

Financial Report 2008



Creating choices and building
inclusive, sustainable and
compassionate communities.

VILLAMARIA

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Board of Directors



Angela C. Atkin

MB, BS; Grad Dip Women's Health, FAICD

President. A member of the Board since 1994.

Angela is a General Practitioner and has extensive experience across the health, aged care and disability sectors, serving on a number of Boards at both State and Federal level. Angela is a Board Director of Catholic Health Australia. Angela has a daughter who attends a Gateway program with Villa Maria.

Chair – Board Executive Committee; Board Audit & Risk Committee (ex officio); Board Finance & IT Committee (ex officio); Strategic & Proposed Developments Committee



Brian Barry

Re-joined the Board in 2008.

A previous member of the Board, with over 30 years experience in the Banking & Finance Industry.



Rev Br Brian Joseph Brandon

BSc, M.Curr.Stud., Reg.Sec. School Teacher

Vice President. A member of the Board since 1994.

Brian has extensive and varied experience in school principalship, in religious Congregation leadership and in governance, finance, property and social policy and research, and holds a number of Directorship portfolio's.

Chair – Board Finance & IT Committee; Board Executive Committee



Lynette Maree Elford

A member of the Board since 2003.

Lyn has extensive marketing and journalism experience and is a Director of the Lord Mayor's Charitable Foundation, and Committee member of the Sir Eric Pearce Deafblindness Fund.

Board Finance & IT Committee



Peter Hogan

Joined the Board in 2008.

Peter is a Chartered Accountant and was a Partner with PriceWaterhouseCoopers for 17 years before retiring from that practice in 2008. He is now a Strategy & Development director with Incitec Pivot Limited, a public company listed on the ASX and is a non-executive director of Fabchem China Limited, a public company listed on the Singapore Stock Exchange.

Board Finance & IT Committee; Board Audit & Risk Committee



Donna Therese Howlett

B.Sc., MBA, FAICD

A member of the Board since 2007.

Donna has 23 years of experience in the health industry, with over 15 years in senior management. Her areas of expertise include strategy planning and implementation, people leadership and business growth both organically and through acquisitions. Donna holds a number of Directorship portfolio's and is Governor of ACCESS, Australia's National Infertility Network.

Board Audit & Risk Committee

Board of Directors



Jenny McAllister

Dip. Private Secretarial Practice

Vice President. A member of the Board since 2004.

Jenny has served on the Committee of Management of the Association for Children with a Disability and still advocates for people with disabilities and their families, believing information is the key to obtaining the most out of increasingly complex and diversified systems of delivery service. Jenny is a member of the Boroondara Community Disability Advisory Council.

Board Executive Committee;
Strategic & Proposed Developments Committee



Ian Robert McEachern

LL.B., B.Com, Barrister at Law

A member of the Board since 1998.

Ian has been a lawyer since 1971. He has degrees in Commerce and Law and has practised as a Barrister, Solicitor and Mediator in the area of commercial and civil law. He is a past Board Member of Corpus Christi Greenvale, which is conducted by the Jesuits.

Chair – Strategic & Proposed Developments Committee



Paul Rizzo

B.Com, MBA

A member of the Board since 2006.

Paul has extensive experience at executive level and is a director on several Boards. Paul is currently a director of National Australia Bank Limited, Bluescope Steel Limited, and Mallesons Stephen Jaques, and is the Chairman of the Defence Audit Committee for the Federal Government, and Chairman of the Foundation for Very Special Kids. Paul was previously a director at Foxtel Limited, IBM GSA Pty Ltd and Rothschilds Limited. (Paul resigned from the Board on the 4 August 2008.)

Chair – Board Audit & Risk Committee



Peter Francis Walsh

BA Dip.Soc.Studs, BA Economics

A member of the Board since 1998.

Peter was a foundation student of St Paul's in 1957. Peter was involved with the Catholic Church in the resettlement of migrants and refugees through its Catholic Immigration Office, and has extensive experience in the housing industry and community service portfolios.

Strategic & Proposed Developments Committee

Chief Executive Officer



Valerie Joan Lyons

B.Bus(Acc), FCPA, FCIS, FAICD

Valerie commenced as Chief Executive Officer of the Villa Maria Society in 2007. Valerie has extensive leadership and management experience within the Health and Finance sectors, including approx. 20 years senior leadership roles within the Community, Disability and Senior Services sectors. Valerie is currently President of Aged and Community Care Victoria, a Board Director of Aged & Community Services Australia and a Board Director of HESTA Superannuation.

Chief Executive Officer; Chair – Executive Leadership Management Team

Company Secretary



Gaye Elizabeth MacInnes

Gaye commenced as Executive Assistant of the Villa Maria Society in 2007 and was appointed Company Secretary in December 2007. Gaye has extensive experience at executive level, with significant knowledge of corporate governance practices, organisational risk management, compliance and corporate responsibility.

Company Secretary / Executive Assistant

Directors' Report

The Directors

The names of the Directors in office at the date of this report are:

Dr Angela Christine Atkin

Br Brian Joseph Brandon

Ms Lyn Elford

Mr Ian McEachern

Ms Jenny McAllister

Mr Peter Hogan (appointed 24 June 2008)

Mr Paul Rizzo (resigned 4 August 2008)

Ms Donna Howlett (appointed 28 August 2007)

Mr Peter Walsh

Mr Brian Barry (appointed 29 April 2008)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated. Information concerning the Directors and their respective qualifications, experience, special responsibilities and declared interests in contracts with Villa Maria Society are detailed on pages 2-4.

