



Havilah Hostel INC.  
Annual report and financial statement

2020



# Havilah Celebrates 25 Years!

Havilah has come a long way since opening in 1995, with just one building and 30 residents. Today Havilah boasts a multi level facility including 142 residential care beds, 53 independent living units, varying levels of care, a vibrant community, and growing!

We have state-of-the-art cooking facilities, spacious dining rooms, a cafe, veggie gardens, doctors' consulting rooms, theatrettes, beauty salons, indoor bowls, live music, various events and activities including their much enjoyed Christmas BBQ. We celebrate holidays throughout the year with themed dinners. Our residents enjoy day tours to fantastic tourist venues in the region.



Havilah celebrates 25 years with a special menu and birthday cake this Thursday!

16-6-95

## It's nearly finished

The first four residents at Havilah Hostel are scheduled to move in early next week.

The building is now at completion stage with most items of furniture expected to be in place today.

Other residents will be moved into the hostel gradually in groups of four over the next few weeks.

The hostel will eventually accommodate up to 29 permanent residents and have a staff of between 10 and 12.

The two wings, called Greenvilles House and Banksia House are an up with all the necessities to make the hostel home.

Each resident is provided with ensuite shower and toilet facilities, full central heating and ample lounge rooms. All meals are provided and served in a communal dining room.

The grounds and gardens also are well established. The opening ceremony will be held in the grounds of the hostel at the corner of Dums and Harkness Streets, Maryborough on Sunday, June 25.

Conservative John Gault of the Central Goldfields Shire will declare the hostel open, and unveil a plaque in the presence of Foreign Minister, Gareth Evans, local Members of Parliament and other dignitaries.



Bob and Corrie's Nursery have been busy over the last week landscaping the gardens at Havilah Hostel for the forthcoming opening. Bob Stamenetta is pictured above planting one of the many trees placed around the building.



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# HAVILAH HOSTEL INC.

## report of the members of the board



The Members of the Havilah board herewith submit the Annual Report and Financial Statements of Havilah Hostel Inc for the financial year ended 30th June 2020.

### Principal Activities

The principal continuing activities during the financial year were the provision of residential aged care and retirement living.

### Significant Change in Operations

No significant change in the nature of these activities occurred during the year.

### Operating Surplus

The surplus for the year amounted to \$322,904

### Board Member Benefits

Since the end of the previous financial year, no board member has received or become entitled to receive a benefit as a result of their position as board member of Havilah Hostel Inc.

### MEMBERS OF THE BOARD

PRESIDENT

VICE PRESIDENT

TREASURER

Shane Dellavedova

Danny Tatchell

Brian O'Connor

Craig Bell

Jacqueline Durbridge

Randall Edwards

Robyn Jennings

Lenette McKnight

### MANAGEMENT PROFILE

CHIEF EXECUTIVE

DIRECTOR CLINICAL CARE

DIRECTOR FINANCE

DIRECTOR PALMERSTON SERVICES

AUDITOR

BANKERS

Barbara Duffin

Kelsey Hooper

Sandra Wilson

Deb Matthews

Michael Ryan

CBA

*Signed on behalf of the board of Havilah Hostel Inc.*

Shane Dellavedova  
PRESIDENT

Robyn Jennings  
BOARD MEMBER





## PRESIDENT'S REPORT



Welcome to our 2020 Annual General Meeting. A very different gathering to in the past due to COVID. In March this year the Prime Minister directed limitations on visitors into aged care facilities saying *"it is about protecting the residents at the end of the day"*.

There has been much happen at Havilah since then in prevention and preparedness in relation to COVID19.

We have all been living and working through the various changes that have occurred as more about the disease is learnt. There have been a lot of changes for us all.

I am very appreciative of how our staff have adapted and of their commitment to protecting themselves and therefore our residents from the virus. This is a significant obligation for aged care workers and I sincerely thank them.

It was another year of high intensity with the extension of the Royal Commission and constant scrutiny of the

aged care sector. We have confidence that the final report of the Commission due to be handed down in February 2021 will bring positive change.

There have been some very sad stories related to the Commission. Fortunately these are in the minority. **These are not Havilah nor would they ever be.** Importantly, the Royal Commission has established that the industry is seriously underfunded.

Havilah has continued to achieve outstanding results including in prevention and preparedness for COVID. In response to the COVID threat, Havilah staff have stepped up to the challenge - working in ppe, cohorting within units, screening and testing for COVID, moving offices, changing shifts and work practices, working weekends, volunteering their time, everyone has been affected in one way or another.

There has been an incredible amount of work done behind the scenes just to get our COVID Plan established and to

keep it up to date.

Establishing our Safe Work Plan and our Risk Management Plan for COVID. Changing duty lists and rosters, establishing the communications centre and all that goes with this. Accessing all of the PPE to establish our stockpile has been a huge task in itself.

Through it all many innovative strategies have been introduced and there have been many really clever things like the collapsing hand rub brackets in each resident unit, virtual outings and *"Gerry the Giraffe"* which are absolutely fabulous, the communications centre, Kerri's staff thank you treats, virtual morning tea and happy hour for our retirement living residents, contact Harald and many others too numerous to mention.

It has been a fantastic team effort so thank you to everyone for your ideas and contributions and the very many volunteer hours that have been contributed over this time.



## PRESIDENT'S REPORT

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With regard to contact tracing we looked for something electronic and came up with Contact Harald. This was able to be introduced for all staff, residents and visitors. The system protects residents and staff by providing accurate contact information. Havilah was the first RACF to introduce an electronic system with more facilities now getting on board.

### Capital Projects this year include

- A 200kw solar system at Harkness Street
- Upgrade to the Raglan House Dining Room
- Provision of storage shed and gopher storage at Palmerston
- Upgrade of the Heath House Kitchen
- Construction of the Inkerman Street footpath and nature strip
- Live Rostering system
- Upgrade to security lighting
- Upgrades to telephone and call systems
- Lifting and clinical equipment including bladder scanner and integrated pressure reducing mattresses
- Resident Ipads

- Samsung Galaxy Tablets for on the floor documentation

### Stage 2 (RACF) and Stage 3 (Retirement Living) Havilah on Palmerston Model a First for Regional Victoria

Comprising linked residential aged care and retirement living, this is a model that is a first for regional Victoria. Under this model once you move in you will never have to move again. If you have a partner, we will help you stay together as your needs change.

The RACF building has been designed to complement the successful Raglan House design and includes communal areas for dining and relaxing (indoors and out) and a commercial kitchen. Balconies to each unit are included.

Stage 3 development of co-located retirement living will quickly follow and provide significant opportunity for new revenue streams through assisted living and Home Care Packages.

Supporting this development is

the growing market for aged and retirement living services in our region.

With population figures showing people over 70 in Central Goldfields Shire at double the Victorian average and growing, the demand for residential aged care and retirement living is guaranteed to extend well into the future.

### For our community

This development means a major increase in annual revenue, a boost to the local economy through our support for local business, 40 new employment positions, growing staff numbers to around 250 and creating an opportunity for young people to remain living and working in the local community.

At the same time Havilah will be providing much needed care and living options to our community.

Construction of the residential aged care unit is projected to run from late 2020 to December 2021.

## PRESIDENT'S REPORT

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It is planned that from January 2022 residents will be comfortably settling into a new 24-unit multi-story residential aged-care facility, and in the following year retirees will be enjoying the benefits of the new 18-unit retirement living complex.

### **Where we are at**

Planning permission was applied for in November 2018 and granted in March 2020. An incredibly lengthy process but we won out in the end.

Once planning approval was achieved tenders were invited from regional builders to undertake the project. Designated contractors were included in tender conditions to ensure an end product to Havilah's exacting requirements.

We were fortunate to have quality submissions and an exhaustive selection process was carried out. We are now almost at Contract stage with the winning tenderer. Preliminaries for the construction should be

established on site prior to Christmas.

### **Stage 3 – Retirement Living**

Ideally, there will be a seamless transition between the construction of Stages 2 and 3. Havilah is working towards finalising drawings and pricing for the retirement units so that expressions of interest can be called from prospective residents in the first part of 2021.

The ability to provide high level in home care services into these units and RN presence on the site 24/7 will further enhance the desirability of this accommodation.

Havilah currently provides 142 residential aged care places and 53 retirement units. We have provisional allocations in place for 24 places at Havilah on Palmerston (this development) and 24 places at Harkness Street.

Our forward planning has put Havilah in a very strong position going forward.

### **The significance of Havilah to the local community**

Havilah is a significant contributor to the local economy employing some 200 staff. Labour costs for the 2020 financial year were \$10.1M, projected to grow to \$10.3M in the year to June 2021. Purchases from local businesses totalled in excess of \$1.4M.

The socio economic value of Havilah continues to grow year by year and we are proud of the significant contribution our organisation makes to our local community.

***“Our forward planning has put Havilah in a very strong position going forward.”***



## PRESIDENT'S REPORT

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### **Clinical Care, GP'S & Allied Health Services**

Staff have been guided in the delivery of quality clinical outcomes by Director of Care Kelsey Hooper, Deputy Director of Care Gail Price, Nurse Manager at Havilah on Palmerston Deb Matthews and our individual Unit Managers and Team Leaders. They are very well supported by allied health, psycho geriatric and GP Services and our own care and lifestyle staff. Thank you.

We specifically acknowledge and thank Drs. Jenny Carson, Gavin Cuff, David Tynan, Jim Sharples and their Practice Staff for their commitment in providing on site clinics and services for our residents and also to the Maryborough Health Service Urgent Care and Infection Control staff for their valued assistance and co-operation.

We are also grateful to our Pharmacies for their prompt attention to our many requests. To Priceline this year for stepping in with flu vaccinations for our staff and

for our visitors, this was incredibly well done and an example of how Havilah is so well supported by its business partners. To all of our allied health and psycho geriatric providers who continue to provide wonderful service, thank you.

The Board continues to resource new projects for improved clinical outcomes. This year high risk clinical issues were added to the topics available on our ELearning Platform.

Work has continued in improving dementia services and the environment. We have been able to successfully open up areas by the use of alarms rather than locked doors. Although specific on site education booked from Dementia Australia has been delayed due to COVID, this year education covering BPSD has been added to the annual mandatory program.

### **Cultural, Spiritual & Lifestyle**

For each significant event our tables are decorated and food

prepared to fit the occasion. At Christmas residents hosted families and friends at the Annual Barbecue and at Christmas Lunch. Each unit was wonderfully decorated to the delight of all. This Christmas is likely to be a little different with gathering restrictions but staff are already planning how they will provide that family Christmas. I am sure Christmas at Havilah 2020 will be a wonderful celebration.

Pre COVID there were plenty of activities on offer for those who like to get out and about with trips to nearby towns and attractions and events in the Region. Post COVID Havilah has turned this into weekly virtual outings with residents attending Italian and Chinese restaurants, a visit to Paris and a French Patisserie, and to Hawaii. They have visited the Dunolly, Parkview and Red House Bakeries, the fish and chip shop and Sky Dancers at Harcourt all set up at each site by our lifestyle team and with the significant assistance of local businesses who deliver the food for a really authentic experience.



