



Kellock Lodge

Alexandra Inc.

RESIDENTIAL AGED CARE

ANNUAL REPORT 2020/2021

A community where people matter and life is celebrated

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
	Ian Gibb
	Anthony (Tony) Pammer
	John Scott
	Rod Sloan (retired March 2021)

CEO / Director of Nursing

Mrs Jo Cavill

FINANCIAL AUDITOR

MVA Bennett

Level 5, North Tower

485 La Trobe Street, Melbourne, Victoria 3000

Incorporation No: A 0037078 E

ABN: 82 586 866 464

Address: 15 Bon Street, Alexandra, Victoria 3714

Tel: 03 5770 2100

Fax: 03 5772 2360

Email: info@kellocklodge.com.au

BOARD CHAIR AND CEO/DON REPORT

Another year has passed, and it is that time again to report on the activities and achievements of Kellock Lodge Alexandra Incorporated (KLA Inc.) for the financial year ending June 30, 2021.

The dominant theme for the entire global community has been the Covid 19 pandemic, and at KLA Inc. keeping our residents and staff safe while also catering for their emotional and social needs has been a priority. Constant vigilance is still required to monitor our local situation and ensure compliance with Directives from the Victorian Chief Health Officer and the Commonwealth Government.

Covid precautions first implemented, such as density limits, isolation and testing of potential cases, visitor restrictions, wearing of masks and ongoing promotion of hand hygiene were extended to health and temperature monitoring of all staff and visitors upon entry, and the QR code registration. Our designated Infection Prevention and Control (IP&C) Registered Nurse completed her studies and continues to oversee our IP&C program including Infectious Diseases Outbreak Preparedness and Management. Ongoing education on IP&C and the 'donning' and 'doffing' of personal Protective Equipment remains a priority. KLA Inc. Policies and Procedures are updated according to the latest, best practice advice, including collaborative arrangements with our Public Health Unit and Hub Hospital GV Health in Shepparton.

Residents and staff again received annual vaccination for influenza, and visitors / contractors were not permitted to enter the facility unless proof of vaccination was available. The Covid vaccination program for our residents and staff commenced on May 10, 2021, when the first Pfizer doses were administered by a Commonwealth Government health team organised by the Murray Primary Health Network. Second doses were administered in June, and since then those residents not vaccinated in this initiative were followed up by their local GP.

Promoting Covid vaccination among staff was more problematic as the absence of cases in our community, health concerns over having the 'jab' and the limited opportunities to receive the vaccination impacted the roll-out. However, it is pleasing to report that KLA Inc. did manage to meet the requirements of the National and State Cabinet vaccination mandate by the due date in September 2021.

The impact of the pandemic on staffing and resources has been significant, however the Commonwealth Government did allocate extra financial resources to support residential aged care. In addition, direct care staff received two separate workforce retention bonuses that unfortunately did not include our ancillary staff who are vital to our operations.

KLA Inc. responded to the staffing challenges which were also affected by maternity and unplanned leave, by supporting two trainee Personal Care Workers as apprentices and providing work experience for secondary college and certificate course students wishing to learn in the aged care environment (VCAL & SBAT pathways). The residents love having young people around, and the students feel privileged to share in the lives of our community elders. Some students completing clinical placement at Kellock Lodge for their Cert III Individual Support course were also employed as casual or part time employees. As such, Kellock Lodge is now a major player in regional workforce development!

In early 2021 to cover the shortfall in Enrolled and Registered Nurses, KLA Inc. recruited Registered Nurses with visas who had trained overseas or were born overseas and trained in Australia.

Accommodation was scarce so the recruitment also entailed finding them places to live! With the help of our community networks, we were able to find suitable lodgings. Kellock Lodge now has quite a multicultural workforce, and staff welcome and celebrate the diversity.

The Board of Management were sorry to receive the resignation of Rod Sloan in March 2021 after serving for many years on both the old and new boards of management. Rod made a significant contribution across all areas of the business, but especially in the redevelopment projects and asset management. Ian Gibb was welcomed to the Board in January 2021, bringing a strong understanding of aged care and governance from another community owned organisation.

