



*Rembrandt
Living*

2023

Annual Report

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Front Cover (from left):
Rembrandt Court Resident Marilyn enjoying
Chair Yoga with Lifestyle Officer, Amy.

Rembrandt



Board Of Directors



Sef van den Nieuwelaar
Chairperson



Marie Wood
Deputy Chairperson



John Bird
Treasurer



Joy Tol
Secretary



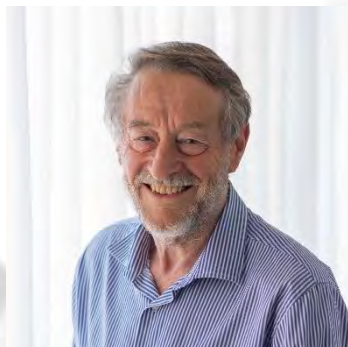
Sue Cantor



Etienne Scheepers



Paul Thorne



Jacques Metzger



Simon Brewer





Chairperson's Report

Sef van den Nieuwelaar

With pleasure I provide my 6th Report as Rembrandt Living's Chairperson and I am pleased to report another overall positive year for our organisation. Despite the continuation of the COVID-19 Pandemic, thanks to many of the harsh restrictions being lifted, life returned to a more manageable 'normal'.

The Government continued in earnest with their industry-wide reforms following the Royal Commission. Significantly 1 October 2022 saw the introduction of a new residential care funding system, the Australian National Aged Care Classification (AN-ACC), and a new Star Ratings system where residential sites are rated 1 to 5 stars. Pleasingly Rembrandt Court is rated 4 stars which puts us in the upper echelon of residential aged care providers.

The extension of the SIRS program (Serious Incident Response Scheme) across home care services (a set of new responsibilities managing and preventing incidents, including notifying the Commission of reportable incidents) and significant changes to home care pricing (including transparency) as well as new Home Care Package guidelines were the other major changes navigated successfully. Whilst we welcome these changes (in most cases), the extra resources required to introduce and change our systems to accommodate has been significant. Of note, the planned transition to 'Support at Home' (the new in-home aged care system) has been delayed until at least 1 July 2025.

After launching Rembrandt's new 3-Year Strategic Plan at the 2022 Annual General Meeting (AGM) the board forged ahead in operationalising this plan. This included a Strategic Pillar review achieved via a consultancy from VUCA Consulting, steering the Board in the right direction. A small organisational restructure followed in October 2022 to better reflect the size and sophistication of the organisation now and into the future.

The potential 'Doreen Street' development (which had been 'parked' due to changes in the Oaklands Green Developers) finally progressed with us negotiating and agreeing to purchase the site on Doreen Street directly from SA Housing Authority in May 2023. We are still awaiting a settlement date however the site has the potential to be a fantastic value-add to our existing services at Rembrandt Court. At this stage our vision is to provide a much-needed assisted living service to people who are not ready to live in a residential care facility however cannot stay in their own home. In the interim we plan to lease out the units until the building industry settles post-COVID. Watch this space!

**Doreen
Street
property
purchased**

Rembrandt

Also significantly, the Dutch Club announced they would be ceasing their lease at our Green Fields site on 30 June 2023, 6 months earlier than planned. This will enable us to solely occupy the premises for our home care services (offices and spaces for our popular day respite, social groups and allied health) while we determine a future strategy for the site - to sell, keep or develop? I take this opportunity to acknowledge the closing of the Dutch Club and their fantastic contributions to the Dutch community of SA for over 45 years.

Work also commenced on the development of a Digital Transformation Plan, a Stakeholder Engagement Framework, and a Strategic Workforce Plan – all of which will be developed more and finalised next year.

Our governance processes and systems were again constantly reviewed and improved throughout the year with a brilliant attendance rate from Directors at all board meetings. Continuing to develop professionally as individual Directors and as a group also remained important with numerous Directors taking up opportunities as they arose.

Our Board Committees, the 'Finance, Audit, Risk & Compliance' Committee, 'Clinical Governance' Committee, 'Consumer Advisory' Committee and the new 'Capital Works and Infrastructure' Committee again provided invaluable input to our governance work. With the ever-increasing workload and relevance of these committees, we bolstered our committees by acquiring the services of some external experts. We welcome Lincoln Size and Juanita Ielasi to our fold. I take this opportunity to thank the members of all groups for their time and effort.

Our core business units enjoyed another good year of providing excellent aged care services. Our residents, clients and their loved ones, have all expressed their satisfaction with the services provided across the year. Our staff also expressed their satisfaction working at Rembrandt through a variety of surveys.

I wish to thank the Board for their commitment to our organisation; their efforts are commendable. I also thank our staff for their hard work and contributions to Rembrandt Living. I look forward to 2023/24 being another positive year for Rembrandt Living.



Treasurer's Report

John Bird

I am pleased to report on another satisfactory year for Rembrandt Living from a financial perspective. As with the previous year we achieved an overall operating surplus, which was better than budget. This surplus was achieved as a result of our Home Care services recording a substantial surplus which compensated for the Residential Department which incurred a deficit.