Principal Activities of Villa Maria Society

The Principal Activities of Villa Maria Society in the course of the financial year were:

- Residential services for the aged and supported accommodation for clients with a disability.
- Education services for children with disabilities.
- Community support and respite services for the aged and people with a disability.
- Life skills enhancement programs including day and therapy programs for the aged and people with a disability.
- Social work, administrative and resource services to support all Villa Maria Society programs.

There was no change in the nature of the principal activities during the financial year.

Operating Results

The operating deficit for the financial year ending 30 June 2008 was \$4,012,000 (2007 \$1,358,000 surplus). No income tax is applicable.

Review of Operations

Significant features of the year's operations have been:

Government grants for the year totalled \$43,150,000 (2007 \$42,102,000)

Resident fees totalled \$5,314,000 (2007 \$5,190,000)

Bequest income totalled \$852,000 (2007 \$191,000)

Donation income totalled \$692,000 (2007 \$483,000)

Total operating expenditure totalled \$52,160,000 (2007 \$50,556,000)

During the year Villa Maria Society undertook the development of a three-year Strategic Plan for the period July 2008 to June 2011. This plan, and the individual annual plans that support it, will form the basis for the future direction and growth of the organisation.

Villa Maria Society's operational result for the year has been adversely impacted by the downward revaluation of investments.

Directors' Report

Dividends

The Constitution specifically prohibits the payment of any dividends. No dividends have been recommended or have been paid or declared since the start of the financial year.

Events Subsequent to Balance Date

There are no events subsequent to year end that are of significance that require disclosure.

Future Developments

A Master Plan has been prepared for the redevelopment of the Wantirna site in five proposed stages. Stage 1 involves the construction of a residential aged care facility, up to 22 units, and a disability Gateway day program facility. Plans for Stage 1 have been lodged with the City of Knox.

Environmental Issues

Villa Maria Society has assessed whether there are any particular or significant environmental regulations which apply. It has determined that the risk of non-compliance is low and has not identified any compliance breaches during the period.

Directors' Benefits

No director of Villa Maria Society has, since the end of the previous financial year, received or become entitled to receive a benefit by reason of a contract made by Villa Maria Society or related corporation with a director or with a firm of which they are a member or with a company in which they have a substantial financial interest.

Directors' Report

Meetings of Directors

The number of Directors' meetings and number of meetings attended by each of the Directors of the Society during the financial year are:

Director	Board Meetings		Board Executive Committee		Board Audit & Risk Committee		Board Finance & IT Committee		Strategic & Proposed Developments Committee	
	A	B	A	B	A	B	A	B	A	B
Angela Atkin	10	11	5	5	–	2	8	11	3	3
Brian Barry (appointed 29 April 2008)	2	3	–	–	–	–	–	–	–	–
Brian Brandon	9	11	3	5	–	–	11	11	–	–
Lynette Elford	10	11	–	–	–	–	5	5	–	–
Peter Hogan (appointed 24 June 2008)	1	1	–	–	–	–	10	11	–	–
Donna Howlett (appointed 28 August 2007)	5	10	–	–	1	2	–	–	–	–
Jenny McAllister	10	11	4	5	–	–	–	–	3	3
Ian McEachern	11	11	–	–	–	–	–	–	3	3
Paul Rizzo (resigned 4 August 2008)	9	11	–	–	2	2	–	–	–	–
Peter Walsh	11	11	–	–	–	–	–	–	2	3

A – Number of Meetings attended

B – The number of meetings held during the time the Director was a member of the Board/Committee.

Directors also attended other meetings, activities, and functions undertaken by Villa Maria Society.

Directors' Report

Indemnity and Insurance of Directors and Auditors

During the financial year, the Department of Human Services met all the costs of insuring all Directors, past and present, against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct whilst acting in the capacity of Director of Villa Maria Society.

During the financial year, Villa Maria Society has not paid a premium to insure the auditors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct whilst acting in the capacity of auditors of Villa Maria Society.

Court Proceedings

There have been no applications for leave of Court to bring proceedings on behalf of Villa Maria Society or intervene in any proceedings to which Villa Maria Society is a party for the purpose of taking responsibility on behalf of Villa Maria Society for all or any part of those proceedings. Villa Maria Society was not a party to any such proceedings during the year.

Rounding of Amounts

Villa Maria Society has applied the relief available to it in ASIC Class Order 98/100 and, accordingly, amounts in the financial statements and Directors' Report have been rounded to the nearest thousand dollars.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 370C of the Corporations Act 2001 is set out on page 9.

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



A C Atkin, President



B J Brandon, Vice-President

Melbourne, 23 September 2008

Villa Maria Society ABN 32 004 364 103

Auditor's Independence Declaration



BDO Kendalls

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Phone 61 3 8320 2222
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ABN 28 005 875 258

DECLARATION OF INDEPENDENCE BY NICHOLAS E. BURNE TO THE DIRECTORS OF THE VILLA MARIA SOCIETY

As lead auditor of the Villa Maria Society for the year ended 30 June 2008, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

Nicholas E. Burne
Director

BDO Kendalls Audit and Assurance (NSW-VIC) (Pty) Ltd
Chartered Accountants

Dated the 23rd day of September 2008, Melbourne

BDO Kendalls is a national association of separate partnerships and entities. Liability limited by a scheme approved under Professional Standards Legislation.

