



1	2	4	10
About Nulsen	Chairman's review	CEO's report	Board of Directors
13	14	19	
Management committees	Supporters	Financial report	



About Nulsen

Nulsen was established more than 55 years ago at a time when parents of children with severe disabilities had nowhere to turn. We remain strongly guided by our heritage.

Today, Nulsen is one of Western Australia's leading not-for-profit disability services organisations. We focus on people with severe intellectual and physical disabilities. Almost all of the people we support also have complex health needs and challenging behaviours.

We have the courage to do what is right and to take on challenges that others won't. That was true of our founding parents, and it remains true.

Our disability services cater for younger people, older people, people who need high level support, and people who need less support. But for everybody we serve, we focus on choice and community involvement.

Our mission is to enable people with disabilities to achieve and maintain a valued quality of life as part of an accepting community. To achieve this, we employ over 385 dedicated and courageous staff to support 125 residents in 25 homes.

Our services

- Disability support accommodation with 24-hour assistance so people with severe disabilities can receive quality care in a home environment. Each home is set up to suit the people who live there and we thoroughly review the needs of the residents when considering where they might live.
- Almost all of the people we support have complex health needs that require specialist health services, which we provide.
- Many residents also have challenging behaviours, so we focus on encouraging positive behaviours to improve quality of life, independence and inclusion in their communities.

- Our trained support workers are passionate about working in disability services and want to make a difference to the lives of those we support.
- We create tailored personal programs for each of the people we support based on their goals, hopes and dreams so they have the highest possible quality of life.
- We encourage social and practical skills so people lead more interesting and diverse lives, and are engaged in meaningful activities. This ranges from including residents in day-to-day tasks in their homes to providing alternatives to employment.
- Cultural and creative programs are developed to foster the spirit and dreams of the people we support.
- We foster and participate in research to improve the quality of life for people with disabilities.
- Community education is delivered to schools and community groups to raise awareness of disabilities and to create an accepting community in which people with disabilities can thrive.

Cover: (L-R) Brothers and best friends Michael and Wayne Frith enjoy their sports, especially the challenge of winning at a game of table tennis.

Right: (L-R) Mellissa Wright and Krista Stewart love to dance together in the lounge of their home.

Chairman's Review

Aart Plug, M.Ed, B.Ed

This past year heralded major transformation in the disability services sector. Nulsen anticipated many of these changes and has worked hard over the past years to prepare. We are confident this readiness positioned us well for the challenges we have already addressed, and for those yet to come.

We have been very pleased to welcome new people into the Nulsen family during the year. We expanded the breadth of our services for people with complex disabilities, supported more people, and spread into regional communities via local partnerships.

The unprecedented changes in the Australian not-for-profit sector over the past three years have been amplified in the Western Australian disability services sector. From Nulsen's perspective this means that the organisation has either implemented change, or prepared for change, in each major facet of its operations: service models, funding and regulation.

Governments reorganise disability services

Both the Western Australian and Commonwealth governments are altering the way in which services for people with disabilities will be offered in this state.

The WA government's My Way program is promoted as enabling people with disability and their families to design, plan and implement their own services. The Commonwealth's National Disability Insurance Scheme (NDIS), is structured around a plan for each participant. NDIS writes the plan and participants then engage providers to deliver supports.

After initially refraining from signing up to NDIS Australia, the WA government agreed to trial two launch sites. Preparations are underway to launch the new service models - the state government's My Way, and the Commonwealth's NDIS - at two pilot sites: the Lower South West from mid 2014; and Cockburn-Kwinana from mid 2015. The state government will undertake an independent comparative evaluation of the services and outcomes at the sites.

Nulsen believes that getting the balance right between policies set centrally, and decisions that are made locally, will be critical to the success of any service model. Services and funding must meet the diverse circumstances of people with disabilities, particularly those whose disabilities are severe, and who have health problems and challenging behaviours. These people have complex needs that may not be adequately met by a 'biscuit cutter' solution.

We support the direction of families purchasing different services from a range of organisations to meet the needs of their family member with a disability, if that is what they choose.

However, we caution that this model of service will not suit all families. Some families will prefer to remain with the services they know and trust. Other families may feel unable to manage the details and intricacies of arranging support for their family member with a complex disability.

We would not want to see a situation where the care of a person with a complex disability was compromised because their family did not have the resources to organise support from multiple service providers.

Market competition intensifies

The changes to the service models resulting from My Way and Disability Care will lead to more competition, particularly from for-profit businesses. Already new providers have entered the WA market. We must ensure that Nulsen remains strong and viable so we can continue to help people with complex disabilities to live a fulfilling life.

In December, the Board approved the marketing strategy that outlined the blueprint to strengthen Nulsen over the next few years. Funding from government and other sources has become tighter, and the competition more intense, presenting great challenges, as well as opportunities, for an organisation like Nulsen. In this environment, we seek to secure reliable revenue streams to support sustainable growth, independence and autonomy, and a competitive position in the market with holistic care as our hallmark. We have made good progress in this domain.

Regulatory changes

The Australian Charities and Not-for Profits Commission began its operations as the national regulator for charities in December 2012. Its legislation was framed to support three objectives: to support and encourage a sustainable sector; to promote trust in the sector; and to reduce red tape.

Nulsen supported the establishment of this regulator and we hope the full implementation of this Commission will serve to improve the prospects of the sector. We are concerned about the Commission's considerable powers to act against those organisations covered by the legislation and hope that adequate procedural fairness will be exercised. We note that a change of Government after the upcoming Federal election may impact the Commission.

Good governance is key

It is no longer enough for directors of not-for-profits to bring only their individual professional skills to the Board table. In order to fulfill their duties, directors must understand the nature of the organisation's mission and its business. They must also appreciate the rapidly changing funding, regulatory and service environments in which the organisation operates. This is key to creating governance structures that support, rather than hinder, the work of the organisation.

Nulsen's challenge is to balance our mission with a marketplace that becomes more competitive by the day. Our governance must consider government policy, alongside an understanding of the importance of marketing to advance the organisation, plus a focus on growing the balance sheet. I am very pleased to note the 2013 Nulsen Board was able to provide this kind of governance due to its balance of family involvement and professional expertise. The recent resignation of some Board members gives us the opportunity to recruit replacement Directors to fulfill specific needs for the present and the coming periods.

Farewell

This will be my last review as Chairman of the Nulsen Board. On 30 June 2013, I resigned from the Chair and the Board, for reasons relating to my health. For some time I had intended to bring my term of office to an end later in 2013, and as such, our succession plans were well in hand. In the event, circumstances required that I step down from the chair earlier than anticipated. Professor David Gilchrist assumed the role of Chairman from 1 July 2013. Professor Gilchrist is widely recognised for his expertise in not-for-profit governance. I am confident his extensive experience in the government, business and tertiary education sectors, both locally and overseas, will serve Nulsen well. I welcome him to this role, and wish him every success.

Looking back on the 16 years of my involvement with Nulsen, I cannot help but remark on the great changes that we have gone through. Nulsen has grown a great deal. From a family organisation that simply went about its business with very little fanfare, Nulsen has evolved and matured into a major and influential player in the WA disability services scene.

What strikes me most, and gives me the most personal satisfaction, is not how well we have managed the changes - that is a remarkable achievement in itself - but how through all of these changes, we have held on to, and strengthened, our core values and sense of mission. More than ever Nulsen, and all the people in it, are energised to provide the best possible services, and the best possible quality of life, for valuable but extremely vulnerable people.

My wife and I, and our daughter Sarah, who lives in a Nulsen group home, have experienced some real challenges recently. The support we received from the Nulsen family during this time was above and beyond. But the really remarkable thing is that it was nothing less than we had come to expect. This is what Nulsen does, and will continue to do.

Thank you

I feel privileged and grateful to have contributed during this period of growth and development. These advances would not have occurred without the help and guidance of other members of the Nulsen family. I will not be able to list them all but I do wish to mention some in particular. I thank my fellow Board directors for their backing and advice over the years - your courage has seen Nulsen through some tough times from which we have emerged the stronger.

A special thank you to Gordon Trewern, CEO. Gordon joined Nulsen as a support worker over 30 years ago. His energetic and loyal service to people with disabilities has served the community well and greatly contributed to making Nulsen the outstanding organisation it is today. Thanks also to the management, staff and volunteers of Nulsen who ably assist Gordon - your dedication creates a better life for those we support and their families.

A final thank you to the Government, Lotterywest, other funding bodies and our fantastic corporate supporters whose financial assistance allows us to benefit the Western Australian community.

I trust the dedication and courage of the organisation will see it thrive during the significant changes that are yet to come.

I wish you well.



Chief Executive Officer's Report

Gordon Trewern

This has been an eventful year for Nulsen, a year in which we have met the challenges of growth in a time of change.

We have relished the ability to welcome more people into the Nulsen family. However, this growth has occurred concurrent with changes of high significance in Nulsen's funding, service delivery, and regulatory environments.

Extending our support for people with complex disabilities

The opening of three new homes during the year meant we were able to provide quality 24/7 support to more people with severe disabilities. The new homes in Winthrop, Wilson and Duncraig see us now supporting 125 people in 25 homes.

Our services will expand again next year. We partnered with the Department of Housing to construct new homes in Swanview, Bassendean, Belmont, Cloverdale and Redcliffe. We also partnered with Homebuyers' Centre on a home in Gosnells, which will be completed early next financial year.

Demand for our disability support accommodation grew over the past year with more enquiries from families and an increase in referrals from local area coordinators. We worked hand in hand with families, involving them in decisions as they prepared to have their family member move into supported accommodation.

For the first time in its history, Nulsen provided emergency respite support with temporary accommodation and support in the family home while people waited for a place in a Nulsen disability support home.

Via partnerships with the Goldfields and Kimberly Individual Family Support Associations, we provided health services and project management guidance to assist in delivering high quality, culturally appropriate disability supports in communities.

Funding challenges

As with many in the sector we have found competition for funding fierce, and our operating budget tight. Under these circumstances it becomes more difficult to provide the quality of service on which we stake our reputation.

The Disability Services Commission changed its policy on the funding of the fit out of new support homes. This funding has not been extended. Thus, growth has been managed with reduced resources which placed pressure on the staff and infrastructure to do more, with less.

Under a change in the WA state government procurement process we successfully tendered to provide individual funded services and disability professional services. We look forward to monitoring the ability of competitive tendering to improve outcomes for people with disabilities. We note that, should the state government implement its proposal to recompense not-for-profit organisations in arrears, there will be significant impact on our cash flow and balance sheet.

Awarded for governance and leadership

Nulsen was honoured to receive the WA Count Me in Award for Governance and Leadership. This award recognised and rewarded a funded disability sector organisation for excellence and innovation that made a sustainable positive difference in the lives of people with disability, their families and carers.

