



Kellock Lodge

Alexandra Inc.

RESIDENTIAL AGED CARE

ANNUAL REPORT 2019/2020

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

MEMBERS

The Members are signed members of the incorporated association
Kellock Lodge Alexandra Incorporated

BOARD OF MANAGEMENT

Chairperson	Lawrence (Larry) Fallon
Vice chairperson	Stephen Costley
Treasurer/secretary	
Directors	Margaret Baker
	Charlotte (Charlie) Bissett
	The Hon. Alex Chernov AC QC
	Anthony (Tony) Pammer
	John Scott
	Roderick (Rod) Sloan

CEO/ Director of Nursing

Mrs Jo Cavill

FINANCIAL AUDITOR

MVA Bennett

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Independence Celebration 22 September 2019 [L-R] Jo Cavill, Larry Fallon, John Sharwood, Maurie Pawsey



Jodie with son Blake Coward, and Lorna Warne

BOARD CHAIR AND CEO/DON REPORT

The financial year ending 30 June 2020 has been one of consolidation and growth following the transfer of ownership from the Anglican Diocese of Wangaratta to the operator of aged care, Kellock Lodge Alexandra Incorporated (KLA Inc.) on 24 July 2019. The local newspaper headline read 'Independence Day', featuring our story on the front page, and the official celebration of independence on 22 September 2019 attended by a broad cross-section of our community also affirmed the strong support Kellock Lodge enjoys.

The 'We Care Appeal' was officially launched in October 2018 by the Friends of Kellock, and by the end of June 2019 raised over \$500,000 in donations and pledges. This milestone has been exceeded and the momentum has continued to help Kellock Lodge replenish the funds used to purchase the facility. This is an outstanding achievement from such committed and enthusiastic supporters of Kellock Lodge and very generous donors, and we are so grateful for their amazing contributions.

Additions to the Board over the year included John Scott (September 2019), Helen Armstrong (February – June 2020) and Charlie Bisset (May 2020), who have strengthened the Board's capability across corporate management skills and local government. A trip to Toosey Aged & Community Care facility at Longford, Tasmania in November 2019 was also beneficial, as we were able to learn from the experience of another community owned organisation. Our senior management team continued to oversee excellent care and services for our aged care and Independent Living Unit (ILU) residents while the major operational changes associated with becoming the 'owner' of Kellock Lodge, such as insurance coverage, contract management for both respite and permanent residents and ILU occupants were revised and updated.

During this financial year the Royal Commission into Aged Care has continued to actively shine a spotlight on the quality of care experienced by our elderly community members and their families across the nation in both Community and Residential Aged Care. At Kellock Lodge we take pride in the fact that we belong to this community as a private not-for-profit entity with the mission of providing '...quality and ethical aged care...within a safe and friendly environment'. We have a responsibility to maintain services at a high level whilst also ensuring our resources are well managed to enable this, and Kellock lodge Alexandra Inc. remains financially viable and ready to meet the growing needs of our community.

Our elderly community members, and their families, are expressing their confidence in our care and financial stability by naming Kellock lodge as their first preference for Residential Aged Care. After experiencing a reduction in occupancy in mid 2019, this was reversed by January 2020 with 96% of our beds occupied. Since May 2020 Kellock Lodge has been at 98-100% occupancy with a waiting list that continues to grow, which is in contrast to many aged care facilities. Likewise, our ILUs are all occupied with interested parties making regular enquiries about vacancies.

In order to maintain and improve our assets some notable purchases have been made utilising funds raised via much appreciated generous donations from the 'We Care' appeal, Alexandra Opportunity Shop, and a range of other group and individual donors.

These include:

- Six beds and mattresses
- Shower/ commode chairs, wheelchairs
- Solar panel installation
- Computer server upgrade
- Computer hardware
- Wifi upgrade
- Pressure reducing mattresses
- Pressure reducing comfort chairs
- Replacement dishwasher in the main kitchen
- Air conditioning units

In March 2020 a huge challenge for Kellock Lodge became apparent, as it did for the whole world – COVID-19. Receiving ongoing information and advice from both Commonwealth and State Governments about the disease and precautions to be taken, and with the potential of the virus to cause serious illness and death particularly in our vulnerable elderly and/or infirm, our staff responded accordingly to protect our residents and themselves. Ensuring adequate space between residents, isolation and testing of potential cases, visitor restrictions and the wearing of masks were some early precautions. These expanded to include documented health monitoring of all staff and visitors upon entry, and increased vigilance monitoring resident temperatures twice a day. Education on infection control measures and the ‘donning’ and ‘doffing’ of personal Protective Equipment was a priority. All residents and staff received vaccination for influenza, and visitors / contractors were not permitted to enter the facility unless proof of vaccination was available. Fortunately no cases of COVID-19 have been reported in our postcode, and no residents or staff have succumbed to the virus or influenza.

