



Havilah Hostel INC.
Annual report and financial statement

2019

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 2019.

MEMBERS OF THE BOARD

Principal Activities	PRESIDENT	Shane Dellavedova
	VICE PRESIDENT	Danny Tatchell
	TREASURER	Brian O'Connor
		Craig Bell Jacqueline Durbridge Randall Edwards Merv Gay Robyn Jennings Lenette McKnight

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

Significant Change in Operations

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

Operating Surplus

The surplus for the year amounted to \$194,816

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.

MANAGEMENT PROFILE

CHIEF EXECUTIVE	Barbara Duffin
DIRECTOR CLINICAL CARE	Kelsey Hooper
DIRECTOR FINANCE	Sandra Wilson
DIRECTOR PALMERSTON SERVICES	Deb Matthews
AUDITOR	Michael Ryan
BANKERS	CBA

Signed on behalf of the board of Havilah Hostel Inc.

Shane Dellavedova
PRESIDENT

Robyn Jennings
BOARD MEMBER



PRESIDENT'S REPORT



Welcome to the 2019 Havilah Annual General Meeting. It is a pleasure to submit the Annual Report.

Havilah has continued to achieve outstanding results in an environment of constant change and scrutiny within the aged care sector. It has been a year of high intensity, with the Royal Commission, constant changes to regulation under the new Quality Standards and Charter of Aged Care Rights, the introduction of unannounced re-accreditation assessments and the frustrations of the planning process for stage 2 at Havilah on Palmerston.

Throughout all of this there have been many positives, including a \$382K grant under the Regional, Rural and Remote Aged Care Infrastructure Scheme, 24 new places at Harkness Street through the 18-19 ACAR, 44 out of 44 compliant outcomes achieved against the trend in our first unannounced re-accreditation assessment, our first "overseas" trip for the retirement community and

a letter from Buckingham Palace to the residents of Raglan House.

Stage 2 Havilah on Palmerston

This time last year we were hopeful that the first sod would have been turned for the Residential Aged Care Facility at Stage 2 Havilah on Palmerston.

Then a very frustrating town planning process got in the way.

The Planning Application was lodged on the 9th of November 2018. The application was required to be advertised and this happened in late March, the notice period closing on 12th April.

On 22nd May we were advised that there was one objection to the proposal. Council then sought heritage advice and a copy of this was provided to Havilah on 5th July.

We made changes to the plans to reflect issues raised and arranged for our own

Heritage Report to be undertaken. Since receiving the Report our architect has been asked to make changes as reasonable without compromising the project or the intent of the design.

We would hope that it will be possible to arrange an objector meeting shortly and that the application will be able to be considered by Council this month.

Havilah has a provisional allocation for 24 residential aged care places to be developed on this site. A very important project both socially and economically for our community.

Planning for future growth

On 5th March notification was received of the success of Havilah's application under the 2018-2019 Aged Care Funding Round for the development of a further 24 Residential Care Places at the Harkness Street site.



PRESIDENT'S REPORT

In making the announcement the Minister said that this year's ACAR was highly competitive with rigorous assessment based on the applicant's ability to deliver care, and management experience and expertise. Demand was strong with only one third of places applied for granted.

With the percentage of population over 70 years of age in Central Goldfields Shire growing at twice the Victorian average this announcement is very important for the local community.

It is proposed that the development will be built adjacent to Heath House and comprise single occupancy units with private ensuite. Each unit to have direct access to either patio or balcony and enjoy views over the surrounding countryside. The building is planned to be constructed over two levels. Plans include a lift and linkway to the adjoining Heath House from the top storey.

Aged Care Rural, Regional and Remote Infrastructure grants

We received an early Christmas present on 18th December with the announcement of Havilah's successful application under the Aged Care Rural, Regional and Remote Infrastructure Grants for works at Havilah on Palmerston.

This was a one-off application round where existing approved providers were invited to apply for grants of up to \$500,000 per service.

Although our Harkness Street application was unsuccessful, we were very happy at Havilah on Palmerston with \$382k granted. Works under the project are installation of solar power, renovations to increase the space in the Raglan House Dining Room and construction of external storage and gopher parking.

Solar power

The Board has continued its work to install solar power to

both of its residential aged care buildings. A 200kw system was the preferred option at Harkness Street which required approvals through Powercor to establish a system of this size. This has taken some time but has now been achieved. The installation commenced in late September and will take some 6-7 weeks to complete. For Raglan House, being a much smaller scheme, we were able to have this operational in early July. We look forward to substantial future savings in power bills over both sites.

The Royal Commission

In February we lodged a submission to the Aged Care Royal Commission. We think it will be well worth putting together the 100 pages of information submitted if good outcomes on funding and workforce issues can be achieved. The jury is still out on what will be achieved with the media largely disinterested.

PRESIDENT'S REPORT



The reports coming from the hearings are saying this is wrong and that is wrong, but we are not hearing any solutions from the Commissioners at present.

Havilah's submission specifically addressed funding including that an external body independent of government should set pricing and indexation; workforce; early discharge from hospital; the cost of caring for people who exhibit very severe behavioural and psychological symptoms of dementia; availability of 24/7 pathology and x-ray services; and value for money of "My Aged Care"

The significance of Havilah to the local community

Havilah has available 142 residential aged care places and 53 retirement units. We have provisional allocations for a further 48 residential aged care places to be developed over the next five years.

Havilah is a significant

contributor to the local economy employing over 200 staff. Labour costs for the 2019 financial year were \$9.3M, projected to grow to \$9.7M in the year to June 2020. Purchases from local businesses totalled \$1.4M.

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

Clinical care, GPs and allied health services

We deliver quality clinical outcomes for our residents. The results are driven by our Director of Care Kelsey Hooper, Nurse Manager at Havilah on Palmerston Deb Matthews and our individual Unit Managers and Team Leaders. They are very well supported by allied health, psycho geriatric and GP Services and our own care and lifestyle staff. Thank you.

We specifically acknowledge and thank Drs. Jenny Carson, Gavin Cuff, David Tynan,

Jim Sharples, and their Practice Staff for providing on site clinics and services for our residents and the Maryborough Health Service Urgent Care staff for their valued assistance and co-operation.

Also thank you to our Pharmacies for their prompt attention to our many regular requests.

The Board continues to resource major clinical projects that will improve outcomes for residents and staff. This year we have introduced the Painchek app for residents who are not able to verbalise their pain. Other major clinical purchases have included a sterilising unit, hover technology, bladder scanner, macerator and Nocospray disinfection equipment to assist in containing the spread of infection.



PRESIDENT'S REPORT

We have continued our work in improving the dementia environment replacing floor coverings in Heath House including the use of different designs and colours to assist way finding. Works have been completed to secure one side of Heath House with alarms into the call system rather than by locked doors.

"Heath House is a lovely place. It feels like coming into someone's home when you come through the doors."
- family member

Cultural, Spiritual Lifestyle

Each significant event is celebrated, tables are decorated, and food prepared to fit the occasion. At Christmas residents host families and friends at the Annual Barbecue and for Christmas Lunch. Our facilities are wonderfully decorated by staff and volunteers to the delight of residents and families and the many community members who visit with children to view the Christmas displays at Havilah.