As per the enclosed General Purpose Financial Report our 2022/23 financial results are summarised below:

Revenue:

2022/23 (this year)	\$21.3 million
2021/22 (last year)	\$17.1 million
	Increase of \$4.2 million or 24.5%

This year's result against budget:

Budget	\$378,000 surplus
Result	\$861,578 (Includes \$85,943 in unrealised profit on hybrid investments)
Result compared to budget:	\$483,578 better than budget

Result via area:

Residential	Deficit (\$277,558) (includes Café deficit of \$5,686)
Home Care	Surplus \$1,139,136

Net Equity

\$10,482 Million
An increase of \$861,000 from last year

The Residential result directly reflects the financial implications of the COVID-19 pandemic and increases in running costs overall. Whilst we received additional government funding to assist in the costs of our COVID-19 outbreaks and increased income as a result of the new funding system AN-ACC, this was not, however, sufficient to offset the full impact of higher costs.

Staff costs were again higher than expected as were other outbreak avoidance costs (including masks, Rapid Antigen Tests, gowns and face shields). Consequently, all expense lines were unfavourable to budget.

As the result suggests, the Home Care department had another very successful financial year: increased income and subsequent expenditure resulting in a significantly better than budget result. Congratulations to the team on this fantastic result.

24.5%
growth in
revenue

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I am pleased to say that the Board and the Finance, Audit, Risk & Compliance (FARC) Committee (which I Chair) have been kept fully aware of our financial situation and issues and remained constantly vigilant in assessing our financial position.

The past year was our first with our newly appointed Independent Auditors, Mann Judd, led by Travis Rickard. I am pleased to say that the Audit was again Unqualified (meaning there were not any significant issues found). In addition, we received positive feedback from the Auditors relating to our internal controls and systems along with a list of improvement ideas and suggestions.

The contribution of management and staff in the Finance area is highly appreciated, and I take this opportunity to say thank you for your hard work.

The Board and Finance, Audit, Risk & Compliance Committee have approved an operating budget for 2023/24 with an overall projected surplus of \$85,000. The Board has also approved a capital expenditure budget of \$470,000 to further enable the continued improvement of our assets, infrastructure, facilities, and equipment.

I look forward to another exciting year at Rembrandt Living.

The logo for Rembrandt, featuring the word "Rembrandt" in a white, cursive script font, set against a large orange curved background element at the bottom right of the page.



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Chief Executive's Report

Deb Dutton

Firstly, I pay my respect to the Rembrandt Living residents and clients that have passed away during this year and again send our condolences to their loved ones. May they rest in peace.

I am pleased to say that 'life' returned to a something more 'pre-COVID-normal' this year following the lessening in severity of the world-wide pandemic. Despite outbreaks at Rembrandt Court, many individual cases among our Home Care clients and also within our staff we have reverted back to somewhat 'business as usual', similar to life before the pandemic. Again, the illness suffered was generally manageable however one resident did pass away with complications from 'Long COVID', may he RIP.

**Rembrandt
hosts
dementia
event for 280
industry people**

Despite the ongoing pandemic, our focus remained on providing the highest possible quality clinical and care services to the hundreds of Rembrandt Court Residents and Home Care Clients in Rembrandt Living's care. I am extremely proud of our services - I witness daily our staff providing truly consumer-direct care with genuine love and compassion.

In February 2023 Rembrandt proudly presented Time 4 Tea: an educational event to nourish the soul of dementia care, a food-focused dementia educational, inspirational day with two industry icons: Maggie Beer AM, the doyenne of culinary delights, with Teepa Snow, US expert in dementia education. A massive undertaking that stretched our already stretched resources that bit more!! Over 280 people from 50 different organisations across our industry attended - what was a great event with a massive boost to our brand awareness and staff morale. Being seen as 'dementia experts' has already resulted in many new contacts with several groups having come to tour our home. Excitingly we are well on our way to become the first Teepa Snow Positive Approach to Care Accredited aged care service in Australia!

The overall financial result was better than budget, however this was primarily due to a large surplus in Home Care. Pleasingly under the new AN-ACC system and some serious fiscal practices, residential services returned a surplus for the last few months of the year the first time in many years, let's hope this continues!

Despite the pressure from the pandemic our workforce remained strong. The Fair Work Commission issued a decision to grant a 15% increase in minimum wages for certain aged care employees across the three relevant aged care awards with a final decision handed down on 21

Rembrandt

February 2023. The decision included a wage increase from 30 June 2023 for a group of frontline aged care workers including Registered Nurses, Enrolled Nurses, Personal Care Workers, Home Care Workers, Recreational Activity Officers, and some Head Chefs and Cooks. In addition, the Expert Panel of the Fair Work Commission (FWC) handed down the Annual Wage Review Decision confirming a 5.75% increase to all modern award wage rates.

