Trade and other receivables		
Trade receivables	51,079	246,621
Franking credits	13,931	-
Prepayments	38,509	38,805
Accrued income	11,733	18,344
GST receivable	29,479	15,958
	<u>144,731</u>	<u>319,728</u>
Note 9. Property, plant and equipment		
Freehold land - at valuation	4,260,000	4,260,000
Buildings and improvements - at fair value	9,772,397	9,728,813
Less: Accumulated depreciation	<u>(2,308,607)</u>	<u>(2,039,995)</u>
	7,463,790	7,688,818
Plant and equipment - at cost	345,567	207,008
Less: Accumulated depreciation	<u>(110,703)</u>	<u>(78,808)</u>
	234,864	128,200
	<u>11,958,654</u>	<u>12,077,018</u>

Note 9. Property, plant and equipment (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Land	Buildings and	Plant and	Total
	\$	improvements	equipment	\$
		\$	\$	
Balance at 1 July 2021	3,665,000	4,808,222	42,319	8,515,541
Additions	595,000	3,042,659	97,785	3,735,444
Depreciation expense	-	(162,063)	(11,904)	(173,967)
Balance at 30 June 2022	<u>4,260,000</u>	<u>7,688,818</u>	<u>128,200</u>	<u>12,077,018</u>

	Land	Buildings and	Plant and	Total
	\$	improvements	equipment	\$
		\$	\$	
Balance at 1 July 2022	4,260,000	7,688,818	128,200	12,077,018
Additions	-	43,584	138,559	182,143
Depreciation expense	-	(268,612)	(31,895)	(300,507)
Balance at 30 June 2023	<u>4,260,000</u>	<u>7,463,790</u>	<u>234,864</u>	<u>11,958,654</u>

Valuation of land and buildings

The basis of the valuation of land and buildings is fair value. The land and buildings were last revalued on 30 June 2021 based on independent assessments by Herron Todd White. The directors do not believe that there has been a material movement in fair value since the revaluation date. Valuations are based on current prices for similar properties in the same location and condition.

Dandenong land and buildings

On 28 March 1996 Abbeyfield Australia entered into an agreement with the Victorian Government to fund the purchase of land and buildings at Menzies Avenue, Dandenong, Victoria. Under the agreement Abbeyfield is entitled to 3% of the sale of the property and the 97% to the Victorian Government. The Victorian Government share is represented in non-current liabilities. An independent valuation report was prepared by Herron Todd White as at 30 June 2021.

	2023	2022
	\$	\$
Dandenong (Mauritian) land and buildings		
Freehold land - at fair value	900,000	900,000
Buildings - at fair value	615,000	615,000
Less: accumulated depreciation	(30,750)	(15,375)
Victorian Government interest	<u>(1,439,723)</u>	<u>(1,454,637)</u>
	<u>44,527</u>	<u>44,988</u>

2023 **2022**
\$ **\$**

Note 9. Property, plant and equipment (continued)

Huon Valley land and buildings

On 24 June 1998 Abbeyfield Australia entered into an agreement with the Tasmanian Government to fund to 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. An independent valuation report was prepared by Herron Todd White as at 30 June 2021.

Huon Valley land and buildings		
Freehold land - at fair value	290,000	290,000
Buildings - at fair value	1,010,000	1,010,000
Less: accumulated depreciation	(50,500)	(25,250)
Tasmanian Government interest	(374,850)	(382,425)
	<u>874,650</u>	<u>892,325</u>

Ainslie land and buildings

On 31 December 1998 Abbeyfield Australia entered into a 25 year lease and operating agreement 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. An independent valuation report was prepared by Herron Todd White as at 30 June 2021.