Income Statement

For the year ended 30 June 2008

	Note	2008 \$000	2007 \$000
Revenue and other income	2	48,148	51,914
Employee benefits expenses		(34,248)	(33,777)
Service delivery and client expenses		(10,005)	(9,825)
Depreciation and amortisation expenses	3	(2,037)	(1,904)
Repairs, maintenance and property expenses		(1,794)	(1,437)
General and administrative expenses		(2,651)	(2,041)
Utilities expenses		(855)	(990)
Other expenses		(570)	(582)
(DEFICIT)/SURPLUS FOR THE YEAR		(4,012)	1,358

The accompanying notes form part of these financial statements

Balance Sheet

As at 30 June 2008

	Note	2008 \$000	2007 \$000
CURRENT ASSETS			
Cash assets	20	2,982	3,107
Receivables	4	1,303	1,356
Other financial assets	5	21,583	23,550
TOTAL CURRENT ASSETS		25,868	28,013
NON-CURRENT ASSETS			
Property, plant and equipment	6	76,996	17,629
Intangibles	7	14,080	11,640
TOTAL NON-CURRENT ASSETS		91,076	29,269
TOTAL ASSETS		116,944	57,282
CURRENT LIABILITIES			
Payables	8	5,861	4,377
Provisions	9	3,924	3,461
Other	10	2,773	1,704
TOTAL CURRENT LIABILITIES		12,558	9,542
NON-CURRENT LIABILITIES			
Provisions	9	565	661
TOTAL NON-CURRENT LIABILITIES		565	661
TOTAL LIABILITIES		13,123	10,203
NET ASSETS		103,821	47,079
MEMBERS' FUNDS			
Retained earnings	11(a)	31,427	35,439
Asset revaluation reserve	11(b)	72,394	11,640
TOTAL MEMBERS' FUNDS		103,821	47,079

The accompanying notes form part of these financial statements

Statement Of Changes in Equity

For the year ended 30 June 2008

	\$000
Balance at 30 June 2006	45,721
Surplus for the year	1,358
	<hr/>
Balance at 30 June 2007	47,079
Fair value adjustment	60,754
Deficit for the year	(4,012)
	<hr/>
Balance at 30 June 2008	103,821

The accompanying notes form part of these financial statements

Statement of Cash Flows

For the year ended 30 June 2008

	Note	2008 \$000	2007 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Government operating grants received		44,520	42,267
Residential, CACPs and educational services receipts		5,368	5,203
Proceeds from fundraising and public relations		698	483
Proceeds from bequests		852	191
Investment income		1,898	2,215
Payments to suppliers and employees		(48,175)	(48,485)
Net cash provided by operating activities	20(b)	5,161	1,874
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of investments		(2,690)	(4,914)
Proceeds on disposal of investments		552	6,738
Purchase of property, plant and equipment		(3,191)	(3,003)
Proceeds from sale of property, plant and equipment		44	716
Net cash used in investing activities		(5,285)	(463)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from residents' accommodation bonds		511	436
Repayment of residents' accommodation bonds		(512)	(453)
Net cash provided by/(used in) financing activities		(1)	(17)
NET (DECREASE)/INCREASE IN CASH HELD		(125)	1,394
CASH AT THE BEGINNING OF THE FINANCIAL YEAR		3,107	1,713
CASH AT THE END OF THE FINANCIAL YEAR	20(a)	2,982	3,107

The accompanying notes form part of these financial statements

For the year ended 30 June 2008

Note 1 Statement Of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Company Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The financial report is for the company Villa Maria Society as an individual company. Villa Maria Society is an unlisted company limited by guarantee, incorporated and domiciled in Australia.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets, intangibles and property at fair value.

Australian Equivalents to International Financial Reporting Standards

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ('AIFRS').

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

Adoption of New Standards

The Society has adopted *AASB 7: Financial Instruments: Disclosures* and all related amendments which became applicable on 1 January 2007. The adoption of this standard has only affected the disclosure in these financial statements and accordingly there has been no affect on profit and loss or the financial position of the Society.

Accounting standards and interpretations issued, not yet effective, and not early adopted

The following new and or amended accounting standards and interpretations have been issued, but are not mandatory for the financial year ended 30 June 2008. They have not been adopted in preparing the financial report for the year ended 30 June 2008 and are expected to impact the Society in the period of initial application. In all cases the Society intends to apply these standards from the application date.

Standards and Interpretations Issued Not Yet Effective

AASB 8: Operating Segments (Issued February 2007)

AASB 8: Operating Segments replaces the disclosure requirements of *AASB 114: Segment Reporting*. The new standard is applicable to annual reporting periods commencing on or after 1 January 2009. As this is a disclosure standard only, there will be no impact on amounts recognised in the financial statements. However, disclosures required for the operating segments will be significantly different to what is currently reported (business and geographical segment).

AASB 101: Presentation of Financial Statements (Revised September 2007)

AASB 101: Presentation of Financial Statements provides amendments to presentation and naming of the financial statements for annual reporting periods commencing on or after 1 January 2009. As this is a disclosure standard only, there will be no impact on amounts recognised in the financial statements. However, there will be various changes to the way financial statements are presented and changes to names of individual financial statements.

Accounting 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, and bases its judgements and estimates on historical experience and other factors it believes to be reasonable. Actual results may differ from these estimates under different assumptions and circumstances.

For the year ended 30 June 2008

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates and may materially affect financial results or the financial position of future periods.

Significant Accounting Estimates and Assumptions

(a) Valuation of investments

The valuation of unlisted investments in managed funds is reliant on receiving advice from fund managers. In certain instances this information has not been received at 30 June 2008. Management has estimated the fair values using the best information available to them.

(b) Revaluation of property

Freehold land and building are measured on the fair value basis, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. Independent valuations are performed regularly to ensure that the carrying amounts of land and building does not differ materially from the fair value at balance sheet date.

An independent valuation was carried out at 30 June 2008 by Antony Cody & Associates Pty. Ltd. Valuations are based on the fair market value of the properties concerned in their existing use.

(c) Income Tax

As Villa Maria Society is a public benevolent institution, it is exempt from income tax, capital gains tax and payroll tax.

(d) Revenue

Revenue from government grants for recurrent income is recognised in the year in which the income is received.