The new modern award wage rates and allowances arising from this decision came into operation from the first full pay period after 1 July 2023. The Rembrandt Board approved rises to all frontline staff in accordance with this and all other staff via a benchmarking process. A huge boost for our dedicated staff, many of whom have been working in the aged care sector on low rates of pay for years.

2023/24 will again see us proudly flying the Rembrandt flag as a truly boutique yet professional aged care provider. We have some exciting initiatives and opportunities to pursue to further grow our organisation and we look forward to sharing these soon.

In closing, I say a sincere thank you - Rembrandt would not exist without the invaluable support and dedication of our Directors, staff and volunteers whose care and dedication to our organisations' residents and clients is admirable. I do have the best job in the world – being able to play a small part in the lives of our much-loved clients and residents as they age is a privilege I don't take lightly – looking forward to next year!

The logo for Rembrandt, featuring the word "Rembrandt" in a white, cursive script font, set against a solid orange background.





Home Care Services Report



Tracey Murray

General Manager Home Care Services



Etienne van Vugt

Senior Manager, Home Care Services

With pleasure we report on another exciting year for our Home Care Services. We are very proud of our team and our achievements we thank our dedicated and committed group of staff and volunteers for their ongoing commitment to our clients.

As mentioned earlier, 2022/23 again saw significant growth in our Home Care services. The total value of Home Care Packages serviced by Rembrandt increased by over 49%. This was again primarily due to 'word of mouth' and positive partnerships with a variety of retirement villages (including two new villages - Woodbridge Retirement Village and Eureka Villages). An outstanding achievement by the home care team! The Woodbridge partnership includes an onsite presence of Rembrandt staff at West Lakes in a dedicated office (becoming our Western Home Care Hub).

**Home Care
Packages grow
by 49%**

To ensure our 'personalised, boutique-style service' is retained we underwent a minor restructure (including the segregation of our market into North/West, South and West and the addition of several new leadership positions) in June 2023.

The Commonwealth Home Support Program (CHSP), the entry-level for home care client services, was successfully rolled out with all grant funds being fully expended across our ever-increasing client group. We look forward to gaining some additional CHSP funding in the next financial year to deliver services in the Adelaide Hills region which will increase our footprint into delivering services in this area.

Our Home Care Allied Health and Day Respite Social Services had a successful year with many of our valued clients accessing our expanded suite of services. Additional groups including the Friday Sewing Group and the introduction of Overnight Respite for our carers that need to be cared for, if only for a short weekend getaway. We are very proud of these services and the

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contribution they are making to the wellbeing of our clients and families.

Our Community Allied Health Services continued with providing our clients with individual services that continue to assist in client's functionality, mobility, balance, and general overall wellbeing.

Significant work has been done (and will continue to be our focus) to retain and attract only the best staff to service our clients, maintaining our culture. Partnerships with Registered Training Organisation's such as AUCTUS, TAFE and Total Training Solutions (TTS) enable us to offer placement hours and experience of the Rembrandt values and best practices to these participating students. We then can offer employment if their values align with ours. We believe our clients are deserving of the best of care from our staff and we are very selective with our employment process from interviewing to onboarding and the continuing support for our new and existing staff.

Our staff and client wellbeing and safety again remained paramount, which saw us constantly communicating and educating staff and clients alike, whilst identifying clients at risk and acting accordingly. Our staff continue to make welfare checks on clients to ensure that they are feeling safe and well supported during these unprecedented times. During the COVID-19 outbreaks and exposure periods, our infection control procedures ensured safety for our clients and staff alike.

Our Clinical Team assisted in providing optimum support around clinical and personal care for our clients and a holistic assessment is carried out for our high care clients or for any clients in need of this specialised care.

Again, many of our Home Care Clients transitioned to permanent care at Rembrandt Court due to the trusting rapport that we have built with them. This provides a seamless transition for our clients if their care needs become too high and they are no longer able to sustainably live in their own homes. This continuum of care is invaluable and gives families peace of mind that their loved ones are in good hands.

We are hoping that 2023/24 sees our growth continue, however maybe slightly steadier – the introduction of additional key business metrics to monitor the impact of our home care growth will ensure we are able to effectively manage and retain our gezellig ways. Rest assured we don't have any aspirations to become a large provider, just continue to be the best!

Residential Services Report



Timara Poulish

General Manager Residential Services



Nicoline Munday

General Manager Residential Care

With pleasure we report on another busy yet good year at Rembrandt Court. We are proud of the services we provide, all with a gezellig tone where our home is warm and welcoming where everyone knows your name. We continue to provide a professional, compassionate, and excellent residential service.

After escaping 'lightly' in the first couple of years of the COVID pandemic, we certainly made up for this across the first half of this year. COVID outbreaks at Rembrandt Court occurred in July 2022 (8 residents, 34 staff), November 2022 (2 residents, 8 staff), December 2022 (28 residents, 25 staff) and January 2023 (18 residents, 6 staff). Whilst stressful and energy-sapping, we managed this all successfully!

