



Havilah Hostel INC.  
Annual report and financial statement

2021

# 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 2021.

### 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 Result

The deficit for the year amounted to \$172,551

### 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.*

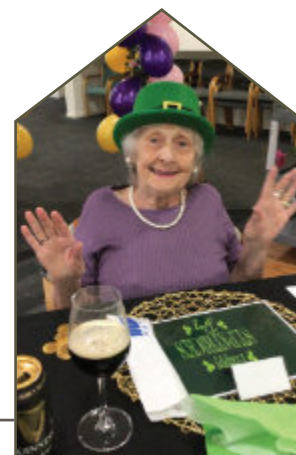
Shane Dellavedova  
PRESIDENT

Robyn Jennings  
BOARD MEMBER



## PRESIDENT'S REPORT

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Welcome to our 2021 Annual General Meeting. Again this year the AGM has needed to be modified around uncertainties with COVID. It is good that we are able to meet face to face and I am pleased to welcome our retirement community back into our numbers this year.

There have continued to be visitor restrictions to Havilah sites over the past 12 months. There was a period of relative normal over Christmas New Year and it was great that we were able to hold the family barbecue even though in modified format; and residents could have guests for Christmas Day.

Staff did a wonderful job decorating the tables and setting up for social distancing. Then Delta arrived and it has been a whole other ball game since then. Like all of us Havilah residents have not been able to welcome visitors into their home for almost three months.

Fortunately in recent times we have all been able to go out and visit cafes and parks and go shopping. Our residents have welcomed the changes in late October where we once again

were able to visit family homes and opened up for limited visiting again. We are hopeful that restrictions will lift still further over Christmas and all of our Christmas functions can go ahead.

In November we were notified of the requirement to have IPC Leads appointed to each site. Each to have completed an approved post grad course by 28th February.

We were extremely fortunate that DoC Kelsey Hooper, DDoC Allison O'Connell and NUM at Raglan Deb Matthews were up for the challenge of completing this 100 hours of study outside of their normal working hours. They all qualified within the timeframe and we thank them for their commitment and endeavour.

On 7th January the Federal Government's COVID-19 Vaccination Strategy was announced. This included aged care residents and staff as a priority group to receive a Pfizer vaccination. This to commence the first week in February. It was announced that aged care residents and staff would be vaccinated where they lived and worked. It is old news now

that this did not happen. Staff were left to fend for themselves to obtain the vaccination other than if there were doses left over from the resident vaccinations.

Resident vaccinations commenced at Havilah in Mid April with some 97% of residents vaccinated.

Central Goldfields Shire led the way in aged care staff vaccinations. This is a credit to all those working in aged care in this community and also to our GP's and the Health Service for their contributions. Our staff have been fantastic in turning up to be vaccinated. MDHS and the GP Clinics did a tremendous job also in making places available in their vaccination programs for our staff.

**Particularly, I am very appreciative of dedication and commitment of our staff who have been fantastic. In protecting themselves not only by vaccination but in the way they have lived and worked they have protected the Havilah community and I sincerely thank them.**



## PRESIDENT'S REPORT

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**We didn't need to encourage our staff to be vaccinated with promise of reward but we did reward them with \$100 vouchers to local businesses on completion of our vaccination program.**

You will see that our stocks have increased significantly from last year. This is mainly due to our stockpile of ppe which would be the envy of many. As you can imagine it can be quite uncomfortable wearing ppe throughout the whole of the working shift which our staff have been required to do. To assist our staff bottled water stations were installed throughout each facility pre summer to provide ready access to refreshment and the opportunity to pause and have a brief break between tasks. This was very well received.

In February 2021 the report of the Royal Commission was released.

Havilah's 100 page submission to the Commission documented funding shortfalls, that an external body independent of government should set pricing; issues around staffing levels and

remuneration, and also required local access to specialised medical advice and services.

We were pleased that most of the matters included in Havilah's submission have been included in the Commission's recommendations.

Very importantly, the Commission said that successive governments have funded aged care based on fiscal requirements rather than a genuine cost of care and a genuine meeting of supply.

**The Report said that at least half of the increase in government expenditure that the Commission has recommended is to undo the actions of successive governments to restrain expenditure on aged care by rationing access to care and by underfunding the sector.**

A damning indictment on government and a vindication for providers who the government have accused over time of robbing the system as an the excuse for clawing back funds from the industry.

The report of the Commission

is one of national importance. It challenges the government and the community to demonstrate the value we place on supporting older Australians. The Government has said it will take up most of the recommendations.

**It is important to note that Australia currently spends only half of what other comparable countries spend as a proportion of GDP on aged services so there is opportunity to shift our priorities and lift spending in this important area.**

In December we introduced electronic check in to support our contact tracing system "Contact Harald". Visitors have adapted well to using the system and the QR code was added to the system mid year. The electronic system also stores that the visitor is vaccinated both for influenza and COVID so evidence does not need to be produced every visit.



## PRESIDENT'S REPORT

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### Capital Projects this year

It was a difficult year for capital projects within each RACF due to long periods where only essential contractors were allowed on site.

The new Café in Grevillea House was established and operational in December complete with Cappuccino Machine.

We updated the camera and security system including installation of call points in the Raglan House Courtyard and wander alarms in residential corridors at Harkness. We provided electronic access for staff directly into each unit.

We have undertaken a project for use of hybrid pressure reducing mattresses. We continued our work of upgrade to resident rooms. This is an ongoing project of renewal to maintain a high quality environment for residents.

We have put in place screens in shared offices and reception; and increased the ability for staff to attend Zoom meetings from desktop computers by installation of Web Cam, microphones and speakers.

We created new courtyard areas for resident use and added a memory farm at Heath House.

***“The farm animals in the garden are a wonderful asset to the Heath House family. Mum enjoys sitting amongst the animals reminding her of days on the farm. A lovely addition that will create and recapture many memories.”***

We set up a separate Theatrette in Banksia House and installed additional smart tv's in each area so that all residents have access to Netflix etc without crossing over into other units.

We purchased additional furnishings to set up dining rooms and activity areas for social distancing so that residents could return for socialisation.

### Stage 2 (RACF)

While it hasn't been easy during COVID we have pushed through with the major work of construction of the new facility

at Havilah on Palmerston. This is an exciting development with multiple benefits for our community. We are fortunate that our builder Bowden Corp has been very receptive to Havilah's wishes for the inclusion of local content in this project. As a result there are a number of local trades and suppliers that are involved providing significant benefits from the beginning of the construction period.

Construction commenced in January and we can now see the vision we had for this accommodation taking shape. It will be a great place to live and work. Once the service is operational there will be a sustainable boost to the local economy through an additional \$2m in wages and Havilah's continuing support for local business. Havilah's staff numbers will grow to around 250.



## PRESIDENT'S REPORT

The project is important in establishing capacity to satisfy the need for residential aged care within a community who are ageing at almost double the average rate for Victoria generally.

We have provisional allocations in place for 24 places at Havilah on Palmerston (this development) and 24 places at Harkness Street.

In March application was made for \$4.96m in capital funding to assist with the project costs of developing a new \$7.9m facility on Burns Street. This will house the provisional allocation of 24 places at the Harkness Street site.

When the announcement came that our application was successful we were over the moon. This is a major boost for Havilah going forward and for our community. I want to thank CEO Barb and DoF Sandra for the brilliant work they did in developing such a high standard application. Havilah won this grant in a very competitive process which was significantly oversubscribed. Of 161 applications only 79 were successful with grants ranging from \$42K to \$14m.

