



*Kellock Lodge*

Alexandra Inc.

RESIDENTIAL AGED CARE



## ANNUAL REPORT 2018/2019

To provide quality and ethical residential aged care within a safe friendly environment

## MEMBERS

*The members for the time being of Bishop in Council of the Diocese of Wangaratta of the Anglican Church of Australia together with the Chairman, Vice Chairman and Secretary of the Board for the time being.*

## BOARD OF MANAGEMENT

	<b>To 31 August 2018</b>	<b>From 1 September 2018</b>
<b>Chairperson</b>	John Sharwood OAM	Larry Fallon
<b>Vice Chairperson</b>		Stephen Costley
<b>Treasurer/Secretary</b>	Michael Manning	
<b>Directors</b>	Graeme Brown	Margaret Baker
	Ian Davis	The Hon. Alex Chernov AC QC
	Ann Hunter	Tony Pammer
	Heather McLaren	Rod Sloan
	Rod Sloan	
<b>Ex-officio Members</b>	The Bishop of Wangaratta The Rector of the Parish of Alexandra	

## CEO/ Director of Nursing

Mrs Jo Cavill

## FINANCIAL AUDITOR

MVA Bennett  
Level 5, North Tower  
485 La Trobe Street, Melbourne, Victoria 3000

<b>Incorporation No:</b>	A 0037078 E
<b>ABN:</b>	82 586 866 464
<b>Address</b>	15 Bon Street Alexandra Vic 3714 Tel: 03 5770 2100 Fax: 03 5772 2360 Email: <a href="mailto:info@kellocklodge.com.au">info@kellocklodge.com.au</a>

## BOARD CHAIR AND CEO/DON REPORT

The financial year ending 30 June 2019 will feature in the history of Kellock Lodge as one of significant challenge and change, leading to the transfer of ownership from the Anglican Diocese of Wangaratta (the Diocese) to the operator of aged care Kellock Lodge Alexandra Incorporated (KLA Inc.) on 24 July 2019.

The road to independence began over 12 months ago, when the potential scenario of Kellock Lodge (KL) merging with St John's age care in Wangaratta or being sold by the Diocese to a private not-for-profit aged care provider became a reality following the underperformance of KL across seven of the Commonwealth government aged care quality standards as evidenced in January 2018 during an unannounced visit. As the Approved Provider (AP) of aged care at KL, Trustees of the Diocese responded by appointing consultants to assist the management team to address the identified gaps, and senior staff changes occurred. Senior Registered Nurse (RN) Cass Fraser joined the management team and Steve Voogt, Nurse Practitioner (NP) was also contracted to provide 1 day/week NP services to complement General Practitioner (GP) services. By May 2018 all non-compliant standards were rectified, and in June the Aged Care Accreditation Agency completed an organisation wide survey and granted KL 12 months accreditation status.

KL's future as a community-based organisation still remained in question however, and on Friday 22 June 2018 a public meeting was held to ascertain support for retaining KL in community hands. The response was overwhelming with over 370 people in attendance. Chaired by Shire CEO Craig Lloyd, presentations were made by Larry Fallon, Maurie Pawsey, John Sharwood, Mike Manning and Bill Rollason. Motions were passed to oppose a merger with St John's and to investigate how the land and facilities (Residential Aged Care and the Independent Living Units) could be purchased. With such a strong display of community support Bishop John Parkes was willing to investigate how KL could be transferred back to the community, with Larry Fallon playing a major role in these critical negotiations.

Another public meeting in August 2018 supported the purchase of KL by KLA Inc. (current not-for-profit community-based operator) for \$3.5 Million, and an Asset Sale Agreement with the Wangaratta Diocesan Trustees was executed on 26 September. The old KL Auxiliary had been reactivated prior to the June public meeting (now known as 'Friends of Kellock'), and together with the board commenced a campaign to raise public awareness and much needed funds. The 'We Care Appeal 2018' was officially launched in October 2018, and by the end of June 2019 raised over \$500,000 in donations and pledges. An outstanding achievement from such committed and enthusiastic supporters of Kellock Lodge, and we are so grateful for their amazing contribution.

Meanwhile, changes occurred at the Board level with the appointment of an interim Board and Larry Fallon as Board Chair. John Sharwood and the other members that stepped down from the board (Mike Manning, Graeme Brown, Ian Davis, Ann Hunter and Heather McLaren) are to be thanked for their commitment to KL over many years. They all played a significant role in making KL what it is today, and we are thankful for their contribution. Bishop John Parkes was still closely involved as the AP, with Stephen Costley, Tony Pammer Jo Cavill, Alex Chernov (AC QC) and Rod Sloan appointed.

The next step was to gain Residential Aged Care Approved Provider status from the Commonwealth Department of Health. This became an arduous process with repeat requests for information to demonstrate KLA Inc.'s capability to fulfil this role even though it had been providing quality aged care

and services for many years as the operator of the facility. The management team also changed with Cass Fraser opting to pursue her acute nursing career and the appointment of Di Frankel as Manager Clinical Care in November 2018.

In January 2019 the position of CEO became redundant as the need to strengthen the clinical governance oversight became apparent. After many years of committed and valued service in a range of positions, Donna Walsh was farewelled by KL staff, residents and board members. Jo Cavill was appointed CEO/Director of Nursing in February, bringing with her extensive leadership and management experience in aged care. Margaret Baker (retired RN) joined the Board and Laurel Mitchell took up the role of Clinical Care Coordinator in April 2019, further enhancing the clinical management of our residents and communication with families and treating GPs. An experienced RN also took over the Aged Care Funding Instrument assessment and claiming role to ensure income is maximised. With this change in management structure, NP Steve Voogt finished in May 2019 and Di Frankel's role was not continued past June 2019.

After a rather turbulent 12 months, Kellock Lodge staffing and resident care practices were consolidating at a high level. The Aged Care Quality Accreditation process was conducted in early June 2019 confirming this, and a 2-year accreditation period was awarded. The Surveyors believed KL was well positioned to transition across to the new Aged Care Quality Standards that became effective 1 July 2019, as our consumers (residents, as they wish to be called) were clearly at the centre of what we do. Feedback from residents and their families also confirm that they feel more involved in care decisions and the life of KL.