The award was bestowed for our partnership with the Goldfields Individual Family Support Association. Nulsen assisted this group to open a home for six young Aboriginal people with complex disabilities so they could receive culturally appropriate, 24/7 care. These people previously lived in aged care nursing homes that did not best serve their needs. It has been a pleasure working with Goldfields Individual Family Support Association and to watch as this group of Aboriginal people reconnected with their communities and culture.

Arts and music programs grow

Sharing the gifts and contribution of someone's life is a privilege that we respect and rejoice in. So, we are very pleased to note that the past twelve months have brought great advances in our art and music programs.

A spontaneous music group gently evolved with a mix of active musicians, voice, and an appreciative audience. This new project was adapted from an inclusive culture and music project developed in Papua New Guinea.

The As We Are exhibition for artists who have an intellectual disability went from strength to strength. The exhibition moved to the Central Park building and the standard of work lifted dramatically, which demonstrated the benefits of Nulsen artists collaborating with professional artists. Professional artists set the prices for the record number of works sold.

In other arts projects, artists from the Nulsen and wider communities contributed to the vibrant Crossover Exhibition. A packed house at the launch saw strong sales with residents' artwork leading the way. The Kalamunda Community Connections Project, funded by Community Arts Network WA, included workshops and culminated in an inclusive exhibition. And Creative Connections continued, managed by Poets WA on behalf of artists with a disability and poets.

Our Perth City Farm connection brought many experiences for residents that would otherwise have been unavailable. We feel privileged to have been a part of this community for the past six years.

Acquiring work skills

A transition to employment project, funded as a one-off grant by the Disability Services Commission, supported 15 residents to develop work skills. The group completed phase one, job readiness skills, and is now occupied with phase two, learning life skills such as stress management, money and time management, and self-care.

Fourteen residents joined a Gateway to Education and Training course designed by City Farm and the Central Institute of Technology.

Being a part of the community

More people participated in our alternatives to employment and post school options programs compared to last year. Each person had a plan tailored to their needs so they felt part of their community, learnt new skills and cultivated friendships. During the year, participants enjoyed painting, ceramics, pottery, craft, music and dancing the rumba.

Our community program was evaluated by the Disability Services Commission and received positive feedback.

Figure 1: Hours of service provided ● 2013 ● 2012



Keeping residents healthy, happy and active

The Nulsen team offered tools, support and the skills that enabled residents to meaningfully contribute to their own home and community. A tailored plan, written with input from family, friends and staff, focused on each person's needs and dreams.

Health services were provided both in response to requests from families, residents and staff, and through scheduled reviews, which progressed residents' skills and wellbeing. The team supported general health, personal care, communication, transport, activity, mobility, eating and seating needs. The Disability Services Commission funded these services for 75 residents. Fifty people remained on the waiting list for this funding, and were therefore funded by Nulsen.

The health services team experienced a significant increase in demand this year, partly due to their increasing contribution in helping residents learn, having more contact with families, and implementing the Transition to Employment Project.

The 'Men at Work' woodwork group was the highlight of the recreational opportunities at White Place, home to people with an acquired brain injury. Sports, craft, cooking and gardening groups began at other homes.

We began a relationship and sexuality project to provide Nulsen with a comprehensive framework to support this domain. We also started a project to augment opportunities for residents from an aboriginal background to participate in important cultural activities in their home and community.

Table 1: Nulsen health services reviews: Completed and outstanding

DISCIPLINE	REVIEWS OUTSTANDING	REVIEWS COMPLETED
Occupational therapy	46	620
Speech pathology	125	315
Physiotherapy	194	205
Positive behaviour	37	6
Nursing	247	79
TOTAL	649	1225

Figure 2: Nulsen person-centred plans: Developed and reviewed (as at 30 June 2013)

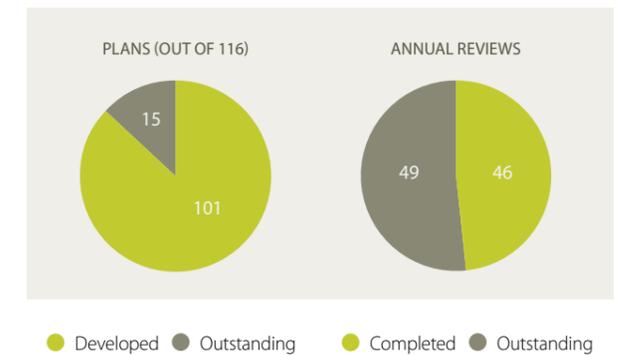


Table 2: Nulsen health services referrals: Received and completed

DISCIPLINE	2012/13 REFERRALS RECEIVED	2012/13 REFERRALS COMPLETED	2012/13 OCCASIONS OF SERVICE	2011/12 REFERRALS RECEIVED	2011/12 REFERRALS COMPLETED
Manager Nulsen Health	71	62	283	42	35
Occupational therapy	584	579	2354	520	367
Physiotherapy	135	162	1406	167	132
Speech pathology	311	286	2618	230	197
Nursing	133	151	-	159	129
Positive behaviour	39	57	367	-	-
Allied health assistant	176	140	1041	43	48
Administration assistant	379	372	-	313	317
TOTAL	1828	1809	8069	1474	1225

Michael Barker and Andy Heathfield, Allied Health Assistant building useful items for the home, such as coffee tables and TV cabinets.

Nulsen Youth Patron Alumni launched

The Nulsen Youth Patron Program fosters youth leadership and self-development, and encourages young adults to improve the lives of people with disabilities. In April, the Youth Patron Alumni was launched at a marquee event attended by students from Hale School and Methodist Ladies' College who had participated in the Program over its seven-year history.

I was heartened to hear students speak of how the program had changed their lives for the better. Many students have renewed their relationship with Nulsen, rekindled friendships with residents, and raised valued funds.

Aligning staff to our mission

During the year, we reviewed Nulsen's structure and focus to fortify the business to tackle external challenges.

We identified middle management as key to our mission of enabling people with disabilities to live a valued life in their community. We restructured the role of the residential service managers, now in each house, to focus on going the extra mile for the people they support.

As funding bodies promote, and many families consider, more flexible services, we will require a more flexible workforce to provide this highly individualised support. To this end, we are negotiating with the United Voice union to structure a unique enterprise bargaining agreement.

Nearly 90% of our workforce has relevant qualifications. We believe nurturing a qualified and professional workforce will create a better quality of life for people with disabilities.

During the year we provided our support workers with opportunities to enhance their roles by carrying out clinical training and assessments. Our office buddy program achieved an added connection between administration staff and residents.

Thank you

I thank the Nulsen family for their wholesale, consistent and unquestioning commitment to do the best by people with complex disabilities, and their families. What you do is difficult, and is work not suited to everyone. But what you do is amazing.

I wish to thank our corporate and other supporters who have assisted us during the year with their time, treasure and talent. Your support helped us to make a greater difference in the lives of people with complex disabilities and their families. For this, we are very grateful.

Chairman leaves a lasting legacy

In closing, I acknowledge the significant and lasting contribution made to Nulsen by our outgoing Chairman, Aart Plug. Aart has been a director since 1999, shortly after his daughter moved into a Nulsen residence. Aart is to be commended for his ability to separate his role as Board director, from that of being a father of a child with a disability. At times that must have been difficult, but he never wavered in this regard, bringing the insight and wisdom of a parent, to his role as director.

Aart's departure marks the end of a working relationship that I have valued highly, and from which I have learnt a great deal. Under his strong leadership, Nulsen made the key reforms and difficult decisions necessary for the organisation to grow and mature. All the while, Nulsen has remained strongly focused on its mission and is well aware of the importance of this to our families' peace of mind. Aart was highly respected by all in the Nulsen family and will be greatly missed.

We have faith that our new Chairman, Professor David Gilchrist, will shape from Aart's legacy a Nulsen that will confidently support people with severe disabilities far into the future.



Celebrating the future leaders of tomorrow at the launch of the Nulsen Youth Patron Alumni. (L-R) Gordon Trewern, CEO Nulsen, His Excellency Malcolm McCusker and Aart Plug, Chairman Nulsen Board.

Board of Directors

Aart Plug M.Ed, B.Ed.
CHAIRMAN

Term of office

Director since 1999
Chairman 2010 - June 2013
(Resigned)

Family representative Yes

Experience

Aart joined the Board shortly after his daughter transferred to a Nulsen residence. He has broad experience in teaching and education administration and has provided consultancy services on governance of independent schools and school and staff development. Aart was a parent representative on the Disability Services Commission's Boston Hostel Redevelopment Steering Committee.

Committee membership

Finance, Governance,
Strategic Development

Gordon Trewern

CHIEF EXECUTIVE OFFICER

Term of office

Director ex-Officio
since 1989

Family representative No

Experience

Gordon is widely involved with disability sector issues, sitting on state and national committees in the government and non-government arenas. Of particular note is his current position on the National Disability Services Board.

Gordon joined Nulsen in 1982 as a support worker. He was appointed CEO in 1994.

Committee membership

Finance, Governance,
Service Quality Review,
Strategic Development

Richard Curry

BSW GMQ

DEPUTY CHAIR

Term of office

Director since 2005
Deputy Chair since 2009

Family representative No

Experience

Richard consults to government and not-for-profit organisations on organisational development. Richard had a distinguished 27-year career with the WA state public service with his last position being director general, Department of Indigenous Affairs. He has been involved with disability services since 1990 when he was regional director for the former Authority for Intellectually Handicapped Persons.

Committee membership

Governance, Strategic
Development - Chair

Mariani Peck BAppSc

DEPUTY CHAIR

Term of office

Director since 2010
Deputy Chair since November 2011

Family representative Yes

Experience

Mariani has been involved with Nulsen since 2009 when her daughter moved to an Association home. Mariani is a medical scientist. She has worked with PathWest for the past 15 years in major teaching hospitals.

Committee membership

Service Quality Review

Gus Irdi AM BJuris, LLB

BOARD DIRECTOR

Term of office

Director 2011 - March 2013
(Resigned)

Family representative No

Experience

Gus is principal of Irdi Legal, a prominent Perth legal firm that acts for a range of corporate clients. He has been involved in community activities for more than 30 years and was awarded member of the Order of Australia in recognition of his service to the community and law.

Committee memberships

Governance - Chair

Max Kousins MBA BSc Dip Ed

BOARD DIRECTOR

Term of office

Director since 2003

Family representative Yes

Experience

Max's brother has been a resident of Nulsen since 1960. Before retiring, Max ran a private investment company that included property management and development. He was a qualified industrial chemist and worked in the mining industry and taught chemistry and physics before becoming an investment advisor and stockbroker.

Committee membership

Finance, Service Quality Review

Viv Huntsman

BOARD DIRECTOR

Term of office

Director since 2007

Family representative Yes

Experience

Viv joined the Board when her son began living at a Nulsen home. She has broad expertise in the disability services sector with organisations including the Disability Service Commission, Parents of People with Disabilities, Authority for Intellectually Handicapped, WA Advisory Council for Disability Services, Lotterywest, Canning Councils Disability Advisory Committee and Castlereagh School Council.