Among the activities on offer for those who like to get out and about are trips to nearby towns and attractions and events in the region.

And there are plenty of activities to be enjoyed at home from bowling to crosswords, craft, art, cooking, dancing, entertainment, movies, beauty therapy, and the popular Bingo, now with newly introduced bingo calling equipment.

As is tradition residents travelled in style in vintage cars, courtesy of the Car Club, to the Anzac Service at McLandress Square. A big thank you to the Car Club for their continued support of this activity.

Lifestyle staff initiated the establishment of a pop-up beauty spa at each site and a theatrette at Harkness Street. The Multi-purpose Activities Room at Harkness Street was upgraded with new furnishings and drapery. Auto doors were installed between this area and Correa House for improved access for residents to lifestyle functions.



PRESIDENT'S REPORT



This year also saw the introduction of raised gardens and garden clubs formed at both sites, and a bird aviary established at Raglan House. Thank you to Rotary and Eddie Meagher for assisting us with these projects.

Thank you to the local churches who continue their generous support conducting devotional services each week.

In April Raglan House residents had a royal baby shower for Prince Harry and Meghan in anticipation of the arrival of "Archie Mountbatten-Windsor". Residents sent photos from the function together with their good wishes and parenting advice to the prospective royal parents.

In July there was much excitement when a response arrived by Royal Mail direct from Buckingham Palace

"Their Royal Highnesses are grateful to you for taking the trouble to let them know of your celebrations held at Raglan House on the occasions of their Wedding and the birth of their Son, Archie Mountbatten-Windsor.

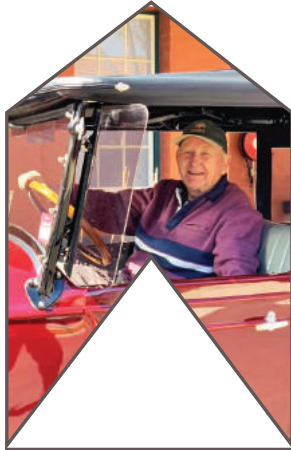
The Duke and Duchess were also delighted to hear of all your kind wishes and wise words that you enclosed. It really was most thoughtful of you. As a thank you, I have enclosed some photographs that you may like to put up on your wall.

The Duke and Duchess of Sussex have asked me to send you their best wishes."

Thank you and congratulations to Sue, Kim Karen, and their lifestyle teams together with our many volunteers and Chefs Di Phil, Greg, and Jackie and their catering teams for achieving such great outcomes. The cultural, spiritual and lifestyle program adds immense value to the lives of our residents every day - our thanks and appreciation go to all involved.

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





PRESIDENT'S REPORT

Quality, Compliance and Education

Clinical and governance risk is measured and controlled through a comprehensive system of reporting and auditing. Our reports show trends over the previous 12 months.

KPI's reflect those in place in the public sector and for internal monitoring we set our targets high at > 90%.

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

A new Board Committee established in October 2018 provides increased oversight in clinical areas. This Committee reports monthly to the full

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

Board so that we can be confident that the Board is meeting the requirements of the new Standard 8 - Organisational Governance.

"The organisation's governing body is accountable for the delivery of safe and quality care and services"

Externally monitoring and control is through the Aged Care Quality and Safety Commission.

In accordance with the legislation, each of Havilah's sites received one unannounced visit. We had excellent results with full compliance over the standards assessed.

A re-accreditation assessment at the Harkness site happened over two days on the 12th and 13th of February. This was unannounced and a first for Havilah being a new requirement of government for all re-accreditation assessments from July 2018. All 44 outcomes were met. Most importantly residents said that they are very happy

and satisfied. Staff on duty responded brilliantly, indicating that they know Havilah's policies and practices in place to provide quality and safe services for each resident, can carry out their role well and very importantly that they know the residents they are caring for. Residents, families and staff indicated that they knew where to go to for assistance and that Havilah was responsive to any concerns they raised.

This was a very robust process as it should be. In an environment where many facilities are not meeting the accreditation outcomes, we were extremely pleased to receive so much positive feedback from the assessors and from our residents, families and staff.

The New Quality Standards and Charter of Aged Care Rights

In July 2019 the new Aged Care Quality Standards together with the revised Charter of Aged Care Rights came into operation. Under the new

PRESIDENT'S REPORT



standards there is greater emphasis on clinical governance, partnering with consumers and open disclosure.

Havilah offers, all staff access to training to suit their job requirements and their career aspirations. Staff are required to complete sessions of mandatory training on commencement and in each 12 month period.

Communication and marketing

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

You can also view our Facebook page from a link on the website. A big thank you to Kim Davidson for her enthusiasm and energy in posting current information. We receive wonderful feedback

on our posts from within the community and beyond. It is a real positive to be getting the good news stories out there and keeping friends and family up to date on the happenings at Havilah.

For the year we have achieved occupancy rates of 97% at Harkness and 99% at Raglan House compared to the national average of 92%. Where the value of every percentage point is \$80k occupancy plays a big part in financial sustainability.

Our Marketing Executive Raeleen Brooker ultimately has responsibility for managing the wait list, liaising with case workers and the community and being the first contact when people are looking for places.

Our Finance Director Sandra Wilson also plays a vital role. Sandra prepares various financial options that show the choices residents will have. This can be taken away and discussed with family or financial advisors. Sandra will often have multiple meetings

with family pre entry.

Our relationships with customers is generally built up over a long period and requires a genuine interest in, and a strong knowledge of the local community, knowledge and understanding of the accommodation and services on offer at Havilah and how these relate to customer expectations.

This year at Havilah there have been 52 permanent admissions and 63 respite admissions. Additionally, there have been 6 new admissions to retirement units.

I acknowledge and thank Raeleen, Sandra, Tiff, Kim, and Andrew for their part achieving such a strong result.

"This year at Havilah there have been 52 permanent admissions and 63 respite admissions."



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 2019, 5 units changed hands at Havilah on Palmerston and 1 at Harkness Street. We have been actively involved in supporting residents to enable them to remain living independently as long as possible. Where residential care is required priority is given. Four residents have transferred from retirement living to residential care in the past 12 months.

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

Additionally, 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.

Prior to the public release of plans for the planned development of the tennis court site we held information sessions for the Havilah community. It was pleasing to receive positive and supportive feedback as a result of these consultations.

Currently we are "not so patiently" waiting the result of the planning permit application for this development.

Residents have been active through the Diners' Club and in touring various attractions around the district.

In February, with great excitement, we embarked on our first "overseas trip". A cruise to Hobart on the Carnival Legend.

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 2019 there were no Management Complaints or

Resident Disputes required to be reported under the Act.

Many of our residents have very busy lives and commitments outside of the Havilah community. We see that you are involved in other community and sporting groups and appreciate that you still find the time to make valuable contributions within the Havilah community by volunteering, sharing ideas and supporting each other. Thank you.

"We embarked on our first 'overseas' trip, a cruise to Hobart on the Carnival Legend."