### **An incredible result for Havilah and our community.**

The capital works are for a double storey, supportive accommodation unit of small hub home design. On site parking and access to private and communal outdoor space is included.

The business model is around multi tasked care staff, supported by clinical staff facilitating independence and purposeful activity.

Balconies accessible from each residential unit provide easy access for residents accessing the outdoors for relaxation.

In addition to each resident's separate accommodation residents can host family and friends in the specific family areas included in the design.

This latest project will provide capacity to satisfy current government benchmarks until 2025.

While the project is vital in providing access to residential aged care it will also have a very positive affect on the local community stimulating employment growth and

business activity.

***Our forward planning has put Havilah in a very strong position to service the growing needs of our community going forward.***

### **Clinical Care GP's & Allied Health**

Quality clinical outcomes are driven by Director of Care Kelsey Hooper, her Deputy Allison O'Connell and Nurse Manager at Havilah on Palmerston Deb Matthews together with our team of Registered Nurses. They are very well supported by allied health, psycho geriatric and GP Services and our own care and lifestyle staff. Thank you.

**I acknowledge and thank Drs. Jenny Connell, Gavin Cuff, David Tynan, Jim Sharples, Kamal Mann and their Practice Staff** for their commitment in providing on site clinics and services for our residents and also to the MDHS Urgent Care and Infection Control staff for their valued assistance and co-operation.

## PRESIDENT'S REPORT

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**We are also grateful to our Pharmacies for their prompt attention to our many requests.** To Priceline again this year for on site flu vaccinations for our staff, 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 we have undertaken a project of installing hybrid pressure care mattresses. As the name suggests these mattresses can be used as a normal mattress and with the flick of a switch become pressure reducing.

Work has continued in improving dementia services and the environment.

### Cultural Spiritual & Lifestyle

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

Residents were able to host families for Christmas Day Lunch and for a modified Christmas Barbecue. Staff worked hard to achieve this setting up for social distancing. Each unit was wonderfully decorated to the delight of all. So a big thank you to everyone who went over and above.

***"Thank you so much to the activity staff for doing a marvellous job of the tables, they looked absolutely beautiful, to all the staff for the care they provide and to the kitchen for the exceptional meal. Awesome!!"***

Our weekly virtual outings have continued with visits to the Chinese Restaurant, Pizza Parlour, Bakeries, Fish and Chip Shop and some incredible theme days during the lockdown period.

This has all been 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.

I have to wonder would this happen in any other town; where for example the local Chinese Restaurant delivers all the favourites of our residents, and knows what they are; and extra delivered for the staff; and then wants to do this free of charge.

Some 50 residents from both Raglan and Harkness enjoyed lunch at Peach village as guests of Jack and Caitlyn. A big thank you to Jack and Caitlyn for their continued thoughtful generosity towards Havilah and our residents. To all our local businesses that have assisted in the lifestyle program this year, and there have been many, we are very grateful for your support.





## PRESIDENT'S REPORT

### ***This community is amazing!***

Lifestyle staff have continued to support residents with their electronic journey including contacting their families via Zoom and other electronic means. We have continued to provide more IPADS for resident use as our residents become more comfortable using them. We have maintained subscriptions for various electronic games, cards, scrabble etc.

Thank you and congratulations to our lifestyle teams and our catering staff.

### **Quality and Compliance**

Clinical and governance risk is measured and controlled through a comprehensive system of reporting and auditing. At each Board Meeting the results over the previous period are considered in comparison to Havilah's key performance indicators and also as trending over the past 12 months.

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 informed and is meeting the requirements under Standard 8 of the Quality Standards -Organisational Governance.

Mandatory reporting is required through My Aged Care which includes Pressure Areas, Weight Loss and Physical Restraint. Comparative reports are provided with national figures which show that both Havilah Services are performing above the national average in all areas.

The Serious Incident Response Scheme was introduced in April with reporting of Priority 1 incidents. Priority 2 incident reporting commenced 1 October.

This legislation is strongly linked to incident management. The Board has increased its overview of incidents since the introduction of the Scheme with all incidents reported by type and trended month on month.

There was an ACFI (funding) audit in February 2021. All

classifications were confirmed as submitted.

Externally, monitoring and control is through the Aged Care Quality Agency.

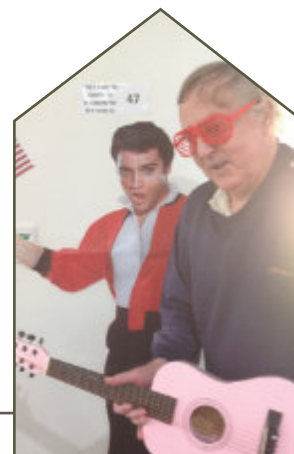
The Aged Care Quality and Safety Commission have resumed site audits as possible however this has not happened at either of Havilah's sites over the past 12 months.

There have been two desk audits by the Commission in relation to infection control both with successful outcomes. There were on site visits from ADF Personnel and also from Worksafe to check COVID preparedness.

This year a new Prudential Audit by the Aged Care Quality Commission in relation to accommodation deposits was introduced. We had a great result with the team very impressed with the procedures we have in place around liquidity and refunds. They had calculated our average refund time at 2.8 days from receiving probate and commented that this was very well done. They also said that the information provided to the Board at each Board Meeting was best practice.

## PRESIDENT'S REPORT

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### Communication Marketing & Occupation

Thank you to graphic artist Tiff for her continued assistance in the presentation of quality promotional material and update of our website. 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. We receive wonderful feedback on our facebook 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.

Electronic media has become the norm for our customers. It is important and necessary for marketing success that we continue to develop expertise in this area.

We have continued our solid work on keeping residents and families informed via a weekly bulletin that is distributed every Friday night. Where appropriate

mid week messages are sent out. 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.

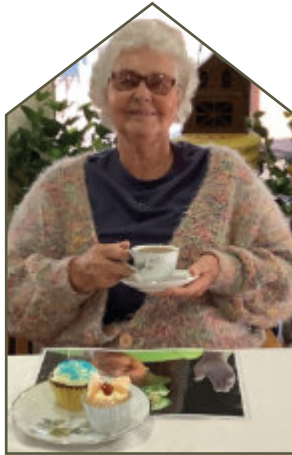
**Thank you to Raeleen who has taken on the added work to make this happen.**

The downturn in occupancy continued through until early in 2021. This was mainly due to the restrictions imposed on visiting and outings. As restrictions eased occupancy picked up again but we are still recovering. Havilah has maintained occupancy levels above the national average.

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

This year at Havilah there have been 54 (45) permanent admissions and 61 (64) respite admissions. Additionally there have been 2 (3) new admissions to retirement units (previous year in brackets).

**I acknowledge the efforts of our marketing team in what has again been a very difficult year.**



## PRESIDENT'S REPORT

### Retirement Living

**Demand for retirement living remains strong with units becoming available quickly taken up.** In the 12 months to 30th June 2021, there were no changes in occupancy at Havilah on Palmerston and 2 at Harkness Street. We continue to actively support 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 res care in 2020/2021.

The Board remains cognisant of the importance of maintaining Havilah's retirement living options as affordable to our community. We remain able to achieve this by the range of unit choices and pricing.

**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.**

We had expected to commence the multi storey retirement complex at Havilah on Palmerston in early 2022. This has been delayed by the construction of the new RACF

at Harkness Street, for which capital funding has been received. It is proposed that stage 3 will commence within the timeline of the planning permit which expires in 2025.

