



# Annual return and certificate of registered documents

Sections 13(2) and 16, Retirement Villages Act 2003

## Part 1 | Retirement village details

1. Name of village:

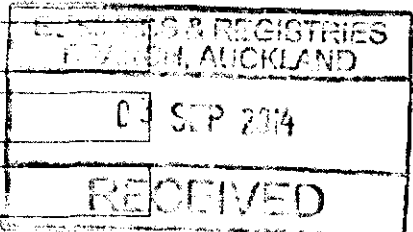
~~Abbeyfield Balmacewen House~~  
 ABBEYFIELD DUNEDIN INC. BALMACEWEN HOUSE

2. Registration number of village:

2038054

3. Balance date:

31 March



4. Telephone number for village:

03 464 0082

5. Fax number for village (optional):

6. Street address of village:

210 Balmacewen Rd  
Dunedin 9010

7. Address of registered office of village:  
*This address must be a physical address in New Zealand and must not be a post office box or private bag address*

210 Balmacewen Rd  
Dunedin 9010

8. Address for service of village:  
*This address must be a physical address in New Zealand and must not be a post office box or private bag address*

210 Balmacewen Rd  
Dunedin 9010

9. Postal address of village:

210 Balmacewen Rd  
Dunedin 9010

10. Email address for village:

abbeyfield.dunedin@gmail.com

11. Number of units in the village:

- Not more than 34 units
- 35-84 units
- At least 85 units

Name of village:

Abbeyfield Balmacewen House

~~Abbeyfield Dunedin Inc. Balmacewen House~~

Registration number of village:

2038054

## Part 2 | Operator details

Where there is more than one operator continue on a separate sheet and attach all pages to this annual return.

Number of operators:

1

Name of operator:

Abbeyfield Dunedin Incorporated

Company or other registration number (if any):

Inc Soc 1231804

Nature of operator:

e.g. company, natural person

Incorporated Society

Address of registered office of operator:

*This address must be a physical address in New Zealand and must not be a post office box or private bag address*

210 Balmacewen Rd  
Dunedin 9010

Address for service of operator:

*This address must be a physical address in New Zealand and must not be a post office box or private bag address*

210 Balmacewen Rd  
Dunedin 9010

Postal address of operator to which communications from the Registrar may be sent:

210 Balmacewen Rd  
Dunedin 9010

Email address of operator:

abbeyfield.dunedin@gmail.com

Telephone number of operator:  
(optional)

Fax number of operator:

Name of village:

Abbeyfield Balmacewen House

~~ABBAYFIELD DUNEDIN INC. BALMA CEWEN HOUSE~~

Registration number of village:

2038054

**Part 3 | Certificate of registered documents and annual return**

I, Alan Somerville on behalf of Abbeyfield Dunedin (Inc)

*insert name of operator*

certify that

for: Abbeyfield Balmacewen House

*insert name of the retirement village*



the details contained in this annual return are correct as at:

27 / 8 / 2014

And that:



Each registered document is correct, current, and not likely to mislead or deceive any resident, intending resident, or the public.



documents to update the registered information are attached to the annual return form.  
(Form 3 – Change of circumstances must be completed for material changes).

Signed:

*Alan Somerville*

Name of signatory:

Alan Somerville

Dated:

27/8/14

**Contact details of person completing this form:**

Name: Alan Somerville

Email address:

Address:  
324 York Place  
Dunedin 9016

Telephone number:

Fax number (optional):

**Part 4 | Checklist**

Use this checklist to ensure you have included all of the information required which will speed up registration.

**Have you completed?**



Parts 1, 2 and 3 and have you signed the form (attaching extra pages if applicable)

**Have you attached?**



A copy of the audited financial statements that comply with the Financial Reporting Act 1993; and



The documents supporting any information on the register that has changed



A copy of the Statutory Supervisor's certification (where applicable).

