



Netherlands Australian Aged Services Association Inc
(Dutch Aged Care – NAASA)

2015/16

ANNUAL REPORT



Above: Rembrandt Court Residents Hennie & Fred who have been married for 67 years, dancing at our Country & Western Day



TABLE OF CONTENTS

1. Board of Directors
2. Chairperson’s Report
3. Treasurer’s Report
4. Chief Executive Officer Report
5. Photo Collage: A sample of Our Volunteers
6. Corporate Services Report
7. Photo Collage: A sample of Our Staff
8. Residential Services Report
9. Photo Collage: Life at Rembrandt Court
10. Home Care Services Report
11. Photo Collage: Life in Our Community
12. Financial Report 30th June 2016
13. 2016/17 Budget



BOARD OF DIRECTORS

Frans de Ryk, Chairman



Jacques Metzger, Dep Chair



John Bird, Treasurer



Anneke Schrale, Secretary



Etienne Scheepers



Joy Tol



Sef van den Nieuwelaar



David Lange



Lyn Warnock



Tina Koch (until Jan 2016)





CHAIRPERSON'S REPORT

Frans de Ryk

The 2015/16 year has been an interesting one which has seen significant changes at Dutch Aged Care-NAASA aimed at preparing us as best we can for the transition to a fully, market driven competitive aged care industry where consumers control funding. Soon after Deb started as CEO she initiated a stock take review of our operations so she and the Board would get a clear picture of our efficiency and effectiveness relative to state of the art industry standards.

It became clear that although Dutch Aged Care-NAASA had been very successful with successive extensions at Rembrandt Court and with building reserves for further expansion, our organisational structure and systems had not kept pace with our increasing size. Systems were found to be outdated or not suited to an organisation our size and with our management structure under resourced this led to a range of issues that needed to be addressed of which key ones are outlined in our Treasurer and CEO reports.

Although it is disappointing that we are reporting a net deficit of (\$488,203) for the 2015-16 year, we are financially sound with strong cash reserves. This puts us in a good position to invest in addressing the issues identified and start returning our finances to a positive operational result from this year onwards.

We also learned earlier this year that our Aged Care Approvals Round (ACAR) application for 40 residential places at Rembrandt Court and additional home care services were unsuccessful. Residential places had been allocated in Metro North and Country areas with none allocated to our Metro South district. Larger organisations were favoured for both residential and home care places. The Board consulted with aged care experts Stewart Brown who maintain that it is unlikely that residential places will be allocated to Metro South any time soon as the number of places there is well above benchmark. Ethnically based, narrow focus organisations, like Dutch Aged Care-NAASA, are unlikely to find favour with Government who prefer to deal with larger providers. A name change from Dutch Aged Care-NAASA was recommended with a broadening of our target market for the future, as well as to focus on making our Rembrandt Court facilities and services the best they can be. Building additional residential places has been deferred, however we will focus on Metro North in the future. We also need to grow Home Care organically and/or through partnerships.

The formation of a Board Task Group in June 2016 (affectionately known as the Dux Group) including directors Jacques Metzger, David Lange and Sef van den Nieuwelaar proved to be a successful move. The group concentrated on the development of a detailed, fully costed, 3-Year Business Development Action Plan with the organisation's name, branding and marketing strategy the most significant elements. These changes in no way diminish our commitment to our Dutch heritage, ways and values which are important in who we are and how we operate.



We are proposing to change our name from Netherlands Australian Aged Services Association Inc. to Rembrandt Living Inc. We researched our branding extensively assisted by marketing organisation Brand Partners. Current names were found to confuse people and recollection was very poor except for Rembrandt Court which showed positive and strong recall. A survey of members and staff also came up with Rembrandt/Rembrandt Living as the preferred names. We have registered Rembrandt Living as the name Rembrandt was already registered by others. The Board is excited by the opportunity to launch a branding and marketing campaign to give us a much stronger, necessary presence in the market place.

I look forward to the proposed changes to our name and corporate objectives in the constitution being supported by members at this Annual General Meeting (AGM), enabling the next stage in our marketing campaign to commence.

Other projects in the action plans for this year include room renovations to the ageing part of Rembrandt Court, renovations of outside areas at Rembrandt Court, establishment of a Home Care Hub and Dementia Art Gallery (separate to Rembrandt Court) to assist in raising our Home Care profile, and system and equipment upgrades. The 2016/17 budget reflects the financial impact of these plans and is shown separately from the operational budget.

The Board also underwent change this year. Albert Barelds did not renominate and Tina Koch announced her intention to retire at last year's AGM, which took effect earlier this year. This left three vacancies (for uptake to the maximum of 9 positions) with some big sets of shoes to fill! We received a strong response to our advertising and were very fortunate to be able to co-opt and welcome Directors Joy Tol and Etienne Scheepers in February and Sef van den Nieuwelaar in March 2016 (Sef is currently a non-voting member). All three have been nominated for election at this AGM. Director Anneke Schrale has decided not to renominate after 11 years of dedicated service and will retire at this year's AGM. It is with regret to see Anneke go, we thank her for her wisdom, professionalism, her concern for delivering best care to our clients, for speaking out when needed and for her passionate commitment to Dutch Aged Care-NAASA.

The Board has also continued to develop professionally both as individual directors and as a group. We have implemented in-full the Governance Tool Kit developed last year and continue to focus on best practice governance practices and policies. A change in agenda format and papers presentation has assisted with this.

I am pleased to report that our new CEO, Deb Dutton has settled in well and the Board is very satisfied with her performance to date which is well above expectations. Deb has spent her first eight months in the role learning much about the Dutch culture, developing relationships with key stakeholders including residents and clients and focusing on consolidating our business. Her pronunciation of "gezelligheid" needs more work though. We look forward to having Deb lead our organisation for many years to come.

During this year the CEO and I continued our organisation's involvement in the DutchCare Australia group culminating in the signing of a Memorandum of Understanding (MOU) in February 2016.



Netherlands Australian Aged Services Association Inc Dutch Aged Care – NAASA

Whilst the potential benefits of this group were significant, with key members of the parties agreeing to merge, these benefits did not eventuate and we have distanced ourselves from the group.

We honoured Albert Gillissen for his contribution to Dutch Aged Care-NAASA at our AGM and opening of our new extension two years ago. Sadly, Albert passed away two weeks ago today, aged 95. Albert was one of our founding fathers, architect, who contributed to the original design of Rembrandt Court and historian, whose publication “The long journey from Migration to Rembrandt Court, 1997” many of you would have read. Many will remember the man with the beret, who attended our AGMs until his health prevented him from doing so. We owe Albert a debt of gratitude for his work and long term passion and support for Dutch Aged Care-NAASA.

We look forward to a very positive future and a particularly busy 2016/17. Dutch Aged Care-NAASA is in a strong financial position and able to further improve the efficiency and effectiveness of our operations ensuring a financially sustainable future in the long term. Our focus in 2016/17 and 2017/18 will be the further development of our services and particularly the systems that underpin these and the marketing of such. The adoption of technologies wherever possible will underpin these changes. These changes will place Dutch Aged Care-NAASA in an excellent position to be a desired service for residents and clients well into the future.

I thank the volunteer Board Directors for their ongoing passion and contribution to Dutch Aged Care-NAASA and particularly the Directors on the Dux Group for the extra time commitment required being a member of this group. Thanks also to Deb, her management team and staff for their extra ordinary effort in this challenging year.



TREASURER'S REPORT

John Bird

As Frans noted 2015/16 was a year of significant change for Dutch Aged Care-NAASA.

During the year we embarked on a full organisation wide review of our operations utilising both internal and external resources. The results of our ongoing reviews and resulting remedial work have been very fruitful, albeit at the expense of our predicted surplus. Whilst an undesirable result overall, and after years of accumulating wealth at potentially the expense of our systems, the Board consider that this expenditure is both affordable and very necessary. Whilst this created a challenging year for Dutch Aged Care-NAASA's finances and its people, I am confident that the foundations are now sound enough to sustain our future.

The Board and Finance Committee have overseen these changes and remain vigilant in assessing the implications for our financial position and future plans.