Revenue from government grants for the purchase of capital items is included in the statement of financial performance. Where it becomes apparent that a refund is required, a liability and an expense is created equal to the value of the refund, in the year the refund arises.

Investment income comprises dividends and interest and is recognised in the financial year in which it is earned.

Revenue from the rendering of a service is recognised in the financial year in which the service to the client is delivered.

Fundraising revenue comprises donations, appeal contributions, bequests, trust distributions, membership subscriptions and proceeds from special projects and functions and is recognised in the year in which it is received.

(e) Cash and Cash Equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, and 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.

(f) Trade and Other Receivables

All receivables are categorised as 'Loans and Receivables' under the requirements of *AASB 139: Financial Instruments – Recognition and Measurement* and are recognised initially at fair value, and subsequently at amortised cost. All trade and other receivables are current.

An allowance for doubtful debts is based on a review of outstanding balances at balance sheet date, and is accounted for in a separate account. Indicators of impairment include where there is objective evidence of significant financial difficulties, debtor bankruptcy, financial reorganisation or default in payment (more than 60 days overdue). Bad debts which have previously been provided for are eliminated against the allowance for doubtful debts. In all other cases bad debts have been written off as an expense directly in the income statement.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Society for similar financial instruments.

(g) Financial Assets

A financial asset is classified as fair value through the income statement if it is held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through surplus or deficit if Villa Maria Society manages such investments and makes purchases and sale decisions based on their fair value in accordance with the Society's documented risk management strategy. Upon initial recognition, attributable transactions costs are recognised in the income statement when incurred. Financial assets are measured at fair value, and changes in fair value are recognised in the income statement.

Investments in listed securities, equities and other investments are classified as held for trading, and movements in the fair value are recognised as a surplus or deficit at each balance sheet date, with the exception of where a fair value cannot be reliably measured in which case the investment is carried at cost. The investments carried at fair value are remeasured at each reporting date and any gains or losses are recognised directly into the income statement.

Investment in unlisted equities and managed funds are measured at fair value, being the unit price as advised by the relevant fund manager.

Financial assets include units in managed funds, listed shares and bank bills.

(h) Accommodation Bonds

Accommodation bonds are non-interest bearing deposits made by aged care facility residents to the Society upon their admission to low care and extra service accommodation. The liability for accommodation is carried at the amount that would be payable on exit of the resident. This is the amount received on entry of the resident less deductions for fees and retentions pursuant to the Aged Care Act 1997. Accommodation bonds are classified as current liabilities as the Society does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. The obligation to settle could occur at any time. These amounts have been included in trade payables.

Once a refunding event occurs the receivable becomes interest bearing. The interest rate varies according to the agreement and is recognised on an accrual basis over the period it is earned.

(i) Trade and Other Payables

Trade and other payables, including accruals, are recorded initially at fair value, and subsequently at amortised cost. Trade and other payables are non-interest bearing.

For the year ended 30 June 2008

(j) Property, plant and equipment

Freehold land and buildings are carried at fair value.

Plant and equipment are measured on the cost basis less depreciation and impairment losses. The carrying amount of plant and equipment is reviewed annually by the Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within Villa Maria Society includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Depreciation

The depreciable amount of all fixed assets including buildings, but excluding freehold land, is allocated on a straight line basis over their estimated useful lives to Villa Maria Society commencing from the time the asset is held ready for use.

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

Class of fixed asset	Depreciation rate
Buildings	4.0%
Furniture and fittings	10.0%
Plant and equipment	6.7% – 33.3%
Motor vehicles	20.0%
Buses	10.0%

(k) Intangible Assets

Bed licenses are capitalised as intangible assets at cost. These are revalued at balance date to fair value based upon independent valuation. Independent valuations are based upon prices obtainable in an open active market. Revaluation increments are credited to the asset revaluation reserve.

Cost is fair value at the date of acquisition.

Bed licenses are considered to have an indefinite useful life, as long as the Society continues to comply with the terms and conditions imposed by Government. Accordingly, bed licenses are not subject to amortisation.

(l) Impairment of Assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

At each reporting date, carrying values of tangible and other intangible assets are reviewed to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

(m) Employee Benefits

Provision is made for Villa Maria Society's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries and annual leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled and on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Notes To The Financial Statements

For the year ended 30 June 2008

The Society contributes to complying funds at the required rate of the employees' wages and salaries. Superannuation contributions are recognised as an expense when incurred.

(n) Rounding of Amounts

Villa Maria Society has applied the relief available to it under ASIC Class Order 98/100 and accordingly, amounts in the financial report and Directors' report have been rounded off to the nearest thousand dollars.

(o) Goods and Services Tax (GST)

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

(p) Comparatives

Where applicable comparatives have been reclassified to disclose them on the same basis as current year figures.

	2008	2007
	\$000	\$000
NOTE 2 REVENUE AND OTHER INCOME		
REVENUES		
Australian Government grants received	26,492	26,869
State Government grants received	16,658	15,233
Fees and other income for rendering of services	5,314	5,190
Bequests	852	191
Fundraising and public relations revenue	692	483
Dividend income on investments at fair value through surplus and deficit	1,240	1,375
Interest income earned on listed fixed securities	124	164
Interest income earned on cash balances	534	676
Capital grants	301	165
Other	6	13
Total revenue from operating activities	52,213	50,359
OTHER INCOME		
Net fair value gains/(losses) on financial assets at fair value through surplus and deficit	(4,109)	1,491
Gain on disposal of property, plant and equipment	44	64
TOTAL REVENUE AND OTHER INCOME	48,148	51,914