In June 2021 the Board finalised the Strategic Plan 2021-23 that sets the scene for the next stages in our development. We are proud to share an abridged version with you now and hope that it inspires you to be involved in our community-owned aged care and independent living organisation:

Our Vision:

A community where people matter, and life is celebrated

Our Purpose:

Partnering with our community to provide compassionate, effective care in an environment where every person feels valued and supported in ways that matter to them.

Our Values:

Excellence, Compassion, Trust, Respect, Integrity, Accountability

Underpinning Objectives:

Quality Care

Inclusive and harmonious place to live, work and visit

Valued key community-owned asset

Strong community connections and support

Affordable, building a reserve to ensure sustainability and growth

Strategic Imperatives:

1. Exceptional Care (for all our residents, relatives & staff)
2. Stable, talented, special people
3. Maximise Funding
4. Selling our PRODUCT to OUR community (Our brand)
5. Strong governance (Integrity)
6. Continuous Improvement (Plan, Do Check, Act)

Behind the strategic imperatives lies a plan to accomplish these goals, with progress reported to the Board of Management on a regular basis.

In mid-2020 KLA Inc. engaged KPMG to conduct a Business Advisory Service review and assist in the application for a Business Improvement Fund grant on offer from the Commonwealth Government. We were successful in our endeavour and received instalments amounting to \$375,000 + GST from November onwards.

This valuable project has made the following improvements possible:

1. Appointment of a fixed-term Project Officer (PO) to review of our Aged Care Funding Instrument funding. This resulted in a significant uplift, and ongoing education of staff to maintain this funding level continues. Investigating workforce redesign to improve efficiencies while meeting Aged Care Quality & Safety Commission requirements and the recommendations of the Royal Commission has also been conducted.
2. Part of the project was to investigate Information Technology (IT) solutions to improve efficiencies, and this has led to the implementation of the electronic roster and shift management component of our current Corporate Information Management (CIM) system. Staff are adjusting to moving from paper-based timesheets and roster planning to this electronic system which will reduce payroll administration time.
3. The introduction of a replacement electronic resident management system will also occur in late 2021 as a result of investigating alternatives to the current system. It is anticipated that this will support improved clinical management and reporting. Additional IT equipment has been purchased to increase bedside accessibility and enhance real-time records.
4. Installation of overhead tracking for safe resident transfer and manual handling (ongoing due to covid related delays). The tracking will be installed into 48 rooms (2 smaller rooms require renovation first) and the bathroom; however, the grant does not cover the entire cost. Maintaining a safe environment and reducing the risk of staff injury is a high priority, so the Board made the decision to fund the shortfall from capital reserves and donations.

The 'We Care Appeal' that was launched in October 2018 by the Friends of Kellock to assist KLA Inc. in its mission to secure independence from the Anglican Diocese has continued to raise funds despite limitations of Covid. During the 2020-21 financial year \$104,716 was raised, and while this is less than in previous years is still a fantastic effort and gratefully received! We are indebted to the Alexandra Opportunity Shop for their unfailing and regular financial support which amounted to \$39,000 for the year. Private and individual club donations have also made significant contributions throughout the year. Outstanding achievements from such committed and enthusiastic supporters of Kellock Lodge, for which we are very thankful!

Some of the major purchases that donations and capital funds enabled during the year were:

Replacement of air conditioners as required – staff room, care office and room 43

10 Gold deluxe mattresses

First instalment of equipment for ceiling hoist tracking system

Replacement commercial microwave oven

Replacement 'Billi' hot water unit Sapphire dining room

Dishwasher ILU

43" smart TV

Pressure Relief Aspire Mobile Air Chair Large

18 tray food delivery trolley

Upgrades to nurse call system

Mattress Overlay Pressure Reducing System

Opal Lounge TV upgrade

Our Lifestyle & Leisure program continues to provide essential social activities for our residents who are missing regular visits from family and friends due to current restrictions. Fortunately, our students have supported Viv and the team this year as volunteers have been limited. Some highlights included an 'armchair' trip to England in late 2020, followed closely by our Christmas luncheon. Leading up to Christmas Eve 2020 Kellock Lodge also celebrated Dot Fellows 100th birthday. Regular bus trips around our region, together with the usual 'bingo', crafts and 'good news week' segments have also provided much appreciated entertainment. However, we look forward to the day when we can open our doors to welcome family and visitors back, especially to our Bucks and Deer Café on a Thursday afternoon and Happy Hour of a Friday!