We had another good year with occupancy with best practice levels maintained again with a four-star rating achieved and maintained since the new systems inception. Our strategy to develop and implement a changed care model to accommodate the new requirements of care minutes (and RN minutes) a year before it becomes mandatory was an extremely successful one – our model was bedded down while other providers are scrambling to meet the requirements of 1 October 2023. Residents and their families remain very happy with the service we provide with an increase in our average Net Promoter Score (NPS) to +56.

Workforce issues continued however Rembrandt Court managed the significant achievement of again completing the entire year without the use of agency staff. Innovative morale boosters (such as staff massages and ad hoc celebrations) all contributed in a positive fashion to this achievement. Other achievements included participation in the End-of-Life Direction for Aged Care Program (ELDAC), the implementation of Virtual Care Service (hospital avoidance system), and the Pressure Injury Prevention Project.

**Rembrandt
Court rated
4 stars!**

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On 1 Oct 2022, the aged care funding model changed from ACFI (Aged care Funding Instrument) to the AN-ACC (Australian National Aged Care Classification). With this significant change we required a slight adjustment to our clinical structure and data collection to ensure we maximised our opportunity for funding - we are pleased to say this was done not only smoothly but with positive long term results.

Changes also to the requirement of allied health services came with the new AN-ACC funding model - the requirement for minimum engagement time by Occupational and Physio Therapists was removed. We are proud to say Rembrandt court remained committed to providing good allied health services and the allied health team not only continued but has grown over the year, ensuring all residents have access the teams' invaluable services.

From conception of the 'Time for Tea' event, as mentioned earlier by Deb, our Food Service Team found a 'fire in their belly' to become the best food services in aged care. This made for a busy year - we have undergone a full kitchen renovation, including new high-tech equipment that has improved workflow, menu variety and food quality. The relationship with Maggie Beer AM and the team from the Maggie Beer Foundation, has continued to develop following the conference, and the ongoing mentoring offered by Maggie has resulted in better nutrition and hydration overall, with extremely promising clinical improvements becoming evident.

Similarly, with Teepa Snow, our relationship has continued to grow, following the 'Time for Tea' event. Both Nicoline and Timara were privileged to attend a Positive Approach to Care workshop in Sydney, Timara began her Trainer Certificate, while Nicoline had the absolute pleasure to work alongside Teepa and her team in an educator role. The 'vibe' Teepa's visit to both SA and Rembrandt Court, created was remarkable, this made way for the opportunity to work towards becoming the first Australian Designated Positive Approach to Care provider. As we work towards meeting the criteria, staff awareness improves, and the care provided to our residents is far more individualised based on their cognitive ability.

Our new resident Lifestyle Program enjoyed a great year. Residents are loving the new and different activities, together with the old favourites like Bingo. All activities offered have seen a steady increased in participant numbers, activities like Knitting and Pamper Me have seen resident attendance double, while new craft and painting activities have been so popular that residents are asking for additional sessions.

This year we have grown our volunteer numbers significantly, following the decision to change our criteria and open volunteer positions for existing family and friends. We are forever grateful for the love and care our volunteers offer our residents. The increased volunteer group brings many different skills, interests and availability, this complementing our Lifestyle program perfectly.

We are looking forward to 2023/24 and our contribution to the lives of our residents. We would like to take this opportunity to thank the residential staff and volunteers for their inspirational passion and dedication to our residents.



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Corporate Services Report



Joanna Strzelbicki
Senior Finance Manager



Fiona Rosman
People & Culture Manager

With pleasure we report on behalf of the team that provide our Residential and Home Care Service Teams with the corporate services they need across the Finance, People & Culture, Administration and Information Technology (IT) portfolios.

Finance had another busy year. As mentioned by John earlier, we had our external financial audit conducted by aged care specialists, Mann Judd, and we again, pleasingly, received an Unqualified Audit. We have continued our relationship with Stewart Brown Chartered Accountants and will utilise their professional finance and corporate governance advice if needed.

The continued strong growth in our home care package numbers and levels has again increased the demand for financial services. I am pleased to report that our finance team is working well together and continuing to support residential and home care service teams.

Information Technology (IT) was again busy this year with lots of work associated with cyber safety and the ongoing number of staff (mainly home care staff) now regularly working from home as a pandemic risk mitigation strategy.

From a People and Culture perspective, attracting and retaining an experienced and capable workforce continued to be a sector wide challenge this past year. Whilst the support of government incentives in this year assisted with the retention of staff within the aged care sector, this has been one of our biggest workforce challenges this year. We will continue to introduce new and innovative strategies to ensure we are able to attract and retain the best clinical and care staff to Rembrandt into the future.

We managed a high level of recruitment activity this year, mainly because of the increased demand for our services in Home Care. We were pleased to welcome 112 new staff to the organisation, taking our total workforce headcount to 283 staff, and representing a 23% increase

Rembrandt

in our workforce. With this growth expected to continue over the next two years, we will continue to invest in workforce strategies to ensure we safeguard and nurture our unique “gezellig” culture and thus retain our point of difference.