Notes To The Financial Statements

For the year ended 30 June 2008

	2008 \$000	2007 \$000
NOTE 3 SURPLUS		
Surplus has been determined after:		
Depreciation of non-current assets		
Buildings	679	644
Plant and equipment	1,358	1,260
Total depreciation of non-current assets	<u>2,037</u>	<u>1,904</u>
Total bad and doubtful debts – trade debtors	<u>15</u>	<u>8</u>
Complying fund superannuation expense	<u>2,398</u>	<u>2,330</u>
NOTE 4 RECEIVABLES		
CURRENT		
Trade debtors	408	283
Other Receivables	656	826
Less: Provision for impairment of receivables	(54)	(62)
	<u>1,010</u>	<u>1,047</u>
Prepayments	293	309
	<u>1,303</u>	<u>1,356</u>
Age analysis of trade receivables that are past due but not impaired at the reporting date.		
Not past due	300	199
Past due 0 – 30 days	45	15
Past due 31 – 60 days	18	12
Over 60 days	45	57
	<u>408</u>	<u>283</u>
Impairment		
Past due 31 – 60 days	(9)	(5)
Over 60 days	(45)	(57)
	<u>(54)</u>	<u>(62)</u>
The impaired receivables relate to clients experiencing financial hardship.		
The movement in the allowance for impairment of trade receivables during the year is as follows:		
Balance at the beginning of the year	62	63
Impairment provision recognised during the year	16	11
Bad debts written off	(24)	(12)
Balance at the end of the year	<u>54</u>	<u>62</u>

The allowance account for receivables is used to record impairment losses unless the entity is satisfied that there is no recovery of the amount possible, at which point it is written off directly against the amount owing. With respect to the Society, the nature of the debtors are grant receivables, which are receivable from the Commonwealth or State Government departments, and other sundry receivables from either residents or employees. Past history has shown the majority of these receivables are settled within 30 days of the debt arising.

Notes To The Financial Statements

For the year ended 30 June 2008

2008	2007
\$000	\$000

(a) Credit Risk

The maximum credit exposure to credit risk for the Society is the gross amount of all receivables less any impairment losses.

All grant receivables are due from the Commonwealth and State Government. There are no other significant concentrations of credit risk.

(b) Interest Rate Risk

All current receivables are non-interest bearing.

NOTE 5 OTHER FINANCIAL ASSETS

Bank accepted bills	4,354	2,354
Listed Securities	3,376	4,421
Managed Funds	13,853	16,775
	<u>21,583</u>	<u>23,550</u>

NOTE 6 PROPERTY, PLANT AND EQUIPMENT

LAND AND BUILDINGS

Freehold land

At fair value	64,210	3,874
Total land	<u>64,210</u>	<u>3,874</u>

Buildings

Fair value	16,680	17,142
Less accumulated depreciation	(8,604)	(7,925)
Total buildings	<u>8,076</u>	<u>9,217</u>

TOTAL LAND AND BUILDINGS

<u>72,286</u>	<u>13,091</u>
---------------	---------------

PLANT AND EQUIPMENT

Plant and equipment

At cost	17,545	16,242
Less accumulated depreciation	(12,835)	(11,704)

TOTAL PLANT AND EQUIPMENT

<u>4,710</u>	<u>4,538</u>
--------------	--------------

TOTAL PROPERTY, PLANT AND EQUIPMENT

Total property, plant and equipment	98,435	37,258
Less accumulated depreciation	(21,439)	(19,629)
	<u>76,996</u>	<u>17,629</u>

Notes To The Financial Statements

For the year ended 30 June 2008

	2008 \$000	2007 \$000
Movement in carrying amounts:		
Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.		
Freehold land		
Carrying amount at beginning of year	3,874	3,759
Additions	–	115
Revaluation	60,336	–
Carrying amount at end of year	<u>64,210</u>	<u>3,874</u>
Buildings on freehold land		
Carrying amount at beginning of year	9,217	9,239
Additions	891	622
Projects in progress – transfer to buildings on completion	674	–
Revaluation	(2,022)	–
Disposals	(5)	–
Depreciation expense	(679)	(644)
Carrying amount at end of year	<u>8,076</u>	<u>9,217</u>
Operating plant and equipment		
Carrying amount at beginning of year	4,538	4,284
Additions	1,532	2,266
Projects in progress – transfer to plant and equipment	144	–
Disposals	(146)	(752)
Depreciation expense	(1,358)	(1,260)
Carrying amount at end of year	<u>4,710</u>	<u>4,538</u>
NOTE 7 INTANGIBLE ASSETS		
Bed Licences	11,640	11,640
Revaluation of Bed Licences	2,440	
	<u>14,080</u>	<u>11,640</u>

An independent valuation was carried out at 30 June 2008 by Antony Coady & Associates Pty. Ltd. Valuations are based on the fair market value having regard to recent sale activity within the industry. Bed licences have an indefinite life as long as Villa Maria continues to comply with the terms and conditions imposed by the Government. Bed licences are tested annually for impairment.