Committee membership

Service Quality Review - Chair

Gavin Bain BBus, MAICD

BOARD DIRECTOR

Term of office

Director since 2011

Family representative No

Experience

Gavin is managing director of advertising agency Meerkats. He has over 20 years experience in marketing management and advertising which has seen him involved with many award winning, effective and personally satisfying campaigns. He champions the success of some of WA's most loved brands and is Deputy Chair of The Communications Council WA.

Committee membership

Strategic Development

David Gilchrist

BBus BA FCAA FCPA FAICD

BOARD DIRECTOR

Term of office

Director since 2012
Chairman from 1 July 2013

Family representative: No

Experience

David, a historian and accountant, is industry professor, School of Accounting Curtin University. He has held senior roles in the not-for-profit and public sectors, including Assistant Auditor General for WA, president WACOSS and director Anglican Schools Commission. David held teaching and leadership roles at the London School of Economics, Portsmouth University, Edith Cowan University and University of Notre Dame (Aust).

Committee membership

Governance, Strategic Development

Joe Lamhut FCA

BOARD DIRECTOR

Term of office

Director 2010 - May 2013 (Resigned)

Family representative No

Experience

Joe is the managing director of Walker Wayland WA, an independent firm of Perth-based chartered accountants and business advisors. Joe is a fellow of the Institute of Chartered Accountants in Australia, a registered tax agent, a registered company auditor, a member of the Tax Institute of Australia and a member of the Australian Institute of Pharmacy Management.

Committee membership

Finance - Chair,
Strategic Development



Boys being boys! Andrew Kickett enjoys going down to the local park with Adam Egan, Allied Health Assistant, to kick the footy.

Management committees

Governance (to April 2013)

Gus Irdi (Chair)
Richard Curry
Aart Plug
Gordon Trewern
David Gilchrist
Peter Moore
Jo Wilkie

Strategic Development

Richard Curry (Chair)
Aart Plug
Gordon Trewern
Adam Smith
Erin van Turnhout
Troy MacMillan
David Gilchrist
Gavin Bain
Joe Lamhut

Finance (to April 2013)

Joe Lamhut (Chair)
Greg Dowbnia
Aart Plug
Max Kousins
Graham Holman
Gordon Trewern
Alan Thomas

Service Quality Review (to April 2013)

Viv Huntsman (Chair)
Max Kousins
Mariani Peck
Clayton Tippet
Brenda Flatow
Gordon Trewern
Graham Holman
Stephan Van Vlijmen

Table 3: Board of management meeting schedule and attendance 2012/13

MEMBER	ROLE	DATE APPOINTED	J	A	S	O	N	D	J	F	M	A	M	J
Aart Plug	Chairman	1999	Y	Y	Y	Y	Y	Y	-	Y	A	Y	A	-
Richard Curry	Deputy Chairman	2005	Y	A	Y	Y	Y	Y	-	Y	Y	Y	Y	-
Mariani Peck	Deputy Chairman	2010	Y	Y	Y	Y	Y	Y	-	Y	Y	Y	Y	-
Max Kousins	Director	2003	Y	Y	Y	Y	Y	Y	-	Y	Y	Y	Y	-
Joe Lamhut	Director	2010	Y	Y	A	A	Y	A	-	LA	A	A	Y	R
Gus Irdi	Director	2011	Y	A	A	Y	A	A	-	Y	Y	R	R	R
Viv Huntsman	Director	2007	Y	Y	A	Y	Y	Y	-	A	A	Y	Y	-
Gavin Bain	Director	2011	Y	Y	A	A	Y	Y	-	LA	A	A	Y	-
David Gilchrist	Director	2012	Y	Y	Y	Y	A	Y	-	Y	Y	A	Y	-
EX-OFFICIO														
Gordon Trewern	CEO Ex Officio	1989	Y	Y	Y	Y	Y	Y	-	Y	Y	Y	Y	-

Y: Yes A: Apologies LA: Leave of Absence S: Sick R: Resigned -: No meeting

Kim Hassett loves to spend time outdoors, particularly enjoying the garden at her home.

Supporters

Life Members

Nulsen is privileged to have received long and loyal service from the following Life Members:

- Frank Anderson (deceased)
- William A Burns MBE (deceased)
- Lloyd Summerton (deceased)
- Iris Gamble (deceased)
- Alan Crofts (deceased)
- Shirley Wiggins (deceased)
- Eddie Dawson
- Ken Wiggins
- Eva Tyler
- Margaret Luff
- Les Luff (deceased)
- Eric Goddard
- Jill Bennett OAM
- Peg Parkin
- Ethel Hodgson
- John Hodgson
- Barry MacKinnon AM
- Guy Hamilton AM (deceased)
- Athol Hockey AO
- Haydn Lowe
- Roy Anderson
- Ruth Anderson
- Shirley Martin
- Fiona Grealish

Nulsen acknowledges the significant contributions made by the founding members and the invaluable efforts of our early supporters. The founding office bearers of the management council at the inaugural annual general meeting held on 18 October 1955 were:

- William Robert Burns - President
- Francis John Anderson - Secretary
- George John Summerton - Treasurer

Key Partners



Gold Supporter



Silver Supporters

- Positive Persuasion
- Kailis Brothers

Bronze Supporters

- Acorn Photography
- Ansvar Insurance
- Aurenda
- Bankwest
- Crown Perth
- First Nature Design
- Gallery 360
- Gary Peters Photography
- Lush TV
- Retravision Cannington



Nulsen and Homebuyers Centre celebrate another year of partnership, working together to build and create more homes for people with disabilities.

Supporters cont.

Staff awards winners

The Nulsen staff awards recognise and reward employees for excellence in the day-to-day performance of their roles. Congratulations to the following category winners in the 2012 Nulsen Awards:

EMPLOYEE OF THE YEAR

Andrew Heathfield

ZENITH STRIVE FOR EXCELLENCE AWARD

For supporting residents with enthusiasm and passion, and using initiatives to make a difference to others by going the extra mile and striving for excellence.

Damon O'Brien

HOMEBUYERS NURTURING PEOPLE AWARD

For consistently setting a good example, being a Nulsen Values champion, and supporting and mentoring others to achieve more for themselves.

Lisa Woodford

LOOKING FOR A BETTER WAY AWARD

For creating or nurturing opportunities that value a co-worker or resident.

Andrew Heathfield

KELLIE BRIDGER SAFETY & BEST PRACTICE AWARD

For a sound knowledge of Nulsen's safety policies and procedures, maintaining a high safety record, proactively generating safety initiatives and seeking solutions to safety matters.

Kenny Ho

ONE NULSEN CULTURE AWARD

For displaying inclusive work practices with co-workers and residents across a variety of areas.

Simon James

CENTRE FOR APPLIED BEHAVIOUR ANALYSIS POSITIVE PROGRAMMING AWARD

For the Nulsen home that has achieved the most significant outcomes in working toward full implementation of a positive behaviour support culture within Nulsen.

Waterlily

Nulsen Youth Patrons

NULSEN YOUTH PATRONS AT HALE SCHOOL

Nathan Bandara, Connor Delves, Theo Stapleton & Hamish Newman.

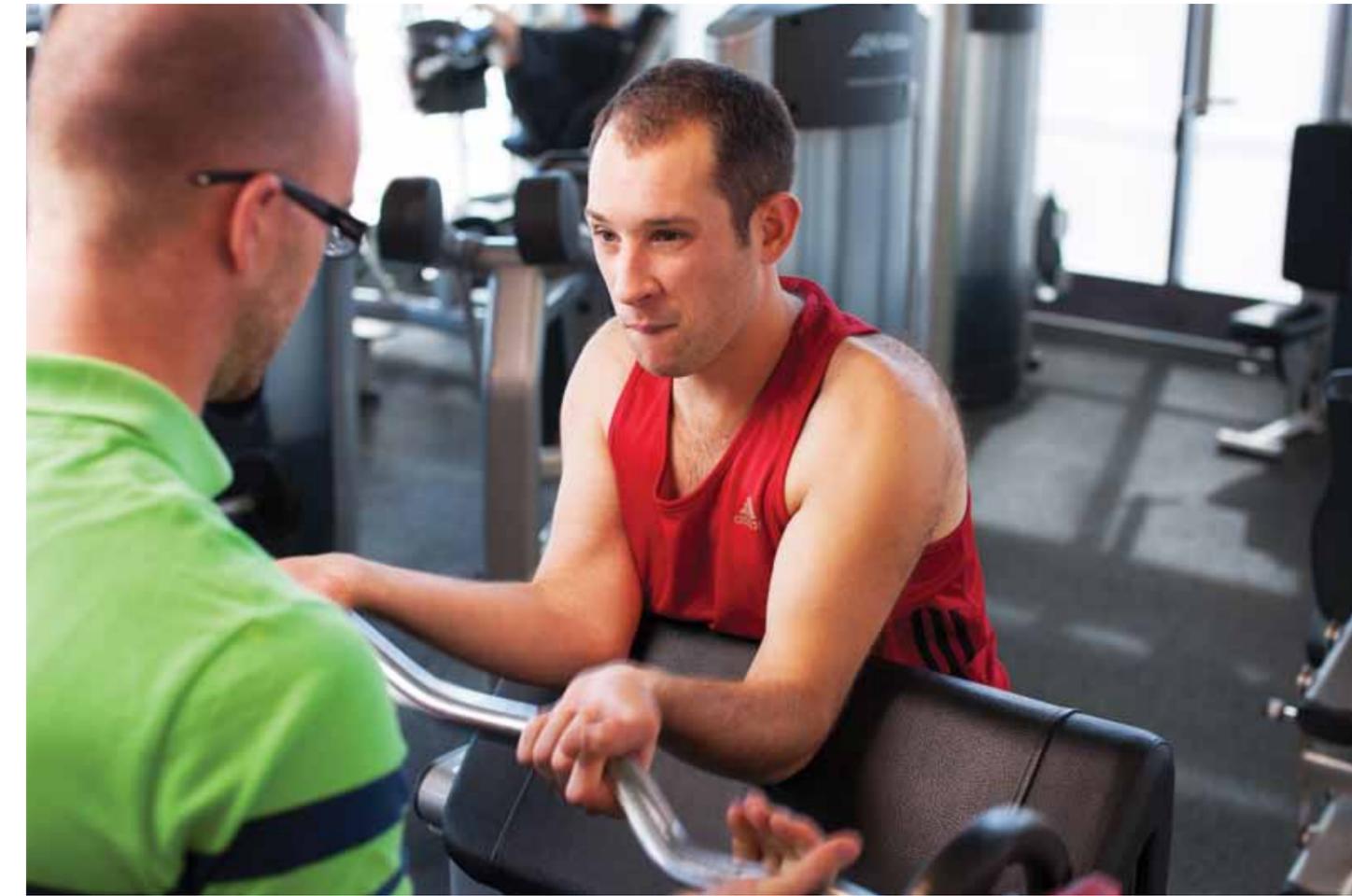
Committee members: Chris Hewitt, Daniel Smailes, Dylan Fairbairn, David Bushell, Bradley Waters, Matt Ntoumenopoulos, Ben Clapin & Varun Kaushik.