PRESIDENT'S REPORT



Our Staff, Fundraising, Volunteering and Community

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

Our leadership team CEO, Barb Duffin and Directors Sandra Wilson and Kelsey Hooper lead this culture and their strategic thinking and tireless effort, maintain the service, viability and credibility of Havilah.

On behalf of the Board, I thank each and every one of our staff for their efforts during the past year.

Fundraising and donations have remained strong with in excess of \$53k raised.

The Auxiliary continues with its important work through the Carisbrook Op Shop. Thanks go to Rene Eastwood and her willing band of

workers. The \$8,300 raised this year bringing the total raised over 24 years to \$330k.

Our Volunteer Catering Team raised \$24k. The total raised by this group over 14 years is 278k.

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

The Major Raffle continues on with solid popularity and we thank our small band of ticket sellers for their annual assistance. This year all 400 tickets were sold raising \$20k.

To our volunteers, I sincerely thank you for your generous support. I look forward to seeing you all at Annual Volunteer Dinner to be held later in the year.

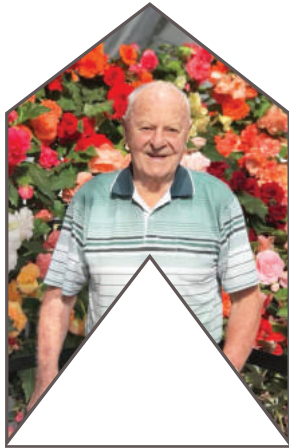
We have in excess of 100 volunteers, many of these current and former staff, providing on average 250 hours per week in volunteer hours, with a value estimated at \$400k. So almost half a million dollars in volunteering

and fundraising. An incredible figure.

"almost half a million dollars in volunteering."

We are grateful for the continued support we receive from the Havilah and the wider community.

"We have in excess of 100 volunteers, many of these current and former staff, providing on average 250 hours per week in volunteer hours"



PRESIDENT'S REPORT

Governance

I would like to recognise the contribution of Merv Gay who submitted his resignation from the Board in October 2018.

In resigning his position Merv said he will miss the comradeship of the board members and the unity of a common cause which has been an inspiration to him for over 20 years.

Merv is a Life Governor and a Board member since September 1996. He brought a wealth of business and organizational knowledge to the Board together with a philosophy of community involvement.

His tenure included 4 years as President and 2 years as Vice President. 15 years on the Forward Planning Committee and 15 years on the Governance Committee. 7 years on the Buildings and Grounds Committee and 2 years on the Staff and Grievance Committee.

In addition to attending monthly board meetings all of my board colleagues make additional contributions as officers and committee members. I would like to thank them for their excellent contributions.

I would also like thank CEO Barb Duffin for her support and for her continued dedication and commitment to Havilah.

We look forward to the next 12 months.

We are hopeful that the Royal Commission will provide recommendations that will deliver a funding system that allows the delivery of aged care services that reflect the expectations of government and the community.

Later this year there will be re-accreditation at Raglan House that will be both unannounced and conducted under the new Quality Standards.

We will continue planning for future growth and putting in place the many other initiatives resourced in the 19/20 budget.

We expect a very busy and satisfying year ahead.

It is a privilege to serve Havilah in any capacity, and an honour as your President.

Thank you

Shane Dellavedova
President

OUR STAFF & BOARD MEMBERS



Staff

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

Tonight, we recognize 4 staff, who have achieved 10 and 15 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

15 Years

Heather Watts
Personal Care

10 Years

Annette Bond
Personal Care
Heather Johnson
Personal Care
Julie Kollmorgen
Enrolled Nurse

Current Staff with > 10 Years Service

20+ Years

Raeleen Brooker
Barbara Duffin
Joanne Hooper
Brenda Wiseman

15+ Years

Karen Chapman
Sue Edmondson
Dianne Hooper
Leanne Hubble

Dianne Jackson
Helen Kennedy
Kerri McInnes
Moira Saul
Heather Watts

10+ Years

Joanne Ashcroft
Annette Bond
Vicki Crutchley
Catherine Dines
Dawn Flood

Amanda Hurse
Anne Jardine
Heather Johnson
Julie Kollmorgen
Joan Limbrick
Sarah McInnes
Barb Nicholls
Janelle Peart
Jacqui Phillips
Jodie Reville
Rhonda Treloar

Board Member Recognition Brian O'Connor

20 Years

A life Governor, Brian has achieved the significant milestone of 20 years as board member.

He has been active in leadership roles and on board committees holding the offices of President (3yrs), Vice President (5yrs), and Treasurer (15yrs). In addition he has been active on Board Committees, being 18 years a member of the Forward Planning Committee, and 8 years a member of the Governance and Finance Committees.

Brian's commitment to Havilah is an extension to his contribution to community over many years. CEO of the former Shire of Tullaroop and an inaugural councillor and Mayor of Central Goldfields Shire, Brian's experience and contribution in strategic planning, management, finance, and governance has been remarkable for Havilah.

Our thanks and congratulations to Brian on this outstanding achievement.



2019 BOARD ELECTIONS

Board Member Elections

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

As the nominations received did not exceed the positions vacant RANDALL EDWARDS, ROBYN JENNINGS and LENETTE McKNIGHT are elected to the Board.



Randall Edwards (re-elected)

A Life Governor, Randall has been a member of the Havilah Board since 2003. Randall owns and operates his own Communication and security business VISAT. He was formerly with Telstra, where he was President of the API for 3 years. He brings knowledge in the telecommunications field, expertise in all things electronic and business acumen to his role as a Board Member.

Randall's expertise has guided Havilah in ensuring that the most up to date and effective call systems, telephony and WIFI are available throughout all Havilah services, including automatic dementia specific call system in Heath and Correa Houses, to WIFI telephony, call systems and security at Raglan House and Havilah on Palmerston Retirement Village.

Randall is a current member of the Finance Committee, continuously serving on this Committee since 2005, he was five years a member of the Building and Grounds Committee from 2005-2010 and has been seconded to this Committee to assist with Havilah's Solar projects and is a current member of the Forward Planning Committee. Randall is an active support of Havilah Fundraising.



2019 BOARD ELECTIONS



Robyn Jennings (re-elected)

Robyn is a local businesswoman whose skills and enthusiasm provide great benefit to Havilah. She is a strong advocate for her community and her community spirit shines through in all she does. Robyn is a major supporter of Havilah Fundraising.

A Life Governor, Robyn has been a member of the Havilah Board since 2001. She has served 14 years on the Staff and Grievance Committee since 2005, 9 years on the Buildings and Grounds Committee since 2010 and 8 years on the Finance Committee since 2011.

Lenette McKnight (re-elected)

Lenette has vast experience as a businesswoman, sports person, administrator and project manager. She has a history of generosity to community through active involvement and sponsorship. Additional to her business acumen Lenette brings enthusiasm and innovation to Havilah Fundraising.

A Life Governor, Lenette has been a Havilah Board Member since April 1996.

She has served on the Forward Planning Committee for 16 years from 2003, the Staff and Grievance Committee for 18 years from 2001, the Governance Committee since its establishment in 2005 and more recently the Building and Grounds Committee since 2017. Lenette has been very involved in planning and design of Havilah's various developments both at Harkness Street and Havilah on Palmerston.