Next page > Payment details

# Abbeyfield Dunedin Incorporated

## Contents of Financial Statements

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For the Year Ended 31 March 2014

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# Abbeyfield Dunedin Incorporated

## Directory

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As at 31 March 2014

<b>Nature of Business</b>	Provider of residential accommodation, care and companionship to the elderly in Dunedin
<b>Address</b>	210 Balmacewen Road Wakari Dunedin 9010
<b>Committee Members</b>	Alan Somerville J B Munro Patsy Laughton Bob Melville Rachael Palmer James Conradson Margy-Jean Malcolm
<b>Secretary</b>	Rachael Palmer
<b>Statutory Supervisor</b>	Public Trust (Lloyd Wong) Auckland
<b>Accountants</b>	Deloitte Chartered Accountants Level 13 Otago House 481 Moray Place Dunedin 9016
<b>Auditors</b>	Strawbridge & Associates Issuer Auditors Chartered Accountants
<b>Bankers</b>	Kiwibank
<b>IRD Number</b>	83-264-519

# Abbeyfield Dunedin Incorporated

## Statement of Comprehensive Income

For the Year Ended 31 March 2014

	Note	2014 \$	2013 \$
<b>Revenue</b>			
Resident Levies		148,542	142,755
Non Occupancy Income		5,329	2,609
Casual Meal Income		-	283
<b>Total Sales</b>		<b>153,871</b>	<b>145,647</b>
<b>Less Direct Costs</b>			
House Provisions		25,487	23,608
<b>Gross Surplus After Direct Costs</b>		<b>128,384</b>	<b>122,039</b>
<b>Sundry Income</b>			
Grants		17,000	-
Facility Fees		14,350	19,600
Interest Received		747	377
Donations Received		-	3,175
<b>Total Sundry Income</b>		<b>32,097</b>	<b>23,152</b>
<b>Gross Surplus after Other Income</b>		<b>160,481</b>	<b>145,191</b>
<b>Less Expenses</b>			
Accounting Fees		3,152	3,640
ACC Levies		432	521
Advertising		1,075	505
Audit Fees		2,956	1,495
Bank Fees		2	19
Depreciation		19,134	19,821
Fringe Benefit Tax		3,239	3,239
General Expenses		516	286
Insurance		3,566	3,354
Legal Fees - Deductible		5,000	3,750
Penalties & Interest - IRD		39	78
Power, Light & Heat		7,422	7,494
Printing & Stationery		374	404
Rates		7,975	7,566
Rent		28,115	21,252
Repairs & Maintenance		2,819	3,809
Salaries & Wages		50,513	46,258
Subscriptions & Affiliations		7,065	6,161
Telephone		770	687
Travel Expenses		1,019	-
Valuation Fees		1,845	700
Volunteer Expenses		867	-
<b>Total Expenses</b>		<b>147,895</b>	<b>131,039</b>
<b>Net Surplus</b>		<b>12,586</b>	<b>14,152</b>

These financial statements are to be read in conjunction with the accompanying Notes and the Audit Report. These statements have been audited.

# Abbeyfield Dunedin Incorporated

## Statement of Movements in General Funds

For the Year Ended 31 March 2014

	2014	2013
	\$	\$
Revenue and Revaluations		
Net Surplus	12,586	14,152
<b>Total Revenue and Revaluations</b>	<b>12,586</b>	<b>14,152</b>
General Funds at the Beginning of the Year	(124,955)	(139,107)
<b>General Funds at the End of the Year</b>	<b>(112,369)</b>	<b>(124,955)</b>

These financial statements are to be read in conjunction with the accompanying Notes and the Audit Report. These statements have been audited.

# Abbeyfield Dunedin Incorporated

## Statement of Financial Position

As at 31 March 2014

	Note	2014 \$	2013 \$
<b>General Funds</b>			
Accumulated Losses	4	(115,369)	(127,955)
Reserves	3	3,000	3,000
<b>Total General Funds</b>		<b>(112,369)</b>	<b>(124,955)</b>
<b>Total General Funds</b>		<b>(112,369)</b>	<b>(124,955)</b>
<b>Represented by:</b>			
<b>Current Assets</b>			
Cash & Bank Balances	5	49,284	40,239
Accounts Receivable		2,900	-
GST Receivable		996	-
Prepayments		3,755	-
<b>Total Current Assets</b>		<b>56,935</b>	<b>40,239</b>
<b>Current Liabilities</b>			
Accounts Payable		11,770	7,040
GST Payable		-	2,142
Provisions	7	1,403	4,665
<b>Total Current Liabilities</b>		<b>13,173</b>	<b>13,847</b>
<b>Working Capital</b>		<b>43,762</b>	<b>26,392</b>
<b>Non Current Assets</b>			
Property, Plant & Equipment	6	939,619	953,753
<b>Non Current Liabilities</b>			
Other Non Current Liabilities	8	1,025,750	1,110,100
<b>Net Liabilities</b>		<b>(112,369)</b>	<b>(124,955)</b>