In addition, during the year, we elected to place our external audit function out to competitive tender after a period of 12 years with our previous auditors, Messenger Zerner Pty Ltd. Our new auditors, BDO Adelaide have a strong presence in the Aged Care Industry and have impressed with their ability and knowledge of the sector.

As per the enclosed General Purpose Financial Report, the following is of note for the 2015/16 year:

- Our overall result is a (\$488,203) deficit compared with a prior year surplus of \$630,858 and a budget of \$626,656.
- Residential services at Rembrandt Court contributed 75% of this deficit (\$363,792) and Home Care Services 25% at (\$124,411).
- The balance sheet remained strong with a slightly lower result at end of year - a healthy net equity of \$8.1 million.

The major variations from our 2014/15 surplus can be categorised as follows:

Prior year adjustments:

Through our reviews, and in conjunction with our Auditors, it was determined that there were a series of accounting adjustments that had to be made relating to prior years. These included a major change to the method we have been using to value and depreciate our assets and also resulted in a full stocktake of our assets. In addition the reviews identified a deficiency in our payroll which will result in the back payment of remuneration owing to staff and also resulted in an increase to our leave provisions. Whilst these entries belong mostly to prior years our Auditors have agreed that they be included in 2015/16 results thus avoiding the need to restate prior results. The implication for our end of year result was, however, significant.



2015/16 One off Costs:

In addition to the prior year adjustments, a series of one-off costs were incurred in conducting our review and assessment of our operations and in executing the resulting remedial work. A full organisational review and restructure was completed with a new operational structure, designed and implemented with Board consultation, to take us into the future. Much of the costs associated with the remedial work involved extra staff hours (and thus remuneration) across the residential/clinical and corporate services teams.

After excluding the above items our ongoing operations show a small surplus.

Increases to Ongoing Operational Expenditure:

Following on from our organisational review we have incurred additional, ongoing increases to our operating costs in the Salaries and Employee Benefits; Resident and Client Expenses and in Hotel Services. New staff positions have been created including HR Manager, IT Coordinator and Client Liaison Coordinator and, in addition, changes have been made to our operating systems, shifts and rosters. More allied health services were provided at Rembrandt Court and an ACFI audit was undertaken. Improvements to the food services included the addition of more fresh produce and onsite preparation of meals.

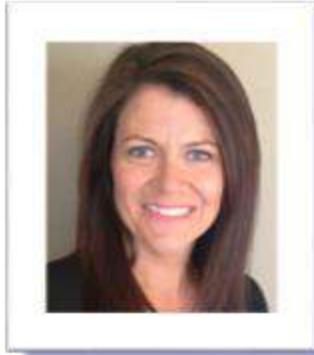
The Board and Finance committee considered, approved and closely monitored all additional expenditure and were kept abreast at all times of progress. We are happy with the work completed and the new systems and processes in place, particularly in the finance area, as ratified by our new Auditors for this year.

The contribution of management and staff in the finance area, led by Sandy Murgatroyd, General Manager Corporate Services is highly appreciated throughout this year. Their list of achievements particularly during this challenging year is to be commended.

Going forward the Board has decided to continue to forge ahead with its business development work to ensure the viability of the organisation for the longer term. The Board and Finance Committee have approved a budget for the 2016/17 with two distinct aspects: one for “Operations” (i.e. the normal running of the business) and the other for “Special Projects”, which has been developed from the 3-Year Business Development Action Plans. As Frans mentioned in his Chairperson Report, Special Projects budget includes costs planned for 2016/17 including Rembrandt Court room renovations; outside space and garden renovations; replacement of ageing assets (like resident mattresses and quilts), the upgrading of our systems, the establishment of a Home Care Hub and the rolling out of a marketing, communication and promotion plan.

The 2016/17 budget has a projected surplus of \$21,176 for Operations with a separate expenditure budget of \$626,263 for Special Projects. I am pleased to say that based on the first 3 months of the 2016/17 financial year we are very confident in achieving the budget as presented.

Looking ahead, our projections are to return to an overall surplus in the 2017/18 financial year. I look forward to another exciting year at Dutch Aged Care-NAASA.



CHIEF EXECUTIVE OFFICER REPORT

Deb Dutton

Firstly I acknowledge the NAASA residents and clients that have passed away during this year - gone but not forgotten.

Well, what a year! The national Aged Care Reforms have continued to unfold and this combined with our operational strategy to review and consolidate our internal business operations has created many challenges and opportunities for our organisation this year. Despite this, I have absolutely loved my first 12 months in the aged care industry and leading Dutch Aged Care-NAASA. I have particularly enjoyed the privilege of getting to know our many wonderful residents and clients and already feel a strong connection and sense of belonging to the Dutch Aged Care – NAASA “family”.

Having started the job with knowledge only of the “stereotyped” version of the Dutch culture, I have spent time getting to know, understand and appreciate many aspects of the Dutch history, culture, language, customs and general way of thinking. I have enjoyed working closely with the Board Dux group on how to describe this “Dutch general way of doing things” to assist in marketing our services to the Dutch and others in the future. Whilst I have learnt a lot of Dutch things, the language is not one of them - I do confess to quitting my online Dutch language lessons after finding it too difficult, which has contributed to my deficits around the pronunciation of “gezelligheid” that Frans refers to in his report – I am working on this though! Maintaining the “Dutch ways” in which our organisation works is crucial as we move through the very competitive, market-driven aged care industry.

Shortly after I started in the role, we set about putting our systems and practices, particularly the efficiency and effectiveness of such, under the spotlight. Whilst parts of our organisation were found to need some improvement (as detailed by both Frans and John previously), the vigour, commitment and ability to adapt and change shown by staff in remedying much of this has been encouraging.

This has meant there have been changes across the organisation however I can reassure you these have all be made with the ultimate aim of improving the care and support provided to our residents and clients and laying the foundations to ensure the longevity of our organisation. Having re-read recently the story of our establishment and personally met with the leader in this, Tinie Nieuwenhoven I am confident that the changes we have made (and plan to make in 2016/17) fit nicely within the goals of the organisation when it was established over 25 years ago.

As Frans indicated earlier, we were unsuccessful in our application for last year’s Aged Care Approvals Round (ACAR) for both residential and home care services. Growth in both areas is certainly not off the agenda, however our focus for this year has been on our existing operations. With the deregulation of the Home Care marketplace in February 2017 (where Home Care Packages are portable at the client’s discretion) will provide us a significant opportunity to grow this crucial part of our business and make it financially viable.



We have achieved a lot this year. My particular favourites include the:

- Overhaul and relaunch of the Kleine Café where residents and their families, clients, staff and community members now meet, eat, drink and enjoy each other's company;
- Corporate Services team redesigning the budgeting and financial reporting systems and processes ensuring timely accurate reporting;
- Creation of the new positions of Human Resource Manager; Client Liaison Coordinator and IT Coordinator and the resulting dramatic improvement in policy and practice for not only residents but staff also;
- Improvement in our clinical practices resulting in more effective and efficient clinical and care;
- Establishment of improved clinical governance mechanisms with the crucial assistance of 'resident' GP and all-round nice guy Dr John Lehmann;
- Changes to our Aged Care Funding Instrument (ACFI) management systems - our main source of income which is already reaping financial and care rewards;
- Upgrade of clinical systems including the centralising the nurses station;
- Establishing links and meeting residents and their families by weekly morning teas and twice-yearly Resident and Resident Family evenings;
- Overhaul of food and food services at Rembrandt Court;
- Expansion of Home Care Service offerings including overnight Respite and the ongoing successful Uit en Thuis program and
- Establishing a strong, transparent and trusting CEO – Board working relationship.

Another highlight for me this year was 'sleeping rough' in Whitmore Square in June 2016 (with only my sleeping bag, some cardboard and a tarp) for the Vinnies CEO Sleepout. Although this was not an experience I can say I enjoyed, the donations I received from staff, residents, clients, suppliers, my family and friends tallying over \$7000 made it worthwhile. This money will assist Vinnies with the great work they do for the homeless around Australia. The networking with other CEO's from across the state, almost all of which had never heard of "NAASA" was valuable for our organisation's profile.

