



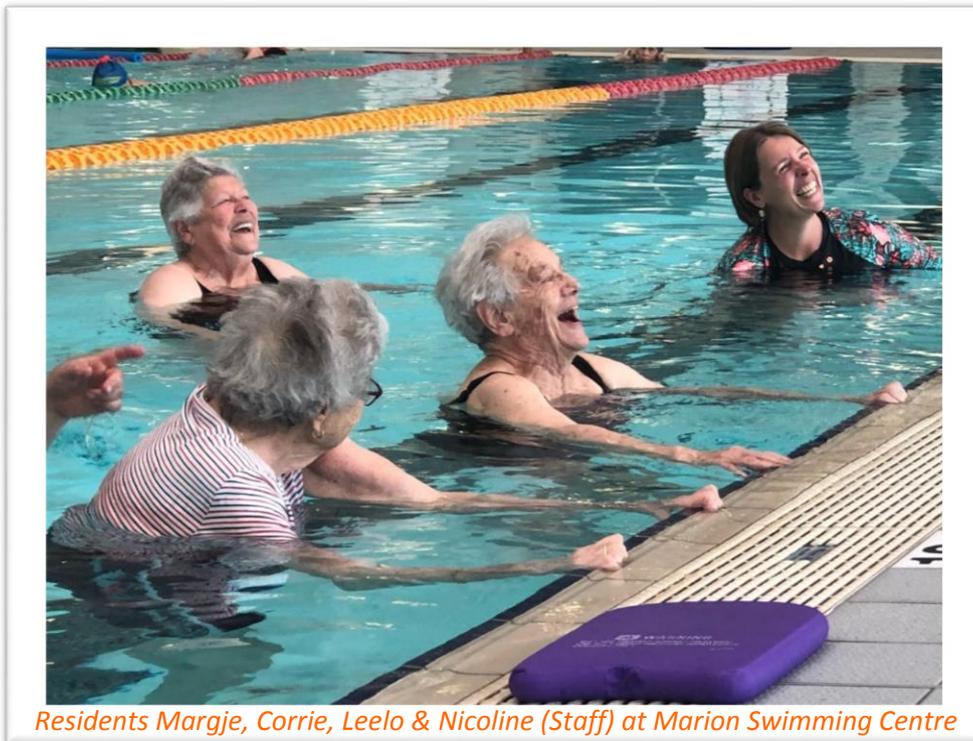
2017/18

# Annual Report

*Rembrandt*

## Table of Contents

1. 2017/18 Board of Directors
2. Chairperson's Report
3. Treasurer's Report
4. Chief Executive Officer's Report
5. Home Care Services' Report
6. Residential Services' Report
7. Corporate Services' Report
8. Financial Report 30th June 2018



*Residents Margje, Corrie, Leelo & Nicoline (Staff) at Marion Swimming Centre*

# Rembrandt

## 2017/18 Board of Directors



Frans de Ryk  
Chairperson (to 8<sup>th</sup> Nov 2017)



Sef van den Nieuwelaar  
Chairperson (from 8<sup>th</sup> Nov 2017)



Jacques Metzger  
Deputy Chairperson



John Bird  
Treasurer



Joy Tol  
Secretary



Lyn Warnock



Charlie-Helen Robinson



Etienne Scheepers



Paul Thorne

# Rembrandt



## Chairperson's Report

### Sef van den Nieuwelaar

It is with pleasure that I provide my first Report as Rembrandt Living's Chairperson having been elected to the position following the 2017 Annual General Meeting (AGM). I take this opportunity to recognise my predecessor Frans de Ryk and thank him for a significant tenure of voluntary service to our organisation both as a Director and Chairman.

I would also like to thank Frans for mentoring me into the role of Chair and for his hard work making the organisation what it is today.

The aged care industry as a whole had a turbulent year, with a constant focus from regulatory organisations and the public on compliance. This scrutiny is welcomed by Rembrandt however it does at times take our attention from the crucial role of caring for our residents and clients which naturally remains our primal focus.

For our organisation 2017/18 has been another year of providing excellent aged care services. Our residential home, Rembrandt Court, again remained full throughout the year (occupancy rate of over 99%) with a healthy list of people waiting to move in. Our Home Care Services provided services to over 500 clients across the Commonwealth Home Support Program (CHSP) and to an increasing number of Home Care Packages clients. Both areas of our organisation have achieved an operational surplus which will hold us in good stead for coming years.

This year again has been extra busy with it being the third year of our Business Development Action Plan, initiated by our CEO Deb Dutton when she started in her role. This plan includes an array of extraordinary business development activities spanning the whole of Rembrandt Living from the name change to fencing to room renovations to solar panels to an electronic care system! The following Reports will expand on these activities. This work is completed on top of providing services across both residential and home care and I thank the staff in particular for their time and effort developing our business and its infrastructure.



*Residents John & Kaspert enjoying the autumn leaves*

Unfortunately, as in previous years, this level of development comes at a price - this year our Special Projects recorded a deficit of (\$392,685) however this was negated to some extent with us operationally achieving small surpluses, resulting in an overall organisational deficit being recorded this year of (\$299,074). Significantly the growth we achieved in home care both in home

# Rembrandt

care package numbers and levels resulted in a healthy surplus in this area. This is expanded on the other reports as well.

Pleasingly the Board composition remained constant throughout this financial year with Directors Paul Thorne and Charlie Helen-Robinson settling in well. The board are a group of skilled professionals with varying opinions who govern the organisation using contemporary practices. With your support at this AGM several of our existing Directors, including me, have renominated for another term. I am very confident in our team going forward.

The Board has also continued to develop professionally both as individual Directors and as a group. This year we commissioned the services of the Australian Institute of Company Directors (AICD) to provide governance training. We continue to review and develop our governance practices.

Despite what will be a very interesting and challenging year for the aged care industry, particularly in view of the recently announced Royal Commission, I am confident 2018/19 will be another positive yet busy year for Rembrandt. Our board is constantly reviewing our strategic direction to respond to our challenges and to ensure Rembrandt Living remains in a strong financial position.

I thank our volunteer Directors for their hard work and contribution to Rembrandt Living.



# Rembrandt



## Treasurer's Report

### John Bird

As Sef noted earlier, 2017/18 was another successful year for Rembrandt across our service streams with a significant amount of extraordinary business development activities added onto our normal activities, which did, as expected, impact on our financial result.