*Alan Smith*

Committee Member

Date 20/6/14

*M. J. Mahon*

Committee Member

Date 6/7/2014

These financial statements are to be read in conjunction with the accompanying Notes and the Audit Report. These statements have been audited.

# Abbeyfield Dunedin Incorporated

## Statement of Cash Flows

For the Year Ended 31 March 2014

Note	2014 \$	2013 \$
<b>Cash Flows from Operating Activities</b>		
Cash was provided from:		
Interest Received	747	377
Grants & Donations	17,000	3,175
Resident Levies	150,971	145,647
	<b>168,718</b>	<b>149,199</b>
Cash was disbursed to:		
Household Payments	25,487	23,608
Company Administration Payments	80,411	64,770
Payments to Employees	53,775	44,552
	<b>159,673</b>	<b>132,930</b>
<b>Net Cash Flows from Operating Activities</b>	<b>9,045</b>	<b>16,269</b>
Net Increase in Cash Held	9,045	16,269
Cash at the Beginning of the Year	40,239	23,970
<b>Cash at the End of the Year</b>	<b>49,284</b>	<b>40,239</b>
<b>Reconciliation of Profit after Tax with Net Cashflow from Operations</b>		
Profit (loss) after tax	12,586	14,152
Add (less) non cash items:		
Depreciation	19,134	19,821
	<b>19,134</b>	<b>19,821</b>
Add (less) movements in working capital items:		
(Decrease)/Increase in Employee Provisions	(3,262)	1,155
(Decrease)/Increase in Accounts Payable	4,730	1,838
(Increase)/Decrease in GST Due	(3,138)	(1,097)
(Decrease)/Increase in Obligation to Residents	(14,350)	(19,600)
(Increase)/Decrease in Prepayments	(3,755)	-
(Increase)/Decrease in Accounts Receivable	(2,900)	-
	<b>(22,675)</b>	<b>(17,704)</b>
<b>Net Cash from Operating Activities</b>	<b>9,045</b>	<b>16,269</b>

These financial statements are to be read in conjunction with the accompanying Notes and the Audit Report. These statements have been audited.

# Abbeyfield Dunedin Incorporated

## Notes to the Financial Statements

For the Year Ended 31 March 2014

### 1 Statement of Accounting Policies

#### Reporting Entity

The financial reporting entity is Abbeyfield Dunedin Incorporated (the Society), which is an incorporated society registered under the Incorporated Societies Act 1908 & the Charities Act 2005 (CC24866). The society is an issuer for the purposes of the Financial Reporting Act 1993.

The financial statements have been prepared in accordance with the Retirement Villages Act 2003, the Financial Reporting Act 1993, and New Zealand Generally Accepted Accounting Practice (NZGAAP). They comply with the New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable financial reporting standards as appropriate for public benefit entities.

#### Operating Segment

The Society is a provider of residential accommodation, care and companionship to the elderly in Dunedin.

#### Statement of Compliance and Basis of Preparation

The accounting principles recognised as appropriate for the measurement and reporting of the Statement of Comprehensive Income and Statement of Financial Position on a historical cost basis are followed by the society. The information is presented in New Zealand dollars.

#### Specific Accounting Policies

The following specific accounting policies which materially affect the measurement of the Statement of Comprehensive Income and Statement of Financial Position have been applied:

#### (a) Revenue

##### Dividend & Interest Revenue

Dividend & Interest revenue from investments is recognised when the right to receive payment has been established. Dividend & Interest revenue is recorded gross of RWT, NRWT & withholding tax credits but net of imputation credits.