The impact of the pandemic on staffing and resources has been considerable. Many staff have worked extra hours to cover unplanned leave and extra duties (such as increased cleaning) while ongoing recruitment of new staff to cover the shortfall continued. Hosting local Certificate III Individual Support trainees in conjunction with Menzies Support Services has been a positive step in trying to strengthen our local workforce so that reliance on staff outside our Shire was reduced.

The purchase of extra supplies of Personal Protective Equipment, cleaning and consumable products was supported by additional Commonwealth Government funding for which we were most grateful, and care staff retention bonuses were also applied for and received after 30 June 2020.

The care and commitment of all our staff across all departments, and especially during these unprecedented times of global pandemic, is the key to Kellock Lodge being the place of choice for our eligible community members. We would like to acknowledge their valuable contribution, and thank them for their ongoing support of, and love for our residents.

Volunteers play a vital role at Kellock Lodge, from resident activity involvement to the donation of time to govern the organisation through the Board of Management. Participation in the usual ways has been restricted by COVID-19 this year, however the selfless contribution of so many that enriches the life of our residents and staff is still very much appreciated.

The community decision to keep Kellock Lodge under local control has certainly been vindicated, and everyone involved in making this a reality is to be congratulated. The Board and Management see a bright future. During the coming year our Vision, Mission and Strategic Plan will be reviewed to ensure we are relevant to all our stakeholders, and further developments to enhance our facility and how we manage our resident care and resources are in the pipeline. We thank you all for your ongoing support of Kellock Lodge Alexandra Incorporated as we continue to achieve great things!

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

Melissa Bristow (Cook) 24/01/2000

10 years

Janette Walls (Enrolled Nurse) 07/02/2010

Helen Dean (Enrolled Nurse) 01/02/2010

QUALITY REPORT

We celebrate our first year as a wholly owned, community based Residential Aged Care Facility. After receiving accreditation by the Aged Care Quality and Safety Commission (ACQSC) in July 2019 for another two years our staff had a renewed sense of pride of workmanship, and the management team built on this positive staff culture to ensure ongoing continuity of care.

We welcomed thirty-seven new residents during the year, developing unique care plans in consultation with each family. This involved reviewing medical needs, mobility & dexterity and all aspects of physical and emotional care requirements. Qualified and experienced care staff, including Registered Nurses, Enrolled Nurses and Personal Care workers manage residents medical and physical care needs in consultation with General Practitioners and other specialists such as the geriatrician (introduced this year), dietitian and speech therapist. Our physiotherapy program complements this and ensures that all residents are regularly reviewed for pain and mobility issues, while the Lifestyle and Leisure team focus on the emotional/spiritual/social needs of our residents.

Resident nutrition and hydration (in consultation with nursing staff), together with providing a clean and comfortable environment for our residents is the responsibility of the Hotel / Environmental Services team.

Our Quality and Safety program reviews all aspects of the services we provide to ensure we are meeting the resident's needs and satisfying the Aged Care Quality Standards:

- 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

Audits are conducted and analysed to determine areas for improvement. Feedback via “Have Your Say” forms, resident / staff meetings or verbal messages is recorded and addressed, making the process part of our culture and the everyday language for staff and residents. Reported at our monthly meetings, our Quality program 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: the installation of an automated hand hygiene dispenser in the main dining room, introduction of regular geriatricians consultations, adopt antimicrobial policy, introduction of new care shifts to cover changing care needs, and the introduction of ‘My Emergency Doctor’ after hours GP service.

Benchmarking across clinical, managerial and financial areas against other like-sized organisations was re-instated last year via QPS Benchmarking. It is also mandatory that pressure injuries, use of physical restraint and weight loss over 3 months is reported to the Commonwealth Department of Health on a quarterly basis.