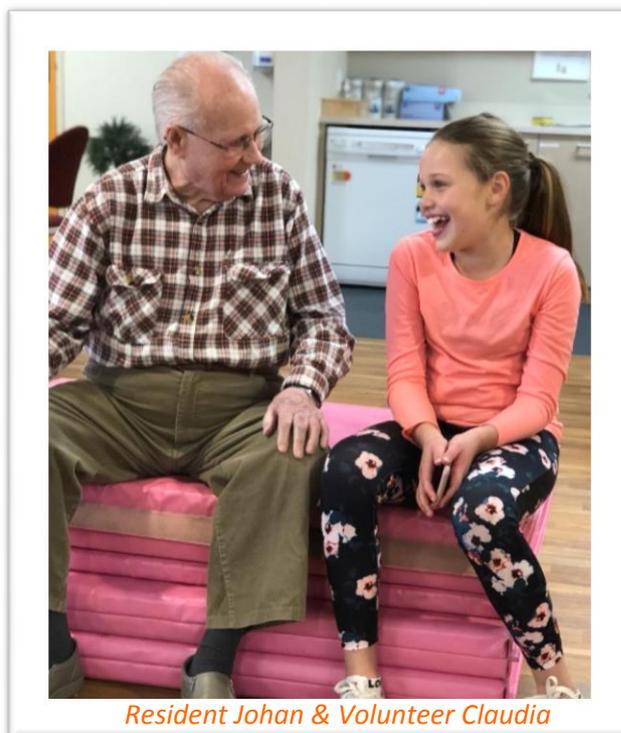
As per the enclosed General Purpose Financial Report, the following is of note for the 2017/18 year:

- Our overall result was a deficit of (\$299,074) which compares with a prior year deficit of (\$427,479). This result was better than our budgeted deficit of (\$499,500)
- Residential services at Rembrandt Court recorded a \$23,137 surplus.
- Home Care Services recorded a \$70,474 surplus.
- The Special projects result was a deficit of (\$392,685) compared to a budgeted deficit of (\$527,000)
- The balance sheet remained strong with a slightly lower result at end of year - a healthy net equity of just under \$7.4 million.

The better than budgeted result in special projects is a result of the room renovations project taking longer to implement than anticipated. The remaining, unspent funds, have been rolled over into the 2018/19 budget.

It is pleasing, that in an environment of major change, we were able to record slightly better than budgeted results in home care and residential services with both recording small surpluses.

The Finance Audit, Risk and Compliance Board Committee has again overseen the significant year from a financial perspective and remained constantly vigilant in assessing the implications for our financial position.



*Resident Johan & Volunteer Claudia*

The independent audit was again conducted by BDO and I am pleased to say that the Audit was Unqualified (meaning there were not any issues found) and, in addition, we received positive feedback from the Auditors on our internal controls and systems.

Again the contribution of management and staff in the finance area, led by Sandy Murgatroyd, General Manager Corporate Services is highly appreciated.

Our 2018/19 plans include the organisation continuing to forge ahead with the final year of our Business Development Action Plan to ensure the viability of the organisation for the longer term.

# Rembrandt

The Board and Finance Committee have approved a budget for 2018/19 again 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 Business Development Action Plans.

The 2018/19 budget has a projected surplus of \$10,000 for Operations with a separate expenditure deficit of (\$135,000) for Special Projects which represents the carryover of unspent funds from 2017/18. I am pleased to say that based on the first 3 months of the current financial year we are very confident in achieving the budget as presented.

I look forward to another exciting year at Rembrandt Living.



# Rembrandt



## Chief Executive Officer Report

### Deb Dutton

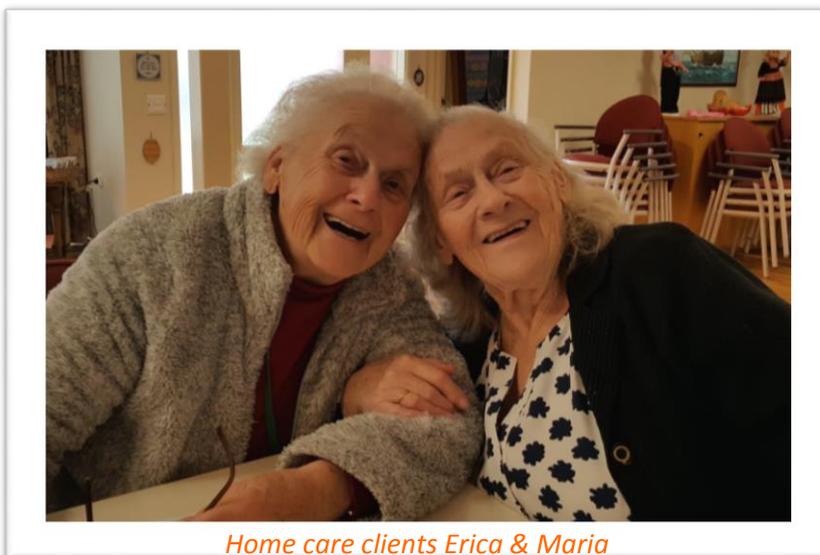
As I do each year at the start of my CEO Report, I acknowledge the Rembrandt Living residents and clients that have passed away during this year and express our condolences to their families. This part of the job never gets easier for those of us that not just care for these people but spend significant amounts of time with them, in some cases, becoming almost like family. May they rest in peace!

Rembrandt Court remains a beautiful home that oozes 'gezellig' (our primary guiding principle, a Dutch word meaning warm and welcoming) that is sought after by so many, of Dutch and many other cultural origins. Our occupancy rate again throughout 2017/18 confirms this. In addition to the special projects detailed below we have constantly looked for and implemented improvements to the services we offer. The move to onsite Registered Nursing cover across 24 hours, 7 days per week, 365 days per year being a good example of this. This year for the first time we measured our Net Promoter Score which is a modern way of measuring people's satisfaction with our service. I very proud to report our score was +61 (anything over +25 is considered excellent).

In April 2018 Rembrandt Court faced a big challenge – reaccreditation! Following the increased industry scrutiny, the auditors went through our facilities, its services and staff with a 'fine-tooth combe'. A very pleasing result to achieve 44/44.

The steady growth across our home care packages, particularly in light of the difficulties many of our competitors have experienced this year is nothing short of excellent. This reflects the impact of our name change together with the hard work promoting our services by Jo and her team and our growing reputation as a service that "really cares". This growth has enabled our home care area to be of the size where they have the critical mass required to cover our costs which are increasing each year.

We believe our home care model of care is niche – clients receive truly tailored support coordinated by caring professionals who take the time to get to know each of their clients with services carried out, almost always by the same individuals. This enables clients to build trust in their support workers, our services and our organisation. Our services definitely enable people to remain living in their homes longer!



*Home care clients Erica & Maria*

# Rembrandt

We certainly have again been kept busy outside of our business as usual, of significance including:

- **The growth of the 'Rembrandt' brand** through marketing and promotion work, on an extremely tight budget has started to yield results. Our Facebook page in particular has continued to grow with our engagement rates being of world class benchmark rates. Who would have thought photos and videos of people as they go about their lives at Rembrandt would be so popular!

- **The Rembrandt Court Room Renovation Program and facilities upgrade**

continued with 9 more rooms in House 4 being upgraded to include a fully-equipped ensuite bathroom taking the total over 2 years to 12 plus a store



room and a room with bathing facilities. These rooms are now beautiful, brilliantly functional and being enjoyed by the residents.

- With the running costs of the organisation continuing to rise faster than our income we initiated some cost saving strategies that specifically don't impact on service provision. The most significant being the change- over of our lights at Rembrandt Court to energy efficient ones and the purchase and commissioning of solar panels.
- We finally hit the 20<sup>th</sup> century and upgraded our antiquated paper-based clinical care system to a computer-based electronic one. Leecare Platinum was officially launched in June 2018 and already the benefits in both efficiencies and improved clinical care are being seen.
- Following the summer of 2016/17 where Rembrandt Court at Oaklands Park suffered through more than 6 electricity blackouts, our board took the initiative to purchase and a commission a generator for the site. In typical "Murphy's law" fashion we did not have a single blackout over the 2017/18 summer however it has been called upon twice since and it worked beautifully.
- A raft of other new and improved initiatives, services and activities started including the Rembrandt Gym "Balance" which was officially opened in August 2017 by our local MP

Rembrandt

Corey Wingard and has a line up for every class! The gym is the home of our allied health team whose rehabilitation achievements during this year are nothing short of astonishing. The introduction of a 6-monthly memorial service “Rembrandt Remembers” recognising residents who have passed being a sad but important event on our calendar also. The inaugural Resident Christmas Dinner (with families invited) was another highlight.