Ainslie land and buildings		
Buildings - at fair value	140,000	140,000
Less: accumulated depreciation	(3,500)	-
	<u>136,500</u>	<u>140,000</u>

Goulburn land and buildings

In June 2009 and May 2010 Abbeyfield Australia entered into capital funding agreements 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 will have an equitable interest in the property equivalent to the proportion the Government's contribution bears to the final project development cost. The Goulburn Abbeyfield House was officially opened on 27 June 2012. The equitable interest for Abbeyfield Australia is 9.16% and the 90.84% to the NSW Government. The NSW Government share is represented in non-current liabilities. An independent valuation report was prepared by Herron Todd White as at 30 June 2021.

Goulburn land and buildings		
Freehold land - at fair value	775,000	775,000
Buildings - at fair value	1,180,000	1,180,000
Less: accumulated depreciation	(59,000)	(29,500)
NSW Government interest	(1,722,326)	(1,749,124)
	<u>173,674</u>	<u>176,376</u>

2023 **2022**
\$ **\$**

Note 9. Property, plant and equipment (continued)

Narrabri land and buildings

On 30 June 2011 Abbeyfield Australia entered into a 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 will have an equitable interest in the property equivalent to the proportion the Government's contribution bears to the final development cost of the project. The total cost of the house has been covered by the capital provided by the NSW Government.

Narrabri land and buildings

Freehold land - at fair value	185,000	185,000
Buildings - at fair value	1,923,500	1,923,500
Less: accumulated depreciation	(431,588)	(383,500)
NSW Government interest	<u>(1,785,605)</u>	<u>(1,836,809)</u>
	<u>(108,693)</u>	<u>(111,809)</u>

Wagga Wagga land and buildings

On 28 June 2013 Abbeyfield Australia entered into a \$1,650,000 (inclusive of GST) capital funding agreement with the NSW Government to fund the purchase of land and construction of an Abbeyfield house in Wagga Wagga, NSW. On 29 June 2018 Abbeyfield Australia received additional funding of \$148,500 (inclusive of GST) towards the construction. Under the agreement the NSW Government will have an equitable interest in the property equivalent to the proportion the Government's contribution bears to the final development cost of the project. In December 2013, a parcel of land was purchased at the corner of Stanley and Paull Streets, Koorringal. In June 2018 Abbeyfield Australia entered into a contract with Ladex Construction for the construction of six two-bedroom units at a cost of \$1,423,997 (excluding GST). Construction completed in 2020 and an occupancy certificate was received in June 2020.

Wagga Wagga (Koorringal) land and buildings

Freehold land - at fair value	410,000	410,000
Buildings - at fair value	1,290,000	1,290,000
Less: accumulated depreciation	(32,250)	-
NSW Government interest	<u>(1,632,720)</u>	<u>(1,664,293)</u>
	<u>35,030</u>	<u>35,707</u>

Curtin land and buildings

Subsequent to due diligence and title searches of various properties, it was determined that Abbeyfield Australia is the registered proprietor of the property located at 31 Trossell Street, Curtin, ACT. An independent valuation report was prepared by Herron Todd White as at 30 June 2021.

Curtin land and buildings

Freehold land - at fair value	1,400,000	1,400,000
Buildings - at fair value	1,851,400	1,851,400
Less: accumulated depreciation	<u>(793,970)</u>	<u>(747,685)</u>
	<u>2,457,430</u>	<u>2,503,715</u>

2023 2022
\$ \$

Note 9. Property, plant and equipment (continued)

Mount Gambier land and buildings

The former Abbeyfield local society situated at 15-17 Francis Street, Mount Gambier, South Australia merged with Abbeyfield Australia on 1 July 2020. An independent valuation report was prepared by Herron Todd White as at 30 June 2021.

Mount Gambier land and buildings		
Freehold land - at fair value	300,000	300,000
Buildings - at fair value	1,387,250	1,387,250
Less: accumulated depreciation	(761,613)	(726,931)
	925,637	960,319
	925,637	960,319

Note 10. Right-of-use assets

Right-of-use assets	252,701	252,701
Less: Accumulated depreciation	(145,186)	(103,069)
	107,515	149,632
	107,515	149,632

Additions to the right-of-use assets during the year were \$Nil (2022: \$Nil) and depreciation charged to profit or loss was \$42,117 (2022: \$42,117).