Maintaining the education and skills of our staff has been mainly via on-line learning since COVID-19 struck, however a schedule of one-on-one manual handling sessions has been organised with our Physiotherapist in response to an increase in manual handling injuries. Other topics covered included Elder Abuse, Fire & Emergency, Medication management – safe use of anti-psychotics, infection control & hand hygiene.

Clinical governance requires line of sight from Board to residents, and the monthly Board updates on Quality of Care information that includes feedback, quality clinical indicators and incidents and relevant actions taken to address or improve a situation are a vital component.

The main challenges for the coming year are the maintenance of high standard infection control practices (with Covid-19 in mind), best practice clinical care and documentation, and preparation for an un-announced accreditation site visit around June 2021. We will be assessed against the new standards so much work is to be done!

Tania Hunter,
Administration / Quality Coordinator



LEISURE & LIFESTYLE COORDINATORS REPORT

Another year has passed, but this one was very different to previous years! Our usual program was in place until March 2020, when activities offered were impacted by COVID-19.

So let's begin at the start....from July 2019. Invitation breakfasts were held with the assistance of our valued team of volunteers, and visiting entertainers including musicians and tap dancers brightened our afternoons.

On Thursday 21 November residents and staff took a trip to Jamaica – all within the comfort of Kellock Lodge! Our residents chose the destination last year and set to work preparing decorations to adorn the dining area in March 2019, and what a fantastic job they did. Thanks to willing staff and helpers the dining room was transformed into an exotic Jamaican paradise! The Jamaica national flag came all the way from Darwin, and staff got into the spirit of the day dressing up in very colourful attire. Residents had special passports for the day to permit travel. The menu was carefully researched by kitchen staff to deliver a delicious meal of not-too-spicy Jamaican foods that the residents thoroughly enjoyed while listening to some up-beat reggae music.

Santa visited Kellock Lodge in December to visit residents and those living in the Independent Living Units, to deliver gifts during the annual Christmas luncheon. The catering staff excelled themselves yet again, and all the staff demonstrated how much they care by supplying personalised gifts for all the residents. Entertainment on the day was provided by Josie Parsons and our Shire CEO Craig Lloyd.

Some activities continued and participation increased when restrictions were introduced, including the old favourites bingo and hoy. More residents attended the exercise programs and cooking for 'Bucks and Deer Café' every Thursday fortnight continued, even though unfortunately external visitors have not been able to enjoy these culinary delights! Happy Hour each Friday afternoon was still on the calendar for residents only.

Regular bus trips have been scheduled, exploring our beautiful region and the new housing estates that have opened up in town. The main modification was that numbers that could participate were reduced (to allow for social distancing) and the residents could not leave the confines of the bus during the critical periods of the pandemic. However, this did not dampen the enthusiasm of families to stand outside their homes and wave to their loved ones as they drove by.

Other special events helped our residents and staff survive the lock-down; Josie Parsons and Steve Paix played music outside the facility where the residents could still interact but maintain a safe distance. Will Meggitt also paid a special tribute on Anzac Day by playing the bag pipes as the wreaths were laid.

Throughout this year the Lifestyle and Leisure team have worked hard to provide three to four different activities a day. Given the overall high satisfaction of our residents, and the way they have coped with reduced visitors and restricted movements, the team can be proud of their outstanding contribution. Volunteers are normally play a big part in the life of Kellock, but this has been limited since February. We thank everyone who gives of their precious time to enrich the lives of our residents, especially Janet Strochnetter who has been able to continue on.

Vivian Gill,
Lifestyle Coordinator



Kellock Lodge Alexandra Inc.

No. A0037078E

ABN 82 586 866 464

Financial Statements

For the Year Ended 30 June 2020

KELLOCK LODGE ALEXANDRA INC

COMPREHENSIVE OPERATING STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Income from Transactions			
Revenue from operating activities	2	3,770,689	3,565,333
Revenue from non-operating activities	2	677,575	454,060
Capital purpose income	2	245,035	546,705
Total Income from Transactions		4,693,299	4,566,098
Expenses from Transactions			
Employee expenses		(3,457,351)	(3,379,407)
Repairs and Maintenance		(72,539)	(91,058)
Utilities		(102,888)	(99,384)
Resident's Expenses		(313,122)	(364,880)
Other Expenses from Ordinary Activities		(467,530)	(519,871)
Depreciation	3	(516,433)	(513,906)
Total Expenses from Transactions		(4,929,863)	(4,968,506)
NET RESULT FOR THE YEAR		(236,564)	(402,408)
COMPREHENSIVE RESULT		(236,564)	(402,408)