Our senior management team continued to oversee excellent care and services for our aged care residents, provided by dedicated care and ancillary staff and acknowledging the recommendations of the Royal Commission into Aged Care. Kellock Lodge were expecting a routine unannounced site visit from the Aged Care Quality and Safety Commission but this was deferred due to Covid delays.

The welfare of our Independent Living Unit (ILU) residents was also a priority, mainly involving maintenance and gardening services and refurbishment of ILU's before re-occupation. Unfortunately visitation from ILU residents to the aged care facility was restricted due to COVID-19, however contact was maintained via other means.

At Kellock Lodge we take pride in the fact that people come first, and we take our responsibility seriously to maintain services at a high-quality level whilst also ensuring financial sustainability. Our elderly community members, and their families, continue to demonstrate their confidence in Kellock lodge as their first preference for Residential Aged Care. Occupancy has remained on average over 98% for the financial year, with both permanent and respite residents. Our waitlist is steady with beds taken as soon as they become available, which is in contrast to many aged care facilities. Likewise, our ILUs have maintained a high occupancy rate with interested parties making regular enquiries about vacancies.

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 those still able to assist enriches the lives of our residents and staff, and is still very much appreciated.

In August Jo Cavill announced that she would be resigning her position as CEO/Director of Nursing effective 1 November. After being closely involved in gaining independence for KLA Inc. and leading the organisation to the strong position it now holds, Jo believed the time was right to hand over the reins to the next CEO/DON. It has been a privilege to serve the community in this way, and Jo is sorry to be leaving a great team of dedicated staff and our wonderful residents. Jo has also appreciated the support of the Board and Friends of Kellock volunteers throughout her tenure.

However, KLA Inc. has been fortunate to benefit from the skills and expertise of Linda Dover, a registered nurse and experienced manager, who joined our team in August 2020 as a Project Officer for the Business Improvement Fund. In collaboration with the Board, Linda has kindly agreed to fill the interim CEO/DON role until a permanent replacement is recruited, hopefully by early 2022. It is pleasing to know that KLA Inc. will be moving forward to achieve the goals of the Strategic Plan, and the great work will continue under the leadership of the Board of Management and Linda Dover.

Finally, the care and commitment of all our staff across all departments, and especially during these unprecedented times of global pandemic, is the reason why Kellock Lodge is the place of choice for our community. We acknowledge their highly valued contribution, and thank them for their ongoing support of, and love for our residents.

Larry Fallon,
Board Chair

Jo Cavill,
CEO/Director of Nursing

Kellock Lodge Alexandra Inc.

No. A0037078E

ABN 82 586 866 464

Financial Statements

For the Year Ended 30 June 2021

KELLOCK LODGE ALEXANDRA INC

COMPREHENSIVE OPERATING STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
Income from Transactions			
Revenue from operating activities	2	4,162,397	3,770,689
Revenue from non-operating activities	2	725,405	677,575
Capital purpose income	2	168,671	245,035
Total Income from Transactions		5,056,473	4,693,299
Expenses from Transactions			
Employee expenses		(3,722,005)	(3,457,351)
Repairs and Maintenance		(94,331)	(72,539)
Utilities		(77,217)	(102,888)
Resident's Expenses		(193,350)	(313,122)
Other Expenses from Ordinary Activities		(508,013)	(467,530)
Depreciation	3	(518,778)	(516,433)
Total Expenses from Transactions		(5,113,694)	(4,929,863)
NET RESULT FOR THE YEAR		(57,221)	(236,564)
COMPREHENSIVE RESULT		(57,221)	(236,564)