By mid-June 2019, KLA Inc. still had not secured AP status from the Commonwealth which jeopardised the purchase agreement, despite delivering an excellent accreditation result and demonstrating strong community commitment to the organisation. It was time to 'rattle the cage'; Larry Fallon contacted the responsible Commonwealth government department directly and enlisted the support of our local Federal Independent Member of Parliament for Indi, Helen Haines. In an unprecedented move, the approval process was accelerated, and approval granted on 26 June 2019, just before the deadline of 28 June. Negotiations with Bishop John (on behalf of the Trustees) continued, and thanks to the work of Tony Pammer the purchase price was reduced by \$250,000.

While all these events transpired, our dedicated staff were reinforcing our mission of 'Quality and ethical aged care...provided within a safe and friendly environment'. Despite experiencing some periods of reduced permanent occupancy during 2018-19, respite care provision and interest in permanent care increased. Across all departments, including hotel services, care, lifestyle & leisure and administration, we would like to acknowledge the valuable contribution of all our staff in making Kellock Lodge a place of choice for residential aged care and independent living within our community. Thank you, we cannot achieve this without any of you!

Residents of our Independent Living Units (ILUs) continue to enjoy activities at KL including Bucks 'n Deer Café and Happy Hour on a Friday afternoon. We also benefit from their generosity in giving their time to visit our residents and support fundraising initiatives. We continue to promote our ILUs as a supportive living environment that promotes independence but also enables a smooth transition into residential aged care when the time comes. With the transfer of ownership some changes to the contracts and the way we manage the process of incoming and outgoing residents will occur, in accordance with the *Retirement Villages Act 1986* and relevant amendments.

Volunteers play a vital role at KL, from resident activity involvement to the donation of time to govern the organisation through the Board of Management. The selfless contribution of so many that enriches the life of our residents and staff is very much appreciated.

We live in a great community, and we are so grateful for the generosity demonstrated through the 'We Care Appeal 2018', the Alexandra Opportunity Shop the Freemasons Foundation and so many other organisations and individuals. The future is bright, but we still need ongoing support from our community, and we welcome the opportunities that a collaborative approach can bring to the life of our residents. Please join us in this challenge by supporting KLA Inc. both financially and with your precious time.

**Larry Fallon,**  
*Board Chair*

**Jo Cavill,**  
*CEO/Director of Nursing*

## LONG SERVICE AWARDS

Many thanks to our staff for their years of valued service

20 years	Vivian Gill	12/04/1999
10 years	Jennifer Creighton	14/04/2008
10 years	Suzanne Savage	09/06/2009

## QUALITY REPORT

On the 23<sup>rd</sup> July 2018 Kellock Lodge were pleased to receive the formal decision from the Australian Aged Care Quality Agency to reaccredit our facility for one year to provide Residential Aged Care. This began a year of consolidation as we strengthened the processes put in place the previous year and considered the transitions required to meet new standards being introduced to Aged Care. Our compliance was yet again confirmed during an unannounced site audit from the newly named Aged Care Quality and Safety Commission in early June 2019, which resulted in a further two years accreditation.

The Aged Care Accreditation Standards had been in effect since the year 2000 and key staff attended education in *new* standards offered by the Quality Agency, *and* the industry advocacy bodies, Leading Aged Services Australia (LASA) and Aged and Community Services Australia (ACSA). It was important that Kellock continued to offer the same quality of care whilst identifying further improvements that

could be made against the standards being introduced on 1<sup>st</sup> July 2019. These Standards focus strongly on consumer (or resident) lived experience and include the following areas:

- Standard One: Consumer dignity and choice
- Standard Two: Ongoing assessment and planning with consumers
- Standard Three: Personal care and clinical care
- Standard Four: Services and supports for daily living
- Standard Five: Organisation's service environment
- Standard Six: Feedback and complaints
- Standard Seven: Human resources
- Standard Eight: Organisational governance

In November 2019, Kellock Lodge appointed Di Frankel as Manager Clinical Care who demonstrated a strong background in Quality systems. Di continued to focus on audits and gathering feedback via "Have Your Say" forms making them part of our culture and the everyday language for staff and residents. Of particular note was a refocus on the importance of QPS Benchmarking, so that Kellock Lodge can assess performance against like-sized organisations and clearly define areas for improvement.

Our Quality program also utilises a Continuous Quality Improvement (CQI) Plan that tracks improvements derived from resident, staff and visitor feedback, incidents and near-misses. Some examples of completed activities are:

- Residents voted unanimously that they want to be addressed as residents, not consumers
- Brighter lighting installed in the Main Dining room
- Portable hand hygiene gel is now purchased for those not able to reach dispenser pumps in rooms
- Pill crusher were purchased for each medication trolley
- A regular men's outing was introduced
- Bed height indicators are being introduced to ensure that each bed is the most suitable height
- A metal crossover plate was installed on a pathway drain scoop as it was a trip hazard for residents

Our governance reporting was further developed throughout the year with the Board receiving monthly updates on Quality of Care information that includes feedback, quality clinical indicators and incidents and relevant actions taken to address or improve a situation.

On 1 July 2019, the Department of Health introduced a mandatory set of Quality Clinical Indicators across all government funded residential aged care facilities. The aim of these Quality Indicators is to collect data and benchmark this against other organisations nationally to support improved clinical care for residents living in aged care.

The Quality Indicators are made up of three key measures which include:

- Quality Indicator 1: Pressure Injuries
- Quality Indicator 2: Physical Restraint
- Quality Indicator 3: Unplanned Weight Loss

Kellock Lodge welcomes the introduction of the Quality Indicators as a further opportunity to monitor and identify trends in performance and to identify opportunities to directly improve resident care and clinical outcomes.

As we move forward into the coming year, we work together with renewed focus as a community owned organisation, knowing that in everything we do, we are contributing to our mission of *providing quality and ethical residential aged care within a safe friendly environment*.