## PRESIDENT'S REPORT

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*A resident commented after his virtual Italian experience. "We had a choice and I chose the Italian casserole which was cooked to perfection and certainly of adequate size. It was topped off with a choice of sweets and Neapolitan ice cream was my irresistible choice. The meal was enhanced with an Italian beer and went down beautifully with an excellent Browns Bros '89 Merlot."*

We have had some wonderful functions celebrating the normal special days as well as some great new themes along the way.

There are plenty of activities to be enjoyed at home from crosswords, craft, art, cooking, movies, entertainment, beauty therapy and chairbics to name a few of these.

With restrictions around shared magazines and newspapers residents have become quite tech savvy in the use of iPads for keeping up with their favourite

newspapers and periodicals. Havilah has maintained electronic subscriptions for these as well as Netflix and Amazon and various electronic games, cards, scrabble etc. while at the same time substantially increasing the number of iPads available for resident use. As an offspin to this additional power points were needed in the lifestyle office to support the charging of so many additional iPads. Lifestyle staff hours were increased to support our residents in using this technology.

Bingo and marbowls have remained popular and have continued throughout the year, although now in smaller groups within the separate units post COVID.

Thank you and congratulations to our lifestyle teams and our catering staff. Since COVID these teams have been separated within the residential units and there has been a step up from everyone in planning the activities within these groups. This has been so important post COVID and has

required a special effort from special people. Our thanks and appreciation go to all involved.

If you visit our facebook page you will see many examples of our lifestyle program.

***"We had a choice and I chose the Italian casserole which was cooked to perfection and certainly of adequate size. It was topped off with a choice of sweets and Neapolitan ice cream was my irresistible choice. The meal was enhanced with an Italian beer and went down beautifully with an excellent Browns Bros '89 Merlot."***



## PRESIDENT'S REPORT

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### Quality & Compliance

Clinical and governance risk is measured and controlled through a comprehensive system of reporting and auditing. The Board is provided with monthly reports that show tracking of results over the past 12 months.

KPI's reflect those in place in the public sector and for internal monitoring we set our targets high at > 90%. Targets have been met or exceeded for all quality activities measured.

The Board Quality and Safety Committee provides oversight in clinical risk areas. This Committee reports monthly to the full Board so that we can be confident that the Board is meeting the requirements under Standard 8 of the Quality Standards - Organisational Governance.

***"Targets have been met or exceeded for all quality activities measured."***

Externally, monitoring and control is through the Aged Care Quality Agency. In March 2020 the Aged Care Quality Commission advised that they would be ceasing on site audits due to the Coronavirus. Desk audits were carried out by the Commission in relation to preparedness with both sites assessed as compliant as a result of these assessments.

There was one unannounced support visit at Harkness Street in September 2019. Standards 3 - Personal and Clinical Care, 4 - Services and Supports for Daily Living and and 6 - Feedback and Complaints were assessed. All requirements were met.

A re-accreditation assessment was carried out at Raglan House in December 2019. Assessment was in relation to all 8 Quality Standards. All requirements were assessed as met.

There have been announced onsite visits from the ADF personnel through the Victorian Aged Care Response

Centre in relation to COVID and through DHHS by Monash University Health Division for assessment and education.

"They were thrilled with Contact Harald, and the plans and teachings we have in place and have been doing. They said we are very organised and high achievers in the aged care world in this climate."

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## PRESIDENT'S REPORT

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### **Communication, Marketing & Occupation**

Thank you to graphic artist Tiffany Titshall for continued assistance in the presentation of quality promotional material. I encourage everyone to visit the Havilah website and view the information there including the various resident newsletters which are a very good read thanks to Andrew.

You can also view our facebook page from a link on the website. There is a lot of effort that goes into posting current information so a big thank you to the staff that drive this. We receive wonderful feedback on our posts from within the community and beyond. It is a real positive to be getting the good news stories out there and keeping friends and family up to date on the happenings at Havilah.

Since the visitor restrictions imposed by COVID weekly bulletins have been issued to families and residents including those from the retirement community.

This provides up to date information on visiting and changes to the various State and Federal Government restrictions as they occur. The bulletins are also to keep families up to date on what is happening at Havilah. What strategies we have in place to reduce isolation for instance.

A lot of work has been done to ensure that we have communication systems in place in case of an outbreak so that we would be able to quickly get information out to residents, staff and families and that families will be able to contact Havilah staff and have direct contact with residents.

This year there has been a downturn in occupancy throughout the industry generally and we have not escaped this. Regardless Havilah has maintained occupancy levels above the national average.

Residential Respite services have taken a hit during this time as stay at home rules and closed borders have meant that people have not been

travelling diminishing the need for respite care. Respite care is a lead in to permanent care and so there has been a subsequent downturn in permanent places due to this as well as other factors relating to the coronavirus.

The small number of retirement units becoming vacant were immediately filled from our waiting list. In this area demand is considerably above supply.

Our relationships with customers is generally built up over a long period and requires a genuine interest in people, a strong knowledge of the community and knowledge and understanding of the needs and expectations of each customer.

This year at Havilah there have been 45 permanent admissions and 64 respite admissions. Additionally there have been 3 new admissions to retirement units.

I acknowledge the hard work of our marketing team in what has been a very difficult year.



## PRESIDENT'S REPORT

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### Retirement Living

Demand for retirement living remains strong with units becoming available quickly taken up. In the 12 months to 30th June 2020, 2 units changed hands at Havilah on Palmerston and 1 at Harkness Street. We have been actively involved in supporting residents to enable them to remain living independently as long as possible. Where residential care is required priority is given. Two residents have transferred from retirement living to residential care in the past 12 months.

It is important that our retirement living options enable local residents to afford the move from their current homes to a retirement unit. We have been able to achieve this by the range of unit choices and pricing available.

We offer flexible payment options to people wishing to enter our villages who may not be able to pay the full capital sum on entry.

In the first part of 2021 expressions of interest will be sought for the new multi storey retirement living development which is Stage 3 of Havilah on Palmerston.

Pre COVID residents were active through the Diners' Club and in touring various attractions around the district. We hope it will not be long before these activities and onsite group activities can recommence. In the meantime all have got into the swing of takeaway meals and virtual special morning tea and happy hour. Although not the same as getting together with community these initiatives have been very well received. We thank everyone for their patience and commitment to keeping themselves and the Havilah Community safe. The Retirement Villages Statement for each of the Retirement Villages can be found at Note 32 of the Notes to and forming part of the Financial Statements.

For the Year Ending 30 June 2020 there were no Management complaints or

Resident Disputes required to be reported under the Act.

Many of our residents have very busy lives and involvement with sporting and community groups. We very much value the time you give within the Havilah community volunteering, sharing ideas and supporting each other. Thank you.

***"Many of our residents have very busy lives and involvement with sporting and community groups. We very much value the time you give within the Havilah community volunteering, sharing ideas and supporting each other. Thank you."***



## PRESIDENT'S REPORT



### **Our Staff, Fundraising, Volunteering & Community**

The aged care workforce is an essential workforce. The achievements of our staff through dedication and commitment and also more and more by their generosity in giving of their own time is acknowledged.

Our leadership team CEO, Barb Duffin and Directors Sandra Wilson and Kelsey Hooper lead our culture, that is, always keeping our residents at the forefront of everything we do.

This has never been more apparent than in 2020. Our staff have been truly magnificent rising to all that has been asked of them to keep themselves, their workmates and our residents safe from COVID.

This is vital and I thank them. This has been, and remains, a very heavy responsibility and staff have fulfilled each new obligation in great spirit. We continue to celebrate the Annual Aged Care Employee Day with special recognition for our staff.

This national recognition for those working in aged care is very well deserved. On Aged Care Employee Day we get the opportunity to recognize and celebrate the quality of care and commitment that we see each and every day at Havilah.

On aged care employee day  
***"From our family to your big family down there: Thank you for taking care of Aunt Mary, for keeping her safe, for helping her to feel that she is part of a community that cares not only about her physical wellbeing but also her mental and spiritual wellbeing."***

Fundraising and donations remained strong with almost \$120K raised. We were grateful to receive a \$63K bequest from the Estate of Ted Lack. Ted was resident at Havilah for over 6 years. The Auxiliary continues with its important work through the Carisbrook Op Shop. Thank you to Rene Eastwood and her willing band of workers. The \$3,600 raised this year brings the total raised over 25 years to \$334K. \$29K

was raised by the volunteer catering team bringing the total raised by this group to \$307K over 15 years.

***A large contribution from two small teams of volunteers. Our sincere thanks to you all.***

The Major Raffle continued with solid popularity. What a quandary this year. The permit was in hand, tickets printed when the pandemic hit. We gave serious thought to abandoning it but pushed on. In what was a truly amazing result, all 400 tickets were sold raising \$20K. Maryborough Rotary donated raised gardens at Havilah on Palmerston to the delight of residents there.

To our volunteers, I sincerely thank you for your generous support. We look forward to the time when all of our volunteer groups can return, we miss you all. Even though we will not be able to recognise and celebrate our volunteer group in person this year, there will be a special thank you going out to all of our volunteers at Christmas. We are grateful for the continued support we receive from the Havilah and wider community.



## PRESIDENT'S REPORT

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### Governance

Havilah celebrated 25 years on 25th June. The organisation has come a long way since opening in 1995, with just one building and 30 residents. Today Havilah boasts 142 residential care beds, 53 independent living units, varying levels of care, a vibrant community, and growing.

It has been a very different year however the Board have adapted well to the changed conditions under which we can meet.

We have been able to move forward with significant projects during restrictions in place for COVID19.

We have held our collective nerve to provide the resources necessary to establish a COVID PPE stockpile at a level we believe is needed to secure the safety of residents and staff should there be an outbreak.

It has been fortunate that the Board has remained constant during this period and I am pleased that retiring Board

Members have been re-elected providing governance stability for the year ahead. Since the introduction of the new Governance Standard the responsibilities of the Board are very clear.

***The Organisation's governing body is accountable for the delivery of safe and quality care and services.***

The Board has taken a proactive approach to its responsibilities under this standard introducing the Governance Quality and Safety Committee in October 2018.

By the time the new Standard commenced in July 2019 the Committee had robust monitoring practices already in place covering high risk clinical areas and complaints. The Committee provides a written report to each Board Meeting.

The oversight of care provided is a significant part of the role of the modern Board Member at Havilah.

In addition to board meetings my board colleagues also serve as officers and committee

members. I thank them for their excellent contributions. Thank you to our CEO Barb Duffin for her support and for her continued dedication and commitment to Havilah.

As we move towards 2021 we look forward to the end to the threat of coronavirus. We have confidence that the Royal Commission will have a positive influence on the delivery of aged care services that reflect the expectations of the community and the resources to enable this.

There are exciting times ahead for Havilah with the construction of the new residential facility at Havilah on Palmerston in 2021 together with the other initiatives resourced in the 20/21 budget. It has been a pleasure and a privilege to serve as your President.