**Staff NPS
steadies at
+59**

This year was the first time Rembrandt participated in a South Australian Aged Care sector salary benchmarking survey. We are pleased to report that our rates of pay for front-line and direct care roles across Home Care and Residential Services are in the top quartile of the industry benchmark. Our compensation and benefits strategy, combined with our strong workplace culture has contributed positively to our turnover rate of 20.85%, which is 2.88% lower than the local industry average (Source: - *South Australian Aged Care Providers Human Resources network*). This has assisted in ensuring best care is delivered by the best staff.

Training and Development was again a strong theme in our Staff Survey feedback, with our staff expressing a keen thirst for continued learning and professional development. Fortunately, the easing of COVID restrictions in 2023 enabled us to recommence regular face-to-face training across the organisation, and this, combined with our workforce growth resulted in our total staff training hours increasing by 11.5% this year (up from 2,436 hours the previous year).

In May 2022 we were excited to launch our Teepa Snow Champions Training Program, and to provide two of our most experienced front-line leaders with the opportunity to become Teepa Snow Accredited Coaches, ensuring the Teepa Snow Positive Approach to Care (PAC) practices will be embedded across Residential Services.

We take this opportunity to thank our teams for their continued commitment to providing the highest quality care to our residents and clients, and we look forward to an exciting 2023/24.

Rembrandt







Rembrandt Living Incorporated

ABN 84 438 069 700

FINANCIAL REPORT - 30 JUNE 2023

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REMBRANDT LIVING INC.
ABN 84 438 069 700

FINANCIAL REPORT - 30 JUNE 2023

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 2023 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.

Sef van den Nieuwelaar	Chair
<i>Year appointed</i>	2016 and appointed Chair in 2017
<i>Board Sub- Committee</i>	Member - Finance, Audit, Risk and Compliance Committee Member – Capital Works and Infrastructure
Marie Wood	Deputy Chair
<i>Year appointed:</i>	2019 and appointed Deputy Chair in 2022
<i>Board Sub- Committee</i>	Chair – Consumer Reference Group Member - Finance, Audit, Risk and Compliance Committee
John Bird	Treasurer
<i>Year appointed:</i>	2012 and appointed Treasurer in 2012
<i>Board Sub- Committee</i>	Chair - Finance, Audit, Risk and Compliance Committee
Joy Tol	Secretary
<i>Year appointed:</i>	2016 and appointed Secretary in 2017
<i>Board Sub-Committee</i>	Chair - Clinical Governance Committee
Etienne Scheepers	Director
<i>Year appointed:</i>	2016
Paul Thorne	Director
<i>Year appointed:</i>	2017
<i>Board Sub- Committee</i>	Chair – Capital Works and Infrastructure
Simon Brewer	Director
<i>Year appointed:</i>	2019
<i>Board Sub- Committee</i>	Member – Capital Works and Infrastructure
Jacques Metzger	Director
<i>Year appointed:</i>	2011
<i>Board Sub- Committee</i>	Member – Finance, Audit, Risk and Compliance Committee
Suzanne Cantor	Director
<i>Year appointed:</i>	2020
<i>Board Sub- Committee</i>	Member – Clinical Governance Committee

REMBRANDT LIVING INC.
ABN 84 438 069 700

FINANCIAL REPORT - 30 JUNE 2023

DIRECTORS' REPORT

PRINCIPAL ACTIVITY

To establish, provide and administer aged care accommodation and home care support services for the welfare and enhancement of quality of life of aged persons (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 surplus of the association for the financial year amounted to \$861,578 [2022 Surplus: \$354,693]. 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 had 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:

Directors	Eligible to Attend	Board (11)	FARC (5)	CGC (4)	CAC (3)	MPAI (3)	Total Attendance
Sef van den Nieuwelaar	19	11	5			3	19
Marie Wood	17	11			3	3	17
John Bird	16	11	5				16
Joy Tol	15	11		4			15
Etienne Scheepers	11	10					10
Paul Thorne	14	11				3	14
Simon Brewer	14	10				3	13
Jacques Metzger	16	11	5				16
Suzanne Cantor	15	11		3			14

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 2023 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



Marie Wood
Deputy Chair

REMBRANDT LIVING INCORPORATED
AUDITOR'S INDEPENDENCE DECLARATION

We declare that, to the best of our knowledge and belief, there have been no contraventions of the independence requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* and of any applicable code of professional conduct in relation to the audit of the financial report of Rembrandt Living Incorporated for the year ended 30 June 2023.



HLB Mann Judd Audit (SA) Pty Ltd
Chartered Accountants



Travis Rickard
Director

Adelaide, South Australia
4 October 2023

hlb.com.au

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Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd Audit (SA) Pty. Ltd. is a member of HLB International, the global advisory and accounting network.