- Discussions have started with the Dutch Social and Welfare Club which is located in Greenfields, where our Home Care Hub lease premises on a potential partnership going forward. Watch this space for some exciting news late in 2018.
- In the typical Rembrandt way, we like to have lots of fun along the way with lots of dress-up days and new lifestyle activities including dancing, singing and swimming lessons.

Rembrandt would not exist without the invaluable support of its dedicated group of volunteers that help out every week with everything from knitting to home visiting to bingo. A sincere thank you for your dedication to the residents and clients of Rembrandt.

I sincerely thank the Board, staff, residents, clients and other stakeholders for their hard work and dedication to Rembrandt Living. I find the empathy, professionalism and love for our residents and clients inspirational.



*Residents Ria, Annie, Trudy, Ali & Margje at the Botanical Gardens*

# Rembrandt



*Nicoline (staff) with Resident Alida*

Rembrandt



## Home Care Services Report

### Jo Hackett

It is with pleasure I present my third Home Care Services Report as General Manager Home Care Services for the 2017/18 year - and what a year it has been across our Home Care Team! We are very proud of our achievements and believe it is a direct reflection of the our dedicated and committed group of staff.

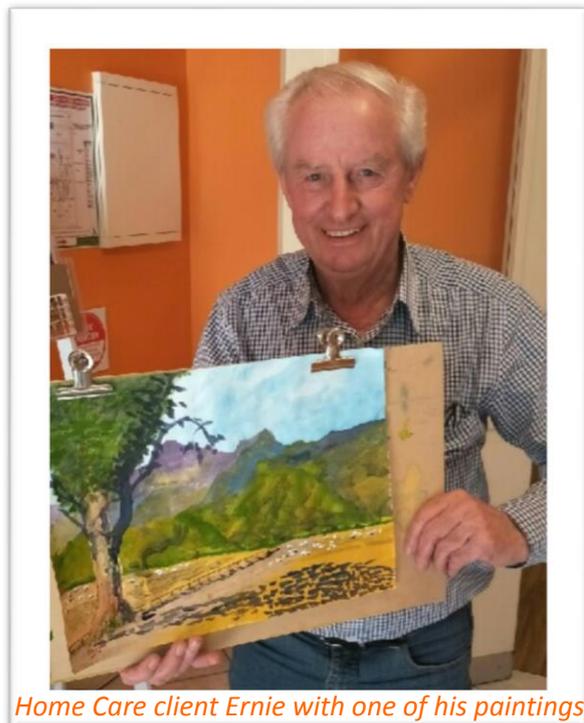
Unlike many of our competitors across the industry, we experienced steady growth this year across the board. The introduction of new legislation in February 2017 was fundamental in growing our business and we are extremely pleased by the continued support of Consumers choosing Rembrandt Living as their preferred Home Care provider, particularly in a very competitive industry where Consumer choice underpins Aged Care Services.

The introduction of the national queue to prioritise access to Home Care Packages has presented challenges for Consumers and Aged Care providers as wait times for packages can be up to two years. This presents difficulties in an environment where the needs of Consumers can change daily and the levels of support we can provide do not meet their needs. However, our Home Care Service Coordinators have embraced this challenge as an opportunity to advocate for consumers which have resulted in positive outcomes for Consumers choosing to remain at home.

On a less positive note, the increasing costs of delivering services forced us to consolidate our Uit en Thuis Social Program during this year. With the closure of our social groups in Whyalla, Bridgewater and Mount Gambier we have continued to provide and grow our existing social programs in Goolwa, Oaklands Park and Green Fields.

The Uit en Thuis social program is an important event on many of our client's weekly calendars providing not only an opportunity to socialise with others but includes a raft of fun and interesting activities. This year's jam-packed program included music and dance performances from different local groups, games, bingo, craft and 'show and tell' sessions. The singing and dancing days are a particular favourite among our clients with the conga line now a regular event at the Rembrandt Court Uit en Thuis!

I am pleased to report that during the past year we have provided in excess of 69,000 hours of service to 450 clients under our Commonwealth Home Support Funding and partnered with 82



*Home Care client Ernie with one of his paintings*

# Rembrandt

Home Care Package recipients to manage their services, which is a significant increase to our previous year's figures.

The home care team have settled in well to their new home in the Home Care Hub, adjacent to the Dutch Club at Greenfields. This space has enabled the expansion of programs based in the hub. This year clients were able to attend Art Classes, led by well-known artist Alan Lewis and Computer Classes over a night cuppa from our cafe.

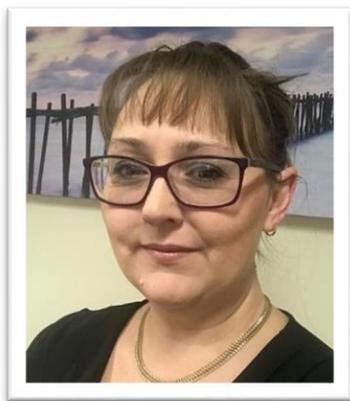
One of many highlights of the past year was securing and establishing our partnership with Stocklands Retirement Living increasing our service footprint across the state. With twelve Retirement Villages across South Australia, home to a significant number of retirees and potential Aged Care recipients we have embraced every opportunity to assist and support individuals to navigate the Aged Care maze. This partnership will support our continued growth in the future.

We are hoping that 2018/19 sees our steady growth continue, even more enabling us to expand our services to more people. I take this opportunity to thank the home care staff for their consistently excellent efforts and thank our clients for their ongoing support.



*Uit en Thuis social group enjoying lawn bowls*

# Rembrandt



## Residential Services Report

Timara Poulish

It is with pleasure that I present this Residential Services Report after being promoted internally to the role of General Manager Residential Services in May 2018. My previous role, Quality, WHS & Risk Coordinator was a brilliant entrée into life at Rembrandt and taking on this big role. I acknowledge my predecessor Fiona Reynolds whose contribution to Rembrandt and particularly our clinical services was greatly appreciated. Fiona moved on early in 2018.

I am proud to say the quality of our clinical and care services provided at Rembrandt Court again were of a continuously high standard. All 84 of our permanent rooms have remained full and our 3 dedicated Respite Rooms the same. Rembrandt Court offers a home for people looking for a cosy, homely home where the clinical and care services, including food and other hotel services are carried out in an almost family-like fashion. Our almost 100% occupancy rate illustrates this Dutch-style is appetising to many, particularly the Dutch, German, Austrians but Aussies too!

In April we were successfully reaccredited – quite a mean feat in our industry’s environment with the accreditation agency under pressure to find faults! The audit process went smoothly and resulted in 44 out of a possible 44! This result would not have been possible without our committed staff who went about their daily activities and demonstrated the respectful, dignified and caring way in which they carry out their jobs each and every day, not just on audit days. The positive feedback about the home and in particular how evident it is that our residents are really cared for (which we received at the end of the audit) is something all Rembrandt staff should be proud of.