**Tania Hunter,**  
*Administrative Assistant*

## CLINICAL CARE REPORT

2018/2019 HAS BEEN A YEAR OF “Changing of the Guard”. With Cassandra Fraser leaving her Manager Clinical Care role just prior to the end of 2018 to pursue her acute nursing career, Di Frankel was appointed to the role in November 2018 for a fixed term. In April 2019, I (Laurel Mitchell), was appointed to Clinical Care Co-ordinator, working with Di until June when she commenced her next assignment in Busselton, Western Australia. Bradley Payton had covered the role prior to my appointment, and he has remained on as a Registered Nurse providing great support to myself and care staff with his knowledge of the care and quality systems. We have also gained the experienced services of Amanda O’Meara who was appointed ACFI Co-ordinator in February 2019.

Safety and Quality remain central to the delivery of aged care. In June 2019 we had an unannounced site visit by the Aged Care Quality Accreditation Agency, and it was great to experience the accreditation process first-hand with new and old members of staff working together, to receive a positive and glowing report moving forward. We have been preparing to meet the new Aged Care Quality and Safety Standards that are effective from 1 July 2019, with education being provided monthly at meetings on each standard to care staff.

With an increase in residents deemed ‘high care’, it is imperative that Kellock Lodge staff maintain a level of knowledge that enables good care. Management must also ensure appropriate equipment and services are available to provide delivery of care that focuses on individual needs and maintains a consumer-driven focus. With the cessation of Nurse Practitioner services in May 2019, developing better relationships with the General Practitioners (GPs) was an important initiative. Improved systems for communication were implemented, and this has enhanced the clinical management of our residents. Timely communication with resident’s families about any changes to medical treatment has also resulted in families feeling much more involved in their loved one’s care.

Specialised services available to residents include: Optometry, Dental, Podiatry, Pharmacy, Wound Consultant, Diabetes Educator, Physiotherapy, General Practitioners, Psychiatry, Dietetics, speech Therapy and Audiology. A free Geriatrician Service will be commencing in the next financial year.

The Lifestyle Department continues to work hard to offer and develop a range of individualised programs for residents along with group activities. Regular programs enjoyed by residents include Good News Week – keeping residents informed in an interesting and informative way about current events both locally and nationally; cooking activities, card games aimed at improving and maintaining

memory and cognitive function; exercise classes aimed at maintaining balance and movement; outings on the bus to a variety of local places; and special events at Kellock Lodge. Residents are involved in determining activities and work hand-in-hand with staff to design the programs they feel will most appropriately meet their needs through resident meetings held every second month and 'Have Your Say' forms located around the facility.

Staff education along with mandatory continuous professional development hours as set by AHPRA have continued over the year, held monthly in conjunction with Care meetings and via the E3Learning Portal covering: Elder Abuse, Manual Handling, CPR, Fire and Emergency Training, Infection Control and Safe Food Handling. Some staff have also completed the free MOOC Training on Understanding Dementia and Preventing Dementia through the University of Tasmania online. These two courses take 6-8 weeks to complete and are suitable to anybody wanting to learn more about Dementia. I believe this shows the dedication of our staff to the residents having completed the courses of their own volition.

Infection control remains a high priority with 92% of staff and 100% of residents having their Influenza Vaccinations in 2019.

In conclusion, I would like to thank all the staff for assisting me in this role, and for the care and dedication they display towards all the residents of Kellock Lodge.

**Laurel Mitchell,**  
*Clinical Care Co-ordinator*

## HOTEL SERVICES REPORT

### CATERING

At Kellock Lodge Alexandra, we pride ourselves on providing a fresh and seasonal menu with the assistance of our dietician. The Dietician reviews the menu annually.

We value the input of residents, families and staff, and strive to make sure that individual preferences are reflected as much as possible. Like being able to enjoy great food and great company in a place to call your own. Where family and friends are welcome to join our residents for a meal.

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Increasing diversity in the cultural and religious backgrounds of our aged care residents means that we need to cater to many different diet preferences. One of these preferences may be to follow a vegetarian diet. Someone may choose a diet for a number of reasons including personal preference, ethical, health-related, environmental, cultural or religious reasons.

Lactose intolerance, Coeliac Disease, Dyspepsia, Irritable Bowel syndrome (IBS), Colitis and Crohns disease are just a few issues that some of our resident suffer from. Meals being prepared take this into account for our residents. Variations required to cater for these conditions are becoming more



common as people are now more aware of their health and are seeking professional medical advice and diagnosis.

Residents often require assistance to eat their meals due to a variety of reasons, such as dementia or impaired cognition, weakness in hands (e.g. arthritis), poor vision, poor appetite, swallowing difficulties, or general weakness and fatigue. Kellock lodge provides cutlery, crockery and drinking cups that are designed to enable residents with physical issues to manage their meals as independently as possible.

Texture modified diets are also required by many of our residents due to a decline in their swallowing reflexes. New international standards for textured food and fluids have been introduced, so this will involve additional changes to our meal preparation and presentation. These initiatives will be implemented with the assistance of our visiting dietician and speech pathologist.

## ENVIRONMENT

Our environment team maintain a clean and safe home. Residents' individual needs are personally attended to, and we endeavour to always cater for each resident's choice, as demonstrated by our personalised laundry and room service. There are no shared rooms in Kellock Lodge, and each room has an ensuite and individual heating and cooling systems.

Within our facility courtyard gardens offer protected space with shaded and sunny positions, large outside lawn areas with mature trees in a park like setting. Quiet sitting rooms for reading and larger communal areas within the facility also enhance our home-like environment.

External services utilise our facilities to provide essential services such as hairdressing. Our residents enjoy the convenience of being pampered on-site!

Our maintenance and gardening team cover both the aged care facility and the Independent Living Units, ensuring equipment or any issues and gardening in communal areas are attended to in a timely manner.

The hotel services department also play a vital role in the accreditation process, ensuring our plant and equipment, including fire and emergency systems and lifting equipment, are regularly serviced and checked for functionality. Compliance with the maintenance and cleaning schedule is also evident in the presentation of both Kellock Lodge and our Independent Living Units.