Going forward we are ready for the business development work as mentioned by Frans and John planned for 2016/17 and 2017/18. See below some further information on the significant projects planned for 2016/17:

- **Renovation of resident rooms** (particularly Houses 3 and 4 known as the Special Care area)
The resident rooms in this area are old, tired and uninviting. We will begin work upgrading these rooms (maintaining their homely, welcoming and gezelligheid feeling) in late 2016.
- **Upgrading Rembrandt Court outdoor spaces**
Most of the outdoor areas and gardens at Rembrandt Court are inappropriate for use by residents. Plans include the establishment of walker-friendly walking paths, a vegetable and herb patch, a sensory garden and even a Men's Shed. We can't wait to get residents enjoying the outdoors doing purpose-driven activities.



- **Automating our systems**

Most of our processes are currently managed using paper-based systems. Among other things, this makes them inefficient taking people-time that could be better spent with residents and clients. We will be installing new IT software systems across home care, corporate and residential services.

- **New Nurse Call System**

The installation of a new Nurse Call Bell System throughout Rembrandt Court, including the installation of a falls prevention system “Mavis” is planned for completion in early 2017. The “Mavis” system is a state-of-the-art system that will assist in falls prevention and monitoring high care residents.

- **Establishing a Home Care Hub**

Most of our Rembrandt Court residents come to live with us after receiving services from us in their homes. With the new deregulated market conditions planned for February 2017 we need to grow the size and scope of our home care services for it to be financially viable. We are planning on moving into new dedicated premises. This space will house a Dementia Art Gallery as well as a new range of group activities and is aimed to increase our public profile.

- **Name change, branding and marketing**

A new bright name and branding is planned, pending member approval, to be rolled out in early 2017 including changes to signage and the introduction of new staff uniforms. We will be working hard to market this to the Dutch and others, in our new bright orange colour.

In closing I sincerely thank the board, staff, residents, clients and other stakeholders for welcoming me “into the fold” and I look forward to being a part of your team for many years to come. I particularly want to thank the board, staff and volunteers for their hard work for our residents and clients throughout this year. I find the dedication, empathy, professionalism and love for the residents and clients from our staff, inspirational.



Netherlands Australian Aged Services Association Inc Dutch Aged Care – NAASA

55 volunteers

Ria & Anna (residents) with Emma (centre)

6 days a week we have volunteers

12 male volunteers

David

43 female volunteers

Judy, Anna & Margaret

Henny, Maurice & Angela

Bingo & Home Visiting

A sample of Our Volunteers

Yorien

Uit En Thuis

Ria

Marianne

Gerda & Trace

Angela

Kleine Cafe

Chris

Craft & Knitting

Mary



CORPORATE SERVICES REPORT

Sandy Murgatroyd

This year has certainly been a challenging yet rewarding year in the newly restructured Corporate Services area. Our new corporate services model allows both residential and home care services to access their corporate functions including such services as administration, quality assurance, finance support and payroll services, work health and safety, human resource services, IT services and property maintenance services. We too undertook a full review and have been busy with the work resulting from this.

The sadness of several personnel changes has been eased with the fresh energy and ideas from the newly recruited professional and highly skilled personnel. I am pleased to report that the new team has settled in well and despite the many challenges faced this year, have provided a consistent and high quality service to both residential and home care services.

As mentioned by John earlier we changed external finance auditors this year to aged care specialists, BDO. In addition to this we have formed a close relationship with Stewart Brown Chartered Accountants and have utilized their professional finance, administration and corporate governance advice. Many of the changes in the finance area have been based on the utilization of the widely known and appreciated Stewart Brown benchmarking processes and data. The finance team have overhauled our budgeting process, our debtor and creditor management increasing controls and we even now utilize full electronic banking – no more cheques! The changes have already resulted in greater efficiencies and accurate best practice department and board reporting.

A key finding of the organisational reviews was our deficiencies in the area of human resource (HR) management. We have implemented in earnest a thorough human resource management program for all aspects of HR from recruitment to performance management. We now have a thorough process, recruiting people on merit who are passionate about customer service, and have the requisite skills and capabilities to deliver the vision - this has been a key component of our success this year. We continue to recruit not only for skills and capability but also to ensure cultural fit and wherever possible people with Dutch backgrounds and those who can speak the Dutch language. I am pleased to say that despite the turnover, we have one more Dutch-speaking staff member than at the start of the year. Our future focus is to continue developing our capability to ensure that we maintain our positive culture that further supports residents and clients.

Gains have also been made in the Quality and Work Health and Safety areas. Whilst our systems are still paper-based in this area, I am pleased to report that the number of transactions has dramatically increased reflecting our drive to change the culture to be a healthy reporting culture within staff, resident, clients and family members.

This year saw the moving of our IT services from an external provider we have been using for many years to be an internal service. Having an onsite IT person to assist in the management of our

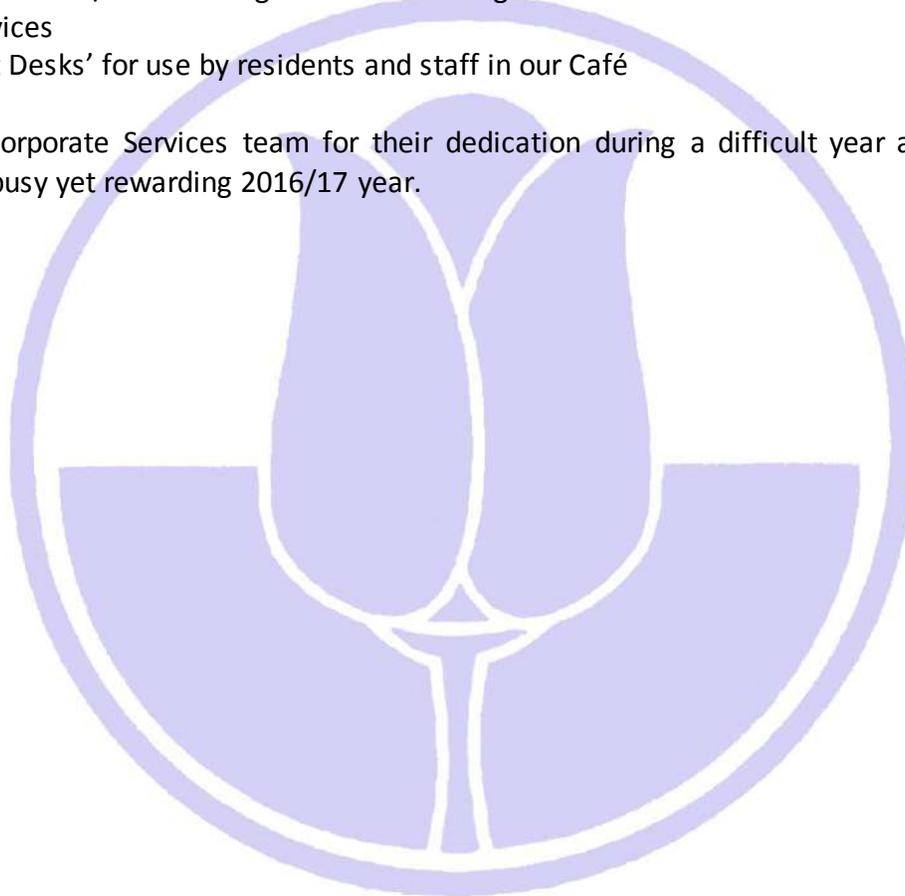


ageing software and IT infrastructure has been invaluable. Many of the residents have also taken advantage of Paul's expertise with problems ranging from issues with Sykp-ing their Grandchildren in The Netherlands to viewing U-Tube clips!

Going forward we are looking forward to implementing a number of significant improvements to our systems including:

- Upgrading our IT infrastructure and software
- Wi-Fi Upgrade to improve services for residents and staff
- New Financial Management system including Home Care, Rostering and Payroll
- New Resident/Client Billing software enabling us to offer Residents direct debit for payment of services
- IT 'Hot Desks' for use by residents and staff in our Café

I thank the Corporate Services team for their dedication during a difficult year and we all look forward to a busy yet rewarding 2016/17 year.