The introduction and implementation this year of two new electronic clinical software systems in Leecare and MediMap is already paying dividends with clinical, care and medication information being more accessible and easier to read and communicate across our teams.

This year the increased acuity of our residents has meant we have had to more closely than ever monitor our staffing ratios to ensure our residents are always well care for. Our aim is to ensure we have the correct balance between nursing and care staff to provide the best care to our residents. This ongoing review resulted in changes to introduce Registered Nurses across 24 hours, 7 days per week, 365 days per year. These changes have proven successful with improved clinical outcomes for many residents.



*Residents Regina & Corrie*

# Rembrandt

Our lifestyle program is a central part of our service at Rembrandt Court. The program provides residents with a range meaningful activities and is crucial to residents ongoing wellbeing. On average we offer 17 different weekly activities - this equates to 884 opportunities per year for residents to attend regular activities. This year 136 residents attended these activities on average each week – this equals 7,072 per year! This is not to mention the additional one off theme days, or events. The lifestyle team monitor attendance and regularly review and adjust the program to ensure we offer residents a variety of appealing activities. We strive to keep are residents busy and happy on a daily basis.

One of the more significant changes this year has been the continued development of our gym and allied health program including our rehabilitation program. The team have changed the lives of many residents by enabling them to regain their mobility, build confidence, reduce the number of falls and the need for undignified lifting machines.

This year saw the introduction of our 6-monthly Memorial Service “Rembrandt Remembers”. Each service has been well attended and provides an opportunity for family, residents and staff to take a moment and remember those residents who have past.

I thank the entire residential services team for their hard work and effort caring for the much-loved residents of Rembrandt Court. I look forward to an exciting 2018/19.



*Staff members who volunteered their time at the Inaugural Resident Christmas Dinner*

# Rembrandt



## Corporate Services Report

Richard Budd of behalf of Sandy Murgatroyd

Since the end of this financial year, and following a Corporate Services re-structure including the redundancy of the General Manager role, Sandy has moved on to pastures new. I am therefore very pleased to be able to present this report on behalf of the Corporate Services team, in my new role of HR & Operations Manager.

The Corporate Services team provides our residential and home care services teams with the corporate functions they need including reception, administration, quality assurance, finance and payroll services, work health and safety, risk management, human resource services and Information Technology (IT) services. The team was able to consolidate our quality of service in the past year, following a challenging year in 2016/2017. We have continued to provide a consistent and high-quality service, while also implementing further technological changes to support the operating functions of the organisation, in particular the residential services area.

Finance had another busy year, fully consolidating the new electronic systems established last year. These systems, including direct debit and emailed statements provision, continue to make life easier for both our residents and clients and the finance team. As mentioned by John earlier we had our external financial audit conducted by aged care specialists, BDO and we again, pleasingly, received an Unqualified Audit. We have continued our relationship with Stewart Brown Chartered Accountants and have again utilized their professional finance, administration and corporate governance advice.

2017/18 has seen the continuation of significant upgrades in our IT area. To kick off a busy year for the IT area, in August we introduced a new network based Nurse call-bell system, together with brand new smartphones. In December we then launched our online document management intranet for staff, known as 'The Mill'. This was followed in February this year with the rollout of our new medication management system, Medi-map, which allows us to maintain online medication charts and documentation. In the same month we also upgraded our IT server to Office 365 with a Windows 2016 operating system, which has brought significant benefits to our network.

As mentioned by Deb, in June this year we finally completed the major project of replacing our manual clinical care system through the introduction of Leecare Platinum. Finally, by the end of the financial year we had rolled out new tablets to our Home Care Service Coordinators, to assist them with their in-home assessments and documentation when out in the field.



*Cathy (staff) and resident Georgina*

# Rembrandt

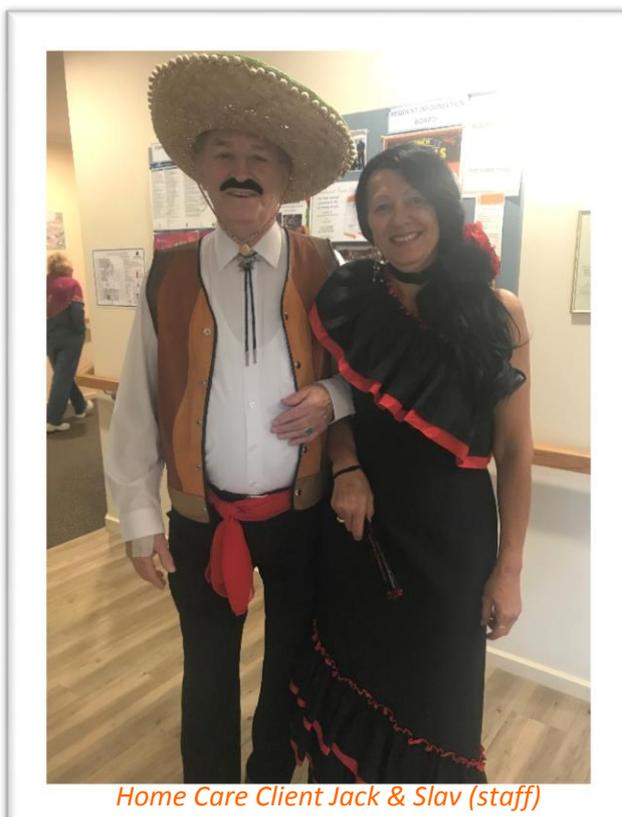
Under the direction of our (then) Quality, WHS, Quality & Risk Manager, Timara Poulsh, we were able to pass our re-accreditation audit in April 2018 with flying colours, largely due to the sterling efforts of staff across all areas of residential and corporate services. We now have very detailed and effective systems in place to continue managing all quality aspects of our business operations and feel very confident in retaining our status as a high achiever in this area.

From a Human Resource perspective, we welcomed 53 new staff to the organisation, which was on par with the previous year. We are pleased to report that we have retained our levels of Dutch -speaking staff with 17 individuals at the end of this year. From a training perspective we have moved to a new online platform known as Bridge, which allows us to manage all training, including in-house activities, in the one system as well as creating our own tailored training workshops. In the Rehabilitation and Return to Work area, we managed to reduce our insurance premiums by over 30% due to some robust and effective management of claims.

Whilst maintenance services was transferred to the Residential Services area during the year, it is worth noting that this period saw the completion of refurbishments to numerous rooms in our dementia support area, the purchase and commissioning of a new generator and the installation of solar panels at Rembrandt Court.

Looking ahead, we are eagerly anticipating the arrival of our new Finance Manager, which will complete the new look of the Corporate Services team. We are continuing our work in progress to implement improvements to our systems including new Home Care software integrated with finance, and HR and WHS functions managed through the Leecare system.

I thank the Corporate Services team for their drive and determination throughout another year of significant change, and we all look forward to another busy yet rewarding year.