**Greg Marthick,**  
*Manager Hotel Services*

## LEISURE & LIFESTYLE REPORT

We have had a very fast year with many 'leisurely' activities to keep us busy. At resident's suggestions we played Dominoes and introduced Charades which really became very amusing. Our calendar was filled with old favourites that our residents would not like changed such as carpet bowls, bingo, the

card game Hoy and of course Happy Hour each Friday afternoon. We welcomed our volunteer Jill David to the lifestyle team as an employee from September 2018.

In February, March and April residents had the chance to enjoy invitation hot breakfast at least twice for each resident. We have a small group of 10-12, and breakfast starts at 7:45 with most residents staying until 9am chatting. We couldn't have invitation meals without the help of volunteers the two Julies, but they too need to have time off and go North for the winter.

Volunteers are a big part of Kellock, they come in on a regular basis and also give of their time to Darlingford & Rosebank. This year we have had more music groups/duo's show off their talents even doing some tap dancing.

We were very lucky to have De La Salle College band play and sing a variety of tunes; 50 students and 4 teachers arrived and we had to put some students out in the courtyard while co-students played as the dining room wasn't big enough for everyone and their instruments at once! The band tours Victoria every year and each year they visit a different part of Victoria. Thanks to Luke for organizing this special event.

Earlier this year lifestyle had a display of herbs and spices, some old like sage and some new chocolate mint. Thank you to Shelley & Ian from the garden centre for lending us the plants, even providing some I had never heard of. We are so lucky to live in a small town as many shop owners lend many items for displays then even deliver and pick up when we are finished with them. We have had 12 different food tasting days which are different from the coffee café, group afternoon teas and invitation meals. Don't expect residents to keep their weight down as they enjoy these morsels of food even if its fruit or vegies!

Bus trips included to the Beanie Festival, Marysville information centre to view a display, Pub lunches, and Morning Melodies. The winter months aren't so good to get out, but now the weather is improving more trips are coming up.

We had a group of Alexandra Secondary College students visit and film interviews with 8 residents, asking about their life growing up and the changes they have witnessed, for the better or worse in resident's opinion. It was very interesting chatting to residents a few days later about their perception of these interviews, with most stating that they believed the students didn't understand how hard life was back in the 'old days'.

Our armchair travel to Jamaica was supposed to be in October but due to some residents being unwell we postponed it until the 21<sup>st</sup> of November 2019. Residents have been flat out making wall hangings, table decorations and items for the windows, and we are looking forward to seeing all the bright colours adorn the dining room on this day.

Thanks to all the lifestyle team, staff and volunteers for all the ideas and variety we have on our calendar for another year full of activities.

**Vivian Gill,**  
Lifestyle Coordinator

# **Kellock Lodge Alexandra Inc.**

No. A0037078E

ABN 82 586 866 464

**Financial Statements**

For the Year Ended 30 June 2019

**KELLOCK LODGE ALEXANDRA INC**

**COMPREHENSIVE OPERATING STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019**

	<b>Note</b>	<b>2019</b>	<b>2018</b>
		<b>\$</b>	<b>\$</b>
<b>Income from Transactions</b>			
Revenue from operating activities	2	3,565,333	3,687,998
Revenue from non-operating activities	2	454,060	407,071
Capital purpose income	2	546,705	152,594
<b>Total Income from Transactions</b>		<b>4,566,098</b>	<b>4,247,663</b>
<b>Expenses from Transactions</b>			
Employee expenses		(3,379,407)	(3,204,500)
Repairs and Maintenance		(91,058)	(92,498)
Utilities		(99,384)	(103,045)
Resident's Expenses		(364,880)	(183,678)
Other Expenses from Ordinary Activities		(519,871)	(870,460)
Depreciation	3	(513,906)	(511,473)
<b>Total Expenses from Transactions</b>		<b>(4,968,506)</b>	<b>(4,965,654)</b>
<b>NET RESULT FOR THE YEAR</b>		<b>(402,408)</b>	<b>(717,991)</b>
<b>COMPREHENSIVE RESULT</b>		<b>(402,408)</b>	<b>(717,991)</b>

This Statement should be read in conjunction with the accompanying notes.

KELLOCK LODGE ALEXANDRA INC

BALANCE SHEET AS AT 30 JUNE 2019

	Note	2019 \$	2018 \$
<b>Current Assets</b>			
Cash and cash equivalents	4	9,144,571	9,300,260
Receivables	5	442,164	929,621
Investments and other financial assets	6	1,980	1,980
Other assets	7	15,890	9,290
<b>Total current assets</b>		<b>9,604,605</b>	<b>10,241,151</b>
<b>Non-current assets</b>			
Property, plant and equipment	8	9,632,228	10,089,324
<b>Total non-current assets</b>		<b>9,632,228</b>	<b>10,089,324</b>
<b>TOTAL ASSETS</b>		<b>19,236,833</b>	<b>20,330,475</b>
<b>Current Liabilities</b>			
Payables	9	266,889	340,895
Provisions	10	348,172	528,594
Other current liabilities	11	9,829,340	10,257,948
<b>Total current liabilities</b>		<b>10,444,401</b>	<b>11,127,437</b>
<b>Non-current liabilities</b>			
Provisions	10	134,100	142,298
<b>Total non-current liabilities</b>		<b>134,100</b>	<b>142,298</b>
<b>TOTAL LIABILITIES</b>		<b>10,578,501</b>	<b>11,269,735</b>
<b>NET ASSETS</b>		<b>8,658,332</b>	<b>9,060,740</b>
<b>EQUITY</b>			
Accumulated surplus		8,658,332	9,060,740
<b>TOTAL EQUITY</b>		<b>8,658,332</b>	<b>9,060,740</b>
Commitments	14		
Contingent Assets and Contingent Liabilities	15		

This Statement should be read in conjunction with the accompanying notes.