Congratulations to Randall, Robyn and Lenette 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 2018/2019 – Brian O'Connor

Havilah's financial position continues to remain good, with an operating surplus of \$194,816 for the year.

Being a community owned organisation, this surplus allows us to maintain our high standard of care for our residents.

2018/2019 once again saw the cumulating impact of previous Federal Government arbitrary cuts in funding to aged care and this continues to be a concern for Havilah.

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 2018/2019. This benchmarking service compares our results with those of another 952 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 is in the top half of all facilities in its financial performance.

We also compare ourselves at a more detailed level with other like organisations and generally meet quarterly to review performance.

**\$53M
ASSETS**

TREASURER'S REPORT



Some of the major areas of interest in our 2018/2019 results are:

1. In summary for the year of operations:

Surplus before depreciation and interest	\$1.8M
Depreciation	\$1.2M
Interest	\$418k
Operating increase in equity of the association (excluding intangible assets)	\$194,816

2. Our main sources of income were:

Income from the government	\$9.7M	69%
Income from residents	\$4M	29%
Other income	\$0.3M	2%

- The main item of expense for the year is employee costs at \$9.3M taking up 66.3% of our total revenue.
- Fundraising and donations continue to provide valuable resources to Havilah. \$53,492 was achieved this year.
- The net cash inflow from operations for the year was \$1.06M with an overall increase in cash held at 30 June of \$1.7M
- Capital expenditure this year was \$695,951-\$119,907 of this was expended on the installation of solar panels at Raglan House as part of the capital grant received with a further \$576k being expended as follows:

Residential and clinical equipment	\$197k
Kitchen, laundry and cleaning equipment	\$59k
Administration equipment including server for our care software	\$26k
Grounds	\$6k
Floor coverings, furnishings, painting and room upgrades	\$103k
ILU refurbishment	\$16k
Heath kitchenettes, screening, and communal area floors	\$89k
Rational at Raglan kitchen	\$22k
Harkness parking	\$7k
Tennis court site development planning	\$42k
Demolition 54 Raglan Street	\$9k

- 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 written down value of Havilah's fixed assets is \$53 million at 30 June 2019.
- Net Assets at 30 June total \$23.7M including \$5.8 million of intangible assets.

Our EBITDA (earnings before interest, tax, depreciation and amortisation) per bed per annum for the year was \$12,787 (\$14,442 in the prior year). The reduction on the previous year is directly attributable to the cuts in government funding and impacts of the Royal Commission into Aged Care.

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 2018/2019 financial statements. Michael undertook a very thorough and professional audit.

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

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

I have audited the accompanying financial report, being a general purpose financial report, of Havilah Hostel Inc., which comprises the balance sheet as at 30 June 2019, 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.

Committee's Responsibility for the Financial Report

The Committee 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 committee's responsibility also includes such internal control as the committee 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 2019, 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 2019, and of their performance for the year ended on that date.



Michael W Ryan FCA

Registered Company Auditor 7562

31 August 2019

Auditors Independence Declaration

Under Section 307C of the Corporations Act 2001

To the Directors of Havilah Hostel Inc.

I declare that, to the best of my knowledge and belief, in relation to the audit of Havilah Hostel Inc. for the year ended 30 June 2019 there have been:

- a) No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- b) No contraventions of any applicable code of professional conduct in relation to the audit.



Michael W Ryan FCA

Registered Company Auditor no 7562

Dated 31 August 2019

HAVILAH HOSTEL INC.
Statement of Comprehensive Income
for the Year Ended 30 June 2019

	Note	2019 \$	2018 \$
Income			
Revenue from Operating Activities	2	11,957,894	11,195,167
Revenue from Non Operating Activities	3	2,097,026	2,271,970
Total income		14,054,920	13,467,137
Expenses			
Employee Expenses	4	9,321,235	8,797,842
Materials and Contracts	5	1,769,130	1,582,130
Depreciation and Amortisation	6	1,203,091	1,191,846
Repairs and Maintenance	7	266,321	256,949
Minor Purchases	8	126,443	126,230
Finance Costs	9	417,819	390,594
Other Expenses	10	756,065	682,086
Total expenses		13,860,104	13,027,677
Surplus/(deficit) for the year		194,816	439,460
Other Comprehensive Income			
Items that may be reclassified to surplus or deficit in future periods			
Net asset revaluation increment	21	0	11,054,471
Total Comprehensive Result		194,816	11,493,931

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

HAVILAH HOSTEL INC.
Statement of Financial Position
as at 30 June 2019

		2019	2018
	Note		
Current Assets			
Cash	11	5,635,291	3,918,170
Prepayments		178,915	125,146
Accounts Receivable	12	178,008	121,849
Stocks		168,950	94,220
Accrued Income		13,430	2,329
		<u>6,174,594</u>	<u>4,261,714</u>
Non Current Assets			
Fixed Assets	13	53,055,032	53,562,172
		<u>53,055,032</u>	<u>53,562,172</u>
Intangible Assets			
Bed Licences	13	5,830,000	5,830,000
		<u>5,830,000</u>	<u>5,830,000</u>
TOTAL ASSETS		<u>65,059,626</u>	<u>63,653,886</u>
Current Liabilities			
Accrued Wages	14	150,582	151,558
Accounts Payable	15	886,881	637,042
Employee Benefits	16	1,126,549	1,159,156
Residents	17	870,265	266,400
Loans	20	796,227	796,227
		<u>3,830,504</u>	<u>3,010,383</u>
Non Current Liabilities			
Loan CBA	20	5,709,096	5,859,096
ZRIL Melaleuca (Government)	20	260,000	416,000
ZRIL Raglan (Government)	20	720,000	1,112,728
ZRIL Correa Extension (Government)	20	1,649,375	1,746,875
Residents	18	28,912,279	27,730,384
Employee Benefits	19	259,047	253,911
		<u>37,509,797</u>	<u>37,118,994</u>
TOTAL LIABILITIES		41,340,301	40,129,377
NET ASSETS		<u>23,719,325</u>	<u>23,524,509</u>
EQUITY			
Retained Earnings		4,899,662	4,704,846
Asset Capitalisation Surplus		7,327,946	7,327,946
Reserves			
Future Works & Maintenance		0	0
Asset Revaluation	21	11,491,717	11,491,717
TOTAL EQUITY		<u>23,719,325</u>	<u>23,524,509</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 2019

2018	Note	Asset Capitalisation Reserve	Revaluation Reserve	Retained Earnings	Total Equity
Balance at beginning of the financial year		7,327,946	437,246	4,265,386	12,030,578
Surplus/(deficit) for the year		0	0	439,460	439,460
Net asset revaluation increment/(decrement)	21	0	11,054,471	0	11,054,471
Bed licence increment		0	0	0	0
Transfer to/from other reserves		0	0	0	0
Balance at end of the financial year		7,327,946	11,491,717	4,704,846	23,524,509