*Home Care Client Jack & Slav (staff)*

# Rembrandt



**Rembrandt Living Incorporated**

**ABN 84 438 069 700**

**FINANCIAL REPORT - 30 JUNE 2018**

**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	23
Independent Auditor's Report	24

**REMBRANDT LIVING INC.**  
**ABN 84 438 069 700**

**FINANCIAL REPORT - 30 JUNE 2018**

**DIRECTORS' REPORT**

Rembrandt Living 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 Rembrandt Living Inc. for the financial year ended 30 June 2018 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.

<b>Sef van den Nieuwelaar</b>	Chair
<i>Year appointed</i>	2016 and appointed Chair 8/11/17
<i>Board Sub- Committee</i>	Member, Finance, Audit, Risk & Compliance Committee
<b>Frans de Ryk</b>	Chair until 08/11/17
<i>Year Appointed:</i>	2006 and appointed chair in November 2013 – Resigned 08/11/17
<i>Board Sub- Committees</i>	Member, Finance, Audit, Risk & Compliance Committee
<b>Jacques Metzger</b>	Deputy Chair
<i>Year appointed:</i>	2011 and appointed deputy chair in November 2015
<i>Board Sub- Committee</i>	Member, Finance, Audit, Risk & Compliance Committee
<b>John Bird</b>	Treasurer
<i>Year appointed:</i>	2012 and appointed treasurer in 2012
<i>Board Sub- Committee</i>	Chair, Finance, Audit, Risk & Compliance Committee
<b>Lyn Warnock</b>	Director
<i>Year appointed:</i>	2002
<b>David Lange</b>	Director
<i>Year appointed:</i>	2012 – Resigned 27/09/17
<b>Joy Tol</b>	Director
<i>Year appointed:</i>	2016 and appointed Secretary January 2017
<b>Etienne Scheepers</b>	Director
<i>Year appointed:</i>	2016
<b>Charlie Helen Robinson</b>	Director
<i>Year appointed</i>	2017
<b>Paul Thorne</b>	Director
<i>Year appointed</i>	2017

**REMBRANDT LIVING INC.**  
**ABN 84 438 069 700**

**FINANCIAL REPORT - 30 JUNE 2018**

**DIRECTORS' REPORT**

**PRINCIPAL ACTIVITY**

To establish, provide and administer aged care accommodation and support services for the welfare and enhancement of quality of life of aged persons or people with a disability (or their carers) in South Australia.

**SIGNIFICANT CHANGES**

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

**OPERATING RESULT**

The operating deficit of the association for the financial year amounted to \$ 299,074 (2017: deficit \$427,478). 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:

	<b>Eligible</b>	<b>Attended</b>
Sef van den Nieuwelaar	11	11
Frans de Ryk	4	4
Jacques Metzger	11	10
John Bird	11	5
Lyn Warnock	11	8
David Lange	3	1
Joy Tol	11	10
Etienne Scheepers	11	10
Charlie Helen Robinson	11	9
Paul Thorne	11	9

**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 2018 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:

  
**Sef van den Nieuwelaar**  
 Chairperson

  
**Joy Tol**  
 Secretary

Oaklands Park, 26<sup>th</sup> September 2018



**DECLARATION OF INDEPENDENCE  
UNDER SECTION 60-40 OF THE ACNC ACT 2012  
BY ANDREW TICKLE  
TO THE DIRECTORS OF REMBRANDT LIVING INC**

As lead auditor of Rembrandt Living Inc for the year ended 30 June 2018, 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.

A handwritten signature in blue ink, appearing to read 'Andrew Tickle'.

Andrew Tickle  
Director

**BDO Audit (SA) Pty Ltd**

Adelaide, 27 September 2018

**REMBRANDT LIVING INC.****STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018**

	Note	2018 \$	2017 \$
<b>Revenue</b>	4	9,937,003	9,340,074
<b>Other income</b>	4	(5,382)	2,864
		<u>9,931,621</u>	<u>9,342,938</u>
<b>Expenses</b>			
Accommodation expenses		(367,984)	(428,658)
Administration and other expenses		(527,942)	(620,552)
Depreciation and amortisation	5	(785,072)	(763,254)
Hotel services expenses		(422,834)	(450,231)
Resident and client expenses		(623,209)	(512,056)
Salaries and employee benefits		(7,269,246)	(6,762,427)
Utilities		(234,408)	(233,238)
		<u>(10,230,695)</u>	<u>(9,770,416)</u>
<b>Surplus for the year</b>		(299,074)	(427,478)
<b>Other comprehensive income</b>		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>		<u>(299,074)</u>	<u>(427,478)</u>

The accompanying notes form part of these financial statements

**REMBRANDT LIVING INC.****STATEMENT OF FINANCIAL POSITION****AS AT 30 JUNE 2018**

	Note	2018 \$	2017 \$
<b>ASSETS</b>			
Cash and cash equivalents	6	7,343,467	7,725,671
Trade and other receivables	7	236,270	263,306
Investments	8	1,265,000	-
Property, plant and equipment	9	17,156,745	16,942,176
<b>TOTAL ASSETS</b>		<b>26,001,482</b>	<b>24,931,153</b>
<b>LIABILITIES</b>			
Trade and other payables	10	868,284	988,374
Borrowings expected to be paid within 12 months	11	238,500	238,500
Refundable loans expected to be paid within 12 months	12	2,701,183	2,354,537
Provisions expected to be paid within 12 months	13	380,705	377,911
Borrowings expected to be paid after 12 months	11	3,597,375	3,835,875
Refundable loans expected to be paid after 12 months	12	10,804,730	9,420,535
Provisions expected to be paid after 12 months	13	26,954	32,596
<b>TOTAL LIABILITIES</b>		<b>18,617,731</b>	<b>17,248,328</b>
<b>NET ASSETS</b>		<b>7,383,751</b>	<b>7,682,825</b>
<b>EQUITY</b>			
Accumulated funds		3,412,721	3,711,795
Reserves	14	3,971,030	3,971,030
<b>TOTAL EQUITY</b>		<b>7,383,751</b>	<b>7,682,825</b>

The accompanying notes form part of these financial statements

**REMBRANDT LIVING INC.****STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018**

	Accumulated Funds	Asset Revaluation Reserve	Grants	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2016</b>	4,139,273	3,971,030	-	8,110,303
<b>Comprehensive income</b>				
Surplus for the year	(427,478)	-	-	(427,478)
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the year</b>	<u>(427,478)</u>	<u>-</u>	<u>-</u>	<u>(427,478)</u>
Transfers to / from reserves	-	-	-	-
<b>Balance at 30 June 2017</b>	<u><b>3,711,795</b></u>	<u><b>3,971,030</b></u>	<u><b>-</b></u>	<u><b>7,682,825</b></u>
<b>Balance at 1 July 2017</b>	3,711,795	3,971,030	-	7,682,825
<b>Comprehensive income</b>				
Surplus for the year	(299,074)	-	-	(299,074)
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the year</b>	<u>(299,074)</u>	<u>-</u>	<u>-</u>	<u>(299,074)</u>
Transfers to / from reserves	-	-	-	-
<b>Balance at 30 June 2018</b>	<u><b>3,412,721</b></u>	<u><b>3,971,030</b></u>	<u><b>-</b></u>	<u><b>7,383,751</b></u>