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

KELLOCK LODGE ALEXANDRA INC

BALANCE SHEET AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
Current Assets			
Cash and cash equivalents	4	9,066,844	9,144,571
Receivables	5	137,428	442,164
Investments and other financial assets	6	1,980	1,980
Other assets	7	30,324	15,890
Total current assets		9,236,576	9,604,605
Non-current assets			
Intangible assets	8	3,250,000	0
Property, plant and equipment	9	9,258,108	9,632,228
Total non-current assets		12,508,108	9,632,228
TOTAL ASSETS		21,744,684	19,236,833
Current Liabilities			
Payables	10	219,725	266,889
Provisions	11	486,946	348,172
Other current liabilities	13	12,450,882	9,829,340
Total current liabilities		13,157,553	10,444,401
Non-current liabilities			
Provisions	11	165,363	134,100
Total non-current liabilities		165,363	134,100
TOTAL LIABILITIES		13,322,916	10,578,501
NET ASSETS		8,421,768	8,658,332
EQUITY			
Accumulated surplus		8,421,768	8,658,332
TOTAL EQUITY		8,421,768	8,658,332
Commitments	16		
Contingent Assets and Contingent Liabilities	17		

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 2020

	Note	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Resident Fees		1,168,416	1,118,718
Government Grant Funding		2,509,662	2,566,440
Interest		260,349	302,173
Sundry & Fundraising		542,425	568,014
GST received from / (paid to) ATO		414	19,466
Total receipts		4,481,266	4,574,811
Employee expenses paid		(3,250,629)	(3,587,140)
Payments for supplies and consumables		(971,066)	(1,230,033)
Total payments		(4,221,695)	(4,817,173)
NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES	14	259,571	(242,362)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for Plant & Equipment		(142,313)	(56,510)
Payments for Intangible Assets		(3,250,000)	0
Payments for Land & Buildings		0	(300)
NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES		(3,392,313)	(56,810)
CASH FLOWS FROM FINANCING ACTIVITIES			
Accommodation Bonds received for Residential Care		6,267,042	2,147,250
Lease Premiums received for Independent Living Units		106,519	342,751
Repayment of Accommodation Bonds		(3,318,546)	(2,346,518)
Repayment of Lease Premiums - Independent Living Units		0	0
NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES		3,055,015	143,483
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS HELD		(77,727)	(155,689)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		9,144,571	9,300,260
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	5	9,066,844	9,144,571

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 2020

	Accumulated Surpluses/ (Deficits)	Total
	\$	\$
Balance at 1 July 2018	9,060,740	9,060,740
Net result for the year	(402,408)	(402,408)
Revaluation reserve movement	0	0
Balance at 30 June 2019	8,658,332	8,658,332
Net result for the year	(236,564)	(236,564)
Revaluation reserve movement	0	0
Balance at 30 June 2020	8,421,768	8,421,768

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 2020 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 10th November, 2020.

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.

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) Intangible Assets

Bed licences are carried at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction). The Association has determined the bed licences are indefinite life assets and therefore not amortised, but subject to an annual impairment review.

(h) 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.

(i) Adoption of new revised accounting standards

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

(j) 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.

(k) 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

(l) 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.

(m) 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.

(n) 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	TOTAL 2020 \$	TOTAL 2019 \$
Government Grants		
- Department of Health	2,592,958	2,459,365
- Other	0	4,985
Resident Fees		
- Residential Aged Care Fees	1,126,877	1,052,754
- Independent Living Units	50,854	48,229
Total Revenue from Operating Activities	3,770,689	3,565,333
Interest	237,871	269,377
Deferred Lease Premiums - Independent Living Units	123,601	108,007
Other Revenue from Non-Operating Activities	316,103	76,676
Total Revenue from Non-Operating Activities	677,575	454,060
Residential Accommodation Payments	18,713	55,367
Donations and Bequests	226,322	491,338
Net Gain/(Loss) on Disposal of Non-Financial Assets (refer note 2a)	0	0
Total Capital Purpose Income	245,035	546,705
Total Revenue	4,693,299	4,566,098

NOTE 3: DEPRECIATION AND AMORTISATION

	2020	2019
	\$	\$
Depreciation		
Buildings - RACS	335,510	339,310
Buildings - ILU's	77,637	73,837
Plant and Equipment		
- Plant	90,099	87,572
- Motor Vehicles	13,187	13,187
TOTAL DEPRECIATION	516,433	513,906

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.