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

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 2019

	Note	2019 \$	2018 \$
Cash Flows from Operating Activities			
Receipts from operations		13,609,348	13,011,881
Net GST refund/payment		286,089	233,133
Payments to suppliers and employees		(12,829,083)	(12,041,583)
Net Cash Flows from Operating Activities	28	<u>1,066,354</u>	<u>1,203,431</u>
Cash Flows from Investing Activities			
Payments for property, furniture & fittings, plant & equipment		(695,951)	(743,522)
Cash Flows from Financing Activities			
Proceeds from borrowings		0	0
Repayment of borrowings		(796,228)	(833,727)
Licences, accommodation bonds & deposits		2,142,946	2,628,734
Net Increase (Decrease) in Cash Held	27	<u>1,717,121</u>	<u>2,254,916</u>
Cash & cash equivalents at the beginning of the financial year	27	3,918,170	1,663,254
Cash & cash equivalents at the end of the financial year	27	<u><u>5,635,291</u></u>	<u><u>3,918,170</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 2019

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:

(a) Basis of preparation

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

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

(b) Basis of accounting

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

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

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

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

(c) Accounting policies

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

Early adoption of AASB1058 Income of Not-for-profit entities has been taken for the financial year ended 30 June 2019.

(d) Changes in accounting policies

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

(e) Income tax

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

(f) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated exclusive of GST.

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

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

HAVILAH HOSTEL INC.
Notes to and forming part of the Financial Statements
for the Year Ended 30 June 2019

(g) Employee Benefits

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

Wages and salaries and annual leave

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

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

Long service leave

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

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

The components of this current liability are measured at :

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

Classification of employee costs

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

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

Contributions are made by the association to an employee superannuation fund and are charged as expenses when incurred. Provision is made for 9.5% SGL and 2.4911% 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 2019

(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 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 2019

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.

	2017-2018	2018-2019
Land	-	-
Buildings - RACFs	80 years	80 years
Other Structures	5 to 20 years	10 to 20 years
Furniture & Fittings - Hostel	5 to 12.5 years	5 to 50 years
Equipment - Hostel	3.3 to 20 years	3 to 50 years
Office Furniture & Equipment	3.3 to 10 years	8 to 25 years
Plant & Equipment (Grounds)	10 years	8 to 20 years
Vehicles	5 to 10 years	15 years
Buildings - Independent Living Units	80 years	80 years
Furniture & Equipment - Independent Living Units	5 to 12.5 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 2019

(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 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 early adopted AASB1058 Income of Not-for-profit entities for the financial year ended 30 June 2019.

(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 2019 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) 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 2019

		2019	2018
	Revenue	\$	\$
Note 2	Revenue from Operating Activities		
a	Fees From Residents	3,004,387	2,836,418
b	Government Subsidies for Care	8,815,631	8,319,233
c	Other Income	137,876	39,516
		<u>11,957,894</u>	<u>11,195,167</u>
Note 3	Revenue from Non Operating Activities		
a	Proceeds from Fundraising	44,695	38,618
b	Interest on Investments	113,005	49,764
c	Retention on Resident Bonds & Licences	350,028	459,636
d	Resident Fees	705,597	660,870
e	Government Accommodation Supplements	874,904	1,015,350
f	Donations	8,797	47,582
g	Other Income	0	150
		<u>2,097,026</u>	<u>2,271,970</u>
	Expenses		
Note 4	Employee Expenses		
a	Salaries & Wages	7,082,651	6,701,787
b	Annual, Long Service & Sick Leave	1,041,922	998,462
c	Superannuation	762,482	723,146
d	Workcover	169,456	146,932
e	Other Employee Oncosts	264,724	227,515
		<u>9,321,235</u>	<u>8,797,842</u>
Note 5	Materials & Contracts		
a	GP Costs	13,364	13,045
b	Activities	7,819	7,685
c	Foot and Hand Care	5,736	0
d	Pharmaceutical	96,673	98,021
e	Clinical	79,111	59,398
f	Continence Management	137,906	123,183
g	Catering	803,884	738,836
h	Laundry	107,874	93,416
i	Cleaning	51,465	60,672
j	Grounds	61,036	60,495
k	Allied Health Costs	254,046	169,566
l	General Hostel	61,651	56,048
m	Administration Expenses	62,143	78,841
n	Agency expenses	16,264	0
o	ILU's	10,158	22,924
		<u>1,769,130</u>	<u>1,582,130</u>

HAVILAH HOSTEL INC.
Notes to and forming part of the Financial Statements
for the Year Ended 30 June 2019

	2019	2018
	\$	\$
Note 6 Depreciation and Amortisation		
<i>a</i> Buildings - General Hostel	358,110	349,401
<i>b</i> Other Structures - General Hostel	58,050	57,638
<i>c</i> Furniture & Fittings - General Hostel	144,007	133,604
<i>d</i> Plant & Equipment - General Hostel	306,244	319,971
<i>e</i> Office Furniture & Equipment	28,852	27,702
<i>f</i> Plant & Equipment - Grounds	7,410	6,535
<i>g</i> Vehicles	11,350	10,154
<i>h</i> Buildings ILU's	151,504	150,812
<i>i</i> Furnishings & Equipment ILU's	64,388	63,157
<i>j</i> Other Structures ILU's	31,215	31,096
<i>k</i> Buildings - Community Centre	18,333	18,243
<i>l</i> Furniture & Fittings - Community Centre	10,920	10,825
<i>m</i> Plant & Equipment - Community Centre	12,498	12,498
<i>n</i> Office Furniture & Equipment ILU's	210	210
	<u>1,203,091</u>	<u>1,191,846</u>
 Note 7 Repairs & Maintenance		
<i>a</i> Clinical	18,000	15,294
<i>b</i> Catering	21,185	29,292
<i>c</i> Laundry	1,103	3,000
<i>d</i> Cleaning	117	34
<i>e</i> Grounds	1,371	1,916
<i>f</i> General Hostel	49,526	49,154
<i>g</i> General Hostel Equipment	59,052	61,593
<i>h</i> Emergency Systems & OH&S	58,305	39,202
<i>i</i> Transport	11,246	8,135
<i>j</i> Office Equipment	35,638	33,138
<i>k</i> ILU Buildings	10,248	12,326
<i>l</i> ILU Grounds	530	3,865
	<u>266,321</u>	<u>256,949</u>
 Note 8 Minor Purchases		
<i>a</i> Activities	0	0
<i>b</i> Catering	14,788	11,937
<i>c</i> Laundry	1,353	626
<i>d</i> Cleaning	3,405	4,622
<i>e</i> Grounds	4,329	6,177
<i>f</i> Clinical	10,531	6,271
<i>g</i> Resident	10,136	8,094
<i>h</i> General Hostel	21,567	23,152
<i>i</i> OH&S	7,510	7,649
<i>j</i> Infection Control	14,636	16,797
<i>k</i> Administration	35,055	38,773
<i>l</i> ILU Buildings	1,636	1,435
<i>m</i> ILU Grounds	1,497	697
	<u>126,443</u>	<u>126,230</u>

HAVILAH HOSTEL INC.
Notes to and forming part of the Financial Statements
for the Year Ended 30 June 2019