*Thank you*

**Shane Dellavedova**  
**President**

## OUR STAFF & BOARD MEMBERS



### Staff

Havilah acknowledges the dedication and achievements of staff, who during the year to June 30 have reached employment milestones of ten, fifteen and twenty years of service. These awards add to Havilah's annual "Years of Service Voucher" which is presented to all staff in appreciation at Christmas each year.

This year, we recognize 10 staff, who have achieved 10, 15 and 20 years of service. Congratulations on achieving these milestones. You have now joined an elite group with greater than 10 years of service.

Each of these staff support our mission every day. Each has contributed by dedicated effort to the tradition of Havilah and have helped to keep Havilah vibrant and moving forward. We are immensely grateful for your hard work, accomplishments and dedication.

### Staff Service Awards

#### 20 years

Moira Saul  
*Enrolled Nurse*

#### 15 Years

Dawn Flood  
*Personal Care*  
Jodie Reville  
*Catering*  
Rhonda Treloar  
*Administration*

#### 10 Years

Donna Davies  
*Personal Care*  
Annette Gleeson  
*Personal Care*  
Lesley Mackey  
*Enrolled Nurse Team Leader*  
Debra Matthews  
*Nurse Manager Raglan House*  
Colleen Rowles  
*Laundry/Personal Care*  
Susan Stephens  
*Personal Care*

### Current Staff with > 10 Years Service

20+ Years  
Raeleen Brooker  
Barbara Duffin  
Joanne Hooper  
Moira Saul

15+ Years  
Karen Chapman  
Sue Edmondson  
Dawn Flood  
Leanne Hubble  
Dianne Jackson  
Helen Kennedy  
Kerri McInnes  
Jodie Reville  
Rhonda Treloar  
Heather Watts

10+ Years  
Joanne Ashcroft  
Annette Bond  
Vicki Crutchley  
Donna Davies  
Annette Gleeson  
Amanda Hurse  
Anne Jardine  
Heather Johnson  
Julie Kollmorgen  
Joan Limbrick  
Lesley Mackay  
Debra Matthews  
Sarah McInnes  
Barb Nicholls  
Janelle Peart  
Jacque Phillips  
Colleen Rowles  
Susan Stephens



## 2020 BOARD ELECTIONS

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### Board Member Elections

In response to an advertisement placed in the Maryborough Advertiser – three nominations were received for positions declared vacant on the Board due to expiration of time.

As the nominations received did not exceed the positions vacant Craig Bell, Jacque Durbridge and Danny Tatchell were elected to the Board.

### Craig Bell

A Life Governor of Havilah, Craig was first elected to the Board in March 1998.

He has served two years as Vice President 1999 to 2001 and again in 2013/2014 and has served four years as President from 2001 to 2003 and 2015 to 2017.

He has been very active on Board Committees with membership on the Staff and Grievance Committee since 2001; The Buildings and Grounds Committee from 1999 to 2009; the Forward Planning Committee from 2001 to 2003, 2008 to 2010 and 2015 to present; the Governance Committee from 2015 and the Finance Committee from 2012.

Craig. Congratulations and thank you from all at Havilah for your continued contribution and commitment.

### Danny Tatchell

Danny was first elected to the Havilah Board in September 2014.

He has been a valued supporter of Havilah over a long period, contributing to fundraising projects and generously giving his time for advice in the planning of major construction and improvement projects. His service to the Havilah Board is a further extension to his strong record of community involvement.

He has been active on the Building and Grounds Committee from 2014 and has been Vice-President since 2018/2019.

Danny, Congratulations and thank you from all at Havilah for your continued contribution and commitment.



## 2020 BOARD ELECTIONS

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### **Jacque Durbridge**

Jacque has been a long-time supporter of Havilah prior to joining the Board in November 2017.

Jacque has vast experience as a businesswoman in Maryborough.

She has been involved in various community committees over the years. She has been President of the Carisbrook Netball Club for 3 years and has been involved in the Pony Club, Little Aths and was on the St Augustine's School Board.

Jacque has been on the Governance Committee since 2018.

Jacque, Congratulations and thank you from all at Havilah for your continued contribution and commitment.



## LIFE GOVERNORS

### INDIVIDUALS

ALLEN Esme  
 ALEXANDER Wendy  
 ARBUTHNOT Neil  
 BELL Craig  
 BACON Jenifer  
 BAXTER June  
 BROWN Mr. T G  
 BUCKNALL Eric  
 CAMPBELL Shirley  
 CARSON Jenny  
 CARSON Robert  
 CHAPMAN N  
 CHAPMAN M  
 COLLINS N  
 COLMAN Robert  
 CONSTABLE Annie  
 COWAN Yvonne  
 CUPIDO Alherne  
 CUPIDO Anthea  
 DAVIES Audrey  
 DAVIES Daisy  
 DAVIES Derek E  
 DAVIES Harold  
 DAVIES Rosemary  
 DE FEGELY Richard  
 DELLAVEDOVA Colin  
 DELLAVEDOVA Elaine  
 DELLAVEDOVA Jacki  
 DELLAVEDOVA Shane  
 DODGSHUN John  
 DODGSHUN Shirley

DUFFIN Alan  
 DUFFIN Barbara  
 EDWARDS Randall  
 EMERSON Lorraine  
 EMERSON Ron  
 FORBES Jean Lloyd  
 FREEMANTLE Mr. R W  
 FREEMANTLE Mrs. M J  
 GALLOWAY Ann  
 GAY Merv  
 GILES Ron  
 GIANACOLOUS W  
 GLIDDON Alison  
 GROGAN Brendan  
 HADWEN Chris  
 HADWEN Geoff  
 HARRISON Margaret  
 HAYWARD Alan  
 HAYWARD Lorna  
 HAYWARD May  
 HAYWOOD Bronwyn  
 HAYWOOD Peter  
 HEDERICS Lou  
 HINES Doug  
 HINES Siggie  
 HOLLAND Fred  
 HUGHES Brian  
 HUGHES Wendy  
 HURSE Audrey  
 JACKSON Bert  
 JENNINGS Robyn

JOHNS Brian  
 KEIFER Dr. John  
 KEIFER Mrs.  
 LEAN Harry  
 LIND Judith  
 MACKAY Olive  
 MACKAY William Jeff  
 MAFFESCIONI Daryl  
 MAFFESCIONI Lou  
 MAHER Dr. P  
 MAHER Mrs. J  
 MALONE Eddie  
 MALONE Marie  
 MARSHALL Jill  
 MARSHALL Peter  
 MILLER David  
 McKNIGHT Alan  
 McKNIGHT Gary  
 McKNIGHT Lenette  
 McKNIGHT Peter  
 McMILLAN Ian  
 O'CONNOR Brian  
 O'HALLORAN Win  
 O'KEEFE Fiona  
 O'KEEFE Frank  
 OSBORNE Robert OAM  
 PALMER Alexander  
 PARSONS Barry  
 PECK Mavis  
 PHELAN Cliff  
 PHELAN Nancy

RITCHIE Bill  
 RITCHIE Ruby  
 ROBINS John H  
 ROOTES Fred  
 ROOTES Grace  
 ROOTES Jeffrey  
 ROOTES W T  
 ROSS Miss L  
 ROWE Ann E  
 ROWE Doug  
 SAUL Moira  
 SELMON Alma  
 SELMON John  
 SISSON Inga  
 SMITH Clarrie  
 TEESE Kent  
 THOMPSON Ethel  
 TOWNSING Charles  
 TOWNSING Faye  
 TRENGOVE M  
 TRENGOVE S  
 TYNAN David  
 TYNAN Glenis  
 VOLK Graham  
 VOLK Wendy  
 WAIXEL Bernie  
 WELLSTEED Jenny  
 WHITMORE David  
 WILLIAMS Ray

## LIFE GOVERNORS



### TRUSTS, FOUNDATIONS, COMPANIES, ORGANISATIONS

ANGLICAN BALL COMMITTEE  
ANZ BANK  
AUSTRALIAN PRINT GROUP  
CENTRAL GOLDFIELDS SHIRE COUNCIL  
CENTRAL VICTORIAN FROZEN FOODS  
COLLIER CUSTODIAN CORPORATION  
EQUITY TRUSTEES & EXECUTORS  
FREEMASONS PUBLIC CHARITABLE  
ORGANISATION  
GEORGE BROOK HUTCHINGS BEQUEST  
HAVILAH HOSTEL AUXILIARY  
HELEN M SCHUTT TRUST  
HELEN MACPHERSON SMITH TRUST  
IAN ROLLO CURRIE ESTATE FOUNDATION  
JACK BROCKHOFF FOUNDATION  
LIONS CLUB OF CARISBROOK  
LIONS CLUB OF MARYBOROUGH  
LLOYD WILLIAMS TRUST  
MARYBOROUGH APEX CLUB  
MARYBOROUGH & DIST VIETNAM VETERANS  
ASSOCIATION

MARYBOROUGH CIVIC GROUP  
MARYBOROUGH FOOTBALL CLUB  
MARYBOROUGH LEGACY  
MARYBOROUGH MATERNAL CHILD HEALTH  
AUXILIARY  
MARYBOROUGH POLICE  
MARYBOROUGH REGIONAL NEWSPAPER PL  
MARYBOROUGH RSL & RSL AUXILIARY  
MARYBOROUGH SOFTBALL ASSOCIATION  
MOREY AND HURFORD PL  
NESTLE CONFECTIONERY PL  
PETER EGAN RETRAVISION  
PRATT FOUNDATION  
RE ROSS TRUST  
ROTARY CLUB OF MARYBOROUGH  
SIDNEY MYER FUND  
SIR JOHN MINOGUE BEQUEST  
SUTTON TOOLS PTY LTD  
TREBLE JEWELLERS  
WILLIAM BUCKLAND FOUNDATION



## TREASURER'S REPORT

### Treasurer's Report for 2019/2020 – Brian O'Connor

Havilah's financial position in this very uncertain climate continues to remain satisfactory, with an operating surplus of \$322,904 for the year. Being a community owned organisation, this surplus allows us to maintain our high standard of care for our residents. 2019/2020 once again saw the cumulating impact of previous Federal Government arbitrary cuts in funding to aged care and this continues to be a concern for Havilah. It's hoped that the Royal Commission recommendations next February will address this financial issue which is currently faced by all providers. In addition to this funding issue, 2019/2020 has also seen the world-wide pandemic and the financial impacts of that on providers. Havilah has managed, with the government support to weather the financial storm during 2019/2020 and place the organisation in a stable financial position ready for 2020/2021.

Havilah's structure of the Board, supported by the Chief Executive, Finance Director and Finance Committee, ensures strong financial governance. The Board is informed by comprehensive monthly reporting in relation to all financial aspects of our operations and also with regard to regulatory compliance. This reporting includes monthly year to date:

- **budget to actual comparison of our operations,**
- **budget to actual comparison of labour,**
- **assessment of capital works,**
- **analysis of our cash movements**
- **details of our refundable accommodation deposit transactions**
- **an overview of our balance sheet position, and**
- **updates on the financial implications of changes in Government funding and policy amongst others.**

We continued benchmarking our financial activities and results with Stewart Brown Aged Care Financial

Benchmarking Services in 2019/2020. This benchmarking service compares our results with those of another 1040 facilities (both not-for-profit and for profit organisations) across Australia. Quarterly benchmarking reports allow us to compare our performance in each of the services we provide to our residents as well as our overall financial performance.