The entity leases land and buildings for its offices under an agreement of three years with an option to extend. The lease has escalation clauses. On renewal, the terms of the lease are renegotiated.

Note 11. Trade and other payables

Current

Trade payables	97,813	130,094
Accrued expenses	103,607	114,151
Other payables	14,065	9,544
	215,485	253,789
	215,485	253,789

Non-current

Government interest in land and buildings	6,955,224	7,087,288
	6,955,224	7,087,288
	6,955,224	7,087,288

Note 12. Contract liabilities

Resident fees received in advance	59,746	52,702
	59,746	52,702
	59,746	52,702

	2023 \$	2022 \$
Note 13. Employee benefits		
<i>Current</i>		
Provision for annual leave	145,377	113,699
Provision for long-service leave	52,401	28,405
	<u>197,778</u>	<u>142,104</u>
<i>Non-current</i>		
Provision for long-service leave	<u>21,769</u>	<u>10,716</u>
Note 14. Borrowings		
<i>Current</i>		
Credit cards	5,569	6,236
Koorungal solar loan	6,000	6,000
	<u>11,569</u>	<u>12,236</u>
<i>Non-current</i>		
Koorungal solar loan	<u>11,137</u>	<u>17,137</u>
Note 15. Lease liabilities		
<i>Current</i>		
Lease liabilities	<u>46,084</u>	<u>42,311</u>
<i>Non-current</i>		
Lease liabilities	<u>76,500</u>	<u>122,584</u>
<i>Future lease payments</i>		
Future lease payments are due as follows:		
Within one year	50,765	49,049
One to five years	79,265	130,031
More than five years	-	-
	<u>130,030</u>	<u>179,080</u>

Note 15. Lease liabilities (continued)

Below market value leases

Pursuant to the adoption of AASB 2018-8 *Amendments to Australian Accounting Standards - Right-of-Use Assets of Not-for-Profit Entities*, the company has elected to measure a class or classes of right-of-use assets at initial recognition at cost for leases that have significantly below-market terms and conditions principally to enable the company to further its objectives.

The company has dependence on a number of leases which have significantly below-market terms and conditions principally to enable the company to further its objectives. A description of those leases and their dependency is outlined as follows:

Abbeyfield House	Annual Rent	Lease Term
	\$	Years
Frankston, VIC	50	15
Ainslie, ACT	1	25
Burnie, TAS	1	20
Dingley, VIC	1	50
Croydon, VIC	1	50
Curtin, ACT	0	99
Garran, VIC	1	25
Berriedale, TAS	100	5
Glenorchy, TAS	1	10
Marion, SA	10	10
Melton South, VIC	1	50
North Melbourne, VIC	1	3
Orange, NSW	1	30
Richmond, VIC	1	55
Malvern, VIC	1	55
Wagga Wagga, NSW	100	99
Mount Waverley, VIC	1	50

All leased properties in the list above are for the purpose of providing sustainable affordable community housing and assisted independent living for adults aged over 55 or with mild intellectual disabilities.

	2023	2022
	\$	\$
Note 16. Reserves		
Asset revaluation reserve	4,285,271	4,285,271
Capital grants reserve	-	-
	<u>4,285,271</u>	<u>4,285,271</u>

Asset revaluation reserve

The reserve is used to recognise increments and decrements in the fair value of land and buildings.

Capital grants reserve

The reserve was used in prior years to record amounts set aside to fund the future activities of the company.