##### Provision of Services

Revenue from the provision of services is recognised when the services are invoiced.

##### Rental Revenue (Resident Levies)

Rental revenue is recognised upon receipt of payment.

#### (b) Trade Receivables

Trade Receivables are recognised at estimated realisable value.

#### (c) Property, Plant & Equipment

The building at 210 Balmacewen Road, Dunedin has eight suites for sale to the public on a license to occupy basis. As at 31 March 2014, 8 suites were sold. The property at 210 Balmacewen is recorded at cost less accumulated depreciation. Depreciation of the building has been calculated at the 2% of the cost price as per prior years. The rates used are shown on the Schedule of Property, Plant & Equipment attached.

#### (d) Income Tax

The society has charitable status and is exempt from income tax.

These financial statements are to be read in conjunction with the accompanying Notes and the Audit Report. These statements have been audited.

# Abbeyfield Dunedin Incorporated

## Notes to the Financial Statements

For the Year Ended 31 March 2014 (continued)

### (e) Financial Instruments

Financial instruments are recognised in the Statement of Financial Position when the society becomes party to a financial contract. They include cash balances, deposits, bank overdraft, payables, and receivables balances.

All of the financial instruments of the society are initially recorded at cost and subsequently carried at amortised cost using the effective interest method. Due allowance is made for impaired receivables (doubtful debts).

The Society is exposed to minimal interest rate risk as it receives income from the bank balance of the cheque account each month. This interest income is minimal and is not relied upon for operational purposes. The Society has no interest-bearing debt.

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Society. The Society has no significant concentrations of credit risk arising from trade receivables.

Liquidity risk is the risk that the Society will encounter difficulty in raising liquid funds to meet its commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash. The Society manages liquidity risk by maintaining adequate funds in banking facilities for the day-to-day operations of the Society, as well as continuously monitoring the cashflows. It is acknowledged that the Society is heavily reliant on current occupancy levels, and should they decrease to a lower level, liquidity can become an issue. It is also acknowledged that sufficient reserves may not be available should significant capital expenditure be required.

### (f) Goods and Services Taxation (GST)

Revenues and expenses have been recognised in the financial statements exclusive of GST. All items in the Statement of Financial Position are stated exclusive of GST except for receivables and payables which are stated inclusive of GST.

### (g) Impairment

The carrying amounts of the Company's assets other than inventories are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in the Statement of Comprehensive Income.

### (h) Changes in Accounting Policies and Disclosures

There have been no changes to accounting policies. All policies have been applied on a basis consistent with those from previous financial statements.

### (i) Critical Judgements in Applying Accounting Policies

Management has exercised the following critical judgements in applying accounting policies for the year ended 31 March 2014: No critical Judgements have been made this year.

### (j) Use of Estimates, Judgements, and Assumptions

The preparation of financial statements in conformity with NZ IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts and liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

These financial statements are to be read in conjunction with the accompanying Notes and the Audit Report. These statements have been audited.

# Abbeyfield Dunedin Incorporated

## Notes to the Financial Statements

For the Year Ended 31 March 2014 (continued)

2 Revenue	2014	2013
	\$	\$
<b>Revenue</b>		
Resident Levies	148,542	142,755
Non Occupancy Income	5,329	2,609
Casual Meal Income	-	283
<b>Total Revenue</b>	<u>153,871</u>	<u>145,647</u>
<b>Non Operating Revenue</b>		
<b>Interest Received</b>		
Interest Received	747	377
<b>Sundry Income</b>		
Grants	17,000	-
Facility Fees	14,350	19,600
Donations Received	-	3,175
<b>Total Sundry Income</b>	<u>31,350</u>	<u>22,775</u>
<b>Total Non Operating Revenue</b>	<u>32,097</u>	<u>23,152</u>
<b>Total Revenue</b>	<u><u>185,968</u></u>	<u><u>168,799</u></u>
3 Reserves	2014	2013
	\$	\$
<b>Capital Reserve</b>		
Opening Balance	3,000	-
Movements for the period	-	3,000
<b>Closing Balance</b>	<u>3,000</u>	<u>3,000</u>
<b>Total Reserves</b>	<u><u>3,000</u></u>	<u><u>3,000</u></u>
4 Accumulated Losses	2014	2013
	\$	\$
<b>Opening Balance</b>	(127,955)	(139,107)
<b>Plus:</b>		
Net Surplus	12,586	14,152
<b>Less:</b>		
Transfer to Reserves	-	3,000
<b>Accumulated Losses Closing Balance</b>	<u><u>(115,369)</u></u>	<u><u>(127,955)</u></u>

These financial statements are to be read in conjunction with the accompanying Notes and the Audit Report. These statements have been audited.