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

KELLOCK LODGE ALEXANDRA INC
BALANCE SHEET AS AT 30 JUNE 2021

	Note	2021 \$	2020 \$
Current Assets			
Cash and cash equivalents	4	8,867,039	9,066,844
Receivables	5	104,050	137,428
Investments and other financial assets	6	1,980	1,980
Other assets	7	32,277	30,324
Total current assets		9,005,346	9,236,576
Non-current assets			
Intangible assets	8	3,250,000	3,250,000
Property, plant and equipment	9	8,866,108	9,258,108
Total non-current assets		12,116,108	12,508,108
TOTAL ASSETS		21,121,454	21,744,684
Current Liabilities			
Payables	10	640,624	219,725
Provisions	11	503,799	486,946
Other current liabilities	13	11,470,858	12,450,882
Total current liabilities		12,615,281	13,157,553
Non-current liabilities			
Provisions	11	141,626	165,363
Total non-current liabilities		141,626	165,363
TOTAL LIABILITIES		12,756,907	13,322,916
NET ASSETS		8,364,547	8,421,768
EQUITY			
Accumulated surplus		8,364,547	8,421,768
TOTAL EQUITY		8,364,547	8,421,768

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 2021

	Note	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Resident Fees		1,244,633	1,168,416
Government Grant Funding		3,128,111	2,509,662
Interest		243,131	260,349
Sundry & Fundraising		507,564	542,425
GST received from / (paid to) ATO		23,285	414
Total receipts		5,146,724	4,481,266
Employee expenses paid		(3,712,342)	(3,250,629)
Payments for supplies and consumables		(761,900)	(971,066)
Total payments		(4,474,242)	(4,221,695)
NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES	14	672,482	259,571
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for Plant & Equipment		(27,996)	(142,313)
Payments for Intangible Assets		0	(3,250,000)
Payments for Land & Buildings		(98,782)	0
NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES		(126,778)	(3,392,313)
CASH FLOWS FROM FINANCING ACTIVITIES			
Accommodation Bonds received for Residential Care		1,913,564	6,267,042
Lease Premiums received for Independent Living Units		(346,167)	106,519
Repayment of Accommodation Bonds		(2,312,906)	(3,318,546)
NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES		(745,509)	3,055,015
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS HELD		(199,805)	(77,727)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		9,066,844	9,144,571
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	4	8,867,039	9,066,844

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 2021

	Accumulated Surpluses/ (Deficits)	Total
	\$	\$
Balance at 1 July 2019	8,658,332	8,658,332
Net result for the year	(236,564)	(236,564)
Balance at 30 June 2020	8,421,768	8,421,768
Net result for the year	(57,221)	(57,221)
Balance at 30 June 2021	8,364,547	8,364,547

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 2021 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 29th October, 2021.

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.

Identifying performance obligations

Kellock Lodge Alexandra Inc applies significant judgement when reviewing the terms and conditions of funding agreements and contracts to determine whether they contain sufficiently specific and enforceable performance obligations. If this criteria is met, the contract/funding agreement is treated as a contract with a customer, requiring the Nursing Home to recognise revenue as or when the Nursing Home transfers promised goods or services to customers. If the criteria is not met, funding is recognised immediately in the net result of operations

Determining timing of revenue recognition

Kellock Lodge Alexandra Inc applies significant judgement to determine when a performance obligation has been satisfied and the transaction price that is to be allocated to each performance obligation. A performance obligation is either satisfied at a point in time or over time.

Determining time of capital grant income recognition

Kellock Lodge Alexandra Inc applies significant judgement to determine when its obligation to construct an asset is satisfied. Costs incurred is used to measure the Nursing Home's progress as this is deemed to be the most accurate reflection of the stage of completion.

NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(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.

(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.

NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(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.