The accompanying notes form part of these financial statements

**REMBRANDT LIVING INC.****STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018 \$	2017 \$
<b>Operating Cash Flows</b>			
Receipts from customers and government		9,846,182	9,290,160
Payments to suppliers and employees		(9,630,265)	(9,133,625)
Allowable deductions from Bonds		(72,805)	(117,960)
Interest received		140,308	131,010
Finance costs (interest paid)		(75,254)	(82,688)
<i>Total Operating Cash Flows</i>		<u>208,166</u>	<u>86,897</u>
<b>Investing Cash Flows</b>			
Proceeds from sale of property, plant and equipment		10,000	-
Purchase of property, plant and equipment			
Residential Aged Care (excl Retirement Living)		(863,949)	(541,787)
Purchase of investments		(1,265,000)	-
<i>Total Investing Cash Flows</i>		<u>(2,118,949)</u>	<u>(541,787)</u>
<b>Financing Cash Flows</b>			
Accommodation bonds/refundable deposits received		2,955,000	3,641,000
Accommodation bonds/refundable deposits/entry contributions (refunded)		(1,187,921)	(1,665,013)
Repayment of borrowings		(238,500)	(238,500)
<i>Net cash flows from financing activities</i>		<u>1,528,579</u>	<u>1,737,487</u>
Net increase (decrease) in cash and cash equivalents		(382,204)	1,282,597
Cash and cash equivalents at the beginning of the financial year		<u>7,725,671</u>	<u>6,443,074</u>
Cash and cash equivalents at the end of the financial year	6	<u><u>7,343,467</u></u>	<u><u>7,725,671</u></u>

The accompanying notes form part of these financial statements

**REMBRANDT LIVING INC.****NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018****Note 1 – Reporting entity**

The financial report includes the financial statements and notes of Rembrandt Living Inc. 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 29<sup>th</sup> September 2018.

**Note 2 - Basis of preparation**

Rembrandt Living Inc. 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*, the *Australian Charities and Not-for-profits Commission Act 2012* and the *Australian Charities and Not-for-profits Commission Regulation 2013*. 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.

**REMBRANDT LIVING INC.****NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018****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 4(a)*. Paragraph 4(a) of *Accountability Principles 2014* which states ".....the aged care financial report must: (a) be in a form approved by the Secretary (of the Department of Health)".

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 applicable 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***

Rembrandt Living Inc. 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.

**REMBRANDT LIVING INC.****NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018****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.

**REMBRANDT LIVING INC.****NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018****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	12.5 - 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.

***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.

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.

**REMBRANDT LIVING INC.****NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018****Note 3 - Significant accounting policies (continued)*****Financial instruments (continued)*****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.

**REMBRANDT LIVING INC.****NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018****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

**REMBRANDT LIVING INC.****NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018****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.

**REMBRANDT LIVING INC.****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

	2018 \$	2017 \$
<b>Note 4 - Revenue</b>		
<b>Operating revenue</b>		
Government Subsidies	5,631,585	5,564,186
Resident fees and charges	1,681,731	1,627,403
Home Care & community fees and charges	1,144,385	739,203
Retentions/Interest from accommodation bonds	48,067	70,080
Resident accommodation payments	285,429	262,690
	<u>8,791,197</u>	<u>8,263,562</u>
<b>Other revenue</b>		
Interest income	175,087	121,986
Grants	879,746	868,467
Other revenue	90,973	86,059
	<u>1,145,806</u>	<u>1,076,512</u>
<i>Total revenue</i>	<u>9,937,003</u>	<u>9,340,074</u>
<b>Other income</b>		
Net gain / (loss) on disposal of property, plant and equipment	(5,382)	2,864
<i>Total other income</i>	<u>(5,382)</u>	<u>2,864</u>
<i>Total revenue and other income</i>	<u>9,931,621</u>	<u>9,342,938</u>
<b>Note 5 - Expenses</b>		
Depreciation and amortisation		
Buildings	621,276	603,231
Plant and equipment	147,073	149,397
Motor vehicles	16,723	10,626
<i>Total depreciation and amortisation</i>	<u>785,072</u>	<u>763,254</u>
<b>Note 6 - Cash and cash equivalents</b>		
Cash at bank and on hand	2,843,467	3,701,978
Deposits at call	4,500,000	4,023,693
<i>Total cash and cash equivalents</i>	<u>7,343,467</u>	<u>7,725,671</u>
<b>Note 7 - Investments</b>		
Long Term investments	1,265,000	-
<i>Total investments</i>	<u>1,265,000</u>	<u>-</u>

Long Term Investments include convertible notes bearing interest rates between the 3 month bill rate + 3.2% and 4% with maturity dates between December 2024 and September 2027.

**REMBRANDT LIVING INC.****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
<b>Note 8 - Trade and other receivables</b>		
<u>Expected to be recovered within 12 months</u>		
Trade receivables	46,228	37,283
Provision for impairment	-	(715)
	<u>46,228</u>	<u>36,568</u>
GST receivable	55,118	82,274
Interest receivable	34,779	7,839
Other receivables	21,142	83,701
Prepayments	79,003	52,924
<i>Total trade and other receivables</i>	<u><u>236,270</u></u>	<u><u>263,306</u></u>
<b>Provision for impairment</b>		
Opening carrying amount	(715)	-
Increase in provision	715	(715)
Closing carrying amount	<u>-</u>	<u>(715)</u>

**Note 9 - Property, plant and equipment**

	Land	Buildings	Furniture, Plant and Equipment	Motor Vehicles	Total
	\$	\$	\$	\$	\$
<b>At 30 June 2017</b>					
Cost or Fair Value	2,900,000	14,832,817	1,493,809	91,907	19,318,532
At Valuation	-	-	-	-	-
Accumulated depreciation	-	(1,662,714)	(824,366)	(51,220)	(2,538,299)
<i>Net carrying amount</i>	<u>2,900,000</u>	<u>13,170,103</u>	<u>669,444</u>	<u>40,687</u>	<u>16,780,233</u>
Capital Works in Progress					161,943
TOTAL					<u><u>16,942,176</u></u>
<b>Movements in carrying amounts</b>					
Net carrying amount at 1 July 2017	2,900,000	13,170,103	669,444	40,687	16,780,233
Additions	-	683,234	482,109	19,960	1,185,303
Disposals	-	-	(35,500)	(10,323)	(45,823)
Depreciation charge for the year	-	(621,276)	(147,081)	(16,723)	(785,080)
Impairment	-	-	-	-	-
Net carrying amount at 30 June 2018	<u>2,900,000</u>	<u>13,232,061</u>	<u>968,972</u>	<u>33,601</u>	<u>17,134,633</u>
<b>At 30 June 2018</b>					
Cost or Fair Value	2,900,000	15,516,052	1,785,409	86,396	20,287,857
Valuation	-	-	-	-	-
Accumulated depreciation	-	(2,283,991)	(794,325)	(52,795)	(3,131,112)
<i>Net carrying amount</i>	<u>2,900,000</u>	<u>13,232,061</u>	<u>991,083</u>	<u>33,601</u>	<u>17,156,745</u>
Capital Works in Progress					-
TOTAL					<u><u>17,156,745</u></u>

Furniture, Plant and Equipment is shown at fair value following valuation at 30 June 2017