REMBRANDT LIVING INC.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
Revenue	4	21,327,051	17,078,861
Other income	4	-	18,558
		<u>21,327,051</u>	<u>17,097,419</u>
Expenses			
Accommodation expenses		(384,600)	(362,129)
Administration and other expenses		(834,010)	(581,871)
Depreciation and amortisation	5	(923,152)	(911,569)
Finance Costs	5	(1,212,170)	(727,238)
Hotel services expenses		(523,722)	(601,033)
Resident and client expenses		(3,459,933)	(2,511,373)
Salaries and employee benefits		(12,904,179)	(10,836,280)
Utilities		(223,707)	(211,233)
		<u>(20,465,473)</u>	<u>(16,742,726)</u>
Surplus for the year		861,578	354,693
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>861,578</u></u>	<u><u>354,693</u></u>

The accompanying notes form part of these financial statements

REMBRANDT LIVING INC.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	2023 \$	2022 \$
ASSETS			
Cash and cash equivalents	6	5,408,332	6,464,671
Trade and other receivables	7	1,432,884	1,090,402
Investments	8	7,160,964	4,792,100
Property, plant and equipment	9	16,321,822	16,894,407
TOTAL ASSETS		30,324,002	29,241,580
LIABILITIES			
Trade and other payables	10	1,037,647	969,506
Borrowings expected to be paid within 12 months	11	-	238,500
Refundable loans expected to be paid within 12 months	12	3,581,007	3,286,036
Provisions expected to be paid within 12 months	13	854,660	788,654
Borrowings expected to be paid after 12 months	11	-	1,139,348
Refundable loans expected to be paid after 12 months	12	14,324,026	13,144,146
Provisions expected to be paid after 12 months	13	43,690	53,996
TOTAL LIABILITIES		19,841,030	19,620,186
NET ASSETS		10,482,972	9,621,394
EQUITY			
Accumulated funds		5,240,408	4,378,830
Reserves	14	5,242,564	5,242,564
TOTAL EQUITY		10,482,972	9,621,394

The accompanying notes form part of these financial statements

REMBRANDT LIVING INC.

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Accumulated Funds	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 July 2021	4,024,137	5,242,564	9,266,701
Comprehensive income			
Surplus for the year	354,693	-	354,693
Other comprehensive income	-	-	-
Total comprehensive income for the year	<u>354,693</u>	<u>-</u>	<u>354,693</u>
 Balance at 30 June 2022	 <u>4,378,830</u>	 <u>5,242,564</u>	 <u>9,621,394</u>
 Balance at 1 July 2022	 4,378,830	 5,242,564	 9,621,394
Comprehensive income			
Surplus for the year	861,578	-	861,578
Other comprehensive income	-	-	-
Total comprehensive income for the year	<u>861,578</u>	<u>-</u>	<u>861,578</u>
 Balance at 30 June 2023	 <u>5,240,408</u>	 <u>5,242,564</u>	 <u>10,482,972</u>

The accompanying notes form part of these financial statements

REMBRANDT LIVING INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
Operating Cash Flows			
Receipts from clients, residents and government		19,472,294	15,070,922
Payments to suppliers and employees		(18,251,583)	(14,590,210)
Interest received		513,517	136,781
Finance costs (interest paid)		(59,780)	(102,027)
<i>Total Operating Cash Flows</i>		<u>1,674,448</u>	<u>515,466</u>
Investing Cash Flows			
Proceeds from sale of property, plant and equipment		-	30,027
Purchase of property, plant and equipment		(530,229)	(492,655)
Purchase of investments		(2,282,922)	(2,030,690)
<i>Total Investing Cash Flows</i>		<u>(2,813,151)</u>	<u>(2,493,318)</u>
Financing Cash Flows			
Refundable accommodation deposits received		5,982,446	7,947,453
Refundable accommodation deposits refunded		(4,522,234)	(4,509,494)
Repayment of borrowings		(1,377,848)	(1,742,527)
<i>Net cash flows from financing activities</i>		<u>82,364</u>	<u>1,695,432</u>
Net increase (decrease) in cash and cash equivalents		(1,056,339)	(282,420)
Cash and cash equivalents at the beginning of the financial year		<u>6,464,671</u>	<u>6,747,091</u>
Cash and cash equivalents at the end of the financial year	6	<u><u>5,408,332</u></u>	<u><u>6,464,671</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 2023

Note 1 – Reporting entity

The financial report includes the financial statements and notes of Rembrandt Living Inc. Rembrandt Living Inc is registered under the provisions of the Australian Charities and Not-for-profits Commission Act 2012 and is domiciled in Australia. The Association provides aged care services and home care support services for the welfare and enhancement of quality of life of aged persons (or their carers) in South Australia.

The registered address and principal place of the Association is 1 Madras Street Oaklands Park SA 5046.

The financial statements were approved by the Board of Directors on 4th October 2023.

Note 2 - Basis of preparation

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Simplified Disclosures, 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 2022*. 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.

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 which incorporate various key assumptions.

REMBRANDT LIVING INC.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Note 2 - Basis of preparation (continued)

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.

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 and refundable accommodation deposits 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.

New or amended Accounting Standards and Interpretations adopted

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

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

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 and 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.