Participating in the benchmarking has allowed us to compare our contract service provider costs for services such as rubbish removal and material purchases against industry averages and ensure that we aren't paying more for these services and materials than we should.

This benchmarking reinforced that Havilah sits around the middle of all facilities in its financial performance.

**\$322,904  
SURPLUS**

We also compare ourselves at a more detailed level with other like organisations to review our performance.



## TREASURER'S REPORT



### Some of the major areas of interest in our 2019/2020 results are:

1. In summary for the year for all operations:

Income	\$14.8M
Expenditure before Depreciation and Interest	\$12.9M
Surplus before Depreciation and Interest	\$1.88M
Depreciation	\$1.2M
Interest expense	\$319k

2. Our main sources of income were:

Government Subsidies	\$9.5M	64%
Resident Fees	\$3.9M	26%
Pandemic Support by Government	\$971k	7%

3. The main item of expense for the year is employee costs at \$9.8M taking up 66.4% of our Total Revenue.

4. Fundraising and donations continue to provide valuable resources to Havilah. \$119,786 was achieved this year including a bequest from a departed resident.

5. The net cash inflow from operations for the year was \$542k with an overall decrease in cash held at 30 June of \$842k.

6. Capital expenditure this year was \$1,268,199 - \$218,434 of this was expended on the capital grant works at Raglan House, \$292,831 on solar panels at Harkness Street and \$253,731 on the development at the Tennis Court site with a further \$756k being expended as follows:

Residential and Clinical Equipment	\$281k
Kitchen, Laundry and Cleaning Equipment	\$34k
Administration Equipment including server for financial software	\$61k
Grounds	\$9k
Floor coverings, furnishings, painting and room upgrades	\$29k
ILU Refurbishment	\$14k
Nature Strip works Palmerston & High School Centre gutter guard	\$20k
Heath Kitchen, outdoor blinds & security lights at Harkness	\$54k

7. Loan funds have decreased by \$796,228 this year CBA debt is now reducing with principal payments of \$150,000 being made throughout the year, existing Zero Real Interest Government Loans in relation to Raglan House, Melaleuca and Correa have reduced by \$646k.

8. The written down value of Havilah's fixed assets is \$53 million at 30 June 2020.

9. Net Assets at 30 June total \$24M including \$5.8 million of intangible assets.

Our EBITDA (earnings before interest, tax, depreciation and amortisation) per bed per annum for the year was \$13,254 for 142 beds (\$12,787 in the prior year). The increase on the previous year is directly attributable to the pandemic supports provided by government.

The complete General Purpose Financial report can be found in the Annual report from pages 20-48.

### Acknowledgements

I would like to thank our auditor, Mr Michael Ryan for his audit of our 2019/2020 financial statements. Michael undertook a very thorough and professional audit.

I would also like to recognise the great contribution of Barb, Sandra and the finance team throughout the year. They all share a very strong commitment to Havilah and its residents.

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF**  
**HAVILAH HOSTEL INC.**

I have audited the accompanying financial report, being a general purpose financial report, of Havilah Hostel Inc., which comprises the balance sheet as at 30 June 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and statement by members of the committee.

**Board's Responsibility for the Financial Report**

The Board is responsible for the preparation and of the financial report, and has determined that the basis of preparation described in Note 1, is appropriate to meet the requirements of the Associations Incorporation Reform Act 2012, and is appropriate to meet the needs of the members. The Board's responsibility also includes such internal control as it determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Independence**

In conducting my audit, I have met the independence requirements of Australian professional ethical pronouncements.

### **Auditors Opinion**

In my opinion, the financial report of Havilah Hostel Inc. presents fairly, in all material aspects, the financial position of Havilah Hostel Inc. as at 30 June 2020, and its financial performance and its cash flows for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements and Associations Incorporation Reform Act 2012 (Vic), and gives a true and fair view of the Havilah Hostel Inc. financial position as at 30 June 2020, and of their performance for the year ended on that date.

Michael W Ryan FCA  
Registered Company Auditor 7562



11 September 2020

**Auditors Independence Declaration**

**Section 99(2) of the Associations Incorporations Reform Act 2012**

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To the Directors of Havilah Hostel Inc.

I declare that, to the best of my knowledge and belief, in relation to the audit of Havilah Hostel Inc. for the year ended 30 June 2020 there have been:

- a) No contraventions of the auditor independence requirements as set out in the **Associations Incorporations Reform Act 2012** in relation to the audit; and
- b) No contraventions of any applicable code of professional conduct in relation to the audit.



**Michael W Ryan FCA**  
**Registered Company Auditor no 7562**

**Dated 31st August 2020**

Michael Ryan Pty Ltd

ABN 16 158 095 222

ACN 158 095 222

Registered Company Auditor 7562

Liability limited by a scheme approved under Professional Standards Legislation



CHARTERED ACCOUNTANTS  
AUSTRALIA • NEW ZEALAND



**HAVILAH HOSTEL INC.**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**for the Year Ended 30 June 2020**

		2020	2019
	Note	\$	\$
<b>Income</b>			
Revenue from Operating Activities	2	12,834,082	11,957,894
Revenue from Non Operating Activities	3	1,994,987	2,097,026
<b>Total income</b>		<u>14,829,069</u>	<u>14,054,920</u>
<b>Expenses</b>			
Employee Expenses	4	9,847,607	9,321,235
Materials and Contracts	5	1,997,142	1,769,130
Depreciation and Amortisation	6	1,239,950	1,203,091
Repairs and Maintenance	7	291,098	266,321
Minor Purchases	8	131,181	126,443
Finance Costs	9	319,236	417,819
Other Expenses	10	679,951	756,065
<b>Total expenses</b>		<u>14,506,165</u>	<u>13,860,104</u>
<b>Surplus/(deficit) for the year</b>		<u>322,904</u>	<u>194,816</u>
<b>Other Comprehensive Income</b>			
<b>Items that may be reclassified to surplus or deficit in future periods</b>			
Net asset revaluation increment	21	0	0
<b>Total Comprehensive Result</b>		<u>322,904</u>	<u>194,816</u>

The above comprehensive income statement should be read in conjunction with the accompanying notes.

**HAVILAH HOSTEL INC.**  
**Statement of Financial Position**  
**as at 30 June 2020**

		2020	2019
	Note		
<b>Current Assets</b>			
Cash	11	4,792,980	5,635,291
Prepayments		211,557	178,915
Accounts Receivable	12	326,575	178,008
Stocks		272,500	168,950
Accrued Income		578,270	13,430
		<u>6,181,882</u>	<u>6,174,594</u>
<b>Non Current Assets</b>			
Fixed Assets	13	53,079,831	53,055,032
		<u>53,079,831</u>	<u>53,055,032</u>
<b>Intangible Assets</b>			
Bed Licences	13	5,830,000	5,830,000
		<u>5,830,000</u>	<u>5,830,000</u>
<b>TOTAL ASSETS</b>		<u>65,091,713</u>	<u>65,059,626</u>
<b>Current Liabilities</b>			
Accrued Wages	14	213,971	150,582
Accounts Payable	15	875,049	886,881
Employee Benefits	16	1,297,899	1,126,549
Residents	17	2,467,163	870,265
Loans	20	796,227	796,227
		<u>5,650,309</u>	<u>3,830,504</u>
<b>Non Current Liabilities</b>			
Loan CBA	20	5,559,096	5,709,096
ZRIL Melaleuca (Government)	20	104,000	260,000
ZRIL Raglan (Government)	20	327,273	720,000
ZRIL Correa Extension (Government)	20	1,551,875	1,649,375
Residents	18	27,616,170	28,912,279
Employee Benefits	19	240,761	259,047
		<u>35,399,175</u>	<u>37,509,797</u>
<b>TOTAL LIABILITIES</b>		41,049,484	41,340,301
<b>NET ASSETS</b>		<u>24,042,229</u>	<u>23,719,325</u>
<b>EQUITY</b>			
Retained Earnings		5,222,566	4,899,662
Asset Capitalisation Surplus		7,327,946	7,327,946
<b>Reserves</b>			
Future Works & Maintenance		0	0
Asset Revaluation	21	11,491,717	11,491,717
<b>TOTAL EQUITY</b>		<u>24,042,229</u>	<u>23,719,325</u>

The above balance sheet should be read in conjunction with the accompanying notes.

**HAVILAH HOSTEL INC.**  
**Statement of Changes in Equity**  
**for the Year Ended 30 June 2020**

<b>2019</b>	<b>Note</b>	<b>Asset Capitalisation Reserve</b>	<b>Revaluation Reserve</b>	<b>Retained Earnings</b>	<b>Total Equity</b>
<b>Balance at beginning of the financial year</b>		<b>7,327,946</b>	<b>11,491,717</b>	<b>4,704,846</b>	<b>23,524,509</b>
Surplus/(deficit) for the year		0	0	194,816	194,816
Net asset revaluation increment/(decrement)	21	0	0	0	0
Bed licence increment		0	0	0	0
Transfer to/from other reserves		0	0	0	0
<b>Balance at end of the financial year</b>		<b>7,327,946</b>	<b>11,491,717</b>	<b>4,899,662</b>	<b>23,719,325</b>

<b>2020</b>	<b>Note</b>	<b>Asset Capitalization Reserve</b>	<b>Revaluation Reserve</b>	<b>Retained Earnings</b>	<b>Total Equity</b>
<b>Balance at beginning of the financial year</b>		<b>7,327,946</b>	<b>11,491,717</b>	<b>4,899,662</b>	<b>23,719,325</b>
Surplus/(deficit) for the year		0	0	322,904	322,904
Net asset revaluation increment/(decrement)	21	0	0	0	0
Bed licence increment		0	0	0	0
Transfer to/from other reserves		0	0	0	0
<b>Balance at end of the financial year</b>		<b>7,327,946</b>	<b>11,491,717</b>	<b>5,222,566</b>	<b>24,042,229</b>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

**HAVILAH HOSTEL INC.**  
**Statement of Cash Flows**  
**for the Year Ended 30 June 2020**

	Note	2020 \$	2019 \$
<b>Cash Flows from Operating Activities</b>			
Receipts from operations		13,756,432	13,609,348
Net GST refund/payment		355,586	286,089
Payments to suppliers and employees		(13,569,597)	(12,829,083)
<b>Net Cash Flows from Operating Activities</b>	<b>28</b>	<u>542,421</u>	<u>1,066,354</u>
<b>Cash Flows from Investing Activities</b>			
Payments for property, furniture & fittings, plant & equipment		(1,268,199)	(695,951)
<b>Cash Flows from Financing Activities</b>			
Proceeds from borrowings		0	0
Repayment of borrowings		(796,227)	(796,228)
Licences, accommodation bonds & deposits		679,694	2,142,946
<b>Net Increase (Decrease) in Cash Held</b>	<b>27</b>	<u>(842,311)</u>	<u>1,717,121</u>
Cash & cash equivalents at the beginning of the financial year	<b>27</b>	5,635,291	3,918,170
<b>Cash &amp; cash equivalents at the end of the financial year</b>	<b>27</b>	<u><u>4,792,980</u></u>	<u><u>5,635,291</u></u>

The above cash flow statement should be read with the accompanying notes.