**REMBRANDT LIVING INC.****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
<b>Note 10 - Trade and other payables</b>		
<u>Expected to be payable within 12 months</u>		
Trade payables	330,204	501,973
Home care package funds	218,383	143,915
Other payables	319,697	342,486
<i>Total trade and other payables</i>	<u>868,284</u>	<u>988,374</u>
<b>Note 11 - Borrowings</b>		
Expected to be payable within 12 months (ZRIL Loan)	238,500	238,500
Expected to be payable after 12 months (ZRIL Loan)	3,597,375	3,835,875
<i>Total borrowings</i>	<u>3,835,875</u>	<u>4,074,375</u>
<b>Note 12 - Refundable loans</b>		
<u>Expected to be payable within 12 months</u>		
Refundable accommodation deposits and accommodation bonds	2,701,183	2,354,537
	<u>2,701,183</u>	<u>2,354,537</u>
<u>Expected to be payable after 12 months</u>		
Refundable accommodation deposits and accommodation bonds	10,804,730	9,420,535
	<u>10,804,730</u>	<u>9,420,535</u>
<i>Total refundable loans</i>	<u>13,505,913</u>	<u>11,775,072</u>
<b>(a) Movement in refundable accommodation deposits and accommodation</b>		
Opening carrying amount	11,775,072	9,917,045
<i>Add (less)</i>		
New accommodation deposits received	2,955,000	3,641,000
Interest on Terminations	36,567	33,700
Retention from bonds	(47,779)	(69,708)
Other allowable deductions	(25,027)	(48,252)
Accommodation deposits and bonds refunded	(1,187,921)	(1,698,714)
Closing carrying amount	<u>13,505,913</u>	<u>11,775,072</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.

**REMBRANDT LIVING INC.****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

	2018 \$	2017 \$
<b>Note 13 - Provisions</b>		
<u>Expected to be payable within 12 months</u>		
Employee entitlements - annual leave	218,053	193,873
Employee entitlements - long service leave	162,652	184,038
	<u>380,705</u>	<u>377,911</u>
<u>Expected to be payable after 12 months</u>		
Employee entitlements - long service leave	26,954	32,597
	<u>26,954</u>	<u>32,597</u>
<i>Total provisions</i>	<u>407,659</u>	<u>410,508</u>
<b>Note 14 - Reserves</b>		
Asset Revaluation Reserve	3,971,030	3,971,030
<i>Total reserves</i>	<u>3,971,030</u>	<u>3,971,030</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.

**Note 15 - Contingent liabilities**

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

**Note 16 - Events occurring after balance date**

No significant events have occurred after balance date.

**Note 17 - Commitments*****Operating lease commitments***

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

Within one year	24,228	24,228
Later than one year but not later than five years	22,301	31,529
	<u>46,529</u>	<u>55,757</u>

**Note 18 - 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>565,237</u>	<u>564,868</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.

**REMBRANDT LIVING INC.****NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2018****Note 19 - Related party transactions**

There were no related party transactions during the year.

**Note 20 - 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 \$ 7,040,269 (2017: \$6,963,217) and this represented 71% of total revenue.

**Note 21 - Events after balance date**

There were no events after balance date.

**Note 22 - Association details**

The principal place of business of the association is:

Rembrandt Living Incorporated

1 Madras Street

Oaklands Park SA 5046

**REMBRANDT LIVING INC.****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017****Note 23 - Residential aged care segment**

RACS ID 6127

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**

	2018	2017
	\$	\$
<b>Income</b>		
<b>Residential Care Income</b>		
Subsidies & Supplements (Commonwealth)	4,999,847	4,916,184
Resident charges		
Means Tested Care Fees	124,835	103,236
Other	-	2,500
<i>Total residential care income</i>	<u>5,124,681</u>	<u>5,021,920</u>
<b>Residential Accommodation Income</b>		
Subsidies & Supplements (Commonwealth)	631,738	648,002
Resident Fees (excluding Extra Service Fees)	285,429	263,062
Accommodation Bond retention amounts	48,067	69,708
<i>Total residential accommodation income</i>	<u>965,234</u>	<u>980,772</u>
<b>Other Resident Fee Income</b>		
Basic Daily Fee	1,556,896	1,521,667
Extra Service Fees		
Additional Service Fees		
<i>Total other resident fee income</i>	<u>1,556,896</u>	<u>1,521,667</u>
<b>Financing Income</b>		
Interest Income	137,449	93,812
<i>Total financing income</i>	<u>137,449</u>	<u>93,812</u>
<b>Other Income</b>		
Donations and fundraising	-	1,878
Gain on Sale of Assets	-	2,864
Revaluation of Assets (increase)	-	-
Other Income	5,610	5,703
<i>Total other income</i>	<u>5,610</u>	<u>10,445</u>
<b>Total Income</b>	<u>7,789,871</u>	<u>7,628,615</u>
<b>Expenses</b>		
<b>Residential Care Expenses</b>		
Labour costs	4,049,763	3,855,216
Other care expenses	140,132	116,250
<i>Total care expenses</i>	<u>4,189,895</u>	<u>3,971,466</u>
<b>Residential Accommodation Expenses</b>		
Labour costs	97,218	67,854
Property repairs, maintenance & replacement	157,818	162,003
Rent for buildings	-	-
Other accommodation expenses	231,202	211,299
<i>Total accommodation expenses</i>	<u>486,238</u>	<u>441,156</u>

The accompanying notes form part of these financial statements

**REMBRANDT LIVING INC.****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017****Note 23 - Residential aged care segment (cont)****Income Statement (cont)**

	2018	2017
	\$	\$
<b>Residential Catering, Cleaning &amp; Laundry Expenses</b>		
Labour costs	913,831	908,461
Contracted Services - External service organisations	54,395	47,159
Contracted Services - Internal service divisions	-	-
Other Catering, Cleaning & Laundry expenses	319,940	356,037
<i>Total Hotel service expenses</i>	<u>1,288,166</u>	<u>1,311,657</u>
<b>Administration Expenses</b>		
Labour costs	686,434	733,004
Management Fees	-	-
Other Administration Expenses	176,645	181,876
<i>Total administration expenses</i>	<u>863,079</u>	<u>914,880</u>
<b>Capital and Financing Expenses</b>		
Depreciation	751,350	732,631
Amortisation	22,513	24,389
Interest expense	111,821	82,688
<i>Total Capital and Financing expenses</i>	<u>885,684</u>	<u>839,708</u>
<b>Other Expenses</b>		
Revaluation of Assets (Decrease)	-	-
Loss on Sale/Disposal of Assets	3,396	-
Other expenses	50,277	72,193
<i>Total other expenses</i>	<u>53,673</u>	<u>72,193</u>
<b>Total Expenses</b>	<u>7,766,735</u>	<u>7,551,059</u>
<b>Net Surplus</b>	<u>23,137</u>	<u>77,556</u>

The accompanying notes form part of these financial statements

**REMBRANDT LIVING INC.****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017****Note 23 - Residential aged care segment (cont)****Balance Sheet**