Note 16. Reserves (continued)

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

	Asset revaluation reserve \$	Capital grants reserve \$	Total \$
Balance at 1 July 2021	4,285,271	481,216	4,766,487
Revaluation	-	-	-
Transfer to retained earnings	-	(481,216)	(481,216)
Balance at 30 June 2022	<u>4,285,271</u>	<u>-</u>	<u>4,285,271</u>
Revaluation	-	-	-
Transfer to retained earnings	-	-	-
Balance at 30 June 2023	<u>4,285,271</u>	<u>-</u>	<u>4,285,271</u>
		2023 \$	2022 \$

Note 17. Retained surpluses

Retained earnings at the beginning of the financial year	5,223,624	4,434,388
Surplus for the year	155,567	308,020
Transfer from capital grants reserve	-	481,216
Retained earnings at the end of the financial year	<u>5,379,191</u>	<u>5,223,624</u>

Note 18. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the company is set out below:

Aggregate compensation	<u>156,306</u>	<u>155,045</u>
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Note 19. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the company, its network firms and unrelated firms:

<i>Audit services - RSM Australia Partners</i>		
Audit of the financial statements	<u>25,000</u>	<u>24,153</u>

Note 20. Contingent assets

The company had no contingent assets as at 30 June 2023 (2022: as at 30 June 2022 the company was in legal proceedings in relation to a claim).

Note 21. Contingent liabilities

The company has given bank guarantees as at 30 June 2023 of \$16,500 (2022: \$16,500) to Chaudhry Property Investments Pty Ltd in its capacity as landlord.

Note 22. Commitments

The company had no commitments for expenditure as at 30 June 2023 and 30 June 2022.

Note 23. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 18.

Transactions with related parties

There were no transactions with related parties during the current financial year (2022: \$2,200 was paid to Inform Business Accounting, of which Robert Spralja is a director).

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 24. Events after the reporting period

On 17 July 2023, Abbeyfield Australia Limited entered into a Merger Deed with The Abbeyfield Society (Melton and District) Incorporated ARN VIC A0029238F to merge the operations of the entities. The transaction was completed on 1 September 2023.

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the entity's operations, the results of those operations, or the entity's state of affairs in future financial years.

	2023 \$	2022 \$
Note 25. Reconciliation of surplus for the year to net cash from operating activities		
Surplus for the year	155,567	308,020
Adjustments for:		
Depreciation and amortisation	342,624	216,084
Fair value gains	(146,762)	-
Restatement of opening retained earnings	-	243,341
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	187,973	(225,439)
Decrease/(increase) in prepayments and other current assets	296	(37,605)
Increase/(decrease) in trade and other payables	(21,833)	47,967
Increase/(decrease) in employee benefits	66,727	15,223
Increase/(decrease) in other operating liabilities	(155,011)	(14,525)
Net cash from operating activities	<u>429,581</u>	<u>553,066</u>

Abbeyfield Australia Limited
Director's declaration
30 June 2023



In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Australian Accounting Standards - Simplified Disclosures, the *Australian Charities and Not-for-profits Commission Act 2012* and Victorian legislation the *Fundraising Act 1998* and associated regulations, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2023 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

Signed in accordance with a resolution of the director made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the directors

A handwritten signature in blue ink, appearing to read "Nandi Segbedzi".

Nandi Segbedzi
Director

2 May 2024
Melbourne

INDEPENDENT AUDITOR'S REPORT To the Members of Abbeyfield Australia Limited

Opinion

We have audited the financial report of Abbeyfield Australia Limited (the Company), which comprises the statement of financial position as at 30 June 2023, the statement of profit and loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the financial report of the Company has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the registered entity's financial position as at 30 June 2023 and of its financial performance and cash flows for the year ended on that date; and
- (b) complying with Australian Accounting Standards and *Division 60 of the Australian Charities and Not-for-profits Commission Regulations 2022*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in Company's annual report for the year ended 30 June 2023 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Regime, and the *Australian Charities and Not-for-profits Commission Act 2012* (“ACNC Act”) and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

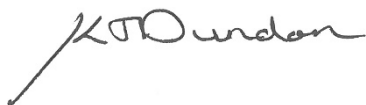
Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

Rsm

RSM AUSTRALIA PARTNERS



K DUNDON
Partner

Dated: 2 May 2024
Melbourne, Victoria

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