(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: ## 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

(8867039)

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 2021 \$	TOTAL 2020 \$
Government Grants		
- Department of Health	2,903,281	2,592,958
- Other	0	0
Resident Fees		
- Residential Aged Care Fees	1,208,693	1,126,877
- Independent Living Units	50,423	50,854
Total Revenue from Operating Activities	4,162,397	3,770,689
Interest	262,091	237,871
Deferred Lease Premiums - Independent Living Units	120,236	123,601
Other Revenue from Non-Operating Activities	343,078	316,103
Total Revenue from Non-Operating Activities	725,405	677,575
Residential Accommodation Payments	4,185	18,713
Donations and Bequests	164,486	226,322
Total Capital Purpose Income	168,671	245,035
Total Revenue	5,056,473	4,693,299

NOTE 3: DEPRECIATION AND AMORTISATION

	2021	2020
	\$	\$
Depreciation		
Buildings - RACS	339,309	335,510
Buildings - ILU's	73,837	77,637
Plant and Equipment		
- Plant	92,445	90,099
- Motor Vehicles	13,187	13,187
TOTAL DEPRECIATION	518,778	516,433

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.

	2021	2020
	\$	\$
Cash at Bank and on Hand	1,323,071	2,686,315
Short-term Deposits	7,543,968	6,380,529
TOTAL	8,867,039	9,066,844
Represented by:		
Cash for Nursing Home Operations	3,067,415	2,863,693
Cash for Monies Held in Trust	5,799,624	6,203,151
TOTAL CASH AND CASH EQUIVALENTS	8,867,039	9,066,844

NOTE 5: RECEIVABLES

	2021	2020
	\$	\$
CURRENT		
Contractual		
Resident Fees	18,272	3,789
Government Funding Receivable	47,619	0
Accrued Revenue - Other	32,416	13,456
GST Receivable	0	4,346
ILU Lease Premiums Receivable	0	30,000
Accommodation Bonds Receivable	5,743	85,837
TOTAL RECEIVABLES	104,050	137,428

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

	2021	2020
	\$	\$
CURRENT		
<i>Equity Holdings</i>		
- Shares at Cost (Telstra)	1,980	1,980
TOTAL OTHER FINANCIAL ASSETS	1,980	1,980

NOTE 7: OTHER ASSETS

	2021	2020
	\$	\$
CURRENT		
Prepayments	22,987	21,034
Stock on Hand	9,290	9,290
TOTAL OTHER ASSETS	32,277	30,324

NOTE 8: INTANGIBLE ASSETS	2021	2020
	\$	\$
Other Intangibles		
Bed Licences at fair value	3,250,000	3,250,000
Total Intangibles	3,250,000	3,250,000
 NOTE 9: PROPERTY, PLANT & EQUIPMENT	 2021	 2020
(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	11,526,251	11,427,469
Less Accumulated Depreciation	3,813,081	3,399,934
Total Buildings	7,713,170	8,027,535
 Total Land & Buildings	 8,547,989	 8,862,354
 Plant & Equipment		
- Plant and Equipment at Cost	1,182,097	1,154,100
Less Accumulated Depreciation	900,723	808,278
Total Plant and Equipment	281,374	345,822
 Motor Vehicles		
- Motor Vehicles at Cost	101,978	101,978
Less Accumulated Depreciation	65,233	52,046
Total Motor Vehicles	36,745	49,932
 TOTAL	 8,866,108	 9,258,108

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 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)
Transfers between Classes	0	0	0	0	0
Balance at 1 July 2020	2,415,080	6,447,273	345,822	49,933	9,258,108
Additions	0	98,782	27,996	0	126,778
Disposals	0	0	0	0	0
Depreciation and Amortisation	(73,837)	(339,309)	(92,445)	(13,187)	(518,778)
Revaluation	0	0	0	0	0
Balance at 30 June 2021	2,341,243	6,206,746	281,373	36,746	8,866,108

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 2021, 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 2021

7) Fair Value Measurement Hierarchy of assets as at 30 June 2021

	Fair value measurement at end of reporting period using:			
Carrying amount as at 30 June 2021	Level 1 ⁽ⁱ⁾	Level 2 ⁽ⁱ⁾	Level 3 ⁽ⁱ⁾	
Independent living units - buildings at fair value				
Specialised independent living - buildings units	2,341,243	0	0	2,341,243
Total of independent living units - buildings at fair value	2,341,243	0	0	2,341,243
Land and buildings at fair value	2,072,105			
Specialised land and buildings	6,206,746	0	0	6,206,746
Total of land and buildings at fair value	(2,471,447)	0	0	

(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 2020

Independent living units - buildings at fair value

Specialised independent living - buildings units

Total of independent living units - buildings at fair value

Land and buildings at fair value

Specialised land and buildings

Total of land and buildings at fair value

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⁾
2,415,080	0	0	2,415,080
2,415,080	0	0	2,415,080
6,447,273	0	0	6,447,273
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.