We have not been able to recommence on site activities such as Happy Hour, Special Morning Tea and Sunday lunch. In place of this we have continued with virtual functions which have been well received. We have found that more residents are taking advantage of take-away meals offered which has been a positive.

Diners' Club has recommenced recently so getting back to some normality.

This year with easing of restrictions for the AGM it is pleasing that we were able to include both Havilah members and members of the Havilah retirement community in the numbers for the AGM.

**Thank you to those who are here today and to all of our retirement community for your patience and support.**

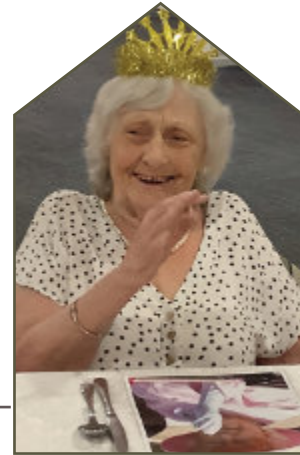
**The Retirement Villages Statement for each of the**

**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 2021 there were no Management Complaints or Resident Disputes required to be reported under the Act.**

*We appreciate each and every one of our retirement community in volunteering, sharing ideas and supporting each other. Thank you.*

## PRESIDENT'S REPORT

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

**Our staff have continued to give exceptional service and commitment. More and more they are giving of their own time and this is acknowledged with sincere thanks.**

**We estimate an annual contribution of over \$300k in volunteer hours from our staff has been given due to COVID.**

Our leadership team lead our culture, that is, always keeping our residents at the forefront of everything we do. This has never been more apparent than over the past 18 months. **On behalf of the Board and all at Havilah I want to thank you all.**

Due to the opening of our new facility and the proposed government mandate of increased staffing hours, 2022 will see an increase in demand for qualified personal care workers. Havilah has commenced planning for this by offering 12 month on the job traineeships. The first group will graduate in November 2021 with a further two groups

later in 2022, all up providing an additional 40 qualified personal care workers.

There is certainly more competition for labour in the Maryborough region at present with a strong and growing residential aged care and home care sectors and a strong disability sector. So workforce is a challenge but also a great opportunity for our community.

Again this year we celebrated Aged Care Employee Day. We thanked our staff for caring by recognising their achievements in local media and by a gift to each staff member. There were lots of treats around for those working on the day.

***"Please convey to all members of the team, how much I appreciate all that they do every day to make my life so good. I have just read Shane Dellavedova's tribute to staff in the local paper, all I can say is, that he has put my feelings into words Thank you, seems such a small thing to say, but it comes from my heart. THANK YOU ALL."***

**Fundraising & donations**  
The Maryborough Lions Club

donated \$2,000 to Raglan House. We thank them for their donation and for their continued and generous support of Havilah.

Thank you to Rene Eastwood and her willing band of workers at the Carisbrook Op Shop. The \$1,400 raised this year brings the total raised over 26 years to \$335K.

\$4,500 was raised by the volunteer catering team bringing the total raised by this group to \$312K over 16 years.

The Major Raffle continued with solid popularity. Again an amazing result with all tickets sold raising \$20,000.

We were not able to hold our Volunteer thank you dinner in 2020 and substituted this with a virtual dinner at Peach Village and a small gift for everyone.

For Volunteer week we thanked our volunteers with a voucher to Parkview Bakery.

**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.**



## PRESIDENT'S REPORT

### Governance

We have achieved much in what has been a challenging year.

Financially the result was a small operating deficit. We would have naturally preferred a surplus however there have been factors more important than the bottom line this year.

Compared to the industry generally Havilah performed very well.

I am proud of the effort and the important decisions we have made in caring for our residents and staff and for the future of aged services for our community.

The oversight of care provided and legislative compliance is a significant responsibility for each Board Member at Havilah.

The Board is provided with excellent reporting which enables it to comply with its obligations. This reporting has almost doubled in size over the past 12 months in relation to legislation compliance and clinical monitoring.

In addition to board meetings

my board colleagues also serve as officers and committee members. Thank you all for your excellent contributions.

Treasurer Brian O'Connor has not renominated for a further term. Brian has made an invaluable contribution during his 22 years on the Havilah Board. He has played a major leadership role in making the brave decisions that have seen the consistent growth Havilah.

For more information on Brian's contribution please see Our Staff & Board Member Section p14.

Brian, your contribution has been outstanding. We will miss your expertise at the board table. Thank you on behalf of everyone at Havilah and the wider community.

Thank you to our CEO Barb Duffin for her support and for her dedication and commitment to Havilah. Barb has advised that she will be retiring next year and we have an executive search underway for a new CEO.

In her more than 25 years Barb has seen this organisation grow from a 30 bed hostel to 142

residential aged care places and 53 retirement units and growing still. She has been incredibly successful in gaining residential aged care places and capital funding, culminating in the recent announcement of \$4.96m for Havilah which Barb says is her farewell gift.

She will still be here driving us all until next year so no farewells at this stage just a huge thank you.

So from 2022 it will be very different but still the same. Achievement of our strategic goals remain a solid focus for us all. This is what Havilah is all about. With this comes the spin off of increased employment as well as economic benefits for our community. So this is an important organisation which must continue to grow and adapt through change.

I know Havilah is up for the challenges ahead.

**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, twenty and twenty five 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 9 staff, who have achieved 10, 15 and 25 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

#### 25 years

Barb Duffin  
Jo Hooper

#### 15 Years

Jo Ashcroft  
Sarah Pattison

#### 10 Years

Leanne Adam  
Lianne Astbury  
Karen Howden  
Allison O'Connell  
Phil O'Shea

### Current Staff with > 10 Years Service

#### 25+ Years

Barbara Duffin  
Joanne Hooper

#### 20+ Years

Raeleen Brooker

#### 15+ Years

Karen Chapman  
Sue Edmondson  
Dawn Flood  
Leanne Hubble  
Dianne Jackson  
Helen Kennedy  
Kerri McInnes  
Rhonda Treloar  
Heather Watts  
Joanne Ashcroft  
Sarah Pattison

#### 10+ Years

Annette Bond  
Vicki Crutchley  
Anne Jardine  
Heather Johnson  
Joan Limbrick  
Lesley Mackay  
Debra Matthews  
Barb Nicholls  
Janelle Peart  
Jacque Phillips  
Colleen Rowles  
Susan Stephens  
Leanne Adam  
Lianne Astbury  
Karen Howden  
Allison O'Connell  
Phil O'Shea



## 2021 BOARD ELECTIONS

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### Board Member Recognition

#### Lenette McKnight 25 years

A Life Governor, Lenette has been a member of the Havilah Board since April 1996.

She has served on the Forward Planning Committee for 18 years from 2003, the Staff and Grievance Committee for 20 years from 2001, the Governance Policy Committee since its establishment in 2005 and the Governance Quality and Safety Committee since its establishment in 2018.

#### Robyn Jennings 20 Years

A Life Governor, Robyn has been a member of the Havilah Board since 2001.

She has served 16 years on the Staff and Grievance Committee since 2005, 11 years on the Buildings and Grounds Committee since 2010 and 10 years on the Finance Committee since 2011.

### Retiring Board Member Brian O'Connor

A Life Governor Brian has been a member of the Havilah Board for 22 years. In addition to attendance at monthly meetings board members additionally contribute as officers and committee members. None more so than Brian whose work as President, Vice President and Treasurer and on multiple committees is and has always been significant in meeting the objectives of this organisation. In an ageing community the need for growth has been a constant and Brian has initiated and supported the continued growth in services which will benefit the Central Goldfields community well into the future.