NOTE 8 PAYABLES

CURRENT

Trade and sundry creditors	2,863	2,215
Accrued expenses	2,043	1,157
Accommodation bonds	955	1,005
	<u>5,861</u>	<u>4,377</u>

Notes To The Financial Statements

For the year ended 30 June 2008

	2008 \$000	2007 \$000
NOTE 9 PROVISIONS		
CURRENT		
Employee Entitlements	3,862	3,420
Other	62	41
	3,924	3,461
NON CURRENT		
Employee Entitlements	565	661
Aggregate employee benefits liability	4,427	4,081
Movements in current employee entitlements:		
Carrying amount at beginning of year	3,461	3,114
Increase in Provision	2,277	2,293
Payments to Staff	(1,876)	(1,987)
Carrying amount at end of year	3,862	3,420
Movements in non-current employee entitlements		
Carrying amount at beginning of year	661	580
Increase in Provision	500	502
Payments to Staff	(596)	(421)
Carrying amount at end of year	565	661
NOTE 10 OTHER LIABILITIES		
CURRENT		
Income received in advance and unearned income	2,773	1,704
NOTE 11 RESERVES		
Retained earnings	31,427	35,439
Asset Revaluation Reserve – Intangible Assets	14,080	11,640
Asset Revaluation Reserve – Land and Building	58,314	–
	103,821	47,079
(a) Retained earnings		
The general reserve contains amounts of retained surplus that have been set aside for the purpose of funding future projects that are announced from time to time.		
Movements in the reserve during the year		
Balance at beginning of year	35,439	34,081
(Deficit)/Surplus	(4,012)	1,358
Balance at end of year	31,427	35,439

Notes To The Financial Statements

For the year ended 30 June 2008

	2008	2007
	\$000	\$000
(b) Asset Revaluation Reserve		
The asset revaluation reserve records movements in the fair value of bed licences, land and buildings.		
INTANGIBLES		
Opening balance	11,640	11,640
Fair value adjustment	2,440	–
Closing balance	14,080	11,640
LAND AND BUILDINGS		
Opening balance	–	–
Fair value adjustment	58,314	–
Closing balance	58,314	–
	72,394	11,640

NOTE 13 CHANGES IN ACCOUNTING POLICY – REVALUATION OF PROPERTY

The Board of Directors have resolved to revalue the Society's buildings and properties to reflect their current market value. The Board has obtained an independent market valuation in order to represent a more accurate valuation of the Society's assets.

An independent valuation of the Society's land and buildings was carried out by Antony Coady & Associates Pty. Ltd effective 30 June 2008, and is based on the fair market value of the properties concerned in their existing use. The fair market value is determined by an independent valuer, with reference to relevant recent market sales evidence.

The increase/decrease in valuations is: land increased by \$60,336,000 and buildings decreased by \$2,022,000.

The Revaluation surplus has been credited to an asset revaluation reserve.

NOTE 14 SUPERANNUATION COMMITMENTS

Villa Maria Society contributes to 57 complying superannuation funds, all of which are managed by external fund managers. Members of these funds are entitled to benefits on retirement, disability or death. Some employees contribute to the plans at various percentages of gross salaries.

Villa Maria Society is under no formal obligation to make up any shortfall in the funds assets to meet payments due to employees. Villa Maria Society has a legally enforceable obligation to contribute to the plans.

NOTE 15 REMUNERATION OF DIRECTORS

(a) The following persons were Directors of Villa Maria Society during the financial year.

Dr A C Atkin, Br B J Brandon, Mr I McEachern, Mr P Walsh, Ms L Elford, Mr B Barry (Appointed 29 April 2008), Ms J McAllister, Mr P Rizzo (Resigned 4 August 2008), Mr P Hogan (Appointed 24 June 2008), Ms D T Howlett (Appointed 28 August 2007).

The Constitution specifically prohibits payment to any Director of Villa Maria Society other than for services rendered in the normal course of business.

There have been no Director related transactions during the year.

Notes To The Financial Statements

For the year ended 30 June 2008

2008	2007
\$000	\$000

(b) Other key management personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of the Society during the financial year.

Ms J Moody (Acting Chief Executive Officer, Resigned 14 December 2007), Ms V Lyons (Chief Executive Officer, Appointed 10 September 2007), Mr J Klavins (Deputy Chief Executive Officer, Appointed 4 February 2008), Mr P Tankey (Chief Financial Officer, Resigned 21 December 2007), Ms C Johnston (Acting Chief Financial Officer, 1 January 2008 to 10 March 2008), Mr G Wickenden (Chief Financial Officer, Appointed 11 March 2008), Mr D MacDonald (Acting General Manager Residential Services, 14 December 2007 to 12 May 2008), Ms C McColl (General Manager Residential Services, Appointed 12 May 2008), Ms L Ely (General Manager Disability), Ms B Raufer (General Manager Community Services), Mr J DeBono (Principal St Paul's College & Mission Director), Mr R Chesler (General Manager Projects & Development, Appointed 16 June 2008), Mr S Evans (Executive Manager Planning and Research, Appointed 4 February 2008), Ms H McPhee (General Manager People Services, Appointed 11 February 2008), Ms R Ryan (Executive Manager Marketing, Appointed 17 March 2008), Ms G MacInnes (Company Secretary, Appointed 11 November 2007), Ms K Miller (Executive Manager Service Integration, Appointed 24 June 2008).

(c) Key management personnel compensation

Short-term benefits

Salary and fees	946	706
Non-Cash benefits	57	46
Other	15	–
	1,018	752
Post-employment benefits		
Superannuation	86	51
	86	51

NOTE 16 REMUNERATION OF AUDITOR

Amounts received or due and receivable by the auditors for

— auditing and reviewing the financial report	75	57
— other services	72	71
	147	128

Other services relates to BDO Wealth Management advice

NOTE 17 ECONOMIC DEPENDENCY

Villa Maria Society receives various capital and recurrent grants from both State and Commonwealth Governments. These grants are generally made subject to validation that they have been expended within specific guidelines. Certain grants received in the current and previous financial years have not as yet been subject to validation by Government.

Notes To The Financial Statements

For the year ended 30 June 2008

Note 18 SEGMENT REPORTING

Villa Maria has the following five business segments:

Residential Aged Care Services includes four facilities which includes both low care and high care.

Community Services includes community support and respite services for the aged.

Disability Services includes day program and overnight accommodation services for adults and children's respite.

Education Services includes St Paul's College & the Early Childhood Intervention Service.