# Abbeyfield Dunedin Incorporated

## Notes to the Financial Statements

For the Year Ended 31 March 2014 (continued)

5 Cash & Bank Balances	2014	2013
	\$	\$
Cash Balance		
Petty Cash	66	66
<b>Bank Account Balances</b>		
Kiwibank Cheque Account	48,221	38,811
Kiwibank Eftpos Account	997	1,362
	<u>49,218</u>	<u>40,173</u>
<b>Total Cash &amp; Bank Balances</b>	<u>49,284</u>	<u>40,239</u>

6 Property, Plant & Equipment	Cost	Depreciation	Accumulated Depreciation	Closing Book Value
	\$	\$	\$	\$
<b>Property, Plant &amp; Equipment 2014</b>				
Land & Building	1,068,437	18,206	132,329	936,108
Furniture & Fittings	21,703	928	18,192	3,511
<b>Total Property, Plant &amp; Equipment</b>	<u>1,090,140</u>	<u>19,134</u>	<u>150,521</u>	<u>939,619</u>
<b>Property, Plant &amp; Equipment 2013</b>				
Land & Building	1,068,437	18,578	114,123	954,314
Furniture & Fittings	21,703	1,243	17,264	4,439
<b>Total Property, Plant &amp; Equipment</b>	<u>1,090,140</u>	<u>19,821</u>	<u>131,387</u>	<u>958,753</u>

A valuation of Land & Buildings was undertaken by Telfer Young (Otago) Limited on 12 February 2014. The current market value per that report is \$1,350,000.

These financial statements are to be read in conjunction with the accompanying Notes and the Audit Report. These statements have been audited.

# Abbeyfield Dunedin Incorporated

## Notes to the Financial Statements

For the Year Ended 31 March 2014 (continued)

7 Provisions	2014	2013
	\$	\$
<b>Provision for Sick Leave</b>		
Opening Balance	-	350
Movement for period	-	(350)
<b>Closing Balance</b>	<u>-</u>	<u>-</u>
<b>Provision for Annual Leave</b>		
Opening Balance	4,665	3,160
<b>Plus:</b>		
Provision for Annual Leave	-	1,505
	<u>-</u>	<u>1,505</u>
<b>Less:</b>		
Provision for Annual Leave	3,262	-
	<u>3,262</u>	<u>-</u>
<b>Closing Balance</b>	<u>1,403</u>	<u>4,665</u>
<b>Total Employee Entitlements</b>	<u><u>1,403</u></u>	<u><u>4,665</u></u>
<b>8 Other Non Current Liabilities</b>	<b>2014</b>	<b>2013</b>
	\$	\$
Advance Payments - Occupation Licenses	1,095,750	1,110,100
<b>Total Other Non Current Liabilities</b>	<u><u>1,095,750</u></u>	<u><u>1,110,100</u></u>
<b>9 Obligations to Residents</b>	<b>2014</b>	<b>2013</b>
	\$	\$
Occupation Rights Agreements	1,290,000	1,290,000
Deferred ORA Payment	(18,000)	(18,000)
Facility Fees Accrued	(176,250)	(161,900)
<b>Total Obligations to Residents</b>	<u><u>1,095,750</u></u>	<u><u>1,110,100</u></u>

Occupation right agreements are recorded at the initial contract price paid by the residents. Facility fees are accrued at 3% of the initial contract price per year for a maximum of five years for all the units.

### 10 Related Parties

During the year there have been no material transactions between Abbeyfield Dunedin Incorporated and related parties.

### 11 Securities & Guarantees

There was no overdraft as at balance date nor was any facility arranged.