Brian has contributed invaluable experience in strategic planning, financial management and governance during his 22 years on the Havilah Board.

He has held the offices of President (3 years), Vice

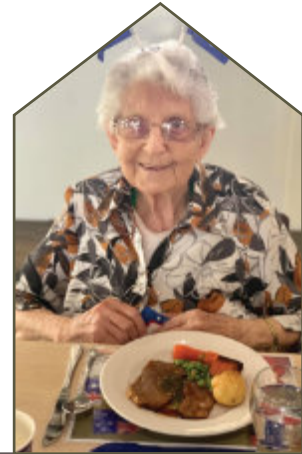
President (5 Years) Treasurer (18 years). In addition he has been active on Board Committees, being 20 years a Member of the Forward Planning Committee, 11 years a member of the Governance Committee and inaugural member of the Finance Committee serving 10 years to 2021.

He has had significant involvement through his board membership in the growth of aged care places for the Central Goldfields community from 30 places when he joined the Havilah Board in 1999 to 142 places today, and further, 24 places under construction and 24 provisionally allocated places.

It was at Brian's suggestion that Havilah investigated former school sites in Maryborough as possible sites for retirement living.

## 2021 BOARD ELECTIONS

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This idea came to fruition with the \$21m development of the Havilah on Palmerston retirement community and residential aged care facility on the former High School site. The Victorian heritage listed school building was restored and remains a useful part of this development maintaining this heritage for future generations.

An incredible and important contribution, thank you Brian.

### **Board Member Elections**

In response to an advertisement placed in the Maryborough Advertiser – one nomination was received for positions declared vacant on the Board due to expiration of time.

As the nominations received did not exceed the positions vacant.

Shane Dellavedova was elected to the Board.

Brian O'Connor did not renominate.

### **Introduction**

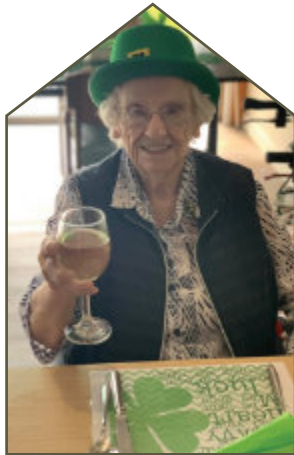
#### **Introduction of Newly Elected Board Member Shane Dellavedova**

Shane accepted a position on the Board in January 2015. He has had a long association with Havilah, being a Life Governor and also through his mum Elaine who was a foundation member and past president.

A local business man Shane has a strong organizational and financial background, a keen interest and understanding of strategic planning and business management and a demonstrated interest in community.

Shane has been an active contributor to the future planning and good governance of Havilah, through his membership on the Forward Planning Committee since October 2015. He has been Vice President for two years 2016 and 2017 and has been President for three years 2018-2021.

Congratulations to Shane on re-election for a further term and thank you for your continued 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 2020/2021 – Brian O'Connor

Havilah's financial position continues to remain better than industry average. The operating deficit after depreciation of \$1.2M was \$172,551 for the year.

Our cash surplus from operations of \$472,840 allows us as a community owned organisation, to maintain our high standard of care for our residents.

In 2020/2021 cumulative impacts of previous Federal Government cuts in funding to aged care continues to be a concern for Havilah. It's hoped that implementation of the Royal Commission recommendations will also address the financial issue currently faced by all providers.

In addition to this funding issue, 2020/2021 has also seen the continuation of the world-wide pandemic with resultant lockdowns and visitor requirements financially impacting providers. JobKeeper government support from 2019/2020 has helped Havilah to weather the financial strain of 2020/2021

and placed the organisation in a stable financial position for 2021/2022.

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 2020/2021. This benchmarking service compares our results with those of another 1285 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. 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 2020/2021 results are:

1. In summary for the year for all operations:

Income	\$14.9M
Expenditure before Depreciation and Interest	\$13.6M
Surplus before Depreciation and Interest	\$1.3M
Depreciation	\$1.27M
Interest expense	\$214k

2. Our main sources of income were:

Government Subsidies	\$9.3M	62%
Resident Fees	\$3.7M	25%
Other Sources	\$0.5M	3%
Pandemic Support by Government	\$1.4M	10%

3. The main item of expense for the year is employee costs at \$10.8M taking up 72.4% of our Total Revenue.

4. Fundraising and donations continue to provide valuable resources to Havilah. \$30,295 was achieved this year.

5. The net cash inflow from operations for the year was \$473k with an overall decrease in cash held at 30 June of \$2M reflecting the new 24 bed residential care facility on the Tennis Court site.

6. Capital expenditure this year was \$2,495,002 - \$1,772,068 of this was expended on the capital works at the Tennis Court site with a further \$675k being expended as follows:

Buildings	\$80k
Other Structures	\$28k
Hostel Furniture & Fittings	\$162k
Hostel Equipment	\$343k
Office Furniture & Equipment	\$58k
Grounds Plant & Equipment	\$4k
ILU Improvements	\$41k
High School Centre Improvements	\$7k

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. The Melaleuca and Raglan House Zero Real Interest loans will both be fully repaid during 2021/2022.

8. The written down value of Havilah's fixed assets is \$54 million at 30 June 2021.

9. Net Assets at 30 June total \$23.8M including \$5.8 million of intangible assets.

Our EBITDA (earnings before interest, tax, depreciation and amortisation) was \$1,310,944 (prior year \$1,882,068) Per bed per annum for the year this was \$9,232 for 142 beds (\$13,254 in the prior year) reflecting the trying financial circumstances during 2020/2021.

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 2020/2021 financial statements. Once again 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 2021, 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 2021, 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 2021, and of their performance for the year ended on that date.



Michael W Ryan FCA  
Registered Company Auditor 7562

22 October 2021

**Auditors Independence Declaration**

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

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**To the Members 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 2021 there have been:

- a) No contraventions of the auditor independence requirements as set out in the Associations Incorporation 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  
Chartered Accountant  
Registered Company Auditor no 7562**

**Dated 25<sup>th</sup> July 2021**



**HAVILAH HOSTEL INC.**  
**Income Statement**  
**for the Year Ended 30 June 2021**

		2021	2020
	Note	\$	\$
<b>Income</b>			
Revenue from Operating Activities	2	13,101,038	12,834,082
Revenue from Non Operating Activities	3	1,829,252	1,994,987
<b>Total income</b>		<u>14,930,290</u>	<u>14,829,069</u>
<b>Expenses</b>			
Employee Expenses	4	10,805,505	9,960,267
Materials and Contracts	5	1,822,208	1,936,852
Depreciation and Amortisation	6	1,268,580	1,239,950
Repairs and Maintenance	7	201,906	255,528
Minor Purchases	8	147,138	123,561
Finance Costs	9	214,950	319,236
Other Expenses	10	642,554	670,771
<b>Total expenses</b>		<u>15,102,841</u>	<u>14,506,165</u>
<b>Surplus/(deficit) for the year</b>		<u>(172,551)</u>	<u>322,904</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>(172,551)</u>	<u>322,904</u>