**KELLOCK LODGE ALEXANDRA INC**
**CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019**

	Note	2019 \$	2018 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Resident Fees		1,118,718	1,028,644
Government Grant Funding		2,566,440	2,577,379
Interest		302,173	265,714
Sundry & Fundraising		568,014	168,613
GST received from / (paid to) ATO		19,466	0
<b>Total receipts</b>		<b>4,574,811</b>	<b>4,040,350</b>
Employee expenses paid		(3,587,140)	(3,142,284)
Payments for supplies and consumables		(1,230,033)	(1,123,729)
<b>Total payments</b>		<b>(4,817,173)</b>	<b>(4,266,013)</b>
<b>NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES</b>	16	<b>(242,362)</b>	<b>(225,663)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for Plant & Equipment		(56,510)	(26,656)
Payments for Land & Buildings		(300)	(15,403)
<b>NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES</b>		<b>(56,810)</b>	<b>(42,059)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Accommodation Bonds received for Residential Care		2,147,250	2,820,000
Lease Premiums received for Independent Living Units		342,751	783,000
Repayment of Accommodation Bonds		(2,346,518)	(883,461)
Repayment of Lease Premiums - Independent Living Units		0	0
<b>NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES</b>		<b>143,483</b>	<b>2,719,539</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS HELD</b>		<b>(155,689)</b>	<b>2,451,817</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR</b>		<b>9,300,260</b>	<b>6,848,443</b>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR</b>	5	<b>9,144,571</b>	<b>9,300,260</b>

This Statement should be read in conjunction with the accompanying notes.

**KELLOCK LODGE ALEXANDRA INC**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019**

	<b>Accumulated Surpluses/ (Deficits)</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2017</b>	9,778,731	9,778,731
Net result for the year	(717,991)	(717,991)
Revaluation reserve movement	0	0
<b>Balance at 30 June 2018</b>	<b>9,060,740</b>	<b>9,060,740</b>
Net result for the year	(402,408)	(402,408)
Revaluation reserve movement	0	0
<b>Balance at 30 June 2019</b>	<b>8,658,332</b>	<b>8,658,332</b>

This Statement should be read in conjunction with the accompanying notes.

**NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements cover Kellock Lodge Alexandra Inc. as an individual entity. Kellock Lodge Alexandra Inc. is a not-for-profit Association incorporated in Victoria under the Associations Incorporation Reform Act 2012 ('the Act').

The principal activities of the Association for the year ended 30 June 2019 were to operate an accredited aged care facility and independent living units at Alexandra in Victoria.

The functional and presentation currency of Kellock Lodge Alexandra Inc. is Australian dollars.

The financial report was authorised for issue by the Board of Directors on XX October 2019.

Comparatives are consistent with prior year, unless otherwise stated.

**(a) Basis of Preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the Act.

**(b) Income Tax**

The Association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

**(c) Revenue and other income**

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Association and specific criteria relating to the type revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable.

All revenue is stated net of the amount of goods and services tax (GST).

**Rental Income**

Investment property revenue is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

**(d) Borrowing Costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

**(e) Goods and Services tax (GST)**

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

Receivables and payables are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

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



## NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (f) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

#### Land and Buildings

Land and buildings are measured using the cost model.

The land upon which the retirement village and independent living units are built is not legally owned by the Association, but is held by the Wangaratta Diocesan Trustees (WDT) on Trust for elderly people in the Alexandra Community. A long term lease at a nominal rental, ending on 30 August 2019, has been granted by WDT to the Association. Refer to subsequent events note 17 for further information relating to the ownership of this land subsequent to 30 June 2019.

#### Plant and equipment

Plant and equipment are measured using the cost model.

#### Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Association, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	2.5% - 4%
Plant and Equipment	13% - 20%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

### (g) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

### (h) Adoption of new revised accounting standards

Mandatory revisions or additions to Australian Accounting Standards and Interpretations are adopted by the Association where applicable.

### (i) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Association has decided not to early adopt these Standards.

### (j) Accommodation Bond Liabilities

Accommodation bonds are non-interest bearing deposits made by aged care facility residents to the Association upon their admission to low care and extra service accommodation. These deposits are liabilities which fall due and payable when the resident leaves the facility.

Accommodation bond liabilities are recorded at an amount equal to the proceeds received, net of retention (where applicable) and any other amounts deducted from the bond at the election of the bond-holder.

**NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(k) Critical Accounting Estimates and Judgements**

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

**Key estimates - impairment of property, plant and equipment**

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

**(l) Accommodation Bonds**

The liability for accommodation bonds is carried at the amount that would be payable on the exit of the resident. This is the amount received on entry of the resident less deductions for fees/retentions and other charges pursuant to the Aged Care Act 1997. These liabilities are considered to be current as the Association does not have an unconditional right to defer settlement of the liability for least twelve months after the balance sheet date. The obligation to settle could occur at any time.

**(l) Going Concern and Accreditation**

Notwithstanding the Association's deficiency in working capital, the financial report has been prepared on the going concern basis. This basis has been adopted as the directors of the Association believe that, notwithstanding the classification of Accommodation Bonds and Independent Living Unit lease premiums as current liabilities, repayment of these liabilities is unlikely to be required within twelve months of the balance sheet date.

The directors have also determined that the financial report should be prepared on a going concern basis, as they believe the future operating results of the aged care facility will be positive.

Kellock Lodge has received notification that it has been accredited to provide aged care services.

**NOTE 2: ANALYSIS OF REVENUE BY SOURCE**

	<b>TOTAL 2019 \$</b>	<b>TOTAL 2018 \$</b>
Government Grants		
- Department of Health	2,459,365	2,586,122
- Other	4,985	0
Resident Fees		
- Residential Aged Care Fees	1,052,754	1,062,140
- Independent Living Units	48,229	39,736
<b>Total Revenue from Operating Activities</b>	<b>3,565,333</b>	<b>3,687,998</b>
Interest	269,377	265,714
Deferred Lease Premiums - Independent Living Units	108,007	102,830
Other Revenue from Non-Operating Activities	76,676	38,527
<b>Total Revenue from Non-Operating Activities</b>	<b>454,060</b>	<b>407,071</b>
Residential Accommodation Payments	55,367	103,581
Donations and Bequests	491,338	49,013
Net Gain/(Loss) on Disposal of Non-Financial Assets (refer note 2a)	0	0
<b>Total Capital Purpose Income</b>	<b>546,705</b>	<b>152,594</b>
<b>Total Revenue</b>	<b>4,566,098</b>	<b>4,247,663</b>

**NOTE 3: DEPRECIATION AND AMORTISATION**

	2019	2018
	\$	\$
<b>Depreciation</b>		
Buildings - RACS	339,310	335,904
Buildings - ILU's	73,837	73,838
Plant and Equipment		
- Plant	87,572	88,544
- Motor Vehicles	13,187	13,187
<b>TOTAL DEPRECIATION</b>	<b>513,906</b>	<b>511,473</b>

**NOTE 4: CASH AND CASH EQUIVALENTS**

For the purposes of the Cash Flow Statement, cash assets includes cash on hand and in banks, and short-term deposits which are readily convertible to cash on hand, and are subject to an insignificant risk of change in value, net of outstanding bank overdrafts.