Netherlands Australian Aged Services Association Inc Dutch Aged Care – NAASA

A sample of Our Staff

Country & Western Day

Baby Animals

Eddie & Annelies

20 men 112 women

Desiree

1256 hours worked

Danny

Slyvia, Gavin, Monique & Slav

31 Dutch speaking staff

135 staff members

David

234234 home visits

Joan (resident) & Sonya

Café re-launch

Slyvia & granddaughter

Circus Day

Richard

1256 number of medication rounds

Eddie

Sauerkraut Competition

Mark & Angelika

126 meals served

Di & Angela

Anu



RESIDENTIAL SERVICES REPORT

Anthea Le Cornu

Enhancing individual's lives in a way that is meaningful to our clients remained important to us so while our services, systems and processes were reviewed and changes were made. We have been busy working towards a range of changes designed to streamline all of our services and improve the delivery of care.

Centralising our clinical services, medical supplies and medication storage has been a priority. Now our clinical, allied health and medical staff work closely together and the tools and equipment they need are also centrally located and within easy access.

The recent restructure of Volunteer and Lifestyle co-ordinator will enable us to explore and enhance the life of each unique individual in our care. Our activity calendar is getting fuller and our residents in the mean time continue to enjoy a very active lifestyle here at Rembrandt Court and over the last 6 months we have enhanced in-house activities with user pay options including regular bus trips and cultural activities including the festival theatre, central market and the Dutch Pantry. One group of residents, keen to maintain their mobility took up our 'Walk to the Netherlands' challenge with many of them already past Tailem Bend and well on their way to Bordertown.

A sauerkraut cook off between three of our cooks was a particular highlight. Two of our cooks prepared two different sauerkraut recipes under the strict supervision of residents Theo Alleman and Leelo Peterson and the third warmed up the tinned version. Leelo's recipe was the clear winner and the one our cooks now use to prepare meals. Themed events enjoyed by all include a Farm day with live animals and whip cracking demonstration and Circus day that was co-organised by home and residential care staff for clients from both services. The clowns, colourful costumes, party atmosphere and fabulous treats were a credit to the organisers.

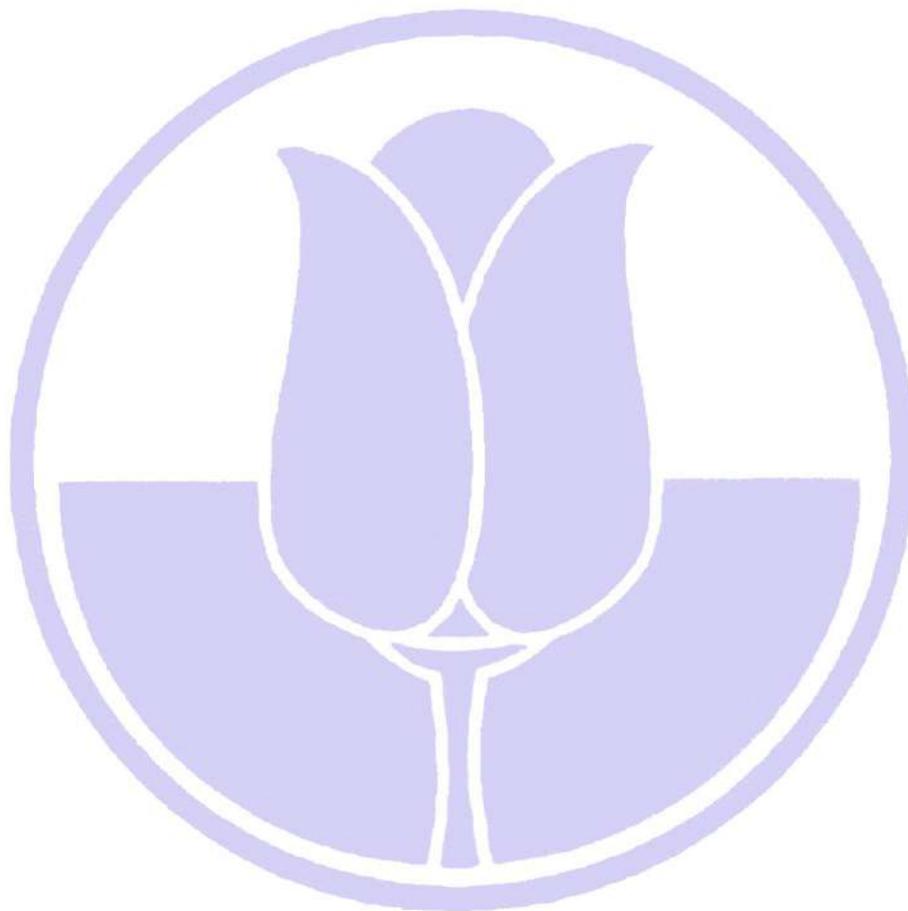
Our hospitality department has experienced the most challenges over the last year. However a new team of experienced staff has overseen the development and implementation of many new processes, a new menu, the successful re-launch of the Café and an increase in clinical expectations for those clients requiring specialised diets. Feedback from visitors to our café is very complimentary and the most important outcome of the re-launch is that families and residents now have a comfortable space to enjoy a good Dutch coffee, socialise and simply relax with friends.

Throughout the year our 87 resident rooms have remained full and whilst our waiting list in number remains healthy, when the time arises, many of these people are not ready (for varying reasons) to move straight in meaning we have had to look wider at times during this year. The vast majority (75% in fact) of our residents are of Dutch-speaking descent and enjoy the Dutch-style services we continued to offer this year.



I thank the residential services team for their efforts and look forward to 2016/17.

Our focus now needs to turn to the future. New funding rules and the Federal Government's *Living Longer Living Better* aged care reforms mean all of our services need to work together to deliver creative new models of care and flexible arrangements in relation to the way we do business to remain viable. We respect the fact that most people have managed their lives all their life and want to go on doing so, despite the challenges they face for as long as they can in their own homes and we are positioning ourselves to deliver on that agenda.







HOME CARE SERVICES REPORT

Jo Hackett

As a key provider of Home Care Services to older people, our Community Care Programme has continued to support the Dutch community and embrace the needs of the wider community during the past twelve months. We have been, and will continue to, prepare for the peak of the home care reforms in February 2017 when the market is deregulated and clients will be able to move providers easily and quickly. Whilst there is the possibility of losing clients, we are focused on the opportunities to grow this side of our business.

With a successful accreditation outcome in 2016 we have continued to strive for quality outcomes for our clients, building on existing offerings. Our commitment to development and growth is aligning us with the broader changes underway in the aged care sector, where the move towards client empowerment, choice and control is at the forefront of reform.

As a small, boutique provider the adjustment to these changes has been significant and will continue to challenge us over the next 12 months and beyond. Whilst we have continued to keep abreast of industry change our focus has been on organisational change to ensure that we remain a viable and competitive provider in the future. We recognise the importance of our cultural foundations and will utilise these to build on our existing business model.

During the 2015 -2016 financial year we provided services to 392 clients which is an increase from the previous year. Of these, 342 clients received assistance through the Commonwealth Home Support Programme and 50 clients were recipients of Home Care Packages.

Our Uit en Thuis program participant numbers have remained consistent throughout the year with a noticeable increase in participants in the Northern Uit en Thuis program. These social groups incorporating our Dutch flavour continue to be very popular with our community and we are continuing to develop our Lifestyle model of care to incorporate more social groups through collaborative working relationships with Rembrandt Court and other industry providers.

Regionally we have continued to provide Uit en Thuis in Mount Gambier, Whyalla and Victor Harbour. These programs provide us with a good foundation to build on our existing services with the deregulation of the sector in 2017.

We aspire for 2016/17 to be the biggest and most exciting for Home Care since our establishment. Our move to new premises and the establishment of the Dementia Art Gallery will combine with our planned increase in marketing activities and the communication of our new name and brand to increase the number and scope of our home care services.