NULSEN YOUTH PATRONS AT METHODIST LADIES' COLLEGE

Alex Rough, Charlotte Ward, Clare McMath & Samantha Schrauth.

Committee members: Serena Eng, Georgia Saunders, Nina Trimboli, Katie Frew, Tessa Ferreira, Gabriella Rawlinson.

Steven Pratt uses his iPad to communicate with his family with the assistance of Amy Joyce, Speech Therapist.



Steven Bradford makes sure he goes to the gym every week to keep fit and in tip-top shape.

Nulsen Association Financial Report 2013

20
Finance
Committee
report

23
Board of
Management
report

24
Statement of
profit or loss and
other comprehensive
income

25
Statement of
financial position

26
Statement of
changes in equity

27
Cash flow
statement

28
Notes to the
financial
statements

49
Statement by
the Board of
Management

50
Independent
Auditor's report

Finance Committee Report

As part of the Board Governance review, the activities of the Finance Committee were taken over by the Board from May 2013.

Chairman:

Joe Lamhut (Up to April 2013)

Responsibilities:

To evaluate and recommend to the Board of Management on the annual budget, submissions to government bodies for capital funding, annual financial reports, financing of capital projects, accounting methods and policies, and to oversee all matters affecting the financing of the Association's activities.

Committee Members: (Up to April 2013)

Mr Joe Lamhut (Board member) Chairman

Greg Dowbnia (External Member)

Aart Plug (Chairman)

Max Kousins (Board Member)

Graham Holman (Deputy CEO) Ex-Officio

Gordon Trewern (CEO) Ex-Officio

Alan Thomas (External Member)

The major issues affecting the financial results of the Association for the year ending 30 June 2013 are summarised on the following pages.

Major financial activities for the year:

1. DISABILITY SERVICES COMMISSION TENDERS:

Tenders to Disability Services Commission were completed for our two main service delivery areas;

- Individually funded Services
- Disability Professional Services 2012/13 (DPS)

The "DPS" tender has been accepted and the "individually funded services" tender is expected to be ratified during September/October. The two tenders now recognise truer costs of service delivery. We are yet to see this reflected as an increase in funding availability, but have had levels of output adjusted to reflect the new cost structure.

2. PROJECT TEAM:

Funding of \$400,552 was received from Disability Services Commission for the employment of an Expansion Project team responsible for the transition of new residents into Nulsen Haven Services. The Association has embarked on a targeted 4 year expansion program to add an additional 108 fulltime accommodation places and this team will be responsible for all associated building and resident development activities. Funding for this team ceased on 30 June 2013 and the costs of a modified team is now being absorbed into our main budget.

3. DISABILITY PROFESSIONAL SERVICES FUNDING:

Nulsen Health Services are an integral safeguard in the provision of appropriate quality services to all our residents and include the areas of Speech Pathology, Occupational therapy, Physiotherapy, Nursing and Positive Behaviour Management. \$828,000 was received from Disability Services Commission for the provision of Professional Clinical services. Total expenses were \$1,134,031 meaning that \$306,031 was provided out of other earnings. "Community Aids and Equipment Program - CAEP" equipment funding of \$295,065 was expensed during the year, with a further \$531,705 carried forward to 2013-14.

4. CAPITAL / SPECIFIC FUNDING:

Lotterywest has continued to be a major source of non Disability Services Commission capital funding. During 2012/13 funds of \$9,673 have been received for Household Furniture and \$60,000 for vehicle hoist modifications.

We are always extremely grateful for the continued support of Lotterywest as our largest non government supporter.

Disability Services Commission provided capital funding of \$406,135 for the vehicle replacement program and \$191,969 for house set-up costs.

5. NON-GRANT INCOME:

Income generated from Nulsen Business Services and from general Consulting was \$421,780. This income is used to offset our administration costs and to supplement our staff-training budget.

The Association continued its management of the Bluegum Community Centre in Melville during the year. This building serves as the administrative base of our Nulsen Community recreation service and is also a vibrant community recreation centre. Income from the centre totalled \$116,865 for the year. Our contract with the centre ceases October 2013 and will not be renewed. We have budgeted to cease the income and expenses from the centre from November 2013 onwards.

Employfast grants for staff undertaking Certificate 3 and 4 training totalled \$60,250. This money is used to offset course fees and costs of staff attending offsite training.

6. RESIDENT SUBSIDIES:

The Association provided over \$211,000 in subsidies to residents who were unable to totally self-fund items such as Incontinence Aids, medical expenses and other essential items. The Association seeks voluntary financial assistance from families, but will always ensure that residents' needs are met.

7. BUILDING PROGRAM CAPITAL FUNDING:

The Association has maintained a \$1,500,000 line of credit with the National Bank. This line of credit will be used to finance capital works such as land purchases and building constructions associated with its Accommodation program expansion plan. The line of credit is expected to be redeemed through service contributions over a 10-15 year time span. Current drawdown value is \$944,205 with the balance earmarked for the construction cost of the house and units on Eudoria St Gosnells.

8. DISABILITY CARE (POTENTIAL IMPACTS):

The potential change of funding under a possible Disability Care scheme may see major changes to the liquidity and cash flow of the Association. Currently grants are received quarterly in advance and expensed over the relevant time period.

Initial indications from launch sites in the Eastern States have raised the possibility that we may be required to invoice for services monthly in arrears. Dependant on the time taken for these invoices to be paid by the funding departments, income may be received up to 3 months in arrears- long after costs have already been incurred for service delivery.

The board are very aware of this possibility and will work to ensure that sufficient working capital is available to cover the short term liquidity requirements.

Finance Committee Report cont.

Financial Results:

REVENUE

Comprehensive Revenue:

The total Comprehensive Revenue for the 2012/13 year was \$28,714,969, an increase of \$2,664,468 (10.2%) on the 2011/12 total of \$26,050,501.

Source of Comprehensive Revenue:

	\$	%
Operating Grants	25,054,576.	87.3
Residents' Fees	2,312,958.	8.0
Nulsen Business Services/Consulting	421,781.	1.5
Donations, Fundraising, Other	925,653.	3.2
Total	28,714,969.	100.0

Capital Subsidies:

Total Capital Subsidies received during the 2012/13 year was \$475,808 - an increase of \$293,899 on the 2011/12 total of \$181,909.

Source of Capital Subsidies:

	\$	%
Disability Services Commission	406,135.	85.3
Lotterywest (Capital)	69,673.	14.7
Total	475,808	100.0

EXPENDITURE

The following table shows a breakdown of operating expenditure since 2008.

	2008/09	2009/10	2010/11	2011/12	2012/13
Salaries/Wages	13,758,660	15,543,137	16,847,794	21,254,720	23,215,366
Non Salaries/Wages costs:					
Depreciation	554,515	650,005	740,359	742,448	670,369
Operating Costs	2,203,902	2,890,073	3,104,437	3,146,476	3,634,757
Administration	663,187	816,208	1,059,051	878,728	1,040,497
Promotions	54,303	51,872	33,712	211,332	187,366
Total	17,234,567	19,951,295	21,785,353	26,233,704	28,748,355

The total operating expenditure of \$28,748,355 gives a net operating deficit of (\$33,386) over the 2012/13 year.

This net operating deficit becomes a positive result of \$442,422 when Capital subsidies are included.

Summary

Total Equity of the Association is \$5,080,640; an increase of \$442,422 on 30 June 2012.

In the opinion of the Finance Committee, that whilst there is constant pressures on the liquidity of the Association, the Association holds sufficient long term assets to cover the significant employee Provisions shown in the Balance Sheet as both Current and Non Current Liabilities as at 30 June 2013. Forecast cash flows inclusive of State funding indicate that the Association will be able to meet its employee obligations as and when they become due.

Board of Management Report

for the year ended 30 June 2013

The Board of Management presents the financial report of Nulsen Haven Association (Inc) for the financial year ended 30 June 2013.

Board of Management

The names of the Board of Management members throughout the year and at the date of this report are:

Aart Plug - Resigned 30 June 2013

Gavin Bain

Richard Curry

David Gilchrist

Viv Huntsman

Gus Irdi - Resigned 20 March 2013

Max Kousins

Joe Lamhut - Resigned 5 April 2013

Mariani Peck

Gordon Trewern (Ex-officio)

Principal Activities

The Association's principal activities during the year were the provision of:

- Long-term residential support for people with disabilities;
- Support to enable people with disabilities to participate in recreational and community activities;
- Clinical and medical support for residents; and,
- Bookkeeping and payroll services to small not-for-profit organisations.

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

Operating result and review of operations:

The operating result for the year was a surplus of \$442,422 (2012 deficit of \$1,294). The Association is exempt from income tax.

A detailed review of operations can be found in the annual report.

Significant changes in the state of affairs

In the opinion of the Board of Management, there were no significant changes in the state of affairs of the Association that occurred during the financial year under review not otherwise disclosed in this report.

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



David Gilchrist

Chairman

Dated this 16th day of September 2013.