	2020	2019
	\$	\$
Cash at Bank and on Hand	2,686,315	831,256
Short-term Deposits	6,380,529	8,313,315
TOTAL	9,066,844	9,144,571
Represented by:		
Cash for Nursing Home Operations	2,863,693	5,796,326
Cash for Monies Held in Trust	6,203,151	3,348,245
TOTAL CASH AND CASH EQUIVALENTS	9,066,844	9,144,571

NOTE 5: RECEIVABLES

CURRENT

Contractual

	2020	2019
	\$	\$
Resident Fees	3,789	69,351
Government Funding Receivable	0	0
Accrued Revenue - Other	13,456	35,934
GST Receivable	4,346	4,760
ILU Lease Premiums Receivable	30,000	30,000
Accommodation Bonds Receivable	85,837	302,119
TOTAL RECEIVABLES	137,428	442,164

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

CURRENT

Equity Holdings

	2020	2019
	\$	\$
- Shares at Cost (Telstra)	1,980	1,980
TOTAL OTHER FINANCIAL ASSETS	1,980	1,980

NOTE 7: OTHER ASSETS

CURRENT

	2020	2019
	\$	\$
Prepayments	21,034	6,600
Stock on Hand	9,290	9,290
TOTAL OTHER ASSETS	30,324	15,890

NOTE 8: INTANGIBLE ASSETS	2020	2019
	\$	\$
Other Intangibles		
Bed Licences at fair value	3,250,000	0
Total Intangibles	3,250,000	0
 NOTE 9: PROPERTY, PLANT & EQUIPMENT	 2020	 2019
(a) Gross carrying amount and accumulated depreciation	\$	\$
Land		
- Land at Cost	834,819	834,819
Total Land	834,819	834,819
Buildings		
- Buildings at Cost	11,427,469	11,427,469
Less Accumulated Depreciation	3,399,934	2,986,787
Total Buildings	8,027,535	8,440,682
 Total Land & Buildings	 8,862,354	 9,275,501
Plant & Equipment		
- Plant and Equipment at Cost	1,154,100	1,011,787
Less Accumulated Depreciation	808,278	718,179
Total Plant and Equipment	345,822	293,608
 Motor Vehicles		
- Motor Vehicles at Cost	101,978	101,978
Less Accumulated Depreciation	52,046	38,859
Total Motor Vehicles	49,932	63,119
 TOTAL	 9,258,108	 9,632,228

NOTE 9: PROPERTY, PLANT & EQUIPMENT

(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 \$
Balance at 1 July 2018	2,566,554	7,121,793	324,670	76,307	10,089,324
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)
Transfers between Classes	0	0	0	0	0
Balance at 1 July 2019	2,492,717	6,782,783	293,608	63,120	9,632,228
Additions	0	0	142,313	0	142,313
Disposals	0	0	0	0	0
Depreciation and Amortisation	(77,637)	(335,510)	(90,099)	(13,187)	(516,433)
Revaluation	0	0	0	0	0
Balance at 30 June 2020	2,415,080	6,447,273	345,822	49,933	9,258,108

Land and buildings carried at valuation

An independent valuation of the Nursing Home's property, plant & equipment was performed by the Opteon Property Group to determine the value of the land and buildings. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The effective date of the valuation is 3rd February 2016.

For the year ended 30 June 2020, the Nursing Home's management conducted an annual assessment of the fair value of land and buildings. To facilitate this, management obtained from the Department of Treasury and Finance, the Valuer General Victoria indices for the current financial year. There was no material impact on change in fair value of land or buildings.