**HAVILAH HOSTEL INC.**  
**Notes to and forming part of the Financial Statements**  
**for the Year Ended 30 June 2020**

**1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:**

**(a) Basis of preparation**

The financial report is a general purpose financial report, prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act (Vic) 1981 and Associations Incorporation Reform Act 2012 (Vic).

These financial statements are a general purpose financial report that consists of a Statement of Profit or Loss and other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes accompanying these financial statements. The General Purpose Report complies with the Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

**(b) Basis of accounting**

The accrual basis of accounting has been used in the preparation of these financial statements, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated judgements are based on professional judgement derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also into future periods that are affected by the revision. Judgements and assumptions made by management in the application of accounting standards that have significant effects on the financial statements and estimates relate to:

- the determination of depreciation for buildings, infrastructure, plant and equipment and furniture and fittings
- the determination of employee provisions
- other areas requiring judgements.

**(c) Accounting policies**

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation, and disclosure has been made of any material changes to comparatives.

Early adoption of AASB1058 Income of Not-for-profit entities has been taken for the financial year ended 30 June 2020.

**(d) Changes in accounting policies**

There have been no changes in accounting policies from the previous period.

**(e) Income tax**

Havilah Hostel Inc. is exempt from income tax under Section 50-10 of the IncomeTax Assessment Act 1997.

**(f) Goods and services tax**

Revenues, 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 Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated exclusive of GST.

The amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are presented in the Statement of Cash Flow on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.



**HAVILAH HOSTEL INC.**  
**Notes to and forming part of the Financial Statements**  
**for the Year Ended 30 June 2020**

**(g) Employee Benefits**

The calculation of employee costs and benefits includes all relevant on-costs and are calculated as follows at reporting date.

*Wages and salaries and annual leave*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and leave loading expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee services up to the reporting date, classified as current liabilities and measured at their nominal values.

Liabilities that are not expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits as current liabilities, measured at the present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

*Long service leave*

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

Current liability - unconditional LSL is disclosed as a current liability even when Havilah does not expect to settle the liability within 12 months because it will not have the unconditional right to defer settlement of the entitlement should an employee take leave within 12 months.

The components of this current liability are measured at :

- present value - component that is not expected to be wholly settled within 12 months.
- nominal value - component that is expected to be wholly settled within 12 months.

*Classification of employee costs*

Non-current liability - conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non - current liability. There is an unconditional right to defer settlement of the entitlement until the employee has completed the requisite years of service.

This non-current LSL liability is measured at present value.

Contributions are made by the association to an employee superannuation fund and are charged as expenses when incurred. Provision is made for 9.5% SGL and 3.2384% workcover on all employee benefits recognised at balance date.

**(h) Provisions**

Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**(i) Borrowing Costs**

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

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

Borrowing costs include interest on bank overdrafts and interest on borrowings, both private and Government Zero Real Interest Loans.

**(j) Trade and other Payables**

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period, which remain unpaid.

The balance is recognised as a current liability when the amounts are normally paid within 30 days of recognition of the liability.

**HAVILAH HOSTEL INC.**  
**Notes to and forming part of the Financial Statements**  
**for the Year Ended 30 June 2020**

**(k) Leases**

All lease payments are for operating leases, where substantially all the risks and benefits remain with the lessor, and are charged as expenses in the periods in which they are incurred. Associated costs, such as maintenance and insurance, are expensed as incurred.

**(l) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

**(m) Investments**

Other financial assets are valued at fair value, being market value, at balance date. Term deposits are measured at original cost. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or an expense.

**(n) Receivables**

Trade Debtors are carried at nominal amounts due and are due for settlement within 30 days from the date of collectability of debts and are reviewed on an ongoing basis. A provision for doubtful debts is recognised when there is objective evidence that an impairment has occurred.

**(o) Inventories**

Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential. Inventories are measured at the lower of cost and net realisable value.

All other inventories, including land held for sale, are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

**(p) Recognition and measurement of property, plant and equipment and intangibles**

**Acquisition**

The purchase method of account is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the amount for which the asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

Where assets are constructed by the Association, cost includes all materials used in construction, direct labour, borrowing costs incurred during construction, direct marketing costs and an appropriate share of directly attributable variable and fixed overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the association and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

**Valuation of land and buildings**

Where the assets are revalued, the revaluation increments are recognised in other comprehensive income and are credited directly to the asset revaluation reserve except to the extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense in which case the increment is recognised as revenue up to the amount of the expense. Revaluation decrements are recognised as an expense except where prior increments are included in the asset revaluation reserve for that class of asset in which case the decrement is taken to the reserve to the extent of the remaining increments. Within the same class of assets, revaluation increments and decrements within the year are offset.

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

**HAVILAH HOSTEL INC.**  
**Notes to and forming part of the Financial Statements**  
**for the Year Ended 30 June 2020**

**Depreciation**

Buildings, land improvements, plant and equipment and other assets having limited useful lives are systematically depreciated over their useful lives on a straight-line basis. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually. Depreciation rates and methods are reviewed annually.

The assets' carrying amount and useful lives are reviewed and adjusted, if appropriate, at each balance date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss with other income or other expenses.

Major depreciation periods used are listed below and are consistent with the prior year unless otherwise stated.

	<b>2018-2019</b>	<b>2019-2020</b>
Land	-	-
Buildings - RACFs	80 years	80 years
Other Structures	10 to 20 years	10 to 20 years
Furniture & Fittings - Hostel	5 to 50 years	5 to 50 years
Equipment - Hostel	3 to 50 years	3 to 50 years
Office Furniture & Equipment	8 to 25 years	8 to 25 years
Plant & Equipment (Grounds)	8 to 20 years	8 to 20 years
Vehicles	15 years	15 years
Buildings - Independent Living Units	80 years	80 years
Furniture & Equipment - Independent Living Units	5 to 15 years	5 to 15 years

**(q) Repairs and maintenance**

Routine maintenance, repair costs, and minor renewal costs are expensed as incurred. Where the repair relates to the replacement of a component of an asset the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

**(r) Impairment of assets**

At each reporting date, Havilah reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the comprehensive income statement, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

Where it is not possible to estimate the recoverable amount of an individual asset, the association estimates the recoverable amount of the cash generating unit to which the asset belongs.

**(s) Trust funds and deposits**

Amounts received as deposits and retention amounts controlled by Havilah are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited.

**(t) Comparative Figures**

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

**HAVILAH HOSTEL INC.**  
**Notes to and forming part of the Financial Statements**  
**for the Year Ended 30 June 2020**

**(u) Revenue and Other Income**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Revenue from the sale of goods and services is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Revenue is recognised when the amount of revenue can be measured reliably, collection is probable, the costs incurred or to be incurred can be measured reliably, and when the criteria for each activity has been met.

Interest revenue is recognised as it accrues.

Donations collected, including cash, are recognised as revenue when Havilah gains control, economic benefits are probable and the amount of the donation can be measured reliably.

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

**(v) Operating Expenses**

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

**(w) Grants**

If conditions are attached to a grant which must be satisfied before Havilah is eligible to receive the contribution, recognition of the grant as revenue is deferred until those conditions are satisfied.

Where a grant is received on the condition that specified services are delivered to the grantor, this is considered a reciprocal transaction. Revenue is recognised as services are performed and at year end, a liability is recognised until the service is delivered.

Havilah have adopted AASB1058 Income of Not-for-profit entities for the financial year ended 30 June 2020.

**(x) Key Estimates – Impairment**

The association assesses impairment at each reporting date by evaluating conditions and events 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.

**(y) New Accounting Standards for Application in Future Periods**

Certain new Accounting Standards have been issued that are not mandatory for the 30 June 2020 reporting period. Havilah has assessed these pending standards and has identified that no material impact will flow from the application of these standards in future reporting periods.

**(z) COVID-19**

Where items of income and expense that relate to COVID-19 were able to be distinguished from normal operations, they have been separately disclosed in the notes to these accounts.

**(aa) Rounding**

Unless otherwise stated, amounts in the financial report have been rounded to the nearest dollar. Figures in the financial statement may not equate due to rounding.

**HAVILAH HOSTEL INC.**  
**Notes to and forming part of the Financial Statements**  
**for the Year Ended 30 June 2020**

	2020	2019
Revenue	\$	\$
<b>Note 2 Revenue from Operating Activities</b>		
a Fees From Residents	2,949,874	3,004,387
b Government Subsidies for Care	8,620,962	8,815,631
c JobKeeper Revenue	741,872	0
d Cash Boost Revenue	50,000	0
e COVID-19 Funding Support	178,678	0
f Capital Grant	261,896	119,907
g Other Income	30,800	17,969
	<u>12,834,082</u>	<u>11,957,894</u>
<b>Note 3 Revenue from Non Operating Activities</b>		
a Proceeds from Fundraising	51,834	44,695
b Interest on Investments	83,762	113,005
c Retention on Resident Bonds & Licences	255,242	350,028
d Resident Fees	692,284	705,597
e Government Accommodation Supplements	841,899	874,904
f Donations	67,952	8,797
g Other Income	2,014	0
	<u>1,994,987</u>	<u>2,097,026</u>
<b>Expenses</b>		
<b>Note 4 Employee Expenses (including JobKeeper)</b>		
a Salaries & Wages	7,350,643	7,082,651
b Annual, Long Service & Sick Leave	1,219,199	1,041,922
c Superannuation	795,869	762,482
d Workcover	196,972	169,456
e Training	108,231	81,063
f Other Employee Oncosts	176,693	183,661
	<u>9,847,607</u>	<u>9,321,235</u>
<b>Note 5 Materials &amp; Contracts</b>		
a GP Costs	14,000	13,364
b Activities	8,399	7,819
c Foot and Hand Care	12,613	5,736
d Pharmaceutical	111,731	96,673
e Clinical	83,204	79,111
f Continence Management	84,809	137,906
g Catering	820,218	803,884
h Laundry	108,992	107,874
i Cleaning	48,243	51,465
j Grounds	61,050	61,036
k Allied Health Costs	322,229	254,046
l General Hostel	65,071	61,651
m Administration Expenses	73,251	62,143
n COVID-19 Costs	78,582	0
o Agency expenses	93,595	16,264
p ILU's	11,155	10,158
	<u>1,997,142</u>	<u>1,769,130</u>



**HAVILAH HOSTEL INC.**  
**Notes to and forming part of the Financial Statements**  
**for the Year Ended 30 June 2020**