Business Services includes Finance and Administration, People Services, Fundraising, Marketing and Investments.

Investments & Fundraising includes revenue from commercial bills, listed securities, managed funds and fundraising activities.

BUSINESS SEGMENTS	Residential Aged Care	Community Services	Disability Services	Education Services	Business Services	Total
	2008 \$000	2008 \$000	2008 \$000	2008 \$000	2008 \$000	2008 \$000
REVENUE						
Total Segment revenue	16,278	18,238	12,422	2,274	(1,064)	48,148
Total revenue						<u>48,148</u>
RESULT						
Segment result	(1,427)	928	(239)	(320)	(2,953)	(4,012)
Net Deficit						<u>(4,012)</u>
ASSETS						
Segment assets	47,680	4,885	11,920	8,000	34,553	107,038
Unallocated assets						9,906
Total assets						<u>116,944</u>
LIABILITIES						
Segment liabilities	3,586	2,608	4,467	1,356	1,106	13,123
Total liabilities						<u>13,123</u>
OTHER						
Acquisitions of segment assets	502	520	990	302	456	2,770
Unallocated acquisitions of non-current segment assets						471
Total acquisitions of non-current segment assets						<u>3,241</u>
Depreciation and amortisation of segment assets	694	512	436	141	254	<u>2,037</u>
Unallocated other non-cash segment expenses/(revenues)						<u>4,064</u>

Segment reporting has been changed from previous years' reports to reflect Education Services as a separate segment. Previously Education Services was reported within Disability Services.

Notes To The Financial Statements

For the year ended 30 June 2008

BUSINESS SEGMENTS	Residential Aged Care	Community Services	Disability Services	Education Services	Business Services	Total
	2007 \$000	2007 \$000	2007 \$000	2007 \$000	2007 \$000	2007 \$000
REVENUE						
Total Segment revenue	16,804	17,114	11,271	2,274	4,451	51,914
Total revenue						<u>51,914</u>
RESULT						
Segment result	(1,925)	580	(537)	(320)	3,560	1,358
Net Surplus						<u>1,358</u>
ASSETS						
Segment assets	19,339	1,684	2,346	4,633	29,280	57,282
Unallocated assets						-
Total assets						<u>57,282</u>
LIABILITIES						
Segment liabilities	4,649	2,886	235	2,018	415	10,203
Total liabilities						<u>10,203</u>
OTHER						
Acquisitions of non-current segment assets	525	1,241	661	84	443	2,954
Unallocated acquisitions of non-current segment assets						49
Total acquisitions of non-current segment assets						<u>3,003</u>
Depreciation and amortisation of segment assets	663	486	421	141	193	1,904
Unallocated other non-cash segment expenses/(revenues)						<u>(1,555)</u>

Segment reporting has been changed from previous years' reports to reflect Education Services as a separate segment. Previously Education Services was reported within Disability Services.

Notes To The Financial Statements

For the year ended 30 June 2008

NOTE 19 MEMBERS' GUARANTEE

Villa Maria Society is a Company limited by guarantee. If Villa Maria Society is wound up, the Constitution states that each member is required to contribute a maximum of \$20 towards meeting any outstanding obligations of Villa Maria Society. At 30 June 2008, the number of members was 129 (2007 - 140).

	2008	2007
	\$000	\$000

NOTE 20 CASH FLOW INFORMATION

(a) Reconciliation of cash

Cash at bank	2,982	3,107
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Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as above.

(b) Reconciliation of cash flows from operations

Surplus	(4,012)	1,358
Non-cash flows in Surplus		
Depreciation	2,037	1,904
(Gain)/loss on disposal of assets	(44)	(64)
Unrealised (gain)/loss on valuation of managed funds	4,064	(1,658)
(Gain)/Loss on disposal of managed funds	45	167
Changes in assets and liabilities		
Decrease/(increase) in receivables	54	(365)
Increase/(decrease) in payables	1,485	(269)
Increase/(decrease) in provisions	463	428
(Decrease)/increase in other liabilities	1,069	373
Cash flows from operations	5,161	1,874

Notes To The Financial Statements

For the year ended 30 June 2008

NOTE 21 FINANCIAL INSTRUMENTS

Financial Risk Management

The Society's exposure is primarily to the financial risks of liquidity, changes in interest rates and changes in market prices of listed equities and securities. The Board of Directors is responsible for monitoring and managing the financial risks of the Society. They monitor these risks through monthly Board meetings where monthly management accounts are presented and analysed. Any changes identified are communicated to the Chief Financial Officer who implements the changes.

Categories of Financial Instruments	2008 \$000	2007 \$000
Financials Assets		
Fair value through profit or loss	21,583	23,550
Loans and Receivables (including cash & cash equivalents)	3,336	3,328
	<u>24,919</u>	<u>26,878</u>
Financial liabilities		
Amortised cost		
Payables	4,906	3,372
Accommodation Bonds	955	1,005
	<u>5,861</u>	<u>4,377</u>

Trade payables and accommodation bonds are current liabilities which results in their fair value being equal to the current carrying amount.

(a) Interest rate risk

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

All other financial assets and liabilities, including receivables and payables are non-interest bearing.

	Weighted average effective interest rate		Floating rate		Maturing within one year		Total	
	2008 \$000	2007 \$000	2008 \$000	2007 \$000	2008 \$000	2007 \$000	2008 \$000	2007 \$000
Cash	4.70%	4.25%	2,928	3,107	–	–	2,982	3,107
Bank Accepted Bills	7.04%	6.28%	–	–	4,354	2,354	4,354	2,354
Investments	–	–	17,229	21,201	–	–	17,229	21,201

The Society's investments in listed fixed interest securities are all quoted on the Australian Stock Exchange.