These financial statements are to be read in conjunction with the accompanying Notes and the Audit Report. These statements have been audited.

# Abbeyfield Dunedin Incorporated

## Notes to the Financial Statements

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For the Year Ended 31 March 2014 (continued)

### 12 Adoption of New & Revised Reporting Standards

The Society believes there will be no effects from NZ IFRS9 Financial Instruments (effective for accounting periods beginning on or after 1 January 2017) and NZ IFRS13 Fair Value Measurement (effective for accounting periods beginning on or after 1 July 2014).

### 13 Contingent Liabilities

The Company has no contingent liabilities as at 31 March 2014, (2013 Nil).

### 14 Capital Commitments

The Company has no capital commitments as at 31 March 2014, (2013 Nil).

These financial statements are to be read in conjunction with the accompanying Notes and the Audit Report. These statements have been audited.

# Abbeyfield Dunedin Incorporated

## Schedule of Property, Plant & Equipment

For the Year Ended 31 March 2014

	RATE & % PVT TYPE USE	COST	OPENING WDV	ADDITIONS	DATE of ADDITION	SALE PRICE	PARTSALE PRICE	PROFIT (LOSS)	DISPOSAL DATE	COST	CAPITAL GAIN/LOSS	DEPN	ACCUM DEPN	PRIVATE DEPN	ACCUM PRIVATE	CLOSING WDV
<b>Land &amp; Building</b>																
Land - 210 Balmacewen Road	.00D	44,000	44,000	-	31/03/11	-	-	-	-	-	-	-	-	-	-	44,000
Buildings - 210 Balmacewen Road	2.00D	1,024,437	910,314	-	31/03/11	-	-	-	-	-	-	18,206	132,329	-	-	892,108
		<b>1,068,437</b>	<b>954,314</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>18,206</b>	<b>132,329</b>	<b>-</b>	<b>-</b>	<b>936,108</b>
<b>Furniture &amp; Fittings</b>																
Curtain	30.00D	7,110	837	-	31/03/11	-	-	-	-	-	-	251	6,524	-	-	586
Curtain	30.00D	1,749	250	-	31/03/11	-	-	-	-	-	-	75	1,574	-	-	175
Fridge	30.00D	829	97	-	31/03/11	-	-	-	-	-	-	29	761	-	-	68
Freezer	30.00D	1,257	180	-	31/03/11	-	-	-	-	-	-	54	1,131	-	-	126
Handrails	9.60D	1,229	720	-	31/03/11	-	-	-	-	-	-	69	578	-	-	651
Tables & Chairs	24.00D	1,436	277	-	31/03/11	-	-	-	-	-	-	66	1,225	-	-	211
Telephone System	24.00D	2,407	470	-	31/03/11	-	-	-	-	-	-	113	2,050	-	-	357
Vacuum System	80.40D	2,609	-	-	31/03/11	-	-	-	-	-	-	-	2,609	-	-	-
Door Bell & Fire Alarm	12.00D	1,504	830	-	31/03/11	-	-	-	-	-	-	100	774	-	-	730
Letterbox	9.60D	505	308	-	31/03/11	-	-	-	-	-	-	30	227	-	-	278
Washing Machine	30.00D	529	149	-	31/03/11	-	-	-	-	-	-	45	425	-	-	104
Fridge	30.00D	539	321	-	31/03/11	-	-	-	-	-	-	96	314	-	-	225
		<b>21,703</b>	<b>4,439</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>928</b>	<b>18,192</b>	<b>-</b>	<b>-</b>	<b>3,511</b>
<b>TOTAL</b>		<b>1,090,140</b>	<b>958,753</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>19,134</b>	<b>150,521</b>	<b>-</b>	<b>-</b>	<b>939,619</b>

These financial statements are to be read in conjunction with the accompanying Notes and the Audit Report. These statements have been audited.