Netherlands Australian Aged Services Association Inc Dutch Aged Care - NAASA





**Netherlands Australian Aged Services Association Inc.
Dutch Aged Care – NAASA**

ABN 84 438 069 700

FINANCIAL REPORT - 30 JUNE 2016

CONTENTS

Directors' Report	1
Auditor's Independence Declaration	3
Statement of Profit or Loss and Other Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to the Financial Statements	8
Directors' Declaration	21
Independent Auditor's Report	22

NETHERLANDS AUSTRALIAN AGED SERVICES ASSOCIATION INC.
ABN 84 438 069 700

FINANCIAL REPORT - 30 JUNE 2016

DIRECTORS' REPORT

Netherlands Australian Aged Services Association Inc. is incorporated in South Australia as an association under the *Incorporations Association Act 1985* and is registered as a charity under the *Australian Charities and Not-for-profits Commission Act 2012*.

The Directors present the report on Netherlands Australian Aged Services Association Inc. for the financial year ended 30 June 2016 and report as follows:

DIRECTORS: The names of and other information on the Directors in office during or since the end of the year are as follows. The Directors were in office for this entire period unless otherwise stated.

Frans de Ryk	Chair
<i>Year Appointed:</i>	2006 and appointed chair in December 2013
<i>Board Sub- Committees</i>	Chair, Finance Committee
Jacques Metzger	Deputy Chair
<i>Year appointed:</i>	2011 and appointed deputy chair in after November 2015
<i>Board Sub- Committee</i>	Member, Finance Committee
John Bird	Treasurer
<i>Year appointed:</i>	2012 and appointed treasurer in 2012
<i>Board Sub- Committee</i>	Member, Finance Committee
Anneke Schrale	Secretary
<i>Year appointed:</i>	2006 and appointed secretary in 2010
<i>Board Sub- Committee</i>	Member, Finance Committee
Lyn Warnock	Director
<i>Year appointed:</i>	2002
David Lange	Director
<i>Year appointed:</i>	2012
Joy Tol	Director
<i>Year appointed:</i>	24 February 2016
Etienne Scheepers	Director
<i>Year appointed:</i>	24 February 2016
Sef van den Nieuwelaar	Director
<i>Year appointed</i>	30 March 2016
Albert Barelds	Director
<i>Year appointed</i>	2001 – Resigned 28/10/2015
Tina Koch	Director
<i>Year appointed</i>	2014 – Resigned 27/1/2016

NETHERLANDS AUSTRALIAN AGED SERVICES ASSOCIATION INC.
ABN 84 438 069 700

FINANCIAL REPORT - 30 JUNE 2016

DIRECTORS' REPORT

PRINCIPAL ACTIVITY

The principal activities of the association in the course of the financial year were to provide accommodation, support services and assistance, for the comfort and welfare of aged persons or people with a disability in South Australia with priority to those who are of Dutch-speaking descent.

SIGNIFICANT CHANGES

There were no significant changes in the nature of the activities during the year.

OPERATING RESULT

The operating (deficit) of the association for the financial year amounted to (\$488,203) (2015: surplus \$630,857). The association is a not-for-profit entity and is exempt from the payment of income tax.

During the financial year no officer of the Association, nor firm of which an officer is a member, nor a body corporate in which the officer has a substantial financial interest, has received or become entitled to receive a benefit as a result of a contract between an officer, firm or corporate of the association.

No officer of the Association has received directly or indirectly from the Association any payment or other pecuniary value, other than in the case of officers employed by the Association.

MEETINGS OF DIRECTORS

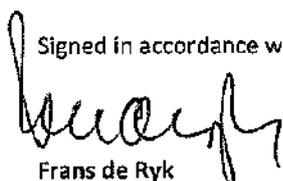
The name of Directors holding office during or since the end of the financial year and the number of meetings each Director was eligible to attend and actually attended during the financial year is summarised as follows:

	Eligible	Attended
Frans de Ryk	12	11
Jacques Metzger	12	10
John Bird	12	10
Anneke Schrale	12	6
Lyn Warnock	12	9
David Lange	12	11
Joy Tol	5	4
Etienne Scheepers	5	5
Sef van den Nieuwelaar	4	4
Albert Barelds	5	3
Tina Koch	7	6

INDEPENDENCE DECLARATION

The auditor's independence declaration as required under subdivision 60-C section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* for the year ended 30 June 2016 has been received and can be found on the following page, which forms part of the Directors' Report.

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



Frans de Ryk
Chairperson
Oaklands Park, 26 October 2016



Jacques Metzger
Deputy Chair

**DECLARATION OF INDEPENDENCE UNDER SECTION 60-140 OF THE
AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012**
BY ANDREW TICKLE
**TO THE MEMBERS OF THE NETHERLANDS AUSTRALIAN AGED SERVICE
ASSOCIATION INCORPORATED**

As lead auditor of the Netherlands Australian Aged Service Association Incorporated for the year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been

1. No contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.



Andrew Tickle
Director

BDO Audit (SA) Pty Ltd

Adelaide, 26 October 2016

NETHERLANDS AUSTRALIAN AGED SERVICES ASSOCIATION INC.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
Revenue	4	8,792,993	8,367,033
Other income	4	7,801	(11,075)
		<u>8,800,794</u>	<u>8,355,958</u>
Expenses			
Accommodation expenses		(256,333)	(254,161)
Administration and other expenses		(606,875)	(610,472)
Depreciation and amortisation	5	(945,834)	(777,235)
Hotel services expenses		(412,918)	(351,032)
Resident and client expenses		(333,532)	(233,884)
Salaries and employee benefits		(6,534,835)	(5,318,578)
Utilities		(198,670)	(179,737)
		<u>(9,288,997)</u>	<u>(7,725,100)</u>
Surplus for the year		(488,203)	630,858
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>(488,203)</u>	<u>630,858</u>

The accompanying notes form part of these financial statements

NETHERLANDS AUSTRALIAN AGED SERVICES ASSOCIATION INC.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Note	2016	2015
		\$	\$
ASSETS			
Cash and cash equivalents	6	6,443,074	6,608,556
Trade and other receivables	7	172,275	234,770
Property, plant and equipment	8	16,842,986	17,732,589
TOTAL ASSETS		<u>23,458,335</u>	<u>24,575,914</u>
LIABILITIES			
Trade and other payables	9	658,368	434,824
Borrowings expected to be paid within 12 months	10	238,500	238,500
Refundable loans expected to be paid within 12 months	11	1,983,409	1,500,000
Provisions expected to be paid within 12 months	12	406,610	360,676
Borrowings expected to be paid after 12 months	10	4,074,375	4,312,875
Refundable loans expected to be paid after 12 months	11	7,933,636	9,103,759
Provisions expected to be paid after 12 months	12	53,133	-
TOTAL LIABILITIES		<u>15,348,031</u>	<u>15,950,633</u>
NET ASSETS		<u>8,110,304</u>	<u>8,625,281</u>
EQUITY			
Accumulated funds		4,139,274	2,916,753
Reserves	13	3,971,030	5,708,528
TOTAL EQUITY		<u>8,110,304</u>	<u>8,625,281</u>

The accompanying notes form part of these financial statements

NETHERLANDS AUSTRALIAN AGED SERVICES ASSOCIATION INC.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

	Accumulated Funds	Asset Revaluation Reserve	Grants	Total
	\$	\$	\$	\$
Balance at 1 July 2014	2,285,895	2,290,608	1,710,724	6,287,227
Comprehensive income				
Surplus for the year	630,858	-	-	630,858
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	<u>630,858</u>	<u>-</u>	<u>-</u>	<u>630,858</u>
Revaluation	-	1,707,196	-	1,707,196
Balance at 30 June 2015	<u>2,916,753</u>	<u>3,997,804</u>	<u>1,710,724</u>	<u>8,625,281</u>
Balance at 1 July 2015	2,916,753	3,997,804	1,710,724	8,625,281
Comprehensive income				
Surplus for the year	(488,203)	-	-	(488,203)
Other comprehensive income	-	(26,774)	-	(26,774)
Total comprehensive income for the year	<u>(488,203)</u>	<u>(26,774)</u>	<u>-</u>	<u>(514,977)</u>
Transfers to / from reserves	1,710,724	-	(1,710,724)	-
Balance at 30 June 2016	<u>4,139,274</u>	<u>3,971,030</u>	<u>-</u>	<u>8,110,304</u>