Price risk for fixed interest securities arises from changes in fixed interest rates in Australia. This sensitivity analysis has assumed that the issuers credit risk rating has remained the same and movements in fair value recognised in equity have only arisen from changes in interest rates.

A 100 point (2007 : 90 points) increase in the BBSW at the reporting date would have increased profit by \$73,000 (2007 : \$54,000), and an equal change in the opposite direction would have decreased profit by \$74,000 (2007 : \$53,000).

Notes To The Financial Statements

For the year ended 30 June 2008

(b) Credit risk

Credit risk is the risk of financial loss to the Society if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to the financial statements.

Villa Maria Society does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into.

The Directors manage the credit risk in the listed fixed interest securities by only investing in securities with very high credit ratings. This is managed by portfolio managers for the Society and they report to the Directors on a monthly basis.

The Directors establish any allowances for impairment when it is expected that any receivables are not collectable. This allowance consists of allowances for specific amounts.

(c) Liquidity risk

Liquidity risk is the risk that the Society will not be able to meet its financial obligations as they fall due.

The Society has both short term and long term facilities which enable sufficient cash to be available to settle obligations as they fall due. The Chief Financial Officer monitors the cash position of the Society on a weekly basis.

The following are the contractual maturities of the financial liabilities, including interest payments.

Contractual amounts are expected payments which have not been discounted.

Maturity Analysis - 2008

Financial	Carrying Liabilities \$'000	Contractual Amount \$'000	0 - 12 mths Cash flows \$'000	1-2 years \$'000	> 2 years \$'000
Payables	4,906	4,906	4,906	-	-
Accommodation bonds	955	955	955	-	-
TOTAL	5,861	5,861	5,861	-	-

Cash flows from accommodation bonds included in trade payables above are not expected to result in a net outflow. As the liability is settled there are expected to be simultaneous inflows of a greater amount.

Maturity Analysis - 2007

Financial	Carrying Liabilities \$'000	Contractual Amount \$'000	0 - 12 mths Cash flows \$'000	1-2 years \$'000	> 2 years \$'000
Payables	3,372	3,372	3,372	-	-
Accommodation bonds	1,005	1,005	1,005	-	-
TOTAL	4,377	4,377	4,377	-	-

Cash flows from accommodation bonds included in trade payables above are not expected to result in a net outflow. As the liability is settled there are expected to be simultaneous inflows of a greater amount.

(d) Other Market Price Risk

Equity price risk arises from investments held by Villa Maria Society in the form of investments in listed equities. The portfolio of investments is managed by external portfolio managers, who buy and sell equities based on their own analyses of returns. The asset position and returns are reported to the Directors on a regular basis at the monthly Board meeting. At this meeting the Directors monitor the effective returns, and instruct the fund managers if any changes are required.

Sensitivity analysis – other price risk

Only investments in listed equities of \$3,376,000 (2007 : \$4,157,000) and unlisted equities of \$12,859,546 (2007: \$16,045,082) for the Society are subject to movements in prices of the investment markets.

All other investments are either at cost, or are affected by movements in interest rates only (see Note 21(a)).

A 10% (2007 : 10%) increase at the reporting date in the All Ordinaries Index (which includes the majority of the investments) would have increased profit by \$1,630,000 (2007 : \$2,027,000), and an equal change in the opposite direction would have decreased profit by \$1,630,000 (2007 : \$2,027,000). The analysis is performed on the same basis for 2007

(e) Fair value

The carrying value of all financial assets and liabilities approximate their fair values.

NOTE 22 EVENTS SUBSEQUENT TO REPORTING DATE

There are no events subsequent to year end of significance that requires disclosure.

NOTE 23 COMPANY DETAILS

The Registered Office of Villa Maria Society is:
Whitty House
6 Studley Park Road
Kew Victoria 3101

Directors' Declaration

Villa Maria Society
ACN 004 364 103

The Directors of the Villa Maria Society declare that:

1. The financial statements, comprising the income statement, balance sheet, cash flow statement, statement of changes in equity, and accompanying notes, are in accordance with the Corporations Act 2001 and:

(a) comply with Accounting Standards and the Corporations Regulations 2001; and

(b) give a true and fair view of the company's financial position as at 30 June 2008 and of its performance for the year ended on that date.

2. In the Directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.



DIRECTOR
A C Atkin (President)



DIRECTOR
B J Brandon (Vice-President)

Dated the 23rd day of September 2008, Melbourne

Independent Auditor Report



BDO Kendalls

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GPO Box 4736 Melbourne VIC 3001
Phone 61 3 8320 2222
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ABN 28 005 875 258

INDEPENDENT AUDITOR'S REPORT

To the members of the Villa Maria Society

We have audited the accompanying financial report of the Villa Maria Society, which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

BDO Kendalls is a national association of separate partnerships and entities. Liability limited by a scheme approved under Professional Standards Legislation.

Independent Auditor Report



Auditor's Opinion

In our opinion the financial report of the Villa Maria Society is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Society's financial position as at 30 June 2008 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

A handwritten signature in cursive script that reads 'BDO Kendalls'.

BDO Kendalls Audit and Assurance (NSW-VIC) (Pty) Ltd
Chartered Accountants

A handwritten signature in cursive script that reads 'N Burne'.

Nicholas E. Burne
Director

Dated the 23rd day of September 2008, Melbourne

VILLAMARIA

Disability, Education and Senior Services

Villa Maria is a values-based organisation providing quality services and life enhancing opportunities for older people and people with a disability.

From humble beginnings as the Catholic Braille Writers Association in 1907, Villa Maria has grown to become one of Victoria's largest providers of disability, education and senior services, with more than 60 programs supporting 5,000 people across the state.

Villa Maria Society
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