# STRAWBRIDGE

Chartered Accountants

## INDEPENDENT AUDITOR'S REPORT

**To the Readers of the financial report of Abbeyfield Dunedin Incorporated**

### **Report on the Financial Statements**

We have audited the financial statements of Abbeyfield Dunedin Incorporated on pages 3 to 13, which comprise the balance sheet as at 31 March 2014 and the statement of comprehensive income; cash flow statement and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **The Committee's Responsibility for the Financial Statements**

The Committee are responsible for the preparation of these financial statements in accordance with generally accepted accounting practice in New Zealand and that gives a true and fair view of the matters to which they relate, and for such internal control as the Committee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 as well as evaluating the presentation of the financial statements.

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

Other than in our capacity as auditor we have no relationship with, or interests in, Abbeyfield Dunedin Incorporated.

## Opinion

In our opinion, the financial statements on pages 3 to 13:

- comply with generally accepted accounting practice in New Zealand;
- comply with International Financial Reporting Standards;
- give a true and fair view of the financial position of Abbeyfield Dunedin Incorporated as at 31 March 2014, and its financial performance and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

We have obtained all the information and explanations we have required.

In our opinion proper accounting records have been kept by Abbeyfield Dunedin Incorporated as far as appears from an examination of those records.

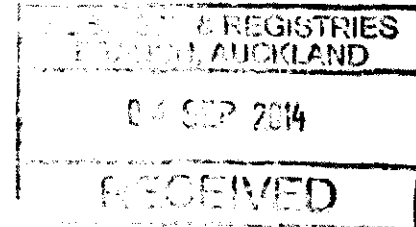
*Strawbridge & Associates Issuer Auditors*

Strawbridge & Associates Issuer Auditors  
Chartered Accountants  
NELSON

23 June 2014

27 August 2014

The Registrar of Retirement Villages  
c/- Companies Office  
Ministry of Economic Development  
Private Bag 92061  
Victoria Street West  
Auckland 1142



**Report Of Statutory Supervisor In Respect Of**  
**Abbeyfield Balmacewen House ("Village")**

We act as Statutory Supervisor of the Village pursuant to the Retirement Villages Act 2003 ("Act") and in accordance with a deed dated 24 September 2007 ("Deed of Supervision") between us and Abbeyfield Dunedin Incorporated ("Operator").

This report accompanies the Operator's annual return ("Annual Return") for the year ended 31 March 2014 and has been prepared by us in accordance with sections 13(3)(c) and 42(c) of the Act, for the period the subject of the Annual Return.

Pursuant to section 13(3)(c) of the Act, we certify that :

- The Operator has supplied to us a copy of the Village's audited financial statement for the year ended 31 March 2014 being statements that, in our opinion, comply with the Financial Reporting Act 1993.
- The information contained in the Annual Return is, to the best of our knowledge and belief, accurate.

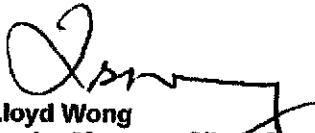
Pursuant to section 42(c) of the Act, we report that :

- In the performance of our duties as Statutory Supervisor of the Village, we have :
  - provided a stakeholder facility for intending residents and residents of the Village who pay deposits or progress payments in respect of occupation right agreements or incomplete residential units or facilities at the Village (if any);
  - monitored the financial position of the Village;
  - reported to the residents of the Village on the performance of our duties and the exercise of our powers; and
  - performed any other duties imposed on us by the Act, the regulations made under the Act and the Deed of Supervision.
- We have not found it necessary to exercise any of the powers conferred on us as Statutory Supervisor of the Village pursuant to section 43(1) of the Act.
- We have not issued any directions prohibiting the publication or distribution of any advertisement.

This certification and report has been provided on the basis that, subject to the duties imposed on us as statutory supervisor of the Village by the Act, the regulations made under the Act and the Deed of Supervision, in performing our duties we have relied on the information, explanations and confirmations supplied to us by the Operator and the auditor of the Village and we have not carried out independent checks of the same.

The Operator has actively sought to restructure the Village to bring it within the Abbeyfield New Zealand umbrella. However the financing of the restructure is proving difficult to achieve. The Operator continues to communicate and update the Residents and Statutory Supervisor on progress.

Yours faithfully,



**Lloyd Wong**  
**Senior Manager Client Services**  
**Public Trust Corporate Trustee Services**  
**Statutory Supervisor**