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2013

	Notes	2013 \$	2012 \$
Revenue			
Operating Grants	2(a)	25,054,576	22,535,171
Fees from clients		2,312,958	2,110,417
Nulsen Business Services		421,781	416,777
Donations, bequests and fundraising income	2(b)	285,188	348,877
Other income			
Interest		343,785	386,329
Gain on disposal of fixed assets		92,630	58,866
Other sundry income		204,051	194,064
Revenue and other income		<u>28,714,969</u>	<u>26,050,501</u>
Operating expenses			
Accommodation support and Intensive family support	2(e)	23,428,536	21,662,355
Therapy expenses	2(f)	1,387,461	1,276,565
Recreation and community support costs		1,703,794	1,515,475
Program development expenses		397,235	282,282
Family & Community Services expenses		401,577	0
Other Expenses			
Fundraising expenses	2(g)	67,598	69,977
Self funded initiatives expenses		691,784	684,602
Depreciation	2(c)	670,369	742,448
Expenditure		<u>28,748,355</u>	<u>26,233,704</u>
Net current year deficit attributable to members of the entity		<u>(33,386)</u>	<u>(183,203)</u>
Income received to fund capital purchases			
Capital subsidies	2(h)	475,808	181,909
Total income received to fund capital purchases		<u>475,808</u>	<u>181,909</u>
Total comprehensive income attributable to members of the entity		<u>442,422</u>	<u>(1,294)</u>

The accompanying notes form part of these financial statements

Statement of Financial Position

As at 30 June 2013

	Notes	2013 \$	2012 \$
Current Assets			
Cash and Cash Equivalents	4	8,546,534	7,777,798
Trade and Other Receivables	5	323,465	493,699
Total Current Assets		<u>8,869,999</u>	<u>8,271,497</u>
Non-Current Assets			
Property, Plant and Equipment	6	5,197,675	4,725,171
Available for sale financial assets		207	207
Total Non-Current Assets		<u>5,197,882</u>	<u>4,725,378</u>
Total Assets		<u>14,067,881</u>	<u>12,996,875</u>
Current Liabilities			
Trade Creditors and Other Payables	7	2,889,319	2,105,413
Deferred Income	8	1,407,467	2,111,867
Provisions	10(a)	2,705,436	2,761,049
Total Current Liabilities		<u>7,002,222</u>	<u>6,978,329</u>
Non-Current Liabilities			
Borrowings	9	944,205	620,489
Provisions	10(b)	1,040,814	759,839
Total Non-Current Liabilities		<u>1,985,019</u>	<u>1,380,328</u>
Total Liabilities		<u>8,987,241</u>	<u>8,358,657</u>
Net Assets		<u>5,080,640</u>	<u>4,638,218</u>
Equity			
Retained Earnings	11(a)	4,763,619	4,373,921
			264,297
Reserves	11(b)	317,021	
Total Equity		<u>5,080,640</u>	<u>4,638,218</u>

Statement of Changes in Equity

For the year ended 30 June 2013

	Retained Earnings \$	Development & Expansion Reserve	Charlesworth Fundraising Reserve	Vehicle Replacement Reserve \$	Total \$
Opening Balance at 1 July 2011	4,467,426	90,000	7,031	75,055	4,639,512
Total comprehensive income for the year	(1,294)	-	-	-	(1,294)
Transfers to/(from) reserves	(92,211)	80,000	12,211	-	-
Balance at 30 June 2012	4,373,921	170,000	19,242	75,055	4,638,218
Total comprehensive income for the year	442,422				442,422
Transfers to/(from) reserves	(52,724)	50,000	2,724	-	-
Balance at 30 June 2013	4,763,619	220,000	21,966	75,055	5,080,640

The accompanying notes form part of these financial statements

Cash Flow Statement

For the year ended 30 June 2013

	Note	2013 \$	2012 \$
Cash flows from operating activities			
Receipts From:			
Operating Grant income		24,059,743	23,327,321
Nulsen Business Services		421,781	416,777
Fees from clients		2,327,265	2,110,417
Interest Income		343,785	386,329
Donations, bequests and fundraising		285,188	348,877
Other Sundry Income		695,950	251,165
Payments to suppliers & employees		(27,114,256)	(24,731,078)
Net Cash provided by operating activities	13	1,019,456	2,109,808
Cash flows from investing activities			
Proceeds from sale of property, plant & equipment		433,667	225,381
Payment for property, plant & equipment		(1,483,911)	(570,914)
Net cash used in investing activities		(1,050,244)	(345,533)
Cash flows from financing activities			
Bank borrowings		323,716	60
Proceeds from Capital Grants		475,808	181,909
Net cash provided by financing activities		799,524	181,969
Net increase in Cash and Cash Equivalents		768,736	1,946,244
Cash and Cash Equivalents at the beginning of the Financial Year		7,777,798	5,831,554
Cash and Cash Equivalents at the end of the Financial Year	4	8,546,534	7,777,798

The accompanying notes form part of these financial statements

Notes to the Financial Statements

For the year ended 30 June 2013

The financial statements cover Nulsen Haven Association (Inc) as an individual entity. Nulsen Haven Association (Inc) is an association incorporated in Western Australia under the Associations Incorporation Act 1987.

1. Summary of Significant Accounting Policies

(A) BASIS OF PREPARATION

The financial statements are general purpose financial statements, which have been prepared in accordance with the Australian Accounting Standards, Australian Accounting Interpretations and the Associations Incorporation Act 1987.

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 to which they apply.

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

The financial statements are presented in Australian dollars. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

(B) SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Key Judgements

(i) Leases

The Association has entered into leases of houses with the Department of Housing as disclosed in Note 14. Management has determined that all of the risks and rewards of ownership of these houses remains with the lessor and has therefore classified the leases as operating leases.

Key Estimates

(i) Provisions

Provisions for employee benefits payable after 12 months from the reporting date are based on future wage and salary levels, experience of employee departures, and periods of service as discussed in Note 1(j). The amount of these provisions would change should any of these factors change in the next 12 months.

(C) REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue. All revenue is stated net of the amount of Goods and Services Tax (GST).

Revenue from fundraising

Donations

Donations are recognised when received.

Legacies

Legacies are recognised when the association is notified of an impending distribution or when the legacy is received, whichever occurs earlier.

Revenue from government funding

The Association's accommodation, recreation and community support and therapy support programs are supported by grants received from the Disability Services Commission. Grants received on the condition that specified services are delivered, or conditions are fulfilled, are considered reciprocal. Such grants are initially recognised as a liability, and revenue is recognised as services are performed or conditions fulfilled. Revenue from non-reciprocal grants is recognised when received.

Fees from residents

Fees charged to residents are recognised when the service is provided.

Asset sales

The gain or loss on disposal of all non-current assets is determined as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

In-kind donations

Goods donated to the Association are included at the fair value to the Association where this can be quantified. No amounts are included in the financial statements for services donated by volunteers.

Interest Revenue

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

(D) EXPENDITURE

All expenditure is accounted for on an accrual basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to a particular category they have been allocated to activities on a basis consistent with use of resources.

- (i) **Accommodation support and intensive family support expenses** are those expenses incurred in supporting people with disabilities in accommodation facilities.
- (ii) **Recreation and community support expenses** are those expenses incurred in supporting people with disabilities to access recreation and community activities.
- (iii) **Therapy support expenses** are those expenses incurred in providing therapy support to people with disabilities within the Association's facilities. The Community Aids and Equipment program (CAEP) expenses are included in this area.
- (iv) **Program development expenses** are those expenses incurred in the expansion of the Association.
- (v) **Family and Community Services expenses** are those expenses incurred in supporting families within their own home environment and supporting other NFP agencies via partnership initiatives.
- (vi) **Fundraising expenses** are those expenses incurred in seeking voluntary contributions by donations or sale of goods and do not include costs of disseminating information relating to the activities carried on by the Association.
- (vii) **Self funded initiatives expenses** are those expenses incurred as a result of activities undertaken by the Association which are funded predominantly from the Association's resources. These activities include Nulsen Business Services, Creative Development Program, Blue Gum Recreation Centre management, Cooke Street house rental and other non recurring projects.
- (viii) **Finance costs** are those expenses directly incurred as a result of financing activities.

(E) CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

Cash and term deposits relating to the resident's trust account is included in the cash and cash equivalents of the Association. There is a corresponding liability of an equal amount as these funds are held on behalf of individual residents.

(F) FINANCIAL INSTRUMENTS

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions for the instrument. For financial assets, this is the equivalent to the date that the association commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

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

Classification and subsequent measurement

Financial instruments are subsequently measured at 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.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking, where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

(iii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after the end of the reporting period, which will be classified as current assets.

(iv) Financial liabilities

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

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, with reference to similar instruments and option pricing models.

Impairment

At the end of each reporting period, the association assesses 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 impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

Derecognition

Financial assets are derecognised where the contractual right to the receipt of cash flows expires or the asset is transferred to another party whereby the entity 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 consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(G) PROPERTY, PLANT AND EQUIPMENT

Basis of measurement of carrying amount

Land and buildings are measured at cost less accumulated depreciation on buildings and less any impairment losses. Plant and equipment is stated at cost less accumulated depreciation and less any impairment losses.

The cost of buildings constructed within the association includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the 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 comprehensive income during the financial period in which they are incurred.

Any property, plant and equipment donated to the Association or acquired for nominal cost is recognised at fair value at the date the Association obtains control of the asset.

Only items of greater than \$5,000 in value are capitalised in the balance sheet.

Depreciation

Items of property, plant and equipment (other than land) are depreciated over their useful lives to the Association commencing from the date the asset is purchased. Depreciation is calculated on a straight line basis over the expected useful economic lives of the assets as follows:

Plant and Equipment	20% - 33%
Furniture	20%
Motor Vehicles	20%
Buildings	2.5%

The asset's residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

Impairment

The carrying amount of Plant & Equipment is reviewed annually by the Board 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 assets' employment and subsequent disposal.

Impairment exists when the carrying value of an asset exceeds its estimated recoverable amount. The asset is then written down to its recoverable amount. Impairment losses are recognised in the comprehensive income statement.

Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal, when the item is no longer used in the operations of the Association or when it has no sale value. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Any part of the asset revaluation reserve attributable to the asset disposed of or derecognised is transferred to general funds at the date of disposal.

(H) TRADE CREDITORS AND OTHER PAYABLES

Trade creditors and other payables represent liabilities for goods and services provided to the Association and were unpaid at the end of the reporting period. These amounts are usually settled in 30 days. The notional amount of the creditors and payables is deemed to reflect fair value.

(I) DEFERRED INCOME

The liability for deferred income is the unutilised amounts of grants received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided or the conditions usually fulfilled within 12 months of the receipt of the grant. Where a liability is incurred, the services or conditions will be satisfied within 12 months of the reporting date.

(J) EMPLOYEE BENEFITS

Employee benefits comprise wages and salaries, annual, sick and long service leave, accrued days off and contributions to superannuation plans.

Liabilities for wages and salaries expected to be settled within 12 months of balance date are recognised in other payables in respect of employees' services up to the reporting date. Liabilities for annual leave and accrued days off in respect of employees' services up to the reporting date which are expected to be settled within 12 months of balance date are recognised as a provision. Both amounts are measured at the amounts expected to be paid when the liabilities are settled.

Annual Leave entitlement is accrued based upon holiday entitlement at their nominal values using the remuneration rate expected to apply at the time of settlement plus 17.5% leave loading where applicable, plus an allowance for Superannuation and Workers Compensation premiums.

Accrued Days Off entitlements are accrued and calculated under the relevant Industrial Awards and Work Place Agreements, plus an allowance for Superannuation and Workers Compensation premiums.

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided up to the reporting date. Consideration is given to anticipated future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows. An allowance for superannuation and workers compensation is included.

The Association pays contributions to certain defined contribution superannuation plans. Contributions are recognised as expenses when incurred. The Association has no obligation to pay further contributions to these plans if the plans do not hold sufficient assets to pay all employee benefits relating to employee service in current and prior periods.

(K) 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.

(L) OPERATING LEASES

Leases are classified as operating leases where substantially all the risks and benefits remain with the lessor. Operating lease payments are recognised as an expense in the comprehensive income statement on a straight line basis over the lease term.

(M) BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other Borrowing Costs are recognised as expenses in the period in which they are incurred.

No borrowing costs have been capitalised in the financial year ended 30 June 2012.