(d) Reconciliation of Level 3 fair value

Opening Balance

Purchases (sales)

Transfers in (out) of Level 3

Gains or losses recognised in net result

- Depreciation

- Impairment loss

Subtotal

Items recognised in other comprehensive income

- Revaluation

Subtotal

Closing Balance

Unrealised gains/(losses) on non-financial assets

2021	ILU's - buildings	Land and buildings
	2,415,080	6,447,273
	0	98,782
	0	0
	(73,837)	(339,309)
	0	0
	2,341,243	6,206,746
	0	0
	0	0
	2,341,243	6,206,746
	0	0
	2,341,243	6,206,746

Reconciliation of Level 3 fair value

Opening Balance

Purchases (sales)

Transfers in (out) of Level 3

Gains or losses recognised in net result

- Depreciation

- Impairment loss

Subtotal

Items recognised in other comprehensive income

- Revaluation

Subtotal

Closing Balance

Unrealised gains/(losses) on non-financial assets

2020	ILU's - buildings	Land and buildings
	2,492,717	6,782,783
	(77,637)	0
	0	0
	0	(335,510)
	0	0
	2,415,080	6,447,273
	0	0
	0	0
	2,415,080	6,447,273
	0	0
	2,415,080	6,447,273

NOTE 10: PAYABLES

	2021	2020
	\$	\$
CURRENT		
Contractual		
Trade Creditors	199,690	92,106
Accrued Expenses & Income in Advance	107,089	84,438
Government Funding Repayable	282,500	10,051
	589,279	186,595
Statutory		
GST Payable	18,939	0
PAYG Payable	32,406	33,130
	51,345	33,130
TOTAL	640,624	219,725

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

	2021	2020
	\$	\$
Current Provisions		
Annual Leave	250,667	291,049
Accrued Days Off	(9,530)	(4,948)
Unconditional Long Service Leave	262,662	200,845
Total Current Provisions	503,799	486,946
Non-Current Provisions		
Conditional Long Service Leave	114,000	143,117
Major Maintenance Fund - Independent Living Units	27,626	22,246
Total Non-Current Provisions	141,626	165,363
TOTAL PROVISIONS	645,425	652,309

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	
	2021 \$	2020 \$	2021 \$	2020 \$
<u>Defined Benefit Plans:</u> First State Super	0	0	0	0
<u>Defined Contribution Plans:</u> First State Super	275,141	260,970	1,703	0
HESTA	0	0	0	0
<u>Total:</u>	275,141	260,970	0	0

NOTE 13: OTHER LIABILITIES	2021	2020
	\$	\$
CURRENT		
Lease Premiums - Independent Living Units	2,561,679	3,058,082
Monies Held in Trust		
- Residential Accommodation Bonds	8,909,179	9,392,800
Total Current Other Liabilities	11,470,858	12,450,882
TOTAL OTHER LIABILITIES	11,470,858	12,450,882
TOTAL MONIES HELD IN TRUST		
Represented by the following assets:		
Cash Assets (refer Note 4)	5,799,624	6,203,151
Accommodation Bond Debtors	5,743	85,837
Buildings Constructed	3,103,812	3,103,812
TOTAL	8,909,179	9,392,800