(c) Fair value measurement hierarchy for assets as at 30 June 2020

(b) Fair value measurement hierarchy for assets as at 30 June 2020

	Carrying amount as at 30 June 2020	Fair value measurement at end of reporting period using:		
		Level 1 ⁽ⁱ⁾	Level 2 ⁽ⁱ⁾	Level 3 ⁽ⁱ⁾
Land at fair value				
Specialised land	2,415,080	0	0	2,415,080
Total of land at fair value	2,415,080	0	0	2,415,080
Buildings at fair value				
Specialised buildings	6,447,273	0	0	6,447,273
Total of building at fair value	6,447,273	0	0	6,447,273

(i) Classified in accordance with the fair value hierarchy, see Note 1

There have been no transfers between levels during the period.

NOTE 9: PROPERTY, PLANT & EQUIPMENT (Continued)
(c) Fair value measurement hierarchy for assets as at 30 June 2019

	Carrying amount as at 30 June 2019	Fair value measurement at end of reporting period using:		
		Level 1 ⁽ⁱ⁾	Level 2 ⁽ⁱ⁾	Level 3 ⁽ⁱ⁾
Land at fair value				
Specialised land	2,492,717	0	0	2,492,717
Total of land at fair value	2,492,717	0	0	2,492,717
Buildings at fair value				
Specialised buildings	6,782,783	0	0	6,782,783
Total of building at fair value	6,782,783	0	0	6,782,783

(i) Classified in accordance with the fair value hierarchy, see Note 1

There have been no transfers between levels during the period.

(d) Reconciliation of Level 3 fair value

	2020	Land	Buildings
Opening Balance		2,492,717	6,782,783
Purchases (sales)		0	0
Transfers in (out) of Level 3		0	0
Gains or losses recognised in net result			
- Depreciation		(77,637)	(335,510)
- Impairment loss		0	0
Subtotal		2,415,080	6,447,273
Items recognised in other comprehensive income			
- Revaluation		0	0
Subtotal		0	0
Closing Balance		2,415,080	6,447,273
Unrealised gains/(losses) on non-financial assets		0	0
		2,415,080	6,447,273

Reconciliation of Level 3 fair value

	2019	Land	Buildings
Opening Balance		2,566,554	7,121,793
Purchases (sales)		(73,837)	300
Transfers in (out) of Level 3		0	0
Gains or losses recognised in net result			
- Depreciation		0	(339,310)
- Impairment loss		0	0
Subtotal		2,492,717	6,782,783
Items recognised in other comprehensive income			
- Revaluation		0	0
Subtotal		0	0
Closing Balance		2,492,717	6,782,783
Unrealised gains/(losses) on non-financial assets		0	0
		2,492,717	6,782,783

NOTE 10: PAYABLES

	2020	2019
	\$	\$
CURRENT		
Contractual		
Trade Creditors	92,106	96,571
Accrued Expenses & Income in Advance	84,438	47,155
Government Funding Repayable	10,051	93,347
	186,595	237,073
Statutory		
PAYG Payable	33,130	29,816
	33,130	29,816
TOTAL	219,725	266,889

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 11: PROVISIONS

	2020	2019
	\$	\$
Current Provisions		
Annual Leave	291,049	257,273
Accrued Days Off	(4,948)	861
Unconditional Long Service Leave	200,845	90,038
Total Current Provisions	486,946	348,172
Non-Current Provisions		
Conditional Long Service Leave	143,117	115,766
Major Maintenance Fund - Independent Living Units	22,246	18,334
Total Non-Current Provisions	165,363	134,100
TOTAL PROVISIONS	652,309	482,272

NOTE 12: SUPERANNUATION

Employees of the Nursing Home are entitled to receive superannuation benefits and the Nursing Home contributes to both defined benefit and defined contribution plans. The defined benefit plan(s) provide benefits based on years of service and final average salary.

The Nursing Home does not recognise any defined benefit liability in respect of the plan(s) because the entity has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury and Finance discloses the State's defined benefits liabilities in its disclosure for administered items.