	2019	2018
	\$	\$
Cash at Bank and on Hand	831,256	10,607
Short-term Deposits	8,313,315	9,289,653
<b>TOTAL</b>	<b>9,144,571</b>	<b>9,300,260</b>
<b>Represented by:</b>		
Cash for Nursing Home Operations	2,751,162	2,938,355
Cash for Monies Held in Trust	6,393,409	6,361,905
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>9,144,571</b>	<b>9,300,260</b>

**NOTE 5: RECEIVABLES**

	2019	2018
	\$	\$
<b>CURRENT</b>		
<b>Contractual</b>		
Resident Fees	69,351	35,691
Government Funding Receivable	0	8,743
Accrued Revenue - Other	35,934	68,730
GST Receivable	4,760	24,226
Accommodation Bonds Receivable	332,119	792,231
<b>TOTAL RECEIVABLES</b>	<b>442,164</b>	<b>929,621</b>

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

**NOTE 6: INVESTMENTS AND OTHER FINANCIAL ASSETS**

	2019	2018
	\$	\$
<b>CURRENT</b>		
<i>Equity Holdings</i>		
- Shares at Cost (Telstra)	1,980	1,980
<b>TOTAL OTHER FINANCIAL ASSETS</b>	<b>1,980</b>	<b>1,980</b>

**NOTE 7: OTHER ASSETS**

	2019	2018
	\$	\$
<b>CURRENT</b>		
Prepayments	6,600	0
Stock on Hand	9,290	9,290
<b>TOTAL OTHER ASSETS</b>	<b>15,890</b>	<b>9,290</b>

**NOTE 8: PROPERTY, PLANT & EQUIPMENT**

**(a) Gross carrying amount and accumulated depreciation**

	2019	2018
	\$	\$
<b>Land</b>		
- Land at Cost	834,819	834,819
<b>Total Land</b>	<b>834,819</b>	<b>834,819</b>
<b>Buildings</b>		
- Buildings at Cost	11,427,469	11,427,169
Less Accumulated Depreciation	2,986,787	2,573,640
<b>Total Buildings</b>	<b>8,440,682</b>	<b>8,853,529</b>
<b>Total Land &amp; Buildings</b>	<b>9,275,501</b>	<b>9,688,348</b>
<b>Plant &amp; Equipment</b>		
- Plant and Equipment at Cost	1,011,787	955,277
Less Accumulated Depreciation	718,179	630,607
<b>Total Plant and Equipment</b>	<b>293,608</b>	<b>324,670</b>
<b>Motor Vehicles</b>		
- Motor Vehicles at Cost	101,978	101,978
Less Accumulated Depreciation	38,859	25,672
<b>Total Motor Vehicles</b>	<b>63,119</b>	<b>76,306</b>
<b>TOTAL</b>	<b>9,632,228</b>	<b>10,089,324</b>

**(b) Reconciliations of the carrying amounts of each class of asset at the beginning and end of the previous and current financial year is set out below.**

	Independent Living Units \$	Land & Buildings \$	Plant & Equipment \$	Motor Vehicle	Total \$
<b>Balance at 1 July 2017</b>	<b>2,640,392</b>	<b>7,478,741</b>	<b>350,111</b>	<b>89,494</b>	<b>10,558,738</b>
Additions	0	15,403	26,656	0	42,059
Disposals	0	0	0	0	0
Depreciation and Amortisation	(73,838)	(335,904)	(88,544)	(13,187)	(511,473)
Transfers between Classes	0	(36,447)	36,447	0	0
<b>Balance at 1 July 2018</b>	<b>2,566,554</b>	<b>7,121,793</b>	<b>324,670</b>	<b>76,307</b>	<b>10,089,324</b>
Additions	0	300	56,510	0	56,810
Disposals	0	0	0	0	0
Depreciation and Amortisation	(73,837)	(339,310)	(87,572)	(13,187)	(513,906)
<b>Balance at 30 June 2019</b>	<b>2,492,717</b>	<b>6,782,783</b>	<b>293,608</b>	<b>63,120</b>	<b>9,632,228</b>

**NOTE 9: PAYABLES**

	2019	2018
	\$	\$
<b>CURRENT</b>		
<b>Contractual</b>		
Trade Creditors	96,571	250,547
Accrued Expenses & Income in Advance	47,155	41,222
Government Funding Repayable	93,347	0
	<b>237,073</b>	<b>291,769</b>
<b>Statutory</b>		
PAYG Payable	29,816	49,126
	<b>29,816</b>	<b>49,126</b>
<b>TOTAL</b>	<b>266,889</b>	<b>340,895</b>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying amounts are considered to be a reasonable approximation of fair value.