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

**HAVILAH HOSTEL INC.**  
**Balance Sheet**  
**as at 30 June 2021**

	Note	2021	2020
<b>Current Assets</b>			
Cash	11	2,702,482	4,792,980
Prepayments		223,952	211,557
Accounts Receivable	12	551,220	326,575
Stocks		802,000	272,500
Accrued Income		4,465	578,270
		<u>4,284,119</u>	<u>6,181,882</u>
<b>Non Current Assets</b>			
Fixed Assets	13	54,305,653	53,079,831
		<u>54,305,653</u>	<u>53,079,831</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><b>64,419,772</b></u>	<u><b>65,091,713</b></u>
<b>Current Liabilities</b>			
Accrued Wages	14	245,850	213,971
Accounts Payable	15	502,212	875,049
Employee Benefits	16	1,590,054	1,297,899
Residents	17	357,848	2,467,163
Loans	20	678,773	796,227
		<u>3,374,737</u>	<u>5,650,309</u>
<b>Non Current Liabilities</b>			
Loan CBA	20	5,409,096	5,559,096
ZRIL Melaleuca (Government)	20	0	104,000
ZRIL Raglan (Government)	20	0	327,273
ZRIL Correa Extension (Government)	20	1,454,375	1,551,875
Residents	18	30,107,480	27,616,170
Employee Benefits	19	204,406	240,761
		<u>37,175,357</u>	<u>35,399,175</u>
<b>TOTAL LIABILITIES</b>		<b>40,550,094</b>	<b>41,049,484</b>
<b>NET ASSETS</b>		<u><b>23,869,678</b></u>	<u><b>24,042,229</b></u>
<b>EQUITY</b>			
Retained Earnings		5,050,015	5,222,566
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><b>23,869,678</b></u>	<u><b>24,042,229</b></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 2021**

2020	Note	Asset Capitalisation Reserve	Revaluation Reserve	Retained Earnings	Total Equity
<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>

2021	Note	Asset Capitalization Reserve	Revaluation Reserve	Retained Earnings	Total Equity
<b>Balance at beginning 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>
Surplus/(deficit) for the year		0	0	(172,551)	(172,551)
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>5,050,015</b>	<b>23,869,678</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 2021**

	Note	2021 \$	2020 \$
<b>Cash Flows from Operating Activities</b>			
Receipts from operations		14,897,489	13,756,432
Net GST refund/payment		506,404	355,586
Payments to suppliers and employees		(14,931,053)	(13,569,597)
<b>Net Cash Flows from Operating Activities</b>	<b>28</b>	<u>472,840</u>	<u>542,421</u>
<b>Cash Flows from Investing Activities</b>			
Payments for property, furniture & fittings, plant & equipment		(2,495,002)	(1,268,199)
<b>Cash Flows from Financing Activities</b>			
Proceeds from borrowings		0	0
Repayment of borrowings		(796,227)	(796,227)
Licences, accommodation bonds & deposits		727,891	679,694
<b>Net Increase (Decrease) in Cash Held</b>	<b>27</b>	<u>(2,090,498)</u>	<u>(842,311)</u>
Cash & cash equivalents at the beginning of the financial year	27	4,792,980	5,635,291
<b>Cash &amp; cash equivalents at the end of the financial year</b>	<b>27</b>	<u><u>2,702,482</u></u>	<u><u>4,792,980</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 2021**

**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.

**(d) Changes in accounting policies**

Internal labour contributions to asset construction or implementation have been recognised as a cost in bringing the asset to operational status. This contribution, where applicable has been raised at a rate of 10% of the direct costs.

**(e) Incometax**

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 2021**

**(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 10% SGL and 2.9031% 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 2021**

**(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 2021**

**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>2019-2020</b>	<b>2020-2021</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 2021**

**(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 2021 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 2021**

		2021	2020
	Revenue	\$	\$
<b>Note 2</b>	<b>Revenue from Operating Activities</b>		
a	Fees From Residents	2,764,917	2,949,874
b	Government Subsidies for Care	8,456,601	8,620,962
c	JobKeeper Revenue	1,055,568	741,872
d	Cash Boost Revenue	50,000	50,000
e	COVID-19 Funding Support	325,436	178,678
f	Capital Grant	0	261,896
g	Other Income	448,516	30,800
		<u>13,101,038</u>	<u>12,834,082</u>
<b>Note 3</b>	<b>Revenue from Non Operating Activities</b>		
a	Proceeds from Fundraising	25,454	51,834
b	Interest on Investments	29,968	83,762
c	Retention on Resident Licences	246,792	255,242
d	Resident Fees	655,276	692,284
e	Government Accommodation Supplements	866,921	841,899
f	Donations	4,841	67,952
g	Other Income	0	2,014
		<u>1,829,252</u>	<u>1,994,987</u>
	<b>Expenses</b>		
<b>Note 4</b>	<b>Employee Expenses (including JobKeeper)</b>		
a	Salaries & Wages	8,199,154	7,463,303
b	Annual, Long Service & Sick Leave	1,297,826	1,219,199
c	Superannuation	865,270	795,869
d	Workcover	258,746	196,972
e	Training	92,676	108,231
f	Other Employee Oncosts	91,833	176,693
		<u>10,805,505</u>	<u>9,960,267</u>
<b>Note 5</b>	<b>Materials &amp; Contracts</b>		
a	GP Costs	12,409	14,000
b	Activities	5,102	8,399
c	Foot and Hand Care	12,356	12,613
d	Direct care	299,715	279,744
e	Catering	825,528	820,218
f	Laundry	98,455	108,992
g	Cleaning	48,007	48,243
h	Grounds	1,777	760
i	Allied Health Costs	211,446	322,229
j	General Hostel	13,696	65,071
k	Administration Expenses	123,013	73,251
l	COVID-19 Costs	158,979	78,582
m	Agency expenses	0	93,595
n	ILU's	11,725	11,155
		<u>1,822,208</u>	<u>1,936,852</u>

**HAVILAH HOSTEL INC.**  
**Notes to and forming part of the Financial Statements**  
**for the Year Ended 30 June 2021**

	2021	2020
	\$	\$
<b>Note 6 Depreciation and Amortisation</b>		
a Buildings - General Hostel	390,032	387,892
b Other Structures - General Hostel	60,269	58,738
c Furniture & Fittings - General Hostel	149,585	152,225
d Plant & Equipment - General Hostel	332,058	302,972
e Office Furniture & Equipment	40,256	33,044
f Plant & Equipment - Grounds	7,783	7,930
g Vehicles	11,568	11,568
h Buildings ILU's	151,543	151,524
i Furnishings & Equipment ILU's	54,872	60,298
j Other Structures ILU's	32,300	31,699
k Buildings - Community Centre	18,341	18,333
l Furniture & Fittings - Community Centre	5,730	10,920
m Plant & Equipment - Community Centre	13,747	12,597
n Office Furniture & Equipment ILU's	496	210
	<u>1,268,580</u>	<u>1,239,950</u>
 <b>Note 7 Repairs &amp; Maintenance</b>		
a Clinical	15,598	14,816
b Catering	23,367	34,945
c Laundry	261	1,791
d Cleaning	6	48
e Grounds	1,592	2,861
f General Hostel	35,066	50,231
g General Hostel Equipment	25,234	43,462
h Emergency Systems & OH&S	45,710	48,191
i Transport	10,125	11,349
j Office Equipment	39,435	37,685
k ILU Buildings	5,168	8,346
l ILU Grounds	344	1,803
	<u>201,906</u>	<u>255,528</u>
 <b>Note 8 Minor Purchases</b>		
a Activities	0	0
b Catering	11,988	17,055
c Laundry	1,706	2,878
d Cleaning	3,274	4,262
e Grounds	1,985	3,281
f Clinical	5,803	4,675
g Resident	7,006	7,014
h General Hostel	13,482	27,297
i OH&S	313	75
j Infection Control	56,951	14,491
k Administration	43,822	41,123
l ILU Buildings	752	1,072
m ILU Grounds	56	338
	<u>147,138</u>	<u>123,561</u>