However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the comprehensive operating statement of the Nursing Home. The name, details and amounts expense in relation to the major employee superannuation funds and contributions made by the Nursing Home are as follows:

Fund	Paid Contributions for the Year		Contributions Outstanding at Year End	
	2020 \$	2019 \$	2020 \$	2019 \$
<u>Defined Benefit Plans:</u> First State Super	0	5,634	0	0
<u>Defined Contribution Plans:</u> First State Super	260,970	242,285	0	0
HESTA	0	66,233	0	0
<u>Total:</u>	260,970	314,152	0	0

NOTE 13: OTHER LIABILITIES	2020	2019
	\$	\$
CURRENT		
Lease Premiums - Independent Living Units	3,058,082	3,075,164
Monies Held in Trust		
- Residential Accommodation Bonds	9,392,800	6,754,176
Total Current Other Liabilities	12,450,882	9,829,340
TOTAL OTHER LIABILITIES	12,450,882	9,829,340
TOTAL MONIES HELD IN TRUST		
Represented by the following assets:		
Cash Assets (refer Note 4)	6,203,151	3,348,245
Accommodation Bond Debtors	85,837	302,119
Buildings Constructed	3,103,812	3,103,812
TOTAL	9,392,800	6,754,176

NOTE 14: RECONCILIATION OF NET RESULT FOR THE YEAR TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	2020	2019
	\$	\$
NET RESULT FOR THE PERIOD	(236,564)	(402,408)
Non-cash flows in profit/(loss)		
Depreciation & Amortisation	516,433	513,906
Deferred lease premium ILU's	(123,601)	(108,007)
Retention of entry fees and accommodation bonds	(93,590)	(3,972)
Provision for major maintenance ILU's	3,912	5,736
Change in Operating Assets & Liabilities		
Increase/(Decrease) in Payables	(47,164)	(74,006)
Increase/(Decrease) in Employee Benefits	166,125	(194,356)
(Increase)/Decrease in Other Assets	(14,434)	(6,600)
(Increase)/Decrease in Receivables	88,454	27,345
NET CASH FLOWS USED IN OPERATING ACTIVITIES	259,571	(242,362)

NOTE 15: 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
	\$	\$	\$	\$
2020				
Contractual Financial Assets				
Cash and cash equivalents	9,066,844	0	0	9,066,844
Receivables	137,428	0	0	137,428
Equities	1,980	0	0	1,980
Total Financial Assets (i)	9,206,252	0	0	9,206,252
Financial Liabilities				
Payables	0	0	186,595	186,595
Accommodation Bonds & Lease Premiums	0	0	12,450,882	12,450,882
Total Financial Liabilities(ii)	0	0	12,637,477	12,637,477

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

(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 15: 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 16: COMMITMENTS FOR EXPENDITURE

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

NOTE 17: 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 18: EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

The Covid-19 pandemic has created unprecedented economic uncertainty. Actual economic events and conditions in the future may be materially different to those estimated by Kellock Lodge Alexandra at the reporting date. As responses by government continue to evolve, management recognises it is difficult to reliably estimate with any degree of certainty the impact of the pandemic after the reporting date on Kellock Lodge Alexandra, its operations, its future results and financial position. The state of emergency in Victoria was extended on 11 October 2020 until 8 November 2020 and the state of disaster remains in place.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the operations of Kellock Lodge Alexandra, the results of the operations or the state of affairs of Kellock Lodge Alexandra in the future financial years.

NOTE 19: 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

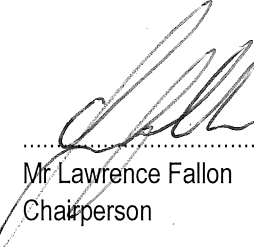
BOARD MEMBER'S, ACCOUNTABLE OFFICER'S AND
CHIEF FINANCE & ACCOUNTING OFFICER'S DECLARATION

The attached financial statements for Kellock Lodge Alexandra Inc. have been prepared in accordance with Associations Incorporation Reform Act 2012, the Australian Charities and Not-for-profits Commission Act 2012, Australian Accounting Standards, including Interpretations and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2020 and the financial position of Kellock Lodge Alexandra Inc. at 30 June 2020.

At the time of signing we are not aware of any circumstance which would render any particulars included in the financial report to be misleading or inaccurate.

We authorise the attached financial statements for issue on this day.



.....
Mr Lawrence Fallon
Chairperson

Alexandra



.....
Mrs Jo-Anne Cavill
Chief Executive Officer

Alexandra



.....
Mr Steven Jackel
Chief Finance Officer

Alexandra

Dated this

11th

day of

NOVEMBER

2020.

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 2020, 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 Board member declaration.

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 2020 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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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.



MVA BENNETT
Chartered Accountants
Level 5, North Tower
485 La Trobe Street,
Melbourne Vic 3000



SHAUN EVANS
Partner

Dated: 11 November 2020