	2019	2018
	\$	\$
Note 9 Financial		
Bank Overdraft Charges	0	0
Interest - Borrowings CBA	274,965	259,112
Interest - Borrowings ZRIL	66,280	80,533
Interest - Bond Settlement	76,574	50,949
	<u>417,819</u>	<u>390,594</u>
Less capitalised borrowing costs on qualifying assets	0	0
	<u>417,819</u>	<u>390,594</u>
Note 10 Other		
a Activities	31,273	30,739
b Catering	3,239	3,266
c Gas	56,017	53,159
d Power	255,570	195,405
e Rates & Charges	27,815	37,769
f Waste Disposal	103,085	91,803
g Telephone, Internet, Security and Call System	45,153	43,763
h Resident Transport	2,812	2,034
i Other Resident Expenses	41,144	44,247
j Emergency Systems & OH&S	0	68
k Accreditation	9,906	5,442
l Benchmarking	700	700
m Insurances	60,986	47,289
n Postage	2,384	2,585
o Advertising	1,019	355
p Audit Fees	4,500	4,500
q Subscriptions	13,310	11,951
r Acts & Regulations	1,410	833
s Public Relations	9,574	9,884
t Unclassified	1,163	1,521
u Volunteer	5,845	6,770
v Valuation Expense	0	7,995
w ILU Insurances	19,600	17,040
x ILU Rates, Charges and Utilities	55,860	60,968
y ILU Administration	3,700	2,000
z ILU Other	0	0
	<u>756,065</u>	<u>682,086</u>

Current Assets

Note 11 Cash and cash equivalents		
a Cash on hand	6,692	5,583
b Cash at bank	2,928,599	3,112,587
c Term deposits	2,700,000	800,000
Total cash and cash equivalents	<u>5,635,291</u>	<u>3,918,170</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)	59,416	46,839
- Prepaid Grants (note 15g)	166,445	0
	<u>225,861</u>	<u>46,839</u>

HAVILAH HOSTEL INC.
Notes to and forming part of the Financial Statements
for the Year Ended 30 June 2019

Note	12 Accounts Receivable	2019	2018
		\$	\$
a	Sundry Debtors	14,973	14,963
b	Workcover Debtor	93	362
c	Taxation GST & PAYG	35,747	0
d	Resident Fees	43,151	70,816
e	Resident Fees ILU	136	46
f	Government Grant Due	83,908	35,662
		<u>178,008</u>	<u>121,849</u>

Note 13 Fixed Assets

	2019	2018
General Hostel	\$	\$
a Land at cost	257,211	206,354
Land at fair value as at 1 August 2017	5,779,000	5,779,000
	<u>6,036,211</u>	<u>5,985,354</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	8,279,936	8,274,941
Buildings at Fair Value at 1 August 2017	22,742,490	22,742,490
less Depreciation & Amortisation	<u>(1,266,108)</u>	<u>(907,998)</u>
	<u>29,756,318</u>	<u>30,109,433</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	1,074,007	1,066,807
less Accumulated Depreciation	<u>(529,949)</u>	<u>(471,899)</u>
	<u>544,058</u>	<u>594,908</u>

d Furniture & Fittings - Hostel at cost	2,038,592	1,848,154
less Accumulated Depreciation	<u>(959,860)</u>	<u>(827,462)</u>
	<u>1,078,732</u>	<u>1,020,692</u>

e Equipment - Hostel at cost	4,271,889	4,155,424
less Accumulated Depreciation	<u>(2,468,314)</u>	<u>(2,288,667)</u>
	<u>1,803,575</u>	<u>1,866,757</u>

f Office Furniture & Equipment at cost	348,442	322,847
less Accumulated Depreciation	<u>(186,852)</u>	<u>(158,720)</u>
	<u>161,590</u>	<u>164,127</u>

g Plant & Equipment (Grounds) at cost	114,349	109,779
less Accumulated Depreciation	<u>(72,632)</u>	<u>(66,702)</u>
	<u>41,717</u>	<u>43,077</u>

h Vehicles at cost	193,438	173,829
less Accumulated Depreciation	<u>(77,419)</u>	<u>(66,069)</u>
	<u>116,019</u>	<u>107,760</u>

i Work in Progress - at cost	119,907	0
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Total General Hostel	<u>39,658,127</u>	<u>39,892,108</u>
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HAVILAH HOSTEL INC.
Notes to and forming part of the Financial Statements
for the Year Ended 30 June 2019

	2019	2018
Independent Living Units	\$	\$
<i>j</i> Buildings at cost	29,832	27,650
Buildings at Fair Value at 1 August 2017	12,091,956	12,091,956
less Accumulated Depreciation	<u>(1,348,239)</u>	<u>(1,196,735)</u>
	<u>10,773,549</u>	<u>10,922,871</u>

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

<i>k</i> Other Structures at cost	944,471	943,667
less Accumulated Depreciation	<u>(161,741)</u>	<u>(130,526)</u>
	<u>782,730</u>	<u>813,141</u>
<i>l</i> Furniture & Equipment at cost	632,790	621,158
less Accumulated Depreciation	<u>(328,746)</u>	<u>(265,649)</u>
	<u>304,044</u>	<u>355,509</u>

	2019	2018
High School Centre	\$	\$
<i>m</i> Buildings at cost	0	0
Buildings at Fair Value at 1 August 2017	1,466,583	1,466,583
less Accumulated Depreciation	<u>(71,096)</u>	<u>(52,763)</u>
	<u>1,395,487</u>	<u>1,413,820</u>

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

<i>n</i> Furniture & Equipment at cost	73,790	73,790
less Accumulated Depreciation	<u>(43,340)</u>	<u>(32,420)</u>
	<u>30,450</u>	<u>41,370</u>
<i>o</i> Plant & Equipment at cost	191,290	191,290
less Accumulated Depreciation	<u>(81,861)</u>	<u>(69,363)</u>
	<u>109,429</u>	<u>121,927</u>
<i>p</i> Office Furniture & Equipment at cost	2,634	2,634
less Accumulated Depreciation	<u>(1,418)</u>	<u>(1,208)</u>
	<u>1,216</u>	<u>1,426</u>
Total ILU & High School Centre	<u>13,396,905</u>	<u>13,670,064</u>
	<u>53,055,032</u>	<u>53,562,172</u>

HAVILAH HOSTEL INC.
Notes to and forming part of the Financial Statements
for the Year Ended 30 June 2019