**HAVILAH HOSTEL INC.**  
**Notes to and forming part of the Financial Statements**  
**for the Year Ended 30 June 2021**

	2021	2020
	\$	\$
<b>Note 9 Financial</b>		
Bank Overdraft Charges	0	0
Interest - Borrowings CBA	143,495	200,817
Interest - Borrowings ZRIL	17,552	51,537
Interest - Bond Settlement	53,903	66,882
	<u>214,950</u>	<u>319,236</u>
Less capitalised borrowing costs on qualifying assets	0	0
	<u>214,950</u>	<u>319,236</u>

<b>Note 10 Other</b>		
a Activities	20,410	33,595
b Catering	2,267	1,065
c Gas	61,848	56,133
d Power	180,957	205,438
e Rates & Charges	34,178	31,880
f Waste Disposal	74,594	70,890
g Telephone, Internet, Security and Call System	48,101	46,525
h Resident Transport	2,531	2,837
i Other Resident Expenses	21,547	39,831
j Emergency Systems & OH&S	1,642	491
k Accreditation	11,802	9,779
l Benchmarking	700	700
m Insurances	73,586	67,584
n Administration	9,117	15,531
o Audit Fees	4,590	4,500
p Public Relations	8,930	779
q Unclassified	67	643
r Volunteer	6,182	6,878
s ILU Insurances	23,300	21,560
t ILU Rates, Charges and Utilities	49,605	50,232
u ILU Administration	6,600	3,900
v ILU Other	0	0
	<u>642,554</u>	<u>670,771</u>

**Current Assets**

<b>Note 11 Cash and cash equivalents</b>		
a Cash on hand	8,250	5,711
b Cash at bank	2,694,232	2,482,710
c Term deposits	0	2,304,559
Total cash and cash equivalents	<u>2,702,482</u>	<u>4,792,980</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)	63,749	95,405
- Prepaid Grants + Income (note 15f)	5,665	0
	<u>69,414</u>	<u>95,405</u>



**HAVILAH HOSTEL INC.**  
**Notes to and forming part of the Financial Statements**  
**for the Year Ended 30 June 2021**

Note	12 Accounts Receivable	2021	2020
		\$	\$
a	Sundry Debtors	183,967	6,508
b	JobKeeper Top-Up Debtor	0	83,781
c	Workcover Debtor	4,010	5,269
d	Taxation GST & PAYG	91,138	48,678
e	Resident Fees	210,025	115,797
f	Resident Fees ILU	1,572	235
g	Government Subsidy Due	60,508	66,307
		<u>551,220</u>	<u>326,575</u>

**Note 13 Fixed Assets**

	2021	2020
<b>General Hostel</b>	\$	\$
a Land at cost	263,784	270,804
Land at fair value as at 1 August 2017	5,779,000	5,779,000
	<u>6,042,784</u>	<u>6,049,804</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	8,516,959	8,284,144
Buildings at Fair Value at 1 August 2017	22,742,490	22,742,490
<b>less Depreciation &amp; Amortisation</b>	<u>(2,044,032)</u>	<u>(1,654,000)</u>
	<u>29,215,417</u>	<u>29,372,634</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	1,169,445	1,080,597
<b>less Accumulated Depreciation</b>	<u>(648,956)</u>	<u>(588,687)</u>
	<u>520,489</u>	<u>491,910</u>

d Furniture & Fittings - Hostel at cost	2,256,585	2,080,746
<b>less Accumulated Depreciation</b>	<u>(1,259,595)</u>	<u>(1,109,885)</u>
	<u>996,990</u>	<u>970,861</u>

e Equipment - Hostel at cost	5,360,103	4,988,179
<b>less Accumulated Depreciation</b>	<u>(3,098,393)</u>	<u>(2,766,697)</u>
	<u>2,261,710</u>	<u>2,221,482</u>

f Office Furniture & Equipment at cost	469,153	412,259
<b>less Accumulated Depreciation</b>	<u>(259,026)</u>	<u>(218,896)</u>
	<u>210,127</u>	<u>193,363</u>

g Plant & Equipment (Grounds) at cost	120,704	117,143
<b>less Accumulated Depreciation</b>	<u>(85,614)</u>	<u>(77,831)</u>
	<u>35,090</u>	<u>39,312</u>

h Vehicles at cost	193,438	193,438
<b>less Accumulated Depreciation</b>	<u>(100,555)</u>	<u>(88,987)</u>
	<u>92,883</u>	<u>104,451</u>

i Work in Progress - at cost	2,019,225	495,632
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<b>Total General Hostel</b>	<u>41,394,715</u>	<u>39,939,449</u>
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**HAVILAH HOSTEL INC.**  
**Notes to and forming part of the Financial Statements**  
**for the Year Ended 30 June 2021**

	2021	2020
<b>Independent Living Units</b>	\$	\$
j Buildings at cost	40,348	29,832
Buildings at Fair Value at 1 August 2017	12,091,956	12,091,956
<b>less Accumulated Depreciation</b>	<b>(1,651,306)</b>	<b>(1,499,763)</b>
	<u>10,480,998</u>	<u>10,622,025</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.

k Other Structures at cost	960,549	960,076
<b>less Accumulated Depreciation</b>	<b>(225,740)</b>	<b>(193,440)</b>
	<u>734,809</u>	<u>766,636</u>
l Furniture & Equipment at cost	674,508	644,626
<b>less Accumulated Depreciation</b>	<b>(443,915)</b>	<b>(389,044)</b>
	<u>230,593</u>	<u>255,582</u>

	2021	2020
<b>High School Centre</b>	\$	\$
m Buildings at cost	2,600	0
Buildings at Fair Value at 1 August 2017	1,466,583	1,466,583
<b>less Accumulated Depreciation</b>	<b>(107,770)</b>	<b>(89,429)</b>
	<u>1,361,413</u>	<u>1,377,154</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.

n Furniture & Equipment at cost	73,790	73,790
<b>less Accumulated Depreciation</b>	<b>(59,990)</b>	<b>(54,260)</b>
	<u>13,800</u>	<u>19,530</u>
o Plant & Equipment at cost	192,907	192,907
<b>less Accumulated Depreciation</b>	<b>(108,205)</b>	<b>(94,458)</b>
	<u>84,702</u>	<u>98,449</u>
p Office Furniture & Equipment at cost	6,747	2,634
<b>less Accumulated Depreciation</b>	<b>(2,124)</b>	<b>(1,628)</b>
	<u>4,623</u>	<u>1,006</u>
<b>Total ILU &amp; High School Centre</b>	<u>12,910,938</u>	<u>13,140,382</u>
	<u>54,305,653</u>	<u>53,079,831</u>

**HAVILAH HOSTEL INC.**  
**Notes to and forming part of the Financial Statements**  
**for the Year Ended 30 June 2021**