NOTE 14: RECONCILIATION OF NET RESULT FOR THE YEAR TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	2021	2020
	\$	\$
NET RESULT FOR THE PERIOD	(57,221)	(236,564)
Non-cash flows in profit/(loss)		
Depreciation & Amortisation	518,778	516,433
Deferred lease premium ILU's	(120,236)	(123,601)
Retention of entry fees and accommodation bonds	(18,668)	(93,590)
Provision for major maintenance ILU's	5,380	3,912
Change in Operating Assets & Liabilities		
Increase/(Decrease) in Payables	398,972	(47,164)
Increase/(Decrease) in Employee Benefits	9,663	166,125
(Increase)/Decrease in Other Assets	(1,953)	(14,434)
(Increase)/Decrease in Receivables	(62,233)	88,454
NET CASH FLOWS USED IN OPERATING ACTIVITIES	672,482	259,571

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
	\$	\$	\$	\$
2021				
Contractual Financial Assets				
Cash and cash equivalents	8,867,039	0	0	8,867,039
Receivables	104,050	0	0	104,050
Equities	1,980	0	0	1,980
Total Financial Assets (i)	8,973,069	0	0	8,973,069
Financial Liabilities				
Payables	0	0	589,279	589,279
Accommodation Bonds & Lease Premiums	0	0	11,470,858	11,470,858
Total Financial Liabilities(ii)	0	0	12,060,137	12,060,137

	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
Term Deposits	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

(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

Capital expenditure commitments

Business Improvement Fund (BIF) - Less than one year

Total capital expenditure commitments

Total commitments for expenditure (exclusive of GST)

Less GST recoverable from Australian Tax Office

Total commitments for expenditure (exclusive of GST)

	2021	2020
	\$	\$
Business Improvement Fund (BIF) - Less than one year	212,500	-
Total capital expenditure commitments	212,500	-
Total commitments for expenditure (exclusive of GST)	212,500	-
Less GST recoverable from Australian Tax Office	(19,318)	-
Total commitments for expenditure (exclusive of GST)	193,182	-

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 23 September 2021 until 21 October 2021 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

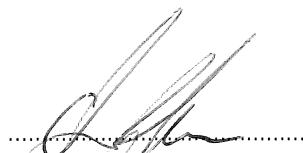
BOARD MEMBER'S, ACCOUNTABLE OFFICER'S AND
CHIEF FINANCE & ACCOUNTING OFFICER'S DECLARATION

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.

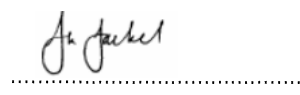
We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2021 and the financial position of Kellock Lodge Alexandra Inc. at 30 June 2021.

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


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


.....
Mr Steven Jackel
Chief Finance Officer

Alexandra

Alexandra

Alexandra

Dated this 29th day of OCTOBER 2021.

KELLOCK LODGE ALEXANDRA INC

**AUDITOR'S INDEPENDENCE DECLARATION TO THE MEMBERS OF
KELLOCK LODGE ALEXANDRA INC.**

In accordance with the requirements of Division 60 of the *Australian Charities and Not for Profits Commission Act 2012*, in relation to the audit of Kellock Lodge Alexandra Inc for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

- a) No contraventions of the auditor independence requirements of the *Australian Charities and Not for Profits Commission Act 2012* in relation to the audit; and
- b) No contraventions of any applicable code of professional conduct in relation to the audit.



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



SHAUN EVANS
Partner

Dated: 29 October 2021

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 2021, 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 members, accountable officer's and chief finance and accounting officer's declaration.

In our opinion, the accompanying financial report of Kellock Lodge Alexandra Inc has been prepared in accordance with Div 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Association's financial position as at 30 June 2021 and of its financial performance and its cash flows for the year ended; and
- (ii) complying with Australian Accounting Standards and the requirements of Div 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

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

Management is responsible for the preparation and fair presentation of the financial report in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, and for such internal control as management determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Melbourne

Level 5 North Tower
485 La Trobe Street
Melbourne, Vic 3000

T. +61 9642 8000

E. info@mvabennett.com.au



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.



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



SHAUN EVANS
Partner

Dated: 29 October 2021

Melbourne

Level 5 North Tower
485 La Trobe Street
Melbourne, Vic 3000

T. +61 9642 8000

E. info@mvaibennett.com.au



An independent member of
Walker Wayland Australasia Limited



CHARTERED ACCOUNTANTS™
AUSTRALIA • NEW ZEALAND