The accompanying notes form part of these financial statements

NETHERLANDS AUSTRALIAN AGED SERVICES ASSOCIATION INC.**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016**

	Note	2016 \$	2015 \$
Cash flows from operating activities			
Receipts from customers and government		8,684,069	8,530,863
Payments to suppliers and employees		(8,051,158)	(7,236,363)
Interest received		147,942	135,519
Interest paid		(68,279)	(106,045)
<i>Net cash flows from operating activities</i>		<u>712,574</u>	<u>1,323,974</u>
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		(1,249)	9,550
Purchase of property, plant and equipment		(53,043)	(540,493)
<i>Net cash flows from investing activities</i>		<u>(54,292)</u>	<u>(530,943)</u>
Cash flows from financing activities			
Proceeds from refundable loans		934,686	2,908,227
Repayment of refundable loans		(1,519,950)	(1,163,996)
Repayment of borrowings		(238,500)	(218,625)
<i>Net cash flows from financing activities</i>		<u>(823,764)</u>	<u>1,525,606</u>
Net increase (decrease) in cash and cash equivalents		(165,482)	2,318,637
Cash and cash equivalents at the beginning of the financial year		<u>6,608,556</u>	<u>4,289,919</u>
Cash and cash equivalents at the end of the financial year	6	<u>6,443,074</u>	<u>6,608,556</u>

The accompanying notes form part of these financial statements

NETHERLANDS AUSTRALIAN AGED SERVICES ASSOCIATION INC.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Note 1 – Reporting entity

The financial report includes the financial statements and notes of Netherlands Australian Aged Services Association Inc.(NAASA). NAASA is incorporated under the *Associations Incorporation Act (SA) 1985* and the *Australian Charities and Not-for-profits Commission Act 2012* and is domiciled in Australia.

The financial statements were approved by the Board of Directors on 26 October 2016.

Note 2 - Basis of preparation

NAASA adopted Australian Accounting Standards - Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards* and AASB 2010-2: *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirement*.

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, the *Associations Incorporation Act (SA) 1985* and the *Australian Charities and Not-for-profits Commission Act 2012*. The association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions.

Basis of measurement

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Comparatives

Where required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year. Where the association has retrospectively applied an accounting policy, made a retrospective restatement or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

Critical accounting estimates and judgements

The Directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the association.

Key estimates

Impairment

The association assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience as well as manufacturers' warranties (for plant and equipment) and turnover policies (for motor vehicles). In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

NETHERLANDS AUSTRALIAN AGED SERVICES ASSOCIATION INC.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Note 2 - Basis of preparation (continued)

Presentation of statement of financial position on a liquidity basis

The Directors have taken the view that in complying with the requirements of AASBs, the treatment of refundable loans (accommodation bonds, refundable accommodation deposits and entry contributions) as current liabilities does not reflect the true liquidity of the entity as these liabilities are not likely to be repaid in the next 12 months.

Accordingly, in the current year the Directors have chosen to present its statement of financial position under the liquidity presentation method (*AASB 101 Presentation of Financial Statements*) on the basis that it presents a more reliable and relevant view.

Residential aged care segment

As an approved provider for the purposes of the *Aged Care Act 1997* and in receipt of the Conditional Adjustment Payments, the association is required to comply with the financial reporting requirements of *Accountability Principles 2014, Part 4, Division 2, Section 35 (2)(e)*. Paragraph 2(e) of *Accountability Principles 2014* states "treat residential aged care as a reportable segment within the meaning of the accounting standard relating to segment reporting that applies to the relevant financial year".

The association is applying Australian Accounting Standards - Reduced Disclosure Requirements and in accordance with paragraph Aus2.6 *AASB 8: Operating Segments* the association has elected to comply with some of the requirements of AASB 8 to allow the reporting of the residential aged care segment to ensure compliance with conditions of the Conditional Adjustment Payment funding arrangements. This residential aged care segment information is disclosed in note 22.

Note 3 - Significant accounting policies

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

Income tax

NAASA is a not-for-profit Charity & Public Benevolent Institution and is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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 ATO is included with other receivables or 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 ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

Revenue recognition

Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes including goods and services tax (GST). Revenue is recognised for the major business activities as follows:

Resident fees, daily accommodation payments and recurrent government subsidies

Revenue from residents' fees, daily accommodation payments and related government subsidies are recognised on a proportional basis to take account of the delivery of service to or occupancy by residents.

NETHERLANDS AUSTRALIAN AGED SERVICES ASSOCIATION INC.**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2016**Note 3 - Significant accounting policies (continued)*****Revenue recognition (continued)****Grants, donations and bequests*

Income arising from the contribution of an asset (including cash) is recognised when the following conditions have been satisfied:

- (a) the association obtains control of the contribution or the right to receive the contribution;
- (b) it is probable that the economic benefits comprising the contribution will flow to the association; and
- (c) the amount of the contribution can be measured reliably at the fair value of the consideration received.

Interest

Revenue from interest is recognised on an accruals basis.

Retentions from accommodation bonds

The retention income earned from accommodation bonds is recognised as revenue over the first five years of the resident's occupation of the facility.

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 twelve months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within trade and other payables in current liabilities on the statement of financial position.

Trade receivables

For all sources of recurrent income, trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment in relation to doubtful receivables is established when there is objective evidence that the association will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the statement of profit or loss and other comprehensive income.

Property, plant and equipment**Recognition and measurement**

Each class of property, plant and equipment other than land and buildings is carried at cost less, where applicable, any accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the association and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

NETHERLANDS AUSTRALIAN AGED SERVICES ASSOCIATION INC.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Note 3 - Significant accounting policies (continued)

Property, plant and equipment (continued)

Property

Land and buildings are carried at fair value, less depreciation on buildings and impairment losses. The carrying amount of land and buildings is reviewed annually by the Directors to ensure that it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows that 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.

Plant and equipment

Plant and equipment are measured on the cost basis. 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 that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation and amortisation

The depreciable amount of all property, plant and equipment including buildings held at cost and capitalised lease assets, but excluding freehold land, is depreciated on a straight line or diminishing value basis over the asset's useful life to the association commencing from the time the asset is held ready for use.

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

Buildings	4%
Furniture and equipment	4-40%
Motor vehicles	18.75%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Following a review of residual values at 30 June 2016 asset carrying amounts have been adjusted. A policy change was also adopted whereby all assets with a value of \$1,000 (ex GST) and under were expensed. This policy change represents \$132,859 in additional depreciation for the year ended 30 June 2016.

Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation 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. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are compared at the lowest levels for which there are separately identifiable cash flows (cash generating units).

Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the association becomes a party to the contractual provisions to the instrument. For financial assets this is equivalent to the date that the association commits itself to either purchase or sell the asset.

NETHERLANDS AUSTRALIAN AGED SERVICES ASSOCIATION INC.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Note 3 - Significant accounting policies (continued)

Financial instruments (continued)

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as: (i) the amount at which the financial asset or financial liability is measured at initial recognition; (ii) less principal repayments; (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and (iv) less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

Non-derivative financial assets

The association classifies its non-derivative financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its non-derivative financial assets at initial recognition and re-evaluates this designation at each reporting date.

Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss on initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. The policy of management is to designate a financial asset if the possibility exists that it will be sold in the short term and the asset is subject to frequent changes in fair value. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the end of the reporting period.

Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the association provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the end of the reporting period which are classified as non-current assets. Loans and receivables are included in receivables in the statement of financial position.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the association's management has the positive intention and ability to hold to maturity. This includes the capital index bonds and deposits held with financial institutions with original maturity dates of greater than twelve months held by the association.

NETHERLANDS AUSTRALIAN AGED SERVICES ASSOCIATION INC.**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2016**Note 3 - Significant accounting policies (continued)*****Financial instruments (continued)****Available-for-sale financial assets*

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months after the end of the reporting period.