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

2021	Carrying Amount 30/06/2020	Revaluation Increments/ (Decrements)	Write off Assets Disposed	Additions	Transfers from WIP	Depreciation Expense	Carrying Amount 30/06/2021
a Land	6,049,804	0	0	0	(7,020)	0	6,042,784
b Buildings	29,372,634	0	0	80,220	152,595	(390,032)	29,215,417
c Other Structures	491,910	0	0	27,847	61,001	(60,269)	520,489
d Furniture & Fittings - Hostel	970,861	0	350	162,050	13,314	(149,585)	996,990
e Equipment - Hostel	2,221,482	0	(38)	343,739	28,585	(332,058)	2,261,710
f Office Furniture & Equipment	193,363	0	(912)	57,932	0	(40,256)	210,127
g Plant & Equipment (Grounds)	39,312	0	0	3,561	0	(7,783)	35,090
h Vehicles	104,451	0	0	0	0	(11,568)	92,883
i Work in Progress	495,632	0	0	1,772,068	(248,475)	0	2,019,225
	39,939,449	0	(600)	2,447,417	0	(991,551)	41,394,715
j Buildings - ILUs	10,622,025	0	0	10,516	0	(151,543)	10,480,998
k Other Structures - ILUs	766,636	0	0	473	0	(32,300)	734,809
l Furniture & Equipment - ILUs	255,582	0	0	29,883	0	(54,872)	230,593
m Buildings - High School Centre	1,377,154	0	0	2,600	0	(18,341)	1,361,413
n Furniture & Fittings - High School Ctr	19,530	0	0	0	0	(5,730)	13,800
o Plant & Equipment - High School Ctr	98,449	0	0	0	0	(13,747)	84,702
p Office Furn & Equip - High School Ctr	1,006	0	0	4,113	0	(496)	4,623
	13,140,382	0	0	47,585	0	(277,029)	12,910,938
<b>TOTAL FIXED ASSETS</b>	53,079,831	0	(600)	2,495,002	0	(1,268,580)	54,305,653
<b>Intangible Assets</b>							
q 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 2021**

	2021	2020
	\$	\$
<b>Current Liabilities</b>		
<b>Note 14</b> Accrued Wages		
a Accrued Wages	245,850	213,971
	<u>245,850</u>	<u>213,971</u>
<b>Note 15</b> Accounts Payable		
a Taxation - PAYG & GST	0	0
b Employee Sundry Creditors	1,396	409
c Sundry Creditors	360,062	712,253
d Trust Accounts	63,749	95,405
e Superannuation	71,340	66,982
f Prepaid Grants + Income	5,665	0
	<u>502,212</u>	<u>875,049</u>
<b>Note 16</b> Employee Benefits		
a Annual Leave & Annual Leave Loading	824,970	644,705
b Accrued Days Off	2,206	0
c Long Service Leave	762,878	653,194
	<u>1,590,054</u>	<u>1,297,899</u>
<b>Note 17</b> Residents		
a Refundable Deposits & Bonds	357,848	2,467,163
	<u>357,848</u>	<u>2,467,163</u>
<b>Non Current Liabilities</b>		
<b>Note 18</b> Residents		
a Refundable Deposits & Bonds	20,480,300	17,954,171
b Licence Fees - Independent Living Units	9,627,180	9,661,999
	<u>30,107,480</u>	<u>27,616,170</u>
<b>Note 19</b> Employee Benefits		
a Long Service Leave	204,406	240,761
	<u>204,406</u>	<u>240,761</u>
<b>Note 20 Loan Funds</b>		
Loan Funds are secured against the Assets of the Association		
Current		
CBA	150,000	150,000
Government ZRIL	528,773	646,227
	<u>678,773</u>	<u>796,227</u>
Non-Current		
CBA	5,409,096	5,559,096
Government ZRIL	1,454,375	1,983,148
	<u>6,863,471</u>	<u>7,542,244</u>
Total Loan Funds	7,542,244	8,338,471

**HAVILAH HOSTEL INC.**  
**Notes to and forming part of the Financial Statements**  
**for the Year Ended 30 June 2021**

**Note 21 Reserves**

<b>Asset revaluation reserves</b>	Carrying Amount 30/06/2020	Increment (decrement)	Carrying Amount 30/06/2021
<b>2021</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 30/06/2019	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>

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>2021</b>	<b>2020</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	228,404	190,904

**Note 23 Commitment to Expenditure**

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

	<b>2021</b>	<b>2020</b>
	\$	\$
Four 18 Architecture	228,475	271,530
GeoTech Engineering	129,385	129,385
JHA	320,270	320,270
SPA Consulting	17,606	24,380
TGM Group	15,740	71,900
Paul Turner Plumbing	0	12,633
Bowden Corp	5,773,300	0
Palmer Electrical	50,885	0
	<u>6,535,661</u>	<u>830,098</u>

**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 2021**

**Note 26 Financial Instrument Composition and Maturity Analysis**  
**2021**

Financial Instrument	Floating Interest Rate	Fixed Interest Rate Maturing In			Non Interest Bearing	Weighted Average Effective Interest Rate
		1 Year or less	1-5Years	Over 5 years		
<b>Financial Assets</b>						
Cash Assets	2,702,482	0				0.24% & 1.77%
Receivables					555,685	N/A
<b>Financial Liabilities</b>						
Payables					502,212	N/A
Bonds & Licences					30,465,328	N/A
Loan Funds CBA	5,559,096					3.32%
Loan Funds ZRIL	1,983,148					1.74%

**2020**

Financial Instrument	Floating Interest Rate	Fixed Interest Rate Maturing In			Non Interest Bearing	Weighted Average Effective Interest Rate
		1 Year or less	1-5Years	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%

**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>2021</b>	<b>2020</b>
	\$	\$
Cash at Bank and on Hand at beginning	4,792,980	5,635,291
Cash at Bank and on Hand at end	2,702,482	4,792,980
Increase/(Decrease) in Cash Held	<u>(2,090,498)</u>	<u>(842,311)</u>

**HAVILAH HOSTEL INC.**  
**Notes to and forming part of the Financial Statements**  
**for the Year Ended 30 June 2021**

Note 28 Reconciliation of Net Cash Provided by Operating Activities	2021 \$	2020 \$
Operating Surplus	(172,551)	322,904
<b>Items not involving Cash</b>		
Depreciation	1,268,580	1,239,950
Bond retentions, interest and fee payments	(345,896)	(378,905)
Written down value on disposal of assets	600	3,450
<b>Change in Operating Assets &amp; Liabilities</b>		
(Increase)/Decrease in Debtors	(224,645)	(148,567)
(Increase)/Decrease in Accrued Income	573,805	(564,840)
Increase/(Decrease) in Long Service Leave Provision	(36,355)	(18,286)
(Increase)/Decrease in Prepaid Expenses	(12,395)	(32,642)
Increase/(Decrease) in Creditors	(309,302)	15,568
Increase/(Decrease) in Deposits/Trusts	(31,656)	35,989
Increase/(Decrease) in Accrued Expenditure	292,155	171,350
(Increase)/Decrease in Stocks	(529,500)	(103,550)
Increase in Cash resulting from Operating Activities	472,840	542,421

**Note 29 Statement of Oncost**

Account Description	2021 \$	2020 \$
<b>Oncost Income</b>	2,746,576	2,496,965
<b>Expenditure</b>		
Annual Leave and Annual Leave Loading	836,401	799,615
Sick Leave	287,002	277,082
Long Service Leave	174,423	142,502
Workcover Premium	255,988	193,923
Workcover Medical	277	1,928
Accident Leave	3,149	3,098
Return to Work	2,482	1,121
Injury Management	11,880	11,880
Superannuation	865,270	795,869
Training & Meetings	152,220	108,231
Training Orientation	88,684	75,168
Protective Clothing	20,835	37,476
Other	47,965	49,072
	<u>2,746,576</u>	<u>2,496,965</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 2021**