	2020	2019
	\$	\$
<b>Note 6 Depreciation and Amortisation</b>		
<i>a</i> Buildings - General Hostel	387,892	358,110
<i>b</i> Other Structures - General Hostel	58,738	58,050
<i>c</i> Furniture & Fittings - General Hostel	152,225	144,007
<i>d</i> Plant & Equipment - General Hostel	302,972	306,244
<i>e</i> Office Furniture & Equipment	33,044	28,852
<i>f</i> Plant & Equipment - Grounds	7,930	7,410
<i>g</i> Vehicles	11,568	11,350
<i>h</i> Buildings ILU's	151,524	151,504
<i>i</i> Furnishings & Equipment ILU's	60,298	64,388
<i>j</i> Other Structures ILU's	31,699	31,215
<i>k</i> Buildings - Community Centre	18,333	18,333
<i>l</i> Furniture & Fittings - Community Centre	10,920	10,920
<i>m</i> Plant & Equipment - Community Centre	12,597	12,498
<i>n</i> Office Furniture & Equipment ILU's	210	210
	<u>1,239,950</u>	<u>1,203,091</u>
 <b>Note 7 Repairs &amp; Maintenance</b>		
<i>a</i> Clinical	17,226	18,000
<i>b</i> Catering	34,945	21,185
<i>c</i> Laundry	1,791	1,103
<i>d</i> Cleaning	48	117
<i>e</i> Grounds	2,861	1,371
<i>f</i> General Hostel	50,231	49,526
<i>g</i> General Hostel Equipment	63,562	59,052
<i>h</i> Emergency Systems & OH&S	61,251	58,305
<i>i</i> Transport	11,349	11,246
<i>j</i> Office Equipment	37,685	35,638
<i>k</i> ILU Buildings	8,346	10,248
<i>l</i> ILU Grounds	1,803	530
	<u>291,098</u>	<u>266,321</u>
 <b>Note 8 Minor Purchases</b>		
<i>a</i> Activities	0	0
<i>b</i> Catering	17,055	14,788
<i>c</i> Laundry	2,878	1,353
<i>d</i> Cleaning	4,262	3,405
<i>e</i> Grounds	3,281	4,329
<i>f</i> Clinical	4,675	10,531
<i>g</i> Resident	7,014	10,136
<i>h</i> General Hostel	27,297	21,567
<i>i</i> OH&S	7,695	7,510
<i>j</i> Infection Control	14,491	14,636
<i>k</i> Administration	41,123	35,055
<i>l</i> ILU Buildings	1,072	1,636
<i>m</i> ILU Grounds	338	1,497
	<u>131,181</u>	<u>126,443</u>

**HAVILAH HOSTEL INC.**  
**Notes to and forming part of the Financial Statements**  
**for the Year Ended 30 June 2020**

	2020	2019
	\$	\$
<b>Note 9 Financial</b>		
Bank Overdraft Charges	0	0
Interest - Borrowings CBA	200,817	274,965
Interest - Borrowings ZRIL	51,537	66,280
Interest - Bond Settlement	66,882	76,574
	<u>319,236</u>	<u>417,819</u>
Less capitalised borrowing costs on qualifying assets	0	0
	<u>319,236</u>	<u>417,819</u>
<b>Note 10 Other</b>		
a Activities	33,595	31,273
b Catering	1,065	3,239
c Gas	56,133	56,017
d Power	205,438	255,570
e Rates & Charges	31,880	27,815
f Waste Disposal	70,890	103,085
g Telephone, Internet, Security and Call System	46,525	45,153
h Resident Transport	2,837	2,812
i Other Resident Expenses	45,111	41,144
j Emergency Systems & OH&S	491	0
k Accreditation	9,779	9,906
l Benchmarking	700	700
m Insurances	67,584	60,986
n Postage	1,918	2,384
o Advertising	1,577	1,019
p Audit Fees	4,500	4,500
q Subscriptions	11,723	13,310
r Acts & Regulations	313	1,410
s Public Relations	4,679	9,574
t Unclassified	643	1,163
u Volunteer	6,878	5,845
v Valuation Expense	0	0
w ILU Insurances	21,560	19,600
x ILU Rates, Charges and Utilities	50,232	55,860
y ILU Administration	3,900	3,700
z ILU Other	0	0
	<u>679,951</u>	<u>756,065</u>

**Current Assets**

<b>Note 11 Cash and cash equivalents</b>		
a Cash on hand	5,711	6,692
b Cash at bank	2,482,710	2,928,599
c Term deposits	2,304,559	2,700,000
Total cash and cash equivalents	<u>4,792,980</u>	<u>5,635,291</u>

Havilah's cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:

- Trust funds and deposits (note 15d)	95,405	59,416
- Prepaid Grants (note 15g)	0	166,445
	<u>95,405</u>	<u>225,861</u>

**HAVILAH HOSTEL INC.**  
**Notes to and forming part of the Financial Statements**  
**for the Year Ended 30 June 2020**

Note		2020	2019
12	<b>Accounts Receivable</b>	\$	\$
a	Sundry Debtors	6,508	14,973
b	JobKeeper Top-Up Debtor	83,781	0
c	Workcover Debtor	5,269	93
d	Taxation GST & PAYG	48,678	35,747
e	Resident Fees	115,797	43,151
f	Resident Fees ILU	235	136
g	Government Grant Due	66,307	83,908
		<u>326,575</u>	<u>178,008</u>

**Note 13 Fixed Assets**

	2020	2019
<b>General Hostel</b>	\$	\$
a Land at cost	270,804	257,211
Land at fair value as at 1 August 2017	5,779,000	5,779,000
	<u>6,049,804</u>	<u>6,036,211</u>

Valuation of land was undertaken by a qualified independent valuer, S Eishold, API, Certified Practising Valuer  
The value of land revalued is at fair value based on the Direct Comparison Approach, comparing the subject property with sales of other similar properties, as there is an active and liquid market for this asset type.

b Buildings at cost	8,284,144	8,279,936
Buildings at Fair Value at 1 August 2017	22,742,490	22,742,490
<b>less</b> Depreciation & Amortisation	<u>(1,654,000)</u>	<u>(1,266,108)</u>
	<u>29,372,634</u>	<u>29,756,318</u>

Valuation of buildings was undertaken by a qualified independent valuer, S Eishold, API, Certified Practising Valuer  
The value of buildings revalued is at fair value based on the Depreciated Replacement Cost Approach as there is no active and liquid market for this asset type.

c Other Structures at cost	1,080,597	1,074,007
<b>less</b> Accumulated Depreciation	<u>(588,687)</u>	<u>(529,949)</u>
	<u>491,910</u>	<u>544,058</u>

d Furniture & Fittings - Hostel at cost	2,080,746	2,038,592
<b>less</b> Accumulated Depreciation	<u>(1,109,885)</u>	<u>(959,860)</u>
	<u>970,861</u>	<u>1,078,732</u>

e Equipment - Hostel at cost	4,988,179	4,271,889
<b>less</b> Accumulated Depreciation	<u>(2,766,697)</u>	<u>(2,468,314)</u>
	<u>2,221,482</u>	<u>1,803,575</u>

f Office Furniture & Equipment at cost	412,259	348,442
<b>less</b> Accumulated Depreciation	<u>(218,896)</u>	<u>(186,852)</u>
	<u>193,363</u>	<u>161,590</u>

g Plant & Equipment (Grounds) at cost	117,143	114,349
<b>less</b> Accumulated Depreciation	<u>(77,831)</u>	<u>(72,632)</u>
	<u>39,312</u>	<u>41,717</u>

h Vehicles at cost	193,438	193,438
<b>less</b> Accumulated Depreciation	<u>(88,987)</u>	<u>(77,419)</u>
	<u>104,451</u>	<u>116,019</u>

i Work in Progress - at cost	495,632	119,907
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<b>Total General Hostel</b>	<u>39,939,449</u>	<u>39,658,127</u>
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**HAVILAH HOSTEL INC.**  
**Notes to and forming part of the Financial Statements**  
**for the Year Ended 30 June 2020**

	2020	2019
<b>Independent Living Units</b>	\$	\$
<i>j</i> Buildings at cost	29,832	29,832
Buildings at Fair Value at 1 August 2017	12,091,956	12,091,956
<b>less</b> Accumulated Depreciation	<u>(1,499,763)</u>	<u>(1,348,239)</u>
	<u>10,622,025</u>	<u>10,773,549</u>

Valuation of Independent Living Unit Buildings was undertaken by a qualified independent valuer, S Eishold, API, Certified Practising Valuer. The value of buildings revalued is at fair value based on the highest and best use of that asset using the Direct Comparison Approach, comparing the subject property with sales of other similar properties, as there is an active and liquid market for this asset type.

<i>k</i> Other Structures at cost	960,076	944,471
<b>less</b> Accumulated Depreciation	<u>(193,440)</u>	<u>(161,741)</u>
	<u>766,636</u>	<u>782,730</u>
<i>l</i> Furniture & Equipment at cost	644,626	632,790
<b>less</b> Accumulated Depreciation	<u>(389,044)</u>	<u>(328,746)</u>
	<u>255,582</u>	<u>304,044</u>

	2020	2019
<b>High School Centre</b>	\$	\$
<i>m</i> Buildings at cost	0	0
Buildings at Fair Value at 1 August 2017	1,466,583	1,466,583
<b>less</b> Accumulated Depreciation	<u>(89,429)</u>	<u>(71,096)</u>
	<u>1,377,154</u>	<u>1,395,487</u>

Valuation of buildings was undertaken by a qualified independent valuer, S Eishold, API, Certified Practising Valuer. The value of buildings revalued is at fair value based on the Depreciated Replacement Cost Approach as there is no active and liquid market for this asset type.

<i>n</i> Furniture & Equipment at cost	73,790	73,790
<b>less</b> Accumulated Depreciation	<u>(54,260)</u>	<u>(43,340)</u>
	<u>19,530</u>	<u>30,450</u>
<i>o</i> Plant & Equipment at cost	192,907	191,290
<b>less</b> Accumulated Depreciation	<u>(94,458)</u>	<u>(81,861)</u>
	<u>98,449</u>	<u>109,429</u>
<i>p</i> Office Furniture & Equipment at cost	2,634	2,634
<b>less</b> Accumulated Depreciation	<u>(1,628)</u>	<u>(1,418)</u>
	<u>1,006</u>	<u>1,216</u>
<b>Total ILU &amp; High School Centre</b>	<u>13,140,382</u>	<u>13,396,905</u>
	<u>53,079,831</u>	<u>53,055,032</u>

**HAVILAH HOSTEL INC.**  
**Notes to and forming part of the Financial Statements**  
**for the Year Ended 30 June 2020**