Financial liabilities

Non-derivative financial liabilities (excl. financial guarantees) are subsequently measured at amortised cost.

Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The association only holds financial instruments that are traded in an active market. The fair value of financial instruments traded in active markets (such as publicly traded securities, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the association is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. 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 association for similar financial instruments.

Impairment

At the end of each reporting period, the Directors assess whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of profit or loss and other comprehensive income.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the association no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability. The carrying amount of trade and other payables is deemed to reflect fair value.

Employee benefits

Provision is made for the association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. 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. In determining the liability, consideration is given to employee wage increases and

NETHERLANDS AUSTRALIAN AGED SERVICES ASSOCIATION INC.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Note 3 - Significant accounting policies (continued)

Employee Benefits (continued)

the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Provisions

Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest method. Fees paid on the establishment of the loan facilities are recognised in the statement of profit or loss and other comprehensive income when they are incurred.

Refundable accommodation deposits and resident accommodation bonds

Refundable accommodation deposits and resident accommodation bonds are non-interest bearing deposits made by aged care facility residents to the entity upon their admission. Refundable accommodation deposits are measured at their principal amount less any other amounts deducted from the deposit at the election of the resident. Accommodation bonds are measured at the principal amount net of any retentions or any other amounts deducted from the bond at the election of the resident.

Fair value of assets and liabilities

The association measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard. Fair value is the price the entity would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use. The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

NETHERLANDS AUSTRALIAN AGED SERVICES ASSOCIATION INC.NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
<u>Note 4 - Revenue</u>		
Operating revenue		
Government subsidies	5,158,518	4,680,040
Resident fees and charges	1,634,016	1,618,756
Home and community fees and charges	676,398	709,994
Retentions/Interest from accommodation bonds	81,419	128,889
Resident accommodation payments	183,234	132,546
	<u>7,733,585</u>	<u>7,270,225</u>
Other revenue		
Interest income	139,616	138,459
Grants	883,315	866,246
Other revenue	36,477	92,104
	<u>1,059,408</u>	<u>1,096,808</u>
<i>Total revenue</i>	<u>8,792,993</u>	<u>8,367,033</u>
Other income		
Net gain / (loss) on disposal of property, plant and equipment	7,801	(11,075)
<i>Total other income</i>	<u>7,801</u>	<u>(11,075)</u>
<i>Total revenue and other income</i>	<u>8,800,794</u>	<u>8,355,958</u>
<u>Note 5 - Expenses</u>		
Depreciation and amortisation		
Buildings	600,913	599,067
Plant and equipment	332,562	164,473
Motor vehicles	12,359	13,695
<i>Total depreciation and amortisation</i>	<u>945,834</u>	<u>777,235</u>
<u>Note 6 - Cash and cash equivalents</u>		
Cash at bank and on hand	5,113,814	5,316,387
Deposits at call	1,329,260	1,292,169
<i>Total cash and cash equivalents</i>	<u>6,443,074</u>	<u>6,608,556</u>

NETHERLANDS AUSTRALIAN AGED SERVICES ASSOCIATION INC.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
<u>Note 7 - Trade and other receivables</u>		
<u>Expected to be recovered within 12 months</u>		
Trade receivables	43,153	67,379
Provision for impairment	-	(1,000)
	<u>43,153</u>	<u>66,379</u>
GST receivable	39,326	32,005
Interest receivable	9,024	17,350
Other receivables	35,394	71,157
Prepayments	45,378	47,879
<i>Total trade and other receivables</i>	<u><u>172,275</u></u>	<u><u>234,770</u></u>
<u>Provision for impairment</u>		
Opening carrying amount	(1,000)	(1,000)
Increase in provision	1,000	-
Closing carrying amount	<u><u>-</u></u>	<u><u>(1,000)</u></u>

Note 8 - Property, plant and equipment

	Land	Buildings	Furniture, Plant and Equipment	Motor Vehicles	Total
	\$	\$	\$	\$	\$
At 30 June 2015					
Cost or Fair Value	2,900,000	14,578,427	1,709,869	82,856	19,271,153
Accumulated depreciation	-	(458,570)	(1,051,759)	(28,235)	(1,538,564)
<i>Net carrying amount</i>	<u><u>2,900,000</u></u>	<u><u>14,119,857</u></u>	<u><u>658,110</u></u>	<u><u>54,622</u></u>	<u><u>17,732,589</u></u>
<u>Movements in carrying amounts</u>					
Net carrying amount at 1 July 2015	2,900,000	14,119,857	658,110	54,622	17,732,589
Additions	-	-	55,063	9,050	64,113
Disposals	-	(5,862)	(2,019)	-	(7,881)
Depreciation charge for the year	-	(600,913)	(332,562)	(12,359)	(945,834)
Net carrying amount at 30 June 2016	<u><u>2,900,000</u></u>	<u><u>13,513,082</u></u>	<u><u>378,591</u></u>	<u><u>51,313</u></u>	<u><u>16,842,986</u></u>
At 30 June 2016					
Cost or Fair Value	2,900,000	14,572,565	1,283,250	91,907	18,847,722
Accumulated depreciation	-	(1,059,483)	(904,659)	(40,594)	(2,004,736)
<i>Net carrying amount</i>	<u><u>2,900,000</u></u>	<u><u>13,513,082</u></u>	<u><u>378,591</u></u>	<u><u>51,313</u></u>	<u><u>16,842,986</u></u>

Furniture, Plant and Equipment is shown at fair value following valuation at 30 June 2016

NETHERLANDS AUSTRALIAN AGED SERVICES ASSOCIATION INC.NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
Note 9 - Trade and other payables		
<u>Expected to be payable within 12 months</u>		
Trade payables	120,578	131,231
Home care package funds	80,011	-
Other payables	457,780	303,593
<i>Total trade and other payables</i>	<u>658,368</u>	<u>434,824</u>
Note 10 - Borrowings		
Expected to be payable within 12 months (ZRIL Loan)	238,500	238,500
Expected to be payable after 12 months (ZRIL Loan)	4,074,375	4,312,875
<i>Total borrowings</i>	<u>4,312,875</u>	<u>4,551,375</u>
Note 11 - Refundable loans		
<u>Expected to be payable within 12 months</u>		
Refundable accommodation deposits and accommodation bonds	1,983,409	1,500,000
	<u>1,983,409</u>	<u>1,500,000</u>
<u>Expected to be payable after 12 months</u>		
Refundable accommodation deposits and accommodation bonds	7,933,636	9,103,759
	<u>7,933,636</u>	<u>9,103,759</u>
<i>Total refundable loans</i>	<u>9,917,045</u>	<u>10,603,759</u>
(a) Movement in refundable accommodation deposits and accommodation		
Opening carrying amount	10,603,759	8,859,528
<i>Add (less)</i>		
New accommodation deposits received	934,686	2,908,227
Retention from bonds	(81,072)	(108,425)
Other allowable deductions	(20,378)	(2,033)
Accommodation deposits and bonds refunded	<u>(1,519,950)</u>	<u>(1,053,538)</u>
Closing carrying amount	<u>9,917,045</u>	<u>10,603,759</u>

(b) Terms and conditions

Refundable accommodation deposits and accommodation bonds (loans) are repayable on the following basis:-

- (i) If the resident gives notice more than 14 days prior to departure then the loan is payable on the date of departure;
- (ii) If the resident gives notice less than 14 days prior to departure the loan is payable within 14 days after notice is given;
- (iii) If the resident gives no notice the loan is repayable 14 days after departure; and
- (iv) If the resident dies, the loan is repayable within 14 days from the date that notice is received of the granting of probate or letters of administration.