(N) INCOME TAX

The Association is a charitable institution for the purposes of Australian taxation legislation and is therefore exempt from income tax. This exemption has been confirmed by the Australian Taxation Office. The Association holds deductible gift recipient status.

(O) GOODS AND SERVICES TAX

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, in which case it is recognised as part of the cost of acquisition of an asset or as part of an item of expense. Receivables and payables in the statement of financial position are recognised inclusive of GST.

The net amount of GST recoverable from or payable to the Australian Taxation Office is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from or payable to the Australian Taxation Office is classified as operating cash flows.

(P) COMPARATIVE FIGURES

When required by the 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.

(Q) NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Association. The Association has decided not to early adopt any of the new and amended pronouncements. The Association's assessment of the new and amended pronouncements that are relevant to the Association but applicable in future reporting periods is set out below:

- * AASB 9: *Financial Instruments* (December 2010) and AASB 2010-7: *Amendments to Australian Accounting Standards arising from AASB 9* (December 2010).

These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

These Standards were mandatorily applicable for annual reporting periods commencing on or after 1 January 2013. However, AASB 2012-6: *Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures* (issued September 2012) defers the mandatory application date of AASB 9 from 1 January 2013 to 1 January 2015. In light of the change to the mandatory effective date, the Association is expected to adopt AASB 9 and AASB 2010-7 for the annual reporting period ending 31 December 2015. Although the Board anticipate that the adoption of AASB 9 and AASB 2010-7 may have a significant impact on the Association's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact.

- * AASB 13: *Fair Value Measurement* and AASB 2011-8: *Amendments to Australian Accounting Standards arising from AASB 13* (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurement.

AASB 13 requires:

- inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and
- enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) to be measured at fair value.

These Standards are expected to result in more detailed fair value disclosures, but are not expected to significantly impact the amounts recognised in the Association's financial statements.

- * AASB 2011-4: *Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements* (applicable for annual reporting periods beginning on or after 1 July 2013).

This Standard makes amendments to AASB 124: *Related Party Disclosures* to remove the individual key management personnel disclosure requirements (including paras Aus29.1 to Aus29.9.3). These amendments serve a number of purposes, including furthering trans-Tasman convergence, removing differences from IFRSs, and avoiding any potential confusion with the equivalent *Corporations Act 2001* disclosure requirements.

This Standard is not expected to significantly impact the Association's financial report as a whole because:

- some of the disclosures removed from AASB 124 will continue to be required under s 300A of the *Corporations Act*, which is applicable to the Association; and
- AASB 2011-4 does not affect the related party disclosure requirements in AASB 124 applicable to all reporting entities, and some of these requirements require similar disclosures to those removed by AASB 2011-4.

- * AASB 2012-2: *Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities* (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 2012-2 principally amends AASB 7: *Financial Instruments: Disclosures* to require entities to include information that will enable users of their financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

This Standard is not expected to significantly impact the Association's financial statements.

- * AASB 2012-3: *Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities* (applicable for annual reporting periods commencing on or after 1 January 2014).

This Standard adds application guidance to AASB 132: *Financial Instruments: Presentation* to address potential inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.

This Standard is not expected to significantly impact the Association's financial statements.

- * AASB 2012-5: *Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011* (applicable for annual reporting periods commencing on or after 1 January 2013).

This Standard amends a number of Australian Accounting Standards as a consequence of the issuance of *Annual Improvements to IFRSs 2009-2011 Cycle* by the International Accounting Standards Board, including:

- AASB 1: *First-time Adoption of Australian Accounting Standards* to clarify the requirements in respect of the application of AASB 1 when an entity discontinues and then resumes applying Australian Accounting Standards;
- AASB 101: *Presentation of Financial Statements* and AASB 134: *Interim Financial Reporting* to clarify the requirements for presenting comparative information;
- AASB 116: *Property, Plant and Equipment* to clarify the accounting treatment of spare parts, stand-by equipment and servicing equipment;
- AASB 132 and Interpretation 2: *Members' Shares in Co-operative Entities and Similar Instruments* to clarify the accounting treatment of any tax effect of a distribution to holders of equity instruments; and
- AASB 134 to facilitate consistency between the measures of total assets and liabilities an entity reports for its segments in its interim and annual financial statements.

This Standard is not expected to significantly impact the Association's financial statements.

(R) ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

During the year, the Association adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory. The adoption of these standards has not significantly impacted the recognition, measurement and disclosure of the transactions of the Association and its financial statements for the financial year ended 30 June 2013.

Notes to the Financial Statements cont.

For the year ended 30 June 2013

2. Revenue, other income and expenses

	Note	2013 \$	2012 \$
(A) REVENUE			
Operating Grants			
Disability Services Commission		24,940,345	22,329,672
Lotterywest		27,500	73,372
Other		86,731	132,127
Total Operating Grants		25,054,576	22,535,171
(B) DONATIONS, BEQUESTS, FUNDRAISING			
Donations		141,710	182,127
Bequests		38,624	35,055
Fundraising		104,854	131,695
Total Donations, bequests, fundraising		285,188	348,877
(C) EXPENSES			
Depreciation		670,369	742,448
Operating lease payments – Land & building		26,857	23,554
Auditors' remuneration for audit of the financial report		18,826	15,925
(D) EMPLOYEE BENEFIT EXPENSE			
Salary and wages		20,427,125	18,295,719
Superannuation contributions		1,838,442	1,646,615
Movement in employee benefits		198,988	639,284
Total employee benefits		22,464,555	20,581,618
(E) ACCOMMODATION SUPPORT AND INTENSIVE FAMILY SUPPORT			
Direct Care expenses		21,389,957	19,837,204
Household operating expenses		2,038,579	1,825,151
Total accommodation support and intensive family support		23,428,536	21,662,355
(F) THERAPY EXPENSES			
Therapy support expenses		1,097,651	1,105,691
CAEP program		289,810	170,874
Total therapy expenses		1,387,461	1,276,565
(G) FUNDRAISING EXPENSES			
Summer Seafood raffle expenses		66,315	67,429
Other fundraising expenses		1,283	2,548
Total fundraising expenses		67,598	69,977
(H) CAPITAL SUBSIDIES			
Disability Services Commission		406,135	131,582
Lotterywest		69,673	50,327
Total Capital Subsidies		475,808	181,909

3. Segment reporting

The Association has nine operating segments, as described below. The operating segments reflect the significant activities undertaken by the Association to achieve its mission of "enabling people with disabilities to achieve and maintain a valued quality of life as part of an accepting community"

- (i) **Accommodation support program** involves the provision of residential accommodation options and the provision of the support required to enable disabled persons to access accommodation options.
- (ii) **Household operations** involve the provision of day to day household operating functions.
- (iii) **Recreation and community support program** involves the provision of the support required to enable people with disabilities to access recreation and community activities.
- (iv) **Therapy support program** involves the provision of physiotherapy, occupational therapy, speech therapy and other therapy as required to residents. This area also included the Community Aids and Equipment program.
- (v) **Program development** involves the provision of support required for the expansion of the Association's activities.
- (vi) **Self funded initiatives** are those initiatives undertaken by the Association which are funded predominantly from the Association's resources. These activities include Nulsen Business Services, Creative Development Program, Blue Gum Recreation Centre management, Cooke Street house rental and other non recurring projects.
- (vii) **Family & Community Services** includes partnership initiatives with other not for profit agencies and support to external families.
- (viii) **Fundraising** involves the collection of voluntary contributions by donations and the organisation of fundraising events to raise funds for all programs
- (ix) **Other** comprises finance expenses, income received to fund capital purchases and depreciation expenses

MAJOR SOURCE OF FUNDS

The Association receives a significant part of its funding for its programs from the Disability Services Commission of Western Australia.

GEOGRAPHICAL INFORMATION

The Association operates in one geographical area – Australian (country of domicile)

Revenue reported below represents revenue generated from external customers. There were no inter-segment sales in the year (2012: nil)

The below are the measures reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

The accounting policies of the reportable segments are the same as the Association's accounting policies described in Note 1.

	Accommodation Support Program Inc IFS 2013	Household Operations 2013	Recreation & Community Support Program 2013	Therapy Support Program inc CAEP 2013	Program Development 2013	Self Funded Initiatives 2013	Family & Community Services 2013	Fundraising 2013	Other 2013	Total 2013
(A) SEGMENT RESULT										
Revenue										
Grants - Operating	21,233,529		1,662,094	1,120,643	400,552	100,572	537,187			25,054,576
Donations, bequests & fundraising		3,836						281,352		285,188
Fees from clients		2,196,806	101,588			14,564				2,312,958
Nulsen Business Services						382,781				382,781
Interest						334,291	9,494			343,785
Net gain on disposal of property, plant and equipment									92,630	92,630
Sundry income	2,855	12,042		2,422		188,231	37,500			243,050
Total segment revenue	21,236,384	2,212,685	1,763,682	1,123,065	400,552	1,020,438	584,181	281,352	92,630	28,714,969
Expenses										
Staffing costs	18,611,918		1,288,571	869,316	305,949	470,340	97,387			21,643,479
Depreciation						670,369				670,369
Operating expenses	2,778,039	2,038,579	415,224	518,145	91,286	221,444	304,190	67,598		6,434,506
Total segment expenses	21,389,957	2,038,579	1,703,794	1,387,461	397,235	1,362,153	401,577	67,598	475,808	28,748,355
Capital Subsidies									475,808	475,808
Segment surplus (deficit)	(153,573)	174,105	59,888	(264,396)	3,317	(341,715)	182,604	213,754	568,438	442,422

(B) SEGMENT LIABILITIES										
Segment assets									14,067,881	14,067,881
Segment liabilities									8,987,241	8,987,241

	Cost as a % of segment revenue	Surplus as a % of segment revenue	Segment expenses as % total expenditure	Segment expenses as % total income
Cost as a % of segment revenue	100.72%	92.13%	96.60%	123.54%
Surplus as a % of segment revenue	(0.72%)	7.87%	3.40%	(23.54%)
Segment expenses as % total expenditure	74.40%	7.09%	5.93%	4.83%
Segment expenses as % total income	74.49%	7.10%	5.93%	4.83%
Program Development 2012		99.17%	0.83%	1.38%
Self Funded Initiatives 2012		133.49%	(33.49%)	4.74%
Family & Community Services 2012		68.74%	31.26%	1.40%
Fundraising 2012		24.03%	75.97%	0.24%
Other 2012	N/A	N/A	0.00%	0.00%
Total 2012				100.12%