REMBRANDT LIVING INC.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Note 3 - Significant accounting policies (continued)

Revenue recognition

The Association recognises revenue as follows:

Revenue from contracts with customers

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

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

Donations

Donations are recognised at the time the right to receive payment is established.

Grants

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

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

Interest

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

Other revenue

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

Volunteer services

The incorporated association has elected not to recognise volunteer services as either revenue or other form of contribution received. As such, any related consumption or capitalisation of such resources received is also not recognised.

REMBRANDT LIVING INC.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Note 3 - Significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents include 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.

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.

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.

REMBRANDT LIVING INC.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Note 3 - Significant accounting policies (continued)

Property, plant and equipment (continued)

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 more than the recoverable amount from these assets. The recoverable amount is assessed based on 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).

Investments and other financial assets

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

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

REMBRANDT LIVING INC.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Note 3 - Significant accounting policies (continued)

Investments and other financial assets (continued)

Financial assets at fair value through profit or loss

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

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 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.

REMBRANDT LIVING INC.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Note 3 - Significant accounting policies (continued)

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 2023**

	2023 \$	2022 \$
<u>Note 4 - Revenue</u>		
Operating revenue		
Government Subsidies	6,860,007	6,539,958
Resident fees and charges	2,111,960	2,009,252
Home Care & community fees and charges	8,739,658	6,256,595
Resident accommodation payments	460,547	421,286
	<u>18,172,172</u>	<u>15,227,091</u>
Other revenue		
Interest income	542,866	145,742
Unrealised Gain (Loss) on Investments	85,943	(110,016)
Grants	1,181,253	1,106,044
Imputed RAD Interest	1,108,598	593,830
Other revenue	236,219	116,170
	<u>3,154,879</u>	<u>1,851,770</u>
<i>Total revenue</i>	<u>21,327,051</u>	<u>17,078,861</u>
Other income		
Net gain on disposal of property, plant and equipment	-	18,558
<i>Total other income</i>	<u>-</u>	<u>18,558</u>
<i>Total revenue and other income</i>	<u>21,327,051</u>	<u>17,097,419</u>
 <u>Note 5 - Expenses</u>		
Depreciation and amortisation		
Buildings	668,175	664,745
Plant and equipment	227,612	226,970
Motor vehicles	27,365	19,854
<i>Total depreciation and amortisation</i>	<u>923,152</u>	<u>911,569</u>
Finance Costs		
Interest on Borrowings	59,780	102,027
Interest on RADs	43,792	31,381
Imputed RAD Interest	1,108,598	593,830
<i>Total Finance Costs</i>	<u>1,212,170</u>	<u>727,238</u>
 <u>Note 6 - Cash and cash equivalents</u>		
Cash at bank and on hand	3,908,332	4,464,671
Deposits at call	1,500,000	2,000,000
<i>Total cash and cash equivalents</i>	<u>5,408,332</u>	<u>6,464,671</u>

The accompanying notes form part of these financial statements

REMBRANDT LIVING INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

	2023	2022
	\$	\$
<u>Note 7 - Trade and other receivables</u>		
<u>Expected to be recovered within 12 months</u>		
Trade receivables	49,005	84,911
Provision for doubtful debts	-	(2,575)
	<u>49,005</u>	<u>82,336</u>
GST receivable	72,780	118,235
Interest receivable	43,334	13,985
Other receivables	336,043	186,846
Prepayments	45,792	157,877
Home care subsidies receivable	885,930	531,123
<i>Total trade and other receivables</i>	<u><u>1,432,884</u></u>	<u><u>1,090,402</u></u>

Note 8 - Investments

Long Term investments	7,160,964	4,792,100
<i>Total investments</i>	<u><u>7,160,964</u></u>	<u><u>4,792,100</u></u>

Long Term Investments include convertible notes bearing interest rates at 3 month bill rate plus interest between 2.7% and 4.15% with maturity dates between April 2027 and September 2032.

Note 9 - Property, plant and equipment

	Land	Buildings	Furniture, Plant and Equipment	Motor Vehicles	Total
	\$	\$	\$	\$	\$
At 30 June 2022					
Cost or Fair Value	4,030,000	16,450,210	2,279,975	241,757	23,001,942
Accumulated depreciation		(4,760,486)	(1,475,218)	(51,426)	(6,287,130)
<i>Net carrying amount</i>	<u>4,030,000</u>	<u>11,689,724</u>	<u>804,757</u>	<u>190,331</u>	<u>16,714,812</u>
Capital Works in Progress					179,595
TOTAL					<u><u>16,894,407</u></u>

Movements in carrying amounts

Net carrying amount at 1 July 2022	4,030,000	11,689,724	804,757	190,331	16,714,812
Additions	2,400	78,308	381,184	45,108	507,001
Disposals	-	-	(51,963)		(51,963)
Write back depreciation			51,896		51,896
Depreciation charge for the year	-	(668,175)	(227,612)	(27,365)	(923,152)
Net carrying amount at 30 June 2023	<u><u>4,032,400</u></u>	<u><u>11,099,857</u></u>	<u><u>958,262</u></u>	<u><u>208,074</u></u>	<u><u>16,298,594</u></u>