**Note 13 Reconciliation of Carrying Values of all Asset Classes**

	<b>2020</b>	Carrying Amount 30/06/2019	Revaluation Increments/ (Decrements)	Write off Assets Disposed	Additions	Transfers from WIP	Depreciation Expense	Carrying Amount 30/06/2020
<i>a</i> Land		6,036,211	0	0	13,593	0	0	6,049,804
<i>b</i> Buildings		29,756,318	0	0	4,208	0	(387,892)	29,372,634
<i>c</i> Other Structures		544,058	0	0	6,590	0	(58,738)	491,910
<i>d</i> Furniture & Fittings - Hostel		1,078,732	0	0	44,354	0	(152,225)	970,861
<i>e</i> Equipment - Hostel		1,803,575	0	0	600,972	119,907	(302,972)	2,221,482
<i>f</i> Office Furniture & Equipment		161,590	0	0	64,817	0	(33,044)	193,363
<i>g</i> Plant & Equipment (Grounds)		41,717	0	(3,450)	8,975	0	(7,930)	39,312
<i>h</i> Vehicles		116,019	0	0	0	0	(11,568)	104,451
<i>i</i> Work in Progress		119,907	0	0	495,632	(119,907)	0	495,632
		39,658,127	0	(3,450)	1,239,141	0	(954,369)	39,939,449
<i>j</i> Buildings - ILUs		10,773,549	0	0	0	0	(151,524)	10,622,025
<i>k</i> Other Structures - ILUs		782,730	0	0	15,605	0	(31,699)	766,636
<i>l</i> Furniture & Equipment - ILUs		304,044	0	0	11,836	0	(60,298)	255,582
<i>m</i> Buildings - High School Centre		1,395,487	0	0	0	0	(18,333)	1,377,154
<i>n</i> Furniture & Fittings - High School Ctr		30,450	0	0	0	0	(10,920)	19,530
<i>o</i> Plant & Equipment - High School Ctr		109,429	0	0	1,617	0	(12,597)	98,449
<i>p</i> Office Furn & Equip - High School Ctr		1,216	0	0	0	0	(210)	1,006
		13,396,905	0	0	29,058	0	(285,581)	13,140,382
<b>TOTAL FIXED ASSETS</b>		53,055,032	0	(3,450)	1,268,199	0	(1,239,950)	53,079,831
<b>Intangible Assets</b>								
<i>q</i> Bed Licences		5,830,000		0	0		0	5,830,000
<b>TOTAL INTANGIBLE ASSETS</b>		5,830,000	0	0	0	0	0	5,830,000

**HAVILAH HOSTEL INC.**  
**Notes to and forming part of the Financial Statements**  
**for the Year Ended 30 June 2020**

	2020	2019
Current Liabilities	\$	\$
<b>Note 14</b> <i>Accrued Wages</i>		
<i>a</i> Accrued Wages	213,971	150,582
	<u>213,971</u>	<u>150,582</u>
<b>Note 15</b> <i>Accounts Payable</i>		
<i>a</i> Taxation - PAYG & GST	0	51,232
<i>b</i> Employee Sundry Creditors	409	799
<i>c</i> Sundry Creditors	712,253	541,424
<i>d</i> Trust Accounts	95,405	59,416
<i>e</i> Superannuation	66,982	67,197
<i>f</i> Prepaid Income	0	368
<i>g</i> Prepaid Grants	0	166,445
	<u>875,049</u>	<u>886,881</u>
<b>Note 16</b> <i>Employee Benefits</i>		
<i>a</i> Annual Leave & Annual Leave Loading	644,705	556,218
<i>b</i> Accrued Days Off	0	0
<i>c</i> Long Service Leave	653,194	570,331
	<u>1,297,899</u>	<u>1,126,549</u>
<b>Note 17</b> <i>Residents</i>		
<i>a</i> Refundable Deposits & Bonds	2,467,163	870,265
	<u>2,467,163</u>	<u>870,265</u>
<b>Non Current Liabilities</b>		
<b>Note 18</b> <i>Residents</i>		
<i>a</i> Refundable Deposits & Bonds	17,954,171	19,442,094
<i>b</i> Licence Fees - Independent Living Units	9,661,999	9,470,185
	<u>27,616,170</u>	<u>28,912,279</u>
<b>Note 19</b> <i>Employee Benefits</i>		
<i>a</i> Long Service Leave	240,761	259,047
	<u>240,761</u>	<u>259,047</u>
<b>Note 20</b> <b>Loan Funds</b>		
Loan Funds are secured against the Assets of the Association		
<i>Current</i>		
CBA	150,000	150,000
Government ZRIL	646,227	646,227
	<u>796,227</u>	<u>796,227</u>
<i>Non-Current</i>		
CBA	5,559,096	5,709,096
Government ZRIL	1,983,148	2,629,375
	<u>7,542,244</u>	<u>8,338,471</u>
Total Loan Funds	8,338,471	9,134,698

**HAVILAH HOSTEL INC.**  
**Notes to and forming part of the Financial Statements**  
**for the Year Ended 30 June 2020**

**Note 21 Reserves**

<b>Asset revaluation reserves</b>	Carrying Amount 30/06/2019	Increment (decrement)	Carrying Amount 30/06/2020
<b>2020</b>			
Land	1,890,958	0	1,890,958
RACF Buildings	9,188,733	0	9,188,733
ILU Buildings	326,218	0	326,218
HSC Buildings	85,808	0	85,808
	<u>11,491,717</u>	<u>0</u>	<u>11,491,717</u>
<b>Asset revaluation reserves</b>	Carrying Amount 30/06/2018	Increment (decrement)	Carrying Amount 30/06/2019
<b>2019</b>			
Land	1,890,958	0	1,890,958
RACF Buildings	9,188,733	0	9,188,733
ILU Buildings	326,218	0	326,218
HSC Buildings	85,808	0	85,808
	<u>11,491,717</u>	<u>0</u>	<u>11,491,717</u>

The asset revaluation reserve is used to record the increased (net) value of Havilah's assets over time

**Note 22 Contingent Liabilities and Contingent Assets**

There were no contingent assets or liabilities (other than approved loans not drawn down and bank guarantee as below) at the date of this report to affect the financial statements.

	<b>2020</b>	<b>2019</b>
<b>Contingent Liabilities</b>	\$	\$
Bank Guarantee	0	0
<b>Loans not drawn down</b>		
Overdraft Facility	1,000,000	1,000,000
Market Rate Loan	190,904	190,904

**Note 23 Commitment to Expenditure**

At Balance Date Havilah Hostel Inc. has contracted Capital Commitments as follows (ex GST).

	<b>2020</b>	<b>2019</b>
	\$	\$
Four 18 Architecture	271,530	401,250
GeoTech Engineering	129,385	0
JHA	320,270	0
SPA Consulting	24,380	0
TGM Group	71,900	0
Paul Turner Plumbing	<u>12,633</u>	<u>0</u>
	830,098	401,250

**Note 24 Subsequent Events**

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

**Note 25 Credit Risk**

The maximum exposure to credit risk at balance date to recognised financial assets is the carrying amount of those assets as disclosed in the balance sheet and notes to the financial statements.

There are no material credit risk exposures to any single debtor or group of debtors under financial instruments entered into by the economic entity.



**HAVILAH HOSTEL INC.**  
**Notes to and forming part of the Financial Statements**  
**for the Year Ended 30 June 2020**

**Note 26 Financial Instrument Composition and Maturity Analysis**  
**2020**

Financial Instrument	Floating Interest Rate	Fixed Interest Rate Maturing In			Non Interest Bearing	Weighted Average Effective Interest Rate
		1 Year or less	1-5 Years	Over 5 years		
<b>Financial Assets</b>						
Cash Assets	2,488,421	2,304,559				0.24% & 1.77%
Receivables					904,845	N/A
<b>Financial Liabilities</b>						
Payables					875,049	N/A
Bonds & Licences					30,083,333	N/A
Loan Funds CBA	5,709,096					3.32%
Loan Funds ZRIL	2,629,375					1.74%

**2019**

Financial Instrument	Floating Interest Rate	Fixed Interest Rate Maturing In			Non Interest Bearing	Weighted Average Effective Interest Rate
		1 Year or less	1-5 Years	Over 5 years		
<b>Financial Assets</b>						
Cash Assets	2,935,291	2,700,000				0.78% & 2.21%
Receivables					191,438	N/A
<b>Financial Liabilities</b>						
Payables					886,881	N/A
Bonds & Licences					29,782,544	N/A
Loan Funds CBA	5,859,096					4.22%
Loan Funds ZRIL	3,275,602					1.81%

**Net Fair Values**

The net fair values of financial assets and liabilities approximate the carrying values as disclosed in the balance sheet. No financial assets and financial liabilities are readily traded on organised markets in standardised form.

The Association does not have any unrecognised financial instruments at the year end.

**Note 27 Reconciliation of Cash**

	<b>2020</b>	<b>2019</b>
	\$	\$
Cash at Bank and on Hand at beginning	5,635,291	3,918,170
Cash at Bank and on Hand at end	4,792,980	5,635,291
Increase/(Decrease) in Cash Held	<u>(842,311)</u>	<u>1,717,121</u>

**HAVILAH HOSTEL INC.**  
**Notes to and forming part of the Financial Statements**  
**for the Year Ended 30 June 2020**

Note	28	Reconciliation of Net Cash Provided by Operating Activities	2020 \$	2019 \$
		Operating Surplus	322,904	194,816
		<b>Items not involving Cash</b>		
		Depreciation	1,239,950	1,203,091
		Bond retentions, interest and fee payments	(378,905)	(357,186)
		Written down value on sale of assets	3,450	0
		<b>Change in Operating Assets &amp; Liabilities</b>		
		(Increase)/Decrease in Debtors	(148,567)	(56,159)
		(Increase)/Decrease in Accrued Income	(564,840)	(11,101)
		Increase/(Decrease) in Long Service Leave Provision	(18,286)	5,136
		(Increase)/Decrease in Prepaid Expenses	(32,642)	(53,769)
		Increase/(Decrease) in Creditors	15,568	248,863
		Increase/(Decrease) in Deposits/Trusts	35,989	0
		Increase/(Decrease) in Accrued Expenditure	171,350	(32,607)
		(Increase)/Decrease in Stocks	(103,550)	(74,730)
		Increase in Cash resulting from Operating Activities	542,421	1,066,354

**Note 29 Statement of Oncost**

Account Description	2020 \$	2019 \$
<b>Oncost Income</b>	2,496,965	2,238,583
<b>Expenditure</b>		
Annual Leave and Annual Leave Loading	799,615	706,339
Sick Leave	277,082	269,226
Long Service Leave	142,502	66,357
Workcover Premium	193,923	161,062
Workcover Medical	1,928	1,561
Accident Leave	3,098	1,326
Return to Work	1,121	6,833
Injury Management	11,880	11,340
Superannuation	795,869	762,482
Training & Meetings	108,231	81,063
Training Orientation	75,168	66,335
Protective Clothing	37,476	19,341
Other	49,072	85,318
	<u>2,496,965</u>	<u>2,238,583</u>
<b>Oncost Surplus/Deficit</b>	0	0

**HAVILAH HOSTEL INC.**  
**Notes to and forming part of the Financial Statements**  
**for the Year Ended 30 June 2020**

**Note 30 Related Party Disclosures**

The names of persons who were members of the Havilah Board at any time during the year are as follows:

Craig Bell	Brian O'Connor	Robyn Jennings
Jacqueline Durbridge	Shane Dellavedova	Lenette McKnight
Danny Tatchell		Randall Edwards

No remuneration or retirement benefits are payable to Board Members as the positions are voluntary.

During the year ended 30 June 2020, all transactions between related parties were on commercial terms and conditions no more favourable than those available to other parties, unless otherwise stated.