Segment reporting table continued next page

	Accommodation Support Program Inc IFS 2012	Household Operations 2012	Recreation & Community Support Program 2012	Therapy Support Program inc CAEP 2012	Program Development 2012	Self Funded Initiatives 2012	Family & Community Services 2012	Fundraising 2012	Other 2012	Total 2012
A SEGMENT RESULT										
Revenue										
Grants	19,705,197		1,417,006	1,007,539	273,545	131,884				22,535,171
Donations, bequests & fundraising		5,942				63,050		279,885		348,877
Fees from clients		2,022,686	87,731							2,110,417
Nulsen Business Services						416,777				416,777
Interest						386,329				386,329
Net gain on disposal of property, plant and equipment									58,866	58,866
Sundry income	9,243	14,122		8,172		162,527				194,064
Total segment revenue	19,714,440	2,042,750	1,504,737	1,015,711	273,545	1,160,567	279,885	58,866	58,866	26,050,501
Expenses										
Staffing costs	17,283,045		1,161,614	735,205	226,287	529,138				19,935,289
Depreciation								742,448		742,448
Operating expenses	2,554,159	1,825,151	353,861	541,360	55,995	155,464		69,977		5,555,967
Total segment expenses	19,837,204	1,825,151	1,515,475	1,276,565	282,282	684,602	69,977	742,448	181,909	26,233,704
Capital Subsidies									181,909	181,909
Segment surplus (deficit)	(122,764)	217,599	(10,738)	(260,854)	(8,737)	475,965	209,908	(501,673)	(1,294)	12,996,575
B SEGMENT LIABILITIES										
Segment assets									12,996,575	12,996,575
Segment liabilities									8,358,357	8,358,357
C RATIO ANALYSIS										
Cost as a % of segment revenue	100.62%	89.35%	100.71%	125.68%	103.19%	58.99%		25.00%	N/A	N/A
Surplus as a % of segment revenue	(0.62%)	10.65%	(0.71%)	(25.68%)	(3.19%)	41.01%		75.00%	N/A	N/A
Segment expenses as % total expenditure	75.60%	6.96%	5.78%	4.87%	1.08%	2.61%		0.27%	2.83%	100.0%
Segment expenses as % total income	76.15%	7.10%	5.82%	4.90%	1.08%	2.63%		0.27%	2.85%	100.7%

Notes to the Financial Statements

For the year ended 30 June 2013

4. Cash and cash equivalents

	2013	2012
	\$	\$
Cash on hand	1,100	1,100
NAB offset account	953,655	630,069
Term deposits	3,155,514	1,059,687
Cash Management account	643,332	704,858
Cash Deposit Account	0	1,000,000
Funeral trust account	43,953	43,953
Online investment account	2,519,190	3,194,838
Bendigo Bank Art Account	421	0
Residents trust monies	1,205,866	1,114,813
Housekeeping accounts	23,503	28,480
Total cash and cash equivalents	8,546,534	7,777,798

Cash at bank earns interest at floating rates on daily deposit rates. Short term deposits are made for varying periods of between 30 days and 90 days depending on the Associations' cash requirements. These deposits earn interest at market rates.

A bank guarantee of \$30,000 to the Office of Racing and Gaming exists to provide security for the value of prizes in the "Summer Seafood" Raffle.

The Association's exposure to interest rate risk is disclosed in note 12

5. Trade and other receivables

	2013	2012
	\$	\$
Trade debtors	93,579	37,629
Less: Impairment Provision	0	0
	93,579	37,629
Prepayments and other accrued income	144,466	367,209
Other Debtors	21,936	55,109
GST Input Tax	63,484	33,752
Total trade and other receivables	323,465	493,699

CREDIT RISK

The following table details the association's receivables exposed to credit risk with ageing analysis and impairment provided thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the Association and the member or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining their willingness to pay and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Association. Past experience indicates that no impairment allowance is necessary.

	Gross Amount \$	Past due & Impaired \$	Past Due but Not Impaired (Days Overdue)			Within Trade Terms \$
			31-60 \$	61-90 \$	>90 \$	
2013						
Trade Debtors	93,579		6,883	3,070	838	82,787
Other receivables	229,887					229,887
Total	323,465		6,883	3,070	838	312,674
2012						
Trade Debtors	37,629		4,553	280	948	31,848
Other receivables	456,070					456,070
Total	493,669		4,553	280	948	487,918

Collateral held as security - No collateral is held as security for any of the trade and other receivable balances.

FINANCIAL ASSETS CLASSIFIED AS LOANS AND RECEIVABLES

	2013	2012
	\$	\$
Trade and Other Receivables	323,465	493,669
Total Current	323,465	493,699

Notes to the Financial Statements cont.

For the year ended 30 June 2013

6. Property, plant and equipment

	Land \$	Buildings \$	Plant and Equipment \$	Furniture \$	Motor Vehicles \$	TOTAL \$
GROSS CARRYING AMOUNT- COST						
Balance at 30 June 2011	1,034,672	2,746,829	917,321	12,496	3,015,837	7,727,155
Additions	-	19,483	25,950	-	525,481	570,914
Disposals	-	-	-	-	(440,484)	(440,484)
Balance at 30 June 2012	1,034,672	2,766,312	943,271	12,496	3,100,834	7,857,585
Additions	-	433,634	26,903	-	1,023,373	1,483,910
Disposals	-	-	-	-	(828,217)	(828,217)
Balance at 30 June 2013	1,034,672	3,199,946	970,174	12,496	3,295,990	8,513,278
ACCUMULATED DEPRECIATION						
Balance at 30 June 2011	-	(672,627)	(632,575)	(12,496)	(1,346,237)	(2,663,935)
Disposals	-	-	-	-	273,969	273,969
Depreciation Expense	-	(68,672)	(161,436)	--	(512,340)	(742,449)
Balance at 30 June 2012	-	(741,299)	(794,011)	(12,496)	(1,584,609)	(3,132,415)
Disposals	-	-	-	-	487,180	487,180
Depreciation Expense	-	(72,227)	(98,001)	-	(500,141)	(670,369)
Balance at 30 June 2013	-	(813,526)	(892,012)	(12,496)	(1,597,570)	(3,315,604)
NET BOOK VALUE						
As at 30 June 2012	1,034,672	2,025,013	149,260	-	1,516,226	4,725,171
As at 30 June 2013	1,034,672	2,386,420	78,162	-	1,698,421	5,197,675

The Association currently has no equipment or motor vehicles under finance lease agreements

The following assets have been pledged as security for the National Australia Bank drawdown facility:

1. Land and building situated at 2 Cook Street, Silver Sands WA as described in Certificate of Title Volume 214 Folio 67A
2. Land situated at 150 Eudoria Street, Gosnells WA as described in Certificate of Title Volume 569 Folio 181A
3. Land and building situated at 22 Helsall Court Willetton WA as described in Certificate of Title Volume 1392 Folio 826
4. Land and building situated at 111 Eudoria Street, Gosnells WA as described in Certificate of Title Volume 1761 Folio 768

7. Trade creditors and other payables

	2013 \$	2012 \$
Trade creditors	476,190	191,785
Residents Trust Funds	1,210,482	1,122,314
Other creditors	188,520	18,674
GST Payable	106,157	93,983
Accruals	907,970	678,657
Financial liabilities as trade and other payables	2,889,319	2,105,413

The Association's exposure to currency and liquidity risks related to trade creditors and other payables is disclosed in Note 12

8. Deferred Income

	2013 \$	2012 \$
Disability Services Commission	1,301,751	2,015,917
Other grants	65,588	52,935
Income received in advance	40,128	43,015
	<u>1,407,467</u>	<u>2,111,867</u>

9. Borrowings

	2013 \$	2012 \$
NON-CURRENT		
Loans	944,205	620,489
Total Borrowings	<u>944,205</u>	<u>620,489</u>

The Association currently has no obligations under finance leases

BANK FACILITIES

An overdraft facility with the Commonwealth Bank of Australia of \$30,000 (2012 - \$30,000) was available to the Association at the end of the financial year 2013. As of that date \$nil (2012 - nil) of that facility was in use.

A drawdown facility of \$1,500,000 (2012 - \$1,500,000) was available to the Association at the end of the financial year with the National Australia Bank. As at this date \$944,205 (2012 - \$620,489) was in use. An offset account operates in conjunction with this draw down facility in order to minimise or eliminate interest charges. As at this date \$953,655 (2012 - \$630,069) was held in this account. This drawdown facility has no specific repayment terms and management can choose to repay as and when they wish. As at year end, management has no intention of making repayments for the next 12 months.

10. Provisions

	2013 \$	2012 \$
(A) CURRENT		
Long service leave	176,504	313,564
Accrued days off	437,741	448,992
Annual leave	2,017,532	1,951,209
Housing Provider Maintenance	12,444	0
Residents Fee Waiver	14,306	-
Kelly Bridger Safety & Best Practice Award	46,909	47,284
	<u>2,705,436</u>	<u>2,761,049</u>
(B) NON-CURRENT		
Long service leave	1,040,814	759,839
(C) MOVEMENTS IN PROVISIONS		
Balance at 1 July 2012	3,520,887	2,869,469
Charge for the year	3,837,867	3,400,809
Utilised during the year	(3,612,504)	(2,749,391)
Balance at 30 June 2013	<u>3,746,250</u>	<u>3,520,887</u>

Notes to the Financial Statements cont.

For the year ended 30 June 2013

11. Reserves and Retained Earnings

(a) **Retained earnings** represents the funds of the Association that are not designated for particular purposes

(b) **Reserves** comprise funds set aside for

1. the replacement of Nulsen Community vehicles
2. the purchase of a spa for Charlesworth (Money raised by Charlesworth's fundraising activities)
3. development and expansion of Nulsen's services

12. Financial and borrowings Risk Management

The Association's financial instruments mainly comprise cash and cash equivalents and, accounts receivable and payable and borrowings). In addition the Association has various financial assets and liabilities including amounts receivable in respect of services provided and amounts payable to trade and other creditors.

	2013	2012
	\$	\$
FINANCIAL ASSETS		
Cash and cash equivalents	8,546,534	7,777,798
Trade and other receivables	323,465	493,699
Available for sale financial assets	207	207
Total financial assets	<u>8,870,206</u>	<u>8,271,704</u>
FINANCIAL LIABILITIES		
Trade and other payables	2,887,818	2,105,413
Deferred Income	1,408,967	2,111,867
Borrowings	944,205	620,489
Total Financial Liabilities	<u>5,240,990</u>	<u>4,837,769</u>

FINANCIAL RISK MANAGEMENT POLICIES

The Board of Management has overall responsibility for risk management, including risks associated with the Association's financial instruments. Risk management policies are established to monitor the risks and adherence to limits. The Board Finance Committee is responsible for monitoring investment policies.

SPECIFIC FINANCIAL RISK EXPOSURE AND MANAGEMENT

The main risks arising from the Association's financial instruments are liquidity risk, credit risk and interest rate risk.