	2018	2017
	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Other current assets	7,361,354	7,598,970
<i>Total current assets</i>	<u>7,361,354</u>	<u>7,598,970</u>
<b>Non-current assets</b>		
Property, plant & equipment	17,118,992	16,885,766
Intangibles	-	-
Other	1,265,000	-
<i>Total non-current assets</i>	<u>18,383,992</u>	<u>16,885,766</u>
<b>TOTAL ASSETS</b>	<u>25,745,346</u>	<u>24,484,736</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Bank borrowings	238,500	238,500
Refundable deposits payable/Accommodation Bonds payable/Entry contributions payable		
Amount due and payable	13,505,913	11,775,072
<i>Amount due and payable within 12 months (estimate)</i>	2,701,183	2,354,537
<i>Amount due and payable after 12 months (estimate)</i>	10,804,730	9,420,535
Employee Provisions	228,423	283,433
Other current liabilities	55,218	250,842
<i>Total current liabilities</i>	<u>14,028,054</u>	<u>12,547,847</u>
<b>Non-current Liabilities</b>		
Bank borrowings	3,597,375	3,835,875
Employee provisions	20,216	24,448
Other non-current liabilities	-	-
<i>Total non-current liabilities</i>	<u>3,617,591</u>	<u>3,860,323</u>
<b>TOTAL LIABILITIES</b>	<u>17,645,645</u>	<u>16,408,170</u>
<b>NET ASSETS</b>	<u>8,099,702</u>	<u>8,076,566</u>
<b>EQUITY</b>		
<b>Reserves</b>		
Retained earnings		
<i>Opening balance</i>	8,076,565	7,999,010
<i>Amount of current year NPAT retained</i>	23,137	77,555
<i>Closing balance</i>	<u>8,099,702</u>	<u>8,076,565</u>
<b>TOTAL EQUITY</b>	<u>8,099,702</u>	<u>8,076,565</u>

The accompanying notes form part of these financial statements

**FINANCIAL REPORT - 30 JUNE 2018****COMMITTEE'S STATEMENT**

The Directors of Rembrandt Living Incorporated declare that:

1. The financial statements, which comprises the statement of financial position as at 30 June 2018, 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*, the *Australian Charities and Not-for-profits Commission Act 2012* and the *Australian Charities and Not-for-profits Commission Regulation 2013* 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 2018.
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 subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013* and the resolution of the Board of Directors:



**Sef van den Nieuwelaar**  
Chairperson



**Joy Tol**  
Secretary

Oaklands Park, 26 September 2018



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REMBRANDT LIVING INC

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Rembrandt Living Inc (the registered entity), which comprises the statement of financial position as at 30 June 2018, the statement of profit and loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report including a summary of significant accounting policies, and the committee's statement.

In our opinion the accompanying financial report of Rembrandt Living Inc, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) Giving a true and fair view of the registered entity's financial position as at 30 June 2018 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the registered entity in accordance with the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### Other information

The responsible entities of the registered entity are responsible for the other information. The other information comprises the directors' report, but does not include the financial report and our auditor's report thereon.

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

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



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

#### **Responsibilities of the responsible entities' 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 *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.

In preparing the financial report, the responsible entities are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

The responsible entities of the registered entity are responsible for overseeing the registered entity's financial reporting process.

#### **Auditor's responsibilities for the audit of the Financial Report**

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: [http://www.auasb.gov.au/auditors\\_files/ar3.pdf](http://www.auasb.gov.au/auditors_files/ar3.pdf).

This description forms part of our auditor's report.

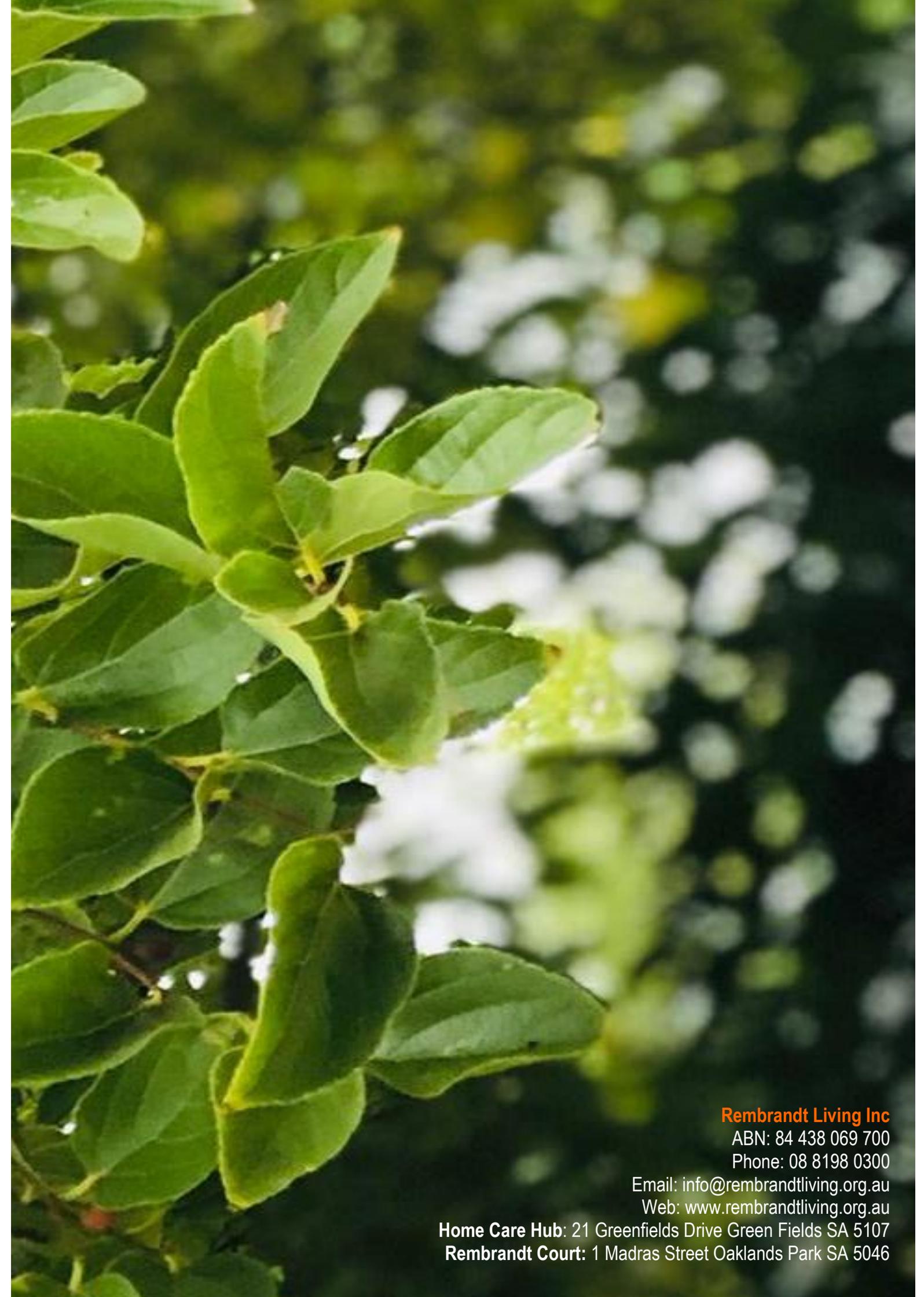
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**BDO Audit (SA) Pty Ltd**

A handwritten signature in blue ink, appearing to read 'Andrew Tickle'.

Andrew Tickle  
Director

Adelaide, 27 September 2018



**Rembrandt Living Inc**

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**Rembrandt Court:** 1 Madras Street Oaklands Park SA 5046