Note 13 Reconciliation of Carrying Values of all Asset Classes

	2019	Carrying Amount 30/06/2018	Revaluation Increments/ (Decrements)	Write off Assets Disposed	Additions	Transfers from WIP	Depreciation Expense	Carrying Amount 30/06/2019
<i>a</i> Land		5,985,354	0	0	50,857	0	0	6,036,211
<i>b</i> Buildings		30,109,433	0	0	4,995	0	(358,110)	29,756,318
<i>c</i> Other Structures		594,908	0	0	7,200	0	(58,050)	544,058
<i>d</i> Furniture & Fittings - Hostel		1,020,692	0	0	202,047	0	(144,007)	1,078,732
<i>e</i> Equipment - Hostel		1,866,757	0	0	243,062	0	(306,244)	1,803,575
<i>f</i> Office Furniture & Equipment		164,127	0	0	26,315	0	(28,852)	161,590
<i>g</i> Plant & Equipment (Grounds)		43,077	0	0	6,050	0	(7,410)	41,717
<i>h</i> Vehicles		107,760	0	0	19,609	0	(11,350)	116,019
<i>i</i> Work in Progress		0	0	0	119,907	0	0	119,907
		39,892,108	0	0	680,042	0	(914,023)	39,658,127
<i>j</i> Buildings - ILUs		10,922,871	0	0	2,182	0	(151,504)	10,773,549
<i>k</i> Other Structures - ILUs		813,141	0	0	804	0	(31,215)	782,730
<i>l</i> Furniture & Equipment - ILUs		355,509	0	0	12,923	0	(64,388)	304,044
<i>m</i> Buildings - High School Centre		1,413,820	0	0	0	0	(18,333)	1,395,487
<i>n</i> Furniture & Fittings - High School Ctr		41,370	0	0	0	0	(10,920)	30,450
<i>o</i> Plant & Equipment - High School Ctr		121,927	0	0	0	0	(12,498)	109,429
<i>p</i> Office Furn & Equip - High School Ctr		1,426	0	0	0	0	(210)	1,216
		13,670,064	0	0	15,909	0	(289,068)	13,396,905
TOTAL FIXED ASSETS		53,562,172	0	0	695,951	0	(1,203,091)	53,055,032
Intangible Assets								
<i>q</i> Bed Licences		5,830,000		0	0		0	5,830,000
TOTAL INTANGIBLE ASSETS		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 2019

	2019	2018
Current Liabilities	\$	\$
Note 14 <i>Accrued Wages</i>		
<i>a</i> Accrued Wages	150,582	151,558
	<u>150,582</u>	<u>151,558</u>
Note 15 <i>Accounts Payable</i>		
<i>a</i> Taxation - PAYG & GST	51,232	57,256
<i>b</i> Employee Sundry Creditors	799	(216)
<i>c</i> Sundry Creditors	541,424	458,144
<i>d</i> Trust Accounts	59,416	46,839
<i>e</i> Superannuation	67,197	74,486
<i>f</i> Prepaid Income	368	533
<i>g</i> Prepaid Grants	166,445	0
	<u>886,881</u>	<u>637,042</u>
Note 16 <i>Employee Benefits</i>		
<i>a</i> Annual Leave & Annual Leave Loading	556,218	594,730
<i>b</i> Accrued Days Off	0	2,273
<i>c</i> Long Service Leave	570,331	562,153
	<u>1,126,549</u>	<u>1,159,156</u>
Note 17 <i>Residents</i>		
<i>a</i> Refundable Deposits & Bonds	870,265	266,400
	<u>870,265</u>	<u>266,400</u>
Non Current Liabilities		
Note 18 <i>Residents</i>		
<i>a</i> Refundable Deposits & Bonds	19,442,094	17,477,006
<i>b</i> Licence Fees - Independent Living Units	9,470,185	10,253,378
	<u>28,912,279</u>	<u>27,730,384</u>
Note 19 <i>Employee Benefits</i>		
<i>a</i> Long Service Leave	259,047	253,911
	<u>259,047</u>	<u>253,911</u>
Note 20 Loan Funds		
Loan Funds are secured against the Assets of the Association		
<i>Current</i>		
CBA	150,000	150,000
Government ZRIL	646,227	646,227
	<u>796,227</u>	<u>796,227</u>
<i>Non-Current</i>		
CBA	5,709,096	5,859,096
Government ZRIL	2,629,375	3,275,603
	<u>8,338,471</u>	<u>9,134,699</u>
Total Loan Funds	9,134,698	9,930,926

HAVILAH HOSTEL INC.
Notes to and forming part of the Financial Statements
for the Year Ended 30 June 2019

Note 21 Reserves

Asset revaluation reserves	Carrying Amount 30/06/2018	Increment (decrement)	Carrying Amount 30/06/2019
2019			
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>
Asset revaluation reserves	Carrying Amount 30/06/2017	Increment (decrement)	Carrying Amount 30/06/2018
2018			
Land	437,246	1,453,712	1,890,958
RACF Buildings	0	9,188,733	9,188,733
ILU Buildings	0	326,218	326,218
HSC Buildings	0	85,808	85,808
	<u>437,246</u>	<u>11,054,471</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.

	2019	2018
Contingent Liabilities	\$	\$
Bank Guarantee	0	0
Loans not drawn down		
Overdraft Facility	1,000,000	1,000,000
Market Rate Loan	190,904	190,904

Note 23 Commitment to Expenditure

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

	2019	2018
	\$	\$
Spiire	0	13,157
TGM Group	0	7,920
Four 18 Architecture	<u>401,250</u>	<u>0</u>
	401,250	21,077

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 2019

Note 26 Financial Instrument Composition and Maturity Analysis
2019

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

2018

Financial Instrument	Floating Interest Rate	Fixed Interest Rate Maturing In			Non Interest Bearing	Weighted Average Effective Interest Rate
		1 Year or less	1-5 Years	Over 5 years		
Financial Assets						
Cash Assets	3,118,170	800,000				0.72%
Receivables					124,178	N/A
Financial Liabilities						
Payables					637,042	N/A
Bonds & Licences					27,996,784	N/A
Loan Funds CBA	6,009,096					4.29%
Loan Funds ZRIL	3,921,830					1.90%

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

	2019	2018
	\$	\$
Cash at Bank and on Hand at beginning	3,918,170	1,663,254
Cash at Bank and on Hand at end	5,635,291	3,918,170
Increase/(Decrease) in Cash Held	<u>1,717,121</u>	<u>2,254,916</u>

HAVILAH HOSTEL INC.
Notes to and forming part of the Financial Statements
for the Year Ended 30 June 2019

Note	28 Reconciliation of Net Cash Provided by Operating Activities	2019	2018
		\$	\$
	Operating Surplus	194,816	439,460
	Items not involving Cash		
	Depreciation	1,203,091	1,191,846
	Bond retentions, interest and fee payments	(357,186)	(464,641)
	Written down value on sale of assets	0	0
	Change in Operating Assets & Liabilities		
	(Increase)/Decrease in Debtors	(56,159)	34,021
	(Increase)/Decrease in Accrued Income	(11,101)	(1,574)
	Increase/(Decrease) in Long Service Leave Provision	5,136	38,814
	(Increase)/Decrease in Prepaid Expenses	(53,769)	(73,121)
	Increase/(Decrease) in Creditors	236,286	96,017
	Increase/(Decrease) in Deposits/Trusts	12,577	(17,635)
	Increase/(Decrease) in Accrued Expenditure	(32,607)	(3,036)
	(Increase)/Decrease in Stocks	(74,730)	(36,720)
	Increase in Cash resulting from Operating Activities	1,066,354	1,203,431

Note 29 Statement of Oncost

Account Description	2019	2018
	\$	\$
Oncost Income	2,238,583	2,096,055
Expenditure		
Annual Leave and Annual Leave Loading	706,339	614,935
Sick Leave	269,226	239,853
Long Service Leave	66,357	143,674
Workcover Premium	161,062	132,343
Workcover Medical	1,561	(707)
Accident Leave	1,326	5,798
Return to Work	6,833	15,298
Injury Management	11,340	10,800
Superannuation	762,482	723,146
Training & Meetings	81,063	80,370
Training Orientation	66,335	64,155
Protective Clothing	19,341	18,145
Other	85,318	48,245
	<u>2,238,583</u>	<u>2,096,055</u>
Oncost Surplus/Deficit	0	0

HAVILAH HOSTEL INC.
Notes to and forming part of the Financial Statements
for the Year Ended 30 June 2019

Note 30 Related Party Disclosures

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

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

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

During the year ended 30th June 2019, 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.