**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:

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

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

During the year ended 30 June 2021, 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>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>A. RESIDENTIAL AGED CARE (Havilah Hostel –3181&amp; Havilah on Palmerston –3951)</b>		
<b>Income</b>		
Residents	3,229,897	3,452,380
Government	9,323,522	9,462,861
Other	1,939,783	1,464,708
	<u>14,493,202</u>	<u>14,379,949</u>
<b>Expenditure</b>		
Salaries & Oncosts	10,720,312	9,752,524
Materials & Contracts	1,810,483	1,985,987
Repairs & Maintenance	196,394	280,949
Minor Purchases	146,330	129,771
Other	563,049	604,259
	<u>13,436,568</u>	<u>12,753,490</u>
<b>RAC Surplus/(Def)Pre Depn and Int Exp</b>	<b>1,056,634</b>	<b>1,626,459</b>
Interest	172,378	277,231
<b>RAC Operating Surplus/(Def) pre Depn</b>	<b>884,256</b>	<b>1,349,228</b>
Depreciation	991,551	954,369
<b>RAC Total Operating Surplus/(Def) post Depn</b>	<b>(107,295)</b>	<b>394,859</b>
Other Comprehensive Income	0	0
<b>RAC Total Comprehensive Result</b>	<b>(107,295)</b>	<b>394,859</b>
<b>B. HIGH SCHOOL CENTRE</b>		
<b>Income</b>		
Other	0	0
	<u>0</u>	<u>0</u>
<b>Expenditure</b>		
Salaries & Oncosts	21,030	22,780
Materials & Contracts	0	0
Repairs & Maintenance	68	181
Minor Purchases	0	0
Other	9,241	8,772
	<u>30,339</u>	<u>31,733</u>
<b>HSC Surp/(Def)pre Depn and Int Exp</b>	<b>(30,339)</b>	<b>(31,733)</b>
Depreciation	38,314	42,060
Interest	0	0
<b>HSC Surplus/(Def)post Depreciation</b>	<b>(68,653)</b>	<b>(73,793)</b>
Other Comprehensive Income	0	0
<b>HSC Total Comprehensive Result</b>	<b>(68,653)</b>	<b>(73,793)</b>

**HAVILAH HOSTEL INC.**  
**Notes to and forming part of the Financial Statements**  
**for the Year Ended 30 June 2021**

**C. RETIREMENT VILLAGES (ILUs)**

**Income**

Residents	437,088	445,020
Other	0	4,100
	437,088	449,120

**Expenditure**

Salaries & Oncosts	64,163	72,303
Materials & Contracts	11,725	11,155
Repairs & Maintenance	5,444	9,968
Minor Purchases	808	1,410
Other	70,264	66,920
	152,404	161,756

<b>ILU Surp/(Def)pre Depn and Int Exp</b>	<b>284,684</b>	<b>287,364</b>
Depreciation	238,715	243,521
Interest	42,572	42,005
<b>ILU Surplus/(Def)post Depreciation</b>	<b>3,397</b>	<b>1,838</b>
Transfer from ILU Maintenance Reserve	0	0
Other Comprehensive Income	0	0
<b>ILU Total Comprehensive Result</b>	<b>3,397</b>	<b>1,838</b>

<b>Surplus/Deficit All Operations</b>	<b>(172,551)</b>	<b>322,904</b>
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<b>Total Comprehensive Result</b>	<b>(172,551)</b>	<b>322,904</b>
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**(ii) ASSETS & LIABILITIES**

	<b>2020-2021</b>			<b>2019-2020</b>		
	Assets	Liabilities	Net Assets	Assets	Liabilities	Net Assets
Residential Aged Care	49,137,262	27,199,914	21,937,348	49,709,128	27,664,485	22,044,643
High School Centre	1,464,538	0	1,464,538	1,533,191	0	1,533,191
Independent Living Units	13,817,972	13,350,180	467,792	13,849,394	13,384,999	464,395
	64,419,772	40,550,094	23,869,678	65,091,713	41,049,484	24,042,229

**HAVILAH HOSTEL INC.**  
**Notes to and forming part of the Financial Statements**  
**for the Year Ended 30 June 2021**

**Note 32 Retirement Villages**

**HARKNESS RETIREMENT VILLAGE STATEMENT**  
**for the Year Ended 30 June 2021**

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

	2021	2020
	\$	\$
<b>HARKNESS RETIREMENT VILLAGE</b>		
<b>Income</b>		
Residents	59,359	66,769
Other	0	4,100
	<u>59,359</u>	<u>70,869</u>
<b>Expenditure</b>		
Salaries & Oncosts	14,260	19,022
Materials & Contracts	2,283	1,896
Repairs & Maintenance	2,445	5,259
Minor Purchases	411	573
Other	7,588	7,771
Interest	0	0
Depreciation	<u>29,700</u>	<u>34,749</u>
	56,687	69,270
<b>Harkness Retirement Village Surplus/(Deficit)</b>	<b>2,672</b>	<b>1,599</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	10,858
Materials & Contracts	1,120
Repairs & Maintenance	6,820
Minor Purchases	950
Other	10,254
Interest	0
Depreciation	<u>37,700</u>
	67,702

**HAVILAH HOSTEL INC.**  
**Notes to and forming part of the Financial Statements**  
**for the Year Ended 30 June 2021**

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

Maintenance fees for 2020/2021 per week	\$ 68.85	
Proposed increase for 2021/2022	2.00%	[from 1 September at estimated CPI]
Proposed fees for 2021/2022 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 18th day of October 2021

**HAVILAH HOSTEL INC.**  
**Notes to and forming part of the Financial Statements**  
**for the Year Ended 30 June 2021**

**PALMERSTON RETIREMENT VILLAGE STATEMENT**  
**for the Year Ended 30 June 2021**

**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

	2021	2020
	\$	\$
<b>PALMERSTON RETIREMENT VILLAGE</b>		
<b>Income</b>		
Residents	376,289	376,856
Other	1,440	1,395
	<u>377,729</u>	<u>378,251</u>
<b>Expenditure</b>		
Salaries & Oncosts	49,903	53,281
Materials & Contracts	9,442	9,259
Repairs & Maintenance	2,999	4,709
Minor Purchases	397	837
Other	62,676	59,149
Interest	42,572	42,005
Depreciation	209,015	208,772
	<u>377,004</u>	<u>378,012</u>
<b>Palmerston Retirement Village Surplus/(Deficit)</b>	<b>725</b>	<b>239</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	65,032
Materials & Contracts	0
Repairs & Maintenance	5,030
Minor Purchases	1,110
Other	76,091
Interest	51,690
Depreciation	201,540
	<u>400,493</u>

**HAVILAH HOSTEL INC.**  
**Notes to and forming part of the Financial Statements**  
**for the Year Ended 30 June 2021**

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

Maintenance fees for 2020/2021 per week	\$ 68.85	
Proposed increase for 2021/2022	2.00%	[from 1 September at estimated CPI]
Proposed fees for 2021/2022 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 18th day of October 2021

**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 2021 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 2020/2021 operating results have not been negatively impacted by the virus and there is not expected to be any adverse affect on 2021/2022 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:

  
Shane Walton Dellavedova  
PRESIDENT

  
Brian Francis O'Connor  
TREASURER

Dated this 28th day of October, 2021





## 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.**