NETHERLANDS AUSTRALIAN AGED SERVICES ASSOCIATION INC.NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
<u>Note 12 - Provisions</u>		
<u>Expected to be payable within 12 months</u>		
Employee entitlements - annual leave	213,994	149,140
Employee entitlements - long service leave	192,616	211,536
	<u>406,610</u>	<u>360,676</u>
<u>Expected to be payable after 12 months</u>		
Employee entitlements - long service leave	53,134	-
	<u>53,134</u>	<u>-</u>
<i>Total provisions</i>	<u>459,744</u>	<u>360,676</u>
<u>Note 13 - Reserves</u>		
Asset Revaluation Reserve	3,971,030	3,997,804
Grants Reserve	-	1,710,724
<i>Total reserves</i>	<u>3,971,030</u>	<u>5,708,528</u>

Nature and purpose of reserves

The asset revaluation reserve is maintained in respect to the revalued amount of the group's non-current assets.

The grants reserve is no longer required - funds have been transferred to accumulated funds.

Note 14 - Contingent liabilities

At balance date the association is not aware of the existence of any contingent liability.

Note 15 - Events occurring after balance date

No significant events have occurred after balance date.

Note 16 - Commitments***Operating lease commitments***

Non-cancellable operating leases contracted for but not recognised in the financial statements as follows:

Within one year	10,770	13,746
Later than one year but not later than five years	23,760	4,290
	<u>34,530</u>	<u>18,036</u>

Note 17 - Key management personnel***Remuneration of key management personnel***

The aggregate amount of compensation paid to directors and other key management personnel during the year was:

<u>490,780</u>	<u>429,890</u>
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Directors work on a voluntary basis and do not receive compensation for their time. Directors receive reimbursement for out-of-pocket expenses only.

NETHERLANDS AUSTRALIAN AGED SERVICES ASSOCIATION INC.**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2016**Note 18 - Related party transactions**

There were no related party transactions during the year.

Note 19 - Economic dependency

The association considers that it is economically dependent on revenue received from the Commonwealth Government Department of Social Services with respect to its residential aged care facilities and community care programs. The Directors believe that this revenue will continue to be made available to the association for the foreseeable future.

The total amount of recurrent government funding received during the financial year was \$6,514,664 and this represented 74% of total revenue.

Note 20 - Events after balance date

There were no events after balance date.

Note 21 - Association details

The principal place of business of the association is:
Netherlands Australian Aged Services Association Inc.
1 Madras Street
Oaklands Park SA 5046

NETHERLANDS AUSTRALIAN AGED SERVICES ASSOCIATION INC.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

Note 22 - Residential aged care segment

The following information is provided in compliance with *Accountability Principles 2014, Part 4, Division 2, Section 35 (2)(e)* which deems residential care to be a reporting segment for the purposes of *AASB 8: Operating Segments*.

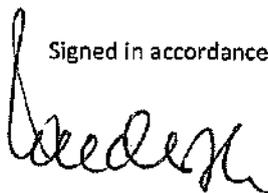
	Income Statement			
	2016	2015	2016	2015
	\$	\$	\$	\$
Revenue			Expenses	
Operating revenue			Wages & super - care	2,933,961
Government subsidies	5,158,518	4,680,040	Wages & super - admin	469,137
Resident charges	1,817,251	1,751,302	Wages & super - other	831,184
Bond retentions	81,419	128,889	Management fees	-
Interest	138,639	135,519	Depreciation & amortisation	936,841
Trust distributions	-	-	Interest	68,279
Donations and contributions	1,976	18,660	One-off expenses	224,170
Other operating revenue	8,205	45,805	Staff on-costs (ex super)	486,592
<i>Total operating revenue</i>	<u>7,206,008</u>	<u>6,760,214</u>	Repairs & maintenance	188,299
			Insurance	34,789
Non-operating revenue			Motor Vehicles	9,152
Capital grants	-	-	Rent	-
Profit on sale of assets	7,801	-	Utilities	190,697
Revaluation increase	-	-	Other expenses	1,204,500
Insurance claims	-	-		
Other non-operating revenue	-	-		
<i>Total non-operating revenue</i>	<u>7,801</u>	<u>-</u>		
Total revenue	<u>7,213,808</u>	<u>6,760,214</u>	Total expenses	<u>7,577,601</u>
				<u>6,245,488</u>
Net segment profit	<u>(363,792)</u>	<u>514,726</u>		
	Balance Sheet			
	2016	2015	2016	2015
	\$	\$	\$	\$
Assets			Liabilities	
Current assets			Current liabilities	
Cash	5,057,272	5,577,139	Short term borrowings	238,500
Liquid assets (non cash)	-	-	Trade payables	109,799
Trade receivables	28,826	51,135	Employee provisions	272,963
Inventory	-	-	Refundable loans	1,983,409
Other	89,946	71,452	Other	221,059
<i>Total current assets</i>	<u>5,176,044</u>	<u>5,699,726</u>	<i>Total current liabilities</i>	<u>2,825,730</u>
				<u>2,304,361</u>
Non-current assets			Non-current liabilities	
Loans	-	-	Long term borrowings	4,074,375
Property, plant & equipment	17,705,278	17,687,141	Employee provisions	48,571
Investments	-	-	Refundable loans	7,933,636
Intangibles	-	-	Other	-
Other	-	-		
<i>Total non-current assets</i>	<u>17,705,278</u>	<u>17,687,141</u>	<i>Total non-current liabilities</i>	<u>12,056,582</u>
				<u>13,416,634</u>
Total assets	<u>22,881,322</u>	<u>23,386,867</u>	Total liabilities	<u>14,882,311</u>
				<u>15,720,995</u>
Net segment assets	<u>7,999,011</u>	<u>7,665,872</u>		

NETHERLANDS AUSTRALIAN AGED SERVICES ASSOCIATION INC.**ABN 84 438 069 700****FINANCIAL REPORT - 30 JUNE 2016****COMMITTEE'S STATEMENT**

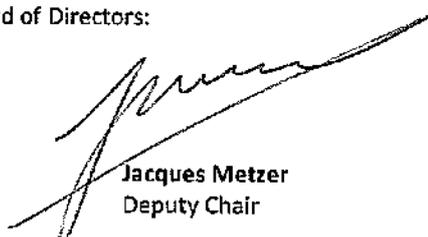
The Directors of Netherlands Australian Aged Services Association Incorporated declare that:

1. The financial statements, which comprises the statement of financial position as at 30 June 2016, and the statement of comprehensive profit or loss and other income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes are in accordance with the *Associations Incorporation Act (SA) 1985* and the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
 - (b) give a true and fair view of the financial position and performance of the association during and at the end of the financial year of the association ending 30 June 2016.
2. In the opinion of the Directors there are reasonable grounds to believe that the association will be able to pay its debts as and when they become due and payable.

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



Frans de Ryk
Chairperson



Jacques Metzger
Deputy Chair

Oaklands Park, 26 October 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NETHERLANDS AUSTRALIAN AGED SERVICE ASSOCIATION INCORPORATED

Report on the Financial Report

We have audited the accompanying financial report of the Netherlands Australian Aged Service Association Incorporated, which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the responsible entities declaration.

Responsible Entities' Responsibility for the Financial Report

The responsible entities of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)* and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 responsible entities' preparation of the financial report that gives a true and fair view 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 registered entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the responsible entities, 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.

Opinion

In our opinion the financial report of The Netherlands Australian Aged Service Association Incorporated 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 2016 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 Regulation 2013*.



BDO Audit (SA) Pty Ltd



Andrew Tickle
Director

Adelaide, 26 October 2016

Netherlands Australian Aged Services Association Inc

Budget 2016-17

	Operational	Special Projects (One-off)	Total
	\$	\$	\$
Income			
Revenue	9,526,974	-	9,526,974
Other income	-	-	-
Total Income	9,526,974	-	9,526,974
Expenses			
Accommodation expenses	221,800	131,037	352,837
Administration and other expenses	469,521	293,000	762,521
Depreciation and amortisation	757,663	-	757,663
Hotel services expenses	522,866	32,100	554,966
Resident and client expenses	488,028	-	488,028
Salaries and employee benefits	6,815,300	170,126	6,985,426
Utilities	230,620	-	230,620
Total Expenses	9,505,798	626,263	10,132,061
Surplus for the year	21,176	(626,263)	(605,087)

Netherlands Australian Aged Services Association Inc

ABN 84 438 069 700

1 Madras Street, Oaklands Park, SA, 5046

Ph. (08) 8198 0300