**NOTE 10: PROVISIONS**

	2019	2018
	\$	\$
<b>Current Provisions</b>		
Annual Leave	257,273	317,845
Accrued Days Off	861	19,533
Unconditional Long Service Leave	90,038	191,216
<b>Total Current Provisions</b>	<b>348,172</b>	<b>528,594</b>
<b>Non-Current Provisions</b>		
Conditional Long Service Leave	115,766	129,700
Major Maintenance Fund - Independent Living Units	18,334	12,598
<b>Total Non-Current Provisions</b>	<b>134,100</b>	<b>142,298</b>
<b>TOTAL PROVISIONS</b>	<b>482,272</b>	<b>670,892</b>

<b>NOTE 11: OTHER LIABILITIES</b>	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT</b>		
Monies Held in Trust		
- Residential Accommodation Bonds	6,754,176	7,417,528
- Lease Premiums - Independent Living Units	3,075,164	2,840,420
<b>Total Current Other Liabilities</b>	<b>9,829,340</b>	<b>10,257,948</b>
<b>TOTAL OTHER LIABILITIES</b>	<b>9,829,340</b>	<b>10,257,948</b>
<b>TOTAL MONIES HELD IN TRUST</b>		
Represented by the following assets:		
Cash Assets (refer Note 4)	6,393,409	6,361,905
Accommodation Bond Debtors	332,119	792,231
Buildings Constructed	3,103,812	3,103,812
<b>TOTAL</b>	<b>9,829,340</b>	<b>10,257,948</b>

<b>NOTE 12: RECONCILIATION OF NET RESULT FOR THE YEAR TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>NET RESULT FOR THE PERIOD</b>	(402,408)	(717,991)
<b>Non-cash flows in profit/(loss)</b>		
Depreciation & Amortisation	513,906	511,473
Deferred lease premium ILU's	(108,007)	(102,830)
Retention of entry fees and accommodation bonds	(3,972)	(22,508)
Provision for major maintenance ILU's	5,736	500
Net (Gain)/Loss from Non-Financial Assets	0	0
<b>Change in Operating Assets &amp; Liabilities</b>		
Increase/(Decrease) in Payables	(74,006)	125,452
Increase/(Decrease) in Employee Benefits	(194,356)	62,216
(Increase)/Decrease in Other Assets	(6,600)	(44,263)
(Increase)/Decrease in Receivables	27,345	(37,062)
(Increase)/Decrease in Stores	0	(650)
<b>NET CASH FLOWS USED IN OPERATING ACTIVITIES</b>	<b>(242,362)</b>	<b>(225,663)</b>

# NOTE 13: FINANCIAL INSTRUMENTS

## (a) Financial Risk Management Objectives and Policies

Kellock Lodge Alexandra's principal financial instruments comprise of:

- Cash Assets
- Term Deposits
- Receivables (excluding statutory receivables)
- Payables (excluding statutory payables)
- Accommodation Bonds

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

The main purpose in holding financial instruments is to prudentially manage Kellock Lodge Alexandra Inc's financial risk within the government policy parameters.

## Categorisation of financial instruments

	Contractual financial assets - loans and receivables	Contractual financial assets - available for sale	Contractual financial liabilities at amortised cost	Total
	\$	\$	\$	\$
<b>2019</b>				
<b>Contractual Financial Assets</b>				
Cash and cash equivalents	9,144,571	0	0	9,144,571
Receivables	442,164	0	0	442,164
Equities	1,980	0	0	1,980
<b>Total Financial Assets (i)</b>	<b>9,588,715</b>	<b>0</b>	<b>0</b>	<b>9,588,715</b>
<b>Financial Liabilities</b>				
Payables	0	0	237,073	237,073
Accommodation Bonds & Lease Premiums	0	0	9,829,340	9,829,340
<b>Total Financial Liabilities(ii)</b>	<b>0</b>	<b>0</b>	<b>10,066,413</b>	<b>10,066,413</b>

	Contractual financial assets - loans and receivables	Contractual financial assets - available for sale	Contractual financial liabilities at amortised cost	Total
	\$	\$	\$	\$
<b>2018</b>				
<b>Contractual Financial Assets</b>				
Cash and cash equivalents	9,300,260	0	0	9,300,260
Receivables	929,621	0	0	929,621
Term Deposits	1,980	0	0	1,980
<b>Total Financial Assets (i)</b>	<b>10,231,861</b>	<b>0</b>	<b>0</b>	<b>10,231,861</b>
<b>Financial Liabilities</b>				
Payables	0	0	291,769	291,769
Accommodation Bonds & Lease Premiums	0	0	10,257,948	10,257,948
<b>Total Financial Liabilities(ii)</b>	<b>0</b>	<b>0</b>	<b>10,549,717</b>	<b>10,549,717</b>

(i) The total amount of financial assets disclosed here excludes statutory receivables (i.e. GST input tax credit recoverable)

(ii) The total amount of financial liabilities disclosed here excludes statutory payables (i.e. Taxes payable)



**NOTE 13: FINANCIAL INSTRUMENTS (Continued)**

**(b) Credit Risk**

Credit risk arises from the contractual financial assets of the Nursing Home, which comprise cash and deposits, non-statutory receivables and available for sale contractual financial assets. The Nursing Home's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to the Nursing Home. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with the Nursing Home's contractual financial assets is minimal because the main debtor is the Victorian Government. For debtors other than the Government, it is the Nursing Home's policy to only deal with entities with high credit ratings of a minimum Triple-B rating and to obtain sufficient collateral or credit enhancements, where appropriate.

In addition, the Nursing Home does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest, except for cash assets, which are mainly cash at bank. As with the policy for debtors, the Nursing Home's policy is to only deal with banks with high credit ratings.

Provision of impairment for contractual financial assets is recognised when there is objective evidence that the Nursing Home will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debts which are more than 60 days overdue, and changes in debtor credit ratings.

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents Kellock Lodge Alexandra maximum exposure to credit risk without taking account of the value of any collateral obtained.

**(c) Liquidity Risk**

Liquidity risk is the risk that the Nursing Home would be unable to meet its financial obligations as and when they fall due.

The Nursing Home's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet. The Nursing Home manages its liquidity risk as follows:

- Term Deposits and cash held at financial institutions are managed with variable maturity dates and take into consideration cash flow requirements of the Nursing Home from month to month.

**(d) Market Risk**

Kellock Lodge Alexandra Inc's exposures to market risk are primarily through interest rate risk with only insignificant exposure to foreign currency and other price risks. Objectives, policies and processes used to manage each of these risks are disclosed in the paragraph below.

**Currency Risk**

Kellock Lodge Alexandra Inc. is exposed to insignificant foreign currency risk through its payables relating to purchases of supplies and consumables from overseas. This is because of a limited amount of purchases denominated in foreign currencies and a short timeframe between commitment and settlement.