(a) Liquidity risk

Liquidity risk is the risk that the Association will not be able to fund its obligations as they fall due. The Association manages liquidity risk by monitoring forecast cash flows and ensuring that adequate liquid funds are available to meet normal operating expenses.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
	\$	\$	\$	\$	\$	\$	\$	\$
FINANCIAL LIABILITIES DUE FOR PAYMENT								
Trade and Other Payables	2,887,818	2,105,413	-	-	-	-	2,887,818	2,105,413
Deferred Income	1,408,967	2,111,867	-	-	-	-	1,408,967	2,111,867
Borrowings			944,205	620,489	-	-	944,205	620,489
Total contractual outflows	<u>4,296,786</u>	<u>4,217,280</u>	<u>944,205</u>	<u>620,489</u>	<u>-</u>	<u>-</u>	<u>5,240,990</u>	<u>4,837,769</u>
Total expected outflows	4,296,786	4,217,280	944,205	620,489	-	-	5,240,990	4,837,769

FINANCIAL ASSETS – CASH FLOWS REALISABLE

Cash and cash equivalents	7,592,878	7,147,729					7,592,878	7,147,729
Cash offset account			953,655	630,069			953,655	630,069
Trade and other receivables	323,465	493,699					323,465	493,699
Available for sale financial assets					207	207	207	207
Total anticipated inflows	<u>7,916,344</u>	<u>7,641,428</u>	<u>953,655</u>	<u>630,069</u>	<u>207</u>	<u>207</u>	<u>8,870,206</u>	<u>8,271,704</u>
Net (outflow)/inflow on financial instruments	<u>3,619,558</u>	<u>3,424,148</u>	<u>9,451</u>	<u>9,580</u>	<u>207</u>	<u>207</u>	<u>3,629,216</u>	<u>3,433,935</u>

Financial assets pledged as security for borrowings are detailed in note 6

(b) Credit risk

Credit risk is the risk of financial loss to the Association if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The carrying amount of financial assets recorded in the Statement of Financial Position net of any provisions for losses, represents the maximum exposure to credit risk.

Credit risk is managed through maintaining procedures (such as utilisation of systems for the approval, granting and removal of credit limits) ensuring, to the extent possible, that counterparties to transactions are of sound credit worthiness.

(c) Interest rate risk

The exposure to interest rate risk for each class of financial asset and financial liability is set out below:

- (i) Cash comprises non-interest bearing cash floats of \$24,603 (2012 - \$28,480) and cash management accounts and term deposits comprising \$8,521,931 (2012 - \$7,749,318) bearing interest rates of 2.75% to 4.2% (2012- 3.5% to 5.5%). Investments are fixed for periods varying from 30 days to 90 days, except the funeral fund deposit which is fixed for 6 months. Cash held in trust for Nulsen Business clients are not included in the above as the interest on these accounts belongs to the clients, not the Association. The Association does not have a material risk in relation to its interest-bearing loans.
- (ii) Receivables are non interest bearing.
- (iii) Payables are non interest bearing.

Sensitivity analysis

The following table illustrates sensitivities to the association's exposures to changes in interest rates. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by the changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

Notes to the Financial Statements cont.

For the year ended 30 June 2013

	Profit \$	Equity \$
Year Ended 30 June 2013		
+/- 1% in interest rates	+/-112,513	+/-112,513
Year Ended 30 June 2012		
+/- 1% in interest rates	+/-104,446	+/-104,446

No sensitivity analysis has been performed for price or foreign exchange risk, as the association is not exposed to these risks.

NET FAIR VALUES

The fair values of financial assets and financial liabilities can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

13. Cash flow information

	2013 \$	2012 \$
RECONCILIATION OF NET SURPLUS FOR THE YEAR TO NET CASH FLOWS FROM OPERATING ACTIVITIES.		
Surplus / (loss) from ordinary activities	442,422	(1,294)
(Profit)/loss on disposal of non-current assets	(92,630)	(58,866)
Capital Funding	(475,808)	(181,909)
Depreciation and amortisation expense	670,369	742,448
Changes in net assets and liabilities		
(Increase)/Decrease in current receivables	170,234	(217,460)
Increase/(Decrease) in current payables	782,405	91,385
Increase/(Decrease) in provisions	225,364	651,418
Increase/(Decrease) in other current liabilities	(702,900)	1,084,085
Net Cash provided by operating activities	<u>1,019,456</u>	<u>2,109,807</u>

14. Operating Lease Commitments

The Association has entered into a lease agreement with the Department for Housing for the rental of residential houses for the accommodations program. Future minimum rentals payable under this agreement as at the reporting date are:

	2013 \$	2012 \$
Within one year	32,700	24,507
After one year but not more than five years		
Greater than five years		
	<u>32,700</u>	<u>24,507</u>

The property lease commitment is a cancellable operating lease with a 1-year term, with rent payable monthly in advance. The lease agreement requires the minimum lease payments shall be increased by nil per annum. The lease is currently under review with the Ministry of Housing.

15. Burton street site

Funding of \$512,000 was received from the Disability Services Commission in 1996/97 to enable the purchase of premises at 28(a) Burton Street, Cannington. Nulsen Haven Association (Inc) holds 100% equity in the site; Disability Services Commission holds a caveat over the property which ensures that the site will only be used to provide appropriate services. A further \$149,100 was received from the Lotteries Commission to enable a refit of the new administration site in the year ending 30 June 2002.

In December 1999, \$85,000 was received from the Lotteries Commission to purchase a second Strata Title on the 28(b) Burton St site for use as a Staff Training Facility. The Lotteries Commission holds a ten year caveat over the property. The caveat expired in December 2009 and was replaced with the Deed of Trust.

In June 2006 a third Strata Title on the 28(B) Burton St site was purchased from Extrim. This was funded by Nulsen Haven Association Inc. Nulsen Haven has completed work on renovations to this property. The Lotteries Commission contributed \$800,000 towards these costs.

A Deed of Trust has been drawn up in relation to this work with the following terms:

- The Trustee (Nulsen Haven) holds the property on trust for itself and the Lotterywest Commission as tenants in common in respect to the number of undivided shares as specified in the Deed schedule.
- The undivided share to the Lotterywest Commission will be 920,000/2,000,000.
- The term of the Deed is 20 years. At the end of the term (2026) the Lotteries Commission's beneficial interest in the property will revert to Nulsen Haven Association (Inc).

The written down value of this property as at 30 June 2013 was \$1,450,690 (2012 - \$1,483,353).

16. Joint venture properties

The properties at Dillon Place, Rosella Place and Robins Road were purchased through joint venture funding with the Department of Housing and Works (formerly Homeswest), and the property at St George's Avenue through joint venture funding with Department of Housing and Works and the Disability Services Commission. Nulsen Haven Association (Inc)'s equity value in the four properties is held as a percentage of the historical cost value of the properties. Should any of the properties be sold in the future, Nulsen Haven Association (Inc) would receive a percentage of the final resale value. These percentages are: Dillon Place (43.86%), Rosella Place (35%), Robins Road (37.63%) and St George's Avenue (6.11%). Caveat's are currently in place over these properties registering the interests of both Ministry of Housing and Disability Services Commission where applicable.

17. Nulsen Business Services Accounts

The Association currently holds bank accounts on behalf of bookkeeping and accounting services clients within the Nulsen Business service. These accounts are used to make payments on behalf of the clients. All transactions are authorised by the client and the Association cannot initiate a transaction or decide how to use the funds in these accounts. The client decides how much is to be retained in the account at any point in time, and has access to the electronic banking system to enable them to monitor the account. The bank accounts are included in the financial reports of the individual client. While the Association are the sole bank signatories it is for clerical purposes only and they do not have any control over the use of the funds. Consequently the accounts do not appear in the Association's financial returns.

Funds held at 30 June 2013 total \$2,271,256 (2012 \$3,254,973)

18. Related Party Transactions

(A) BOARD MEMBERS

Board members in office during the year are disclosed in the Board of Management report that accompanies these financial statements.

(B) BOARD MEMBERS COMPENSATION

Board members act in an honorary capacity and receive no compensation for their services.

(C) KEY MANAGEMENT PERSONNEL COMPENSATION

Name	Position	2013 \$	2012 \$
Gordon Trewern	Chief Executive Officer		
Graham Holman	Deputy Chief Executive Officer		
Stephan Van Vlijmen	Director Accommodation Services		
Caroline Watt	Manager Policy and Planning Services		
Karen Malyon	Manager Payroll Services		
Karen Hanlon	Manager Administrative Services		
Kerry Madaffari	Manager Recruitment and Workplace Relations		
Heather Blyth	Manager Financial Services		
Sally Williams	Manager Health Services		
Brenda Flatlow	Manager Nulsen Community		
Richa Vinod	Manager Workforce Management		
Jen Gouvignon	Manager Service Development		
Danica Wieman	Manager Partnerships & Communications		
Mauricio Sanabria	Manager Program Development		

The compensation paid to the key management personnel noted is as follows:

Salaries	1,051,125	982,563
Fringe Benefits (Grossed up value)	403,454	364,936
Superannuation	177,470	228,876
Total short-term employee benefits	1,632,049	1,576,375

19. Economic Dependence

The Association's activities are largely funded by the Disability Services Commission. At the date of this report, the members of the board had no reason to believe that the Disability Services Commission would not continue to provide financial support to Nulsen Haven Association Inc.

In the opinion of the Board of Management, the financial report as set out on pages 20 to 48:

- a) Presents a true and fair view of the financial position of Nulsen Haven Association (Inc) as at 30 June 2013 and its performance for the year ended on that date in accordance with the Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board, which as stated in accounting policy Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and,
- b) At the date of this statement, there are reasonable grounds to believe that Nulsen Haven Association (Inc) will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Board of Management and is signed for and on behalf of the Board by:



David Gilchrist

Chairman

Dated this 16th day of September 2013.

Independent Auditor's Report

to the members of Nulsen Haven Association (Inc)



Report on the Financial Report

We have audited the accompanying financial report of Nulsen Haven Association (Inc), which comprises the statement of financial position as at 30 June 2013, 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, notes comprising a summary of significant accounting policies and other explanatory information, and the Board of Management's assertion statement.

Board of Management's Responsibility for the Financial Report

Board of Management are responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Associations Incorporation Act 1987 (WA) and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Auditor's Opinion

In our opinion the financial report presents fairly, in all material respects, the position of the Association as at 30 June 2013 and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and the Associations Incorporation Act 1987 (WA).

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report of Nulsen Haven Association (Inc) for the year ended 30 June 2013 included on Nulsen Haven Association (Inc)'s web site. The Board of Management is responsible for the integrity of the Nulsen Haven Association (Inc)'s web site. We have not been engaged to report on the integrity of the Nulsen Haven Association (Inc)'s web site. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

William Buck Audit (WA) Pty Ltd.

William Buck Audit (WA) Pty Ltd
Registered Company Auditor Number 339150
ABN 67 125 012 124

Stephen K. Breihl.

Stephen K Breihl
Director

Dated this 16th day of September, 2013
Perth, Australia



One of Vicki Devenish's favourite hobbies is drawing. She is highly creative and in particular, has a flair for drawing horses.



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