At 30 June 2023

Cost or Fair Value	4,032,400	16,528,518	2,609,196	286,865	23,456,980
Accumulated depreciation		(5,428,661)	(1,650,934)	(78,791)	(7,158,386)
<i>Net carrying amount</i>	<u>4,032,400</u>	<u>11,099,857</u>	<u>958,262</u>	<u>208,074</u>	<u>16,298,594</u>
Capital Works in Progress					23,228
TOTAL					<u><u>16,321,822</u></u>

Land & Buildings are shown at fair value following valuation at December 2020

The accompanying notes form part of these financial statements

REMBRANDT LIVING INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

	2023 \$	2022 \$
<u>Note 10 - Trade and other payables</u>		
<u>Expected to be payable within 12 months</u>		
Trade payables	368,285	410,930
Home care package funds	-	122,107
Other payables	669,362	436,469
<i>Total trade and other payables</i>	<u>1,037,647</u>	<u>969,506</u>
<u>Note 11 - Borrowings</u>		
Expected to be payable within 12 months (ZRIL Loan)	-	238,500
Expected to be payable after 12 months (ZRIL Loan)	-	1,139,348
<i>Total borrowings</i>	<u>-</u>	<u>1,377,848</u>
<u>Note 12 - Refundable loans</u>		
<u>Expected to be payable within 12 months</u>		
Refundable accommodation deposits and accommodation bonds	3,581,007	3,286,036
	<u>3,581,007</u>	<u>3,286,036</u>
<u>Expected to be payable after 12 months</u>		
Refundable accommodation deposits and accommodation bonds	14,324,026	13,144,146
	<u>14,324,026</u>	<u>13,144,146</u>
<i>Total refundable loans</i>	<u>17,905,033</u>	<u>16,430,182</u>
<u>(a) Movement in refundable accommodation deposits and accommodation</u>		
Opening balance	16,430,182	12,967,331
<i>Add (less)</i>		
New accommodation deposits received	5,982,446	7,947,453
Interest on Terminations	43,792	31,381
Other allowable deductions	(29,153)	(6,489)
Accommodation deposits and bonds refunded	(4,522,234)	(4,509,494)
Closing balance	<u>17,905,033</u>	<u>16,430,182</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.

The accompanying notes form part of these financial statements

REMBRANDT LIVING INC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

	2023 \$	2022 \$
Note 13 - Provisions		
<u>Expected to be payable within 12 months</u>		
Employee entitlements - annual leave	415,966	436,339
Employee entitlements - long service leave	381,231	294,282
Employee entitlements - on-costs on annual leave	57,464	58,033
	<u>854,660</u>	<u>788,654</u>
<u>Expected to be payable after 12 months</u>		
Employee entitlements - long service leave	43,690	53,996
	<u>43,690</u>	<u>53,996</u>
<i>Total provisions</i>	<u>898,350</u>	<u>842,650</u>

(a) Movement in employee provisions

Opening balance	842,650	722,232
Net movement	55,700	120,418
Closing balance	<u>898,350</u>	<u>842,650</u>

Note 14 - Reserves

Asset Revaluation Reserve	5,242,564	5,242,564
<i>Total reserves</i>	<u>5,242,564</u>	<u>5,242,564</u>

Nature and purpose of reserves

The asset revaluation reserve is maintained in respect to the revalued amount of the association'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

The property located at 21 Greenfields Drive, Greenfields was marketed for sale after balance date.

Note 17 - Commitments

The association has no capital commitments at balance date.

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>732,891</u>	<u>606,192</u>
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The accompanying notes form part of these financial statements

REMBRANDT LIVING INC.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

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 \$13,935,803 (2022: \$11,950,184) and this represented 65% of total revenue.

Note 21 - Association details

The principal place of business of the association is:

Rembrandt Living Incorporated

1 Madras Street

Oaklands Park SA 5046

REMBRANDT LIVING INC.
ABN 84 438 069 700

FINANCIAL REPORT - 30 JUNE 2023

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 2023, 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 2022* and:
 - (a) comply with Australian Accounting Standards - Simplified Disclosures; 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 2023.
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 2022* and the resolution of the Board of Directors:



Sef van den Nieuwelaar
Chairperson



Marie Wood
Deputy Chair

Oaklands Park, 4th October 2023

Independent Auditor's Report to the Members of Rembrandt Living Incorporated

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Rembrandt Living Incorporated ("the Association") which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Association 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 Association's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Association in accordance with the auditor independence 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.

Responsibilities of Management and Directors for the Financial Report

Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards – Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

The Directors are responsible for overseeing the Association's financial reporting process.

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HLB Mann Judd Audit (SA) Pty. Ltd. is a member of HLB International, the global advisory and accounting network.

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 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



HLB Mann Judd Audit (SA) Pty Ltd
Chartered Accountants

Adelaide, South Australia
13 October 2023



Travis Rickard
Director

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Rembrandt