**Interest Rate Risk**

Exposure to interest rate risk's arise primarily through the Kellock Lodge Alexandra Inc's other financial assets. Minimisation of risk is achieved by mainly holding fixed rate or non-interest bearing financial instruments. For financial liabilities, the Nursing Home mainly undertake financial liability with relatively even maturity profiles.

**Other Price Risk**

The Nursing Home is exposed to normal price fluctuations from time to time through market forces. Where adequate notice is provided by suppliers, additional purchases are made for long term goods. Supplier contracts are also in place for major product lines purchased by the Nursing Home on a monthly basis. These contracts have set price arrangements and are reviewed on a regular basis.

**NOTE 14: COMMITMENTS FOR EXPENDITURE**

There are no known capital or leasing commitments as at the date of this report.

**NOTE 15: CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

There are no known contingent assets or contingent liabilities for Kellock Lodge Alexandra as at the date of this report.

#### NOTE 16: OPERATING SEGMENTS

	Residential Aged Care		Independent Living Units		TOTAL	
	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$
<b>Operating Results</b>						
Revenue	4,395,231	4,076,693	170,867	170,970	4,566,098	4,247,663
<b>Less Operating Expenses</b>						
Employee expenses	3,367,447	3,192,540	11,960	11,960	3,379,407	3,204,500
Repairs and Maintenance	66,790	58,189	24,268	34,309	91,058	92,498
Utilities	93,425	91,138	5,959	11,907	99,384	103,045
Resident's Expenses	364,880	183,678	0	0	364,880	183,678
Other Expenses from Ordinary Activities	495,138	838,574	24,733	31,886	519,871	870,460
Depreciation	436,008	433,575	77,898	77,898	513,906	511,473
<b>Profit (Loss) from Operations</b>	<b>(428,457)</b>	<b>(721,001)</b>	<b>26,049</b>	<b>3,010</b>	<b>(402,408)</b>	<b>(717,991)</b>
	Residential Aged Care		Independent Living Units		TOTAL	
	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$
<b>Assets &amp; Liabilities</b>						
<b>Assets</b>						
Cash and cash equivalents	7,989,243	8,397,086	1,155,330	903,174	9,144,573	9,300,260
Receivables	441,286	836,665	877	0	442,163	836,665
Investments and other financial assets	1,980	1,980	0	0	1,980	1,980
Other assets	15,890	99,620	0	2,626	15,890	102,246
Property, plant and equipment	7,128,060	7,507,258	2,504,167	2,582,066	9,632,227	10,089,324
<b>Total Assets</b>	<b>15,576,459</b>	<b>16,842,609</b>	<b>3,660,374</b>	<b>3,487,866</b>	<b>19,236,833</b>	<b>20,330,475</b>
<b>Liabilities</b>						
Payables	251,105	340,895	15,784	0	266,889	340,895
Provisions	463,938	658,294	18,334	12,598	482,272	670,892
Other current liabilities	6,754,176	7,417,528	3,075,164	2,840,420	9,829,340	10,257,948
<b>Total Liabilities</b>	<b>7,469,219</b>	<b>8,416,717</b>	<b>3,109,282</b>	<b>2,853,018</b>	<b>10,578,501</b>	<b>11,269,735</b>
<b>Net Assets</b>	<b>8,107,240</b>	<b>8,425,892</b>	<b>551,092</b>	<b>634,848</b>	<b>8,658,332</b>	<b>9,060,740</b>

#### NOTE 17: EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

The Association entered into an Agreement and Gift Deed with the Trustees of the Anglican Diocese of Wangaratta, for the following to occur:

1. Transfer of titles to land by way of gift, upon which the Kellock Lodge residential aged care buildings and independent living units are constructed and a house located at 5 Bon Street, Alexandra, to the Association;
2. Transfer of aged care bed licences currently held in the name of the Trustees of the Anglican Diocese of Wangaratta as the approved provider to the Association;
3. In consideration for the above transfers, a payment of \$3.25M plus GST for the aged care bed licenses by the Association to The Trustees of the Anglican Diocese of Wangaratta, will be made.

The above agreement and Gift Deed were effected on the 24th July, 2019 with payment of settlement funds completed over three instalments, finalising in the month of September 2019.

#### NOTE 18: STATUTORY INFORMATION

The registered office and principal place of business of the association is:

Kellock Lodge Alexandra Inc.  
15 Bon Street  
Alexandra Victoria 3714  
ABN 82 586 866 464

**KELLOCK LODGE ALEXANDRA INC**

**STATEMENT BY MEMBERS OF THE BOARD**

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In the opinion of the Board, the Financial Statements, as set out on the previous pages:

1. Present a true and fair view of the financial position of Kellock Lodge Alexandra Inc. as at 30 June 2019 and its performance for the year ended on that date in accordance with Australian Accounting Standards and the requirements of the Associations Incorporation Reform Act 2012 (Victoria), mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that Kellock Lodge Alexandra 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 and is signed for and on behalf of the Board by:

Chairman:



Treasurer:



Dated this 30<sup>th</sup> day of October, 2019

**Kellock Lodge Alexandra Inc****Independent Audit Report to the members  
of Kellock Lodge Alexandra Inc****Report on the Audit of the Financial Report****Opinion**

We have audited the financial report of Kellock Lodge Alexandra Inc (the Association), which comprises the balance sheet as at 30 June 2019, the comprehensive operating statement, the statement of changes in equity and the cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by Members of the Board.

In our opinion, the accompanying financial report presents fairly, in all material respects, including:

- (i) giving a true and fair view of the Association's financial position as at 30 June 2019 and of its financial performance and its cash flows for the year ended; and
- (ii) complying with Australian Accounting Standards.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Association in accordance with the auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

**Responsibilities of Those Charged with Governance**

The Board is responsible for the preparation and fair presentation of the financial report in accordance with the *Associations Incorporation Reform Act 2012*, and for such internal control as the Board determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

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

**Melbourne**

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An independent member of  
Walker Wayland Australasia Limited



CHARTERED ACCOUNTANTS™  
AUSTRALIA - NEW ZEALAND

**Auditor's Responsibilities for the Audit of the Financial Report**

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

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

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

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



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**SHAUN EVANS**  
Partner

Dated: 31 October 2019