**Note 31 Segment Reporting**

The Association operates both residential aged care and unit accommodation.

The financial reports are segmented to incorporate separate operating outcomes for each activity.

<b>(i) REVENUE &amp; EXPENSES</b>	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>A. RESIDENTIAL AGED CARE (Havilah Hostel - 3181 &amp; Havilah on Palmerston - 3951)</b>		
<b>Income</b>		
Residents	3,452,380	3,549,467
Government	9,462,861	9,690,535
Other	1,464,708	304,373
	<u>14,379,949</u>	<u>13,544,375</u>
<b>Expenditure</b>		
Salaries & Oncosts	9,752,524	9,235,448
Materials & Contracts	1,985,987	1,758,972
Repairs & Maintenance	280,949	255,543
Minor Purchases	129,771	123,310
Other	604,259	676,905
	<u>12,753,490</u>	<u>12,050,178</u>
<b>RAC Surplus/(Def) Pre Depn and Int Exp</b>	<b>1,626,459</b>	<b>1,494,197</b>
Interest	277,231	332,521
<b>RAC Operating Surplus/(Def) pre Depn</b>	<b>1,349,228</b>	<b>1,161,676</b>
Depreciation	954,369	914,023
<b>RAC Total Operating Surplus/(Def) post Depn</b>	<b>394,859</b>	<b>247,653</b>
Other Comprehensive Income	0	0
<b>RAC Total Comprehensive Result</b>	<b>394,859</b>	<b>247,653</b>
<b>B. HIGH SCHOOL CENTRE</b>		
<b>Income</b>		
Other	0	0
	<u>0</u>	<u>0</u>
<b>Expenditure</b>		
Salaries & Oncosts	22,780	21,910
Materials & Contracts	0	0
Repairs & Maintenance	181	1,245
Minor Purchases	0	0
Other	8,772	10,246
	<u>31,733</u>	<u>33,401</u>
<b>HSC Surp/(Def) pre Depn and Int Exp</b>	<b>(31,733)</b>	<b>(33,401)</b>
Depreciation	42,060	41,961
Interest	0	0
<b>HSC Surplus/(Def) post Depreciation</b>	<b>(73,793)</b>	<b>(75,362)</b>
Other Comprehensive Income	0	0
<b>HSC Total Comprehensive Result</b>	<b>(73,793)</b>	<b>(75,362)</b>

**HAVILAH HOSTEL INC.**  
**Notes to and forming part of the Financial Statements**  
**for the Year Ended 30 June 2020**

**C. RETIREMENT VILLAGES (ILUs)**

**Income**

Residents	445,020	510,545
Other	4,100	0
	449,120	510,545

**Expenditure**

Salaries & Oncosts	72,303	63,877
Materials & Contracts	11,155	10,158
Repairs & Maintenance	9,968	9,533
Minor Purchases	1,410	3,133
Other	66,920	68,914
	161,756	155,615

<b>ILU Surp/(Def) pre Depn and Int Exp</b>	287,364	354,930
Depreciation	243,521	247,107
Interest	42,005	85,298
<b>ILU Surplus/(Def) post Depreciation</b>	<b>1,838</b>	<b>22,525</b>
Transfer from ILU Maintenance Reserve	0	0
Other Comprehensive Income	0	0
<b>ILU Total Comprehensive Result</b>	<b>1,838</b>	<b>22,525</b>

<b>Surplus/Deficit All Operations</b>	<b>322,904</b>	<b>194,816</b>
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<b>Total Comprehensive Result</b>	<b>322,904</b>	<b>194,816</b>
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**(ii) ASSETS & LIABILITIES**

	<b>2019-2020</b>			<b>2018-2019</b>		
	Assets	Liabilities	Net Assets	Assets	Liabilities	Net Assets
Residential Aged Care	49,529,607	27,664,485	21,865,122	49,617,379	28,147,116	21,470,263
High School Centre	1,401,279	0	1,401,279	1,475,072	0	1,475,072
Independent Living Units	14,160,827	13,384,999	775,828	13,967,175	13,193,185	773,990
	65,091,713	41,049,484	24,042,229	65,059,626	41,340,301	23,719,325

**HAVILAH HOSTEL INC.**  
**Notes to and forming part of the Financial Statements**  
**for the Year Ended 30 June 2020**

**Note 32 Retirement Villages**

**HARKNESS RETIREMENT VILLAGE STATEMENT**  
**for the Year Ended 30 June 2020**

**Statement by the Owner**

**Retirement Villages Act 1986**  
**Part 6 Section 34**

- (1) (a) All refundable in-going contributions which fell to be refunded to residents of the village during the prescribed period have been refunded.
- (1) (b) The Owners are not aware of any material matter which may prevent the owner from meeting debts as and when they will fall due in the period of 12 months from the end of the prescribed period.
- (3)(a&b) Source of income received and details of expenditure on provision of goods and services for the village

	2020	2019
	\$	\$
<b>HARKNESS RETIREMENT VILLAGE</b>		
<b>Income</b>		
Residents	66,769	73,088
Other	4,100	0
	<u>70,869</u>	<u>73,088</u>
<b>Expenditure</b>		
Salaries & Oncosts	19,022	12,627
Materials & Contracts	1,896	1,727
Repairs & Maintenance	5,259	1,183
Minor Purchases	573	384
Other	7,771	9,276
Interest	0	0
Depreciation	<u>34,749</u>	<u>41,829</u>
	69,270	67,026
<b>Harkness Retirement Village Surplus/(Deficit)</b>	<b>1,599</b>	<b>6,062</b>

**Provision for future extra ordinary or major works**

There has/has not been any provision made for future extra ordinary or major works in respect of the period of 12 months beginning immediately after the prescribed period ends.

In respect of the period of 12 months beginning immediately after the prescribed period ends -

- (3) (c) Anticipated expenditure on goods and services for the village is

Salaries & Oncosts	7,380
Materials & Contracts	1,460
Repairs & Maintenance	6,020
Minor Purchases	760
Other	1,947
Interest	0
Depreciation	<u>39,749</u>
	57,316

**HAVILAH HOSTEL INC.**  
**Notes to and forming part of the Financial Statements**  
**for the Year Ended 30 June 2020**

(3) (d) Proposed increases in maintenance charges to be paid by residents are:

Maintenance fees for 2019/2020 per week	\$ 68.85	
Proposed increase for 2020/2021	2.00%	[from 1 September at CPI]
Proposed fees for 2020/2021 per week	\$ 70.20	

(3) (e) There are no special levies proposed for the 12 months beginning immediately after the prescribed period ends



Barbara Duffin  
Chief Executive Officer

Dated this 24th day of August, 2020

**HAVILAH HOSTEL INC.**  
**Notes to and forming part of the Financial Statements**  
**for the Year Ended 30 June 2020**

**PALMERSTON RETIREMENT VILLAGE STATEMENT**  
**for the Year Ended 30 June 2020**

**Statement by the Owner**

**Retirement Villages Act 1986**  
**Part 6 Section 34**

(1) (a) All refundable in-going contributions which fell to be refunded to residents of the village during the prescribed period have been refunded.

(1) (b) The Owners are not aware of any material matter which may prevent the owner from meeting debts as and when they will fall due in the period of 12 months from the end of the prescribed period.

(3)(a&b) Source of income received and details of expenditure on provision of goods and services for the village

	2020	2019
	\$	\$
<b>PALMERSTON RETIREMENT VILLAGE</b>		
<b>Income</b>		
Residents	376,856	435,792
Other	1,395	1,665
	<u>378,251</u>	<u>437,457</u>
<b>Expenditure</b>		
Salaries & Oncosts	53,281	51,250
Materials & Contracts	9,259	8,431
Repairs & Maintenance	4,709	8,350
Minor Purchases	837	2,749
Other	59,149	59,638
Interest	42,005	85,298
Depreciation	208,772	205,278
	<u>378,012</u>	<u>420,994</u>
<b>Palmerston Retirement Village Surplus/(Deficit)</b>	<b>239</b>	<b>16,463</b>

**Provision for future extra ordinary or major works**

There has/has not been any provision made for future extra ordinary or major works in respect of the period of 12 months beginning immediately after the prescribed period ends.

In respect of the period of 12 months beginning immediately after the prescribed period ends -

(3) (c) Anticipated expenditure on goods and services for the village is

Salaries & Oncosts	56,783
Materials & Contracts	0
Repairs & Maintenance	7,960
Minor Purchases	860
Other	72,213
Interest	40,520
Depreciation	212,931
	<u>391,267</u>



**HAVILAH HOSTEL INC.**  
**Notes to and forming part of the Financial Statements**  
**for the Year Ended 30 June 2020**

(3) (d) Proposed increases in maintenance charges to be paid by residents are:

Maintenance fees for 2019/2020 per week	\$ 68.85	
Proposed increase for 2020/2021	2.00%	[from 1 September at CPI]
Proposed fees for 2020/2021 per week	\$ 70.20	

(3) (e) There are no special levies proposed for the 12 months beginning immediately after the prescribed period ends



Barbara Duffin  
Chief Executive Officer

Dated this 24th day of August, 2020

**Note 33 Registered Office/Principal Place of Business**

The registered office and principal place of business is 11 Harkness Street, Maryborough, Victoria, 3465.  
ABN 88 982 661 608

**HAVILAH HOSTEL INC.  
Board Declaration**

**HAVILAH HOSTEL INC.  
Board Declaration**

**Certificate by Members of the Board**

**Associations Incorporation Reform Act 2012**

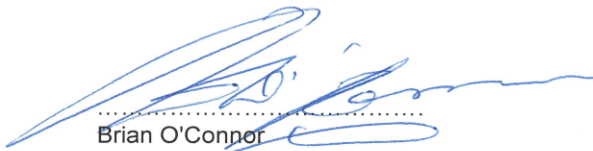
Sections 94(2)(b), 97(2)(b) and 100(2)(b)

**ANNUAL STATEMENTS GIVE TRUE AND FAIR VIEW OF  
FINANCIAL POSITION OF INCORPORATED ASSOCIATION**

In the opinion of the Board the financial report attached to this declaration:

- a. The financial statements and notes of the association are in accordance with the Associations Incorporation Reform Act 2012 (Vic).
- b. Present fairly the financial position of Havilah Hostel Inc. as at 30 June 2020 and its performance for the year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board.
- c. Since 31 December 2019, the consequences of the COVID-19 pandemic have not materially or adversely affected the financial results for Havilah when offset by Government support payments. Therefore 2019/2020 operating results have not been negatively impacted by the virus and there is not expected to be any adverse affect on 2020/2021 results.
- d. At the date of this statement, there are reasonable grounds to believe that Havilah Hostel Inc. will be able to pay its debts as and when they fall due.

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



.....  
Brian O'Connor  
TREASURER



.....  
Randall Edwards  
BOARD MEMBER

Dated this 24th day of September, 2020





## DONATIONS & BEQUESTS

**Your interest in quality care and accommodation for our frail aged and superior lifestyle choices for retirees can live on in a bequest to Havilah. Please consider Havilah as part of your giving program.**

**All donations are tax deductible.**