(i) REVENUE & EXPENSES	2019	2018
	\$	\$
A. RESIDENTIAL AGED CARE (Havilah Hostel - 3181 & Havilah on Palmerston - 3951)		
Income		
Residents	3,549,467	3,391,214
Government	9,690,535	9,334,583
Other	304,373	175,480
	<u>13,544,375</u>	<u>12,901,277</u>
Expenditure		
Salaries & Oncosts	9,235,448	8,724,090
Materials & Contracts	1,758,972	1,559,206
Repairs & Maintenance	255,543	240,758
Minor Purchases	123,310	124,098
Other	676,905	602,078
	<u>12,050,178</u>	<u>11,250,230</u>
RAC Surplus/(Def) Pre Depn and Int Exp	1,494,197	1,651,047
Interest	332,521	239,175
RAC Operating Surplus/(Def) pre Depn	1,161,676	1,411,872
Depreciation	914,023	905,005
RAC Total Operating Surplus/(Def) post Depn	247,653	506,867
Other Comprehensive Income	0	10,642,445
RAC Total Comprehensive Result	247,653	11,149,312
B. HIGH SCHOOL CENTRE		
Income		
Other	0	150
	<u>0</u>	<u>150</u>
Expenditure		
Salaries & Oncosts	21,910	19,680
Materials & Contracts	0	0
Repairs & Maintenance	1,245	708
Minor Purchases	0	0
Other	10,246	5,535
	<u>33,401</u>	<u>25,923</u>
HSC Surp/(Def) pre Depn and Int Exp	(33,401)	(25,773)
Depreciation	41,961	41,776
Interest	0	0
HSC Surplus/(Def) post Depreciation	(75,362)	(67,549)
Other Comprehensive Income	0	85,808
HSC Total Comprehensive Result	(75,362)	18,259

HAVILAH HOSTEL INC.
Notes to and forming part of the Financial Statements
for the Year Ended 30 June 2019

C. RETIREMENT VILLAGES (ILUs)

Income

Residents	510,545	565,710
Other	0	0
	510,545	565,710

Expenditure

Salaries & Oncosts	63,877	54,072
Materials & Contracts	10,158	22,924
Repairs & Maintenance	9,533	15,483
Minor Purchases	3,133	2,132
Other	68,914	74,473
	155,615	169,084

ILU Surp/(Def) pre Depn and Int Exp	354,930	396,626
Depreciation	247,107	245,065
Interest	85,298	151,419
ILU Surplus/(Def) post Depreciation	22,525	142
Transfer from ILU Maintenance Reserve	0	0
Other Comprehensive Income	0	326,218
ILU Total Comprehensive Result	22,525	326,360

Surplus/Deficit All Operations	194,816	439,460
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Total Comprehensive Result	194,816	11,493,931
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(ii) ASSETS & LIABILITIES

	2018-2019			2017-2018		
	Assets	Liabilities	Net Assets	Assets	Liabilities	Net Assets
Residential Aged Care	49,617,379	28,147,116	21,470,263	47,375,609	26,152,999	21,222,610
High School Centre	1,475,072	0	1,475,072	1,550,434	0	1,550,434
Independent Living Units	13,967,175	13,193,185	773,990	14,727,843	13,976,378	751,465
	65,059,626	41,340,301	23,719,325	63,653,886	40,129,377	23,524,509

HAVILAH HOSTEL INC.
Notes to and forming part of the Financial Statements
for the Year Ended 30 June 2019

Note 32 Retirement Villages

HARKNESS RETIREMENT VILLAGE STATEMENT
for the Year Ended 30 June 2019

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

	2019	2018
	\$	\$
Income		
Residents	73,088	98,289
Other	0	0
	<u>73,088</u>	<u>98,289</u>
Expenditure		
Salaries & Oncosts	12,627	30,508
Materials & Contracts	1,727	3,897
Repairs & Maintenance	1,183	3,345
Minor Purchases	384	270
Other	9,276	13,065
Interest	0	0
Depreciation	41,829	47,138
	<u>67,026</u>	<u>98,223</u>
Harkness Retirement Village Surplus/(Deficit)	6,062	66

Provision for future extra ordinary or major works

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

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

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

Salaries & Oncosts	7,197
Materials & Contracts	0
Repairs & Maintenance	2,710
Minor Purchases	940
Other	6,852
Interest	0
Depreciation	43,501
	<u>61,200</u>

HAVILAH HOSTEL INC.
Notes to and forming part of the Financial Statements
for the Year Ended 30 June 2019

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

Maintenance fees for 2018/2019 per week	\$ 67.75	
Proposed increase for 2019/2020	1.50%	[from 1 September at CPI]
Proposed fees for 2019/2020 per week	\$ 68.80	

(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 26th day of August, 2019

HAVILAH HOSTEL INC.
Notes to and forming part of the Financial Statements
for the Year Ended 30 June 2019

PALMERSTON RETIREMENT VILLAGE STATEMENT
for the Year Ended 30 June 2019

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

	2019 \$	2018 \$
PALMERSTON RETIREMENT VILLAGE		
Income		
Residents	435,792	464,880
Other	1,665	2,541
	<u>437,457</u>	<u>467,421</u>
Expenditure		
Salaries & Oncosts	51,250	23,564
Materials & Contracts	8,431	19,027
Repairs & Maintenance	8,350	12,138
Minor Purchases	2,749	1,862
Other	59,638	61,408
Interest	85,298	151,419
Depreciation	205,278	197,927
	<u>420,994</u>	<u>467,345</u>
Palmerston Retirement Village Surplus/(Deficit)	16,463	76

Provision for future extra ordinary or major works

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

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

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

Salaries & Oncosts	56,306
Materials & Contracts	0
Repairs & Maintenance	8,990
Minor Purchases	2,750
Other	61,398
Interest	68,920
Depreciation	212,499
	<u>410,863</u>

HAVILAH HOSTEL INC.
Notes to and forming part of the Financial Statements
for the Year Ended 30 June 2019

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

Maintenance fees for 2018/2019 per week	\$ 67.75
Proposed increase for 2019/2020	1.50% [from 1 September at CPI]
Proposed fees for 2019/2020 per week	\$ 68.80

(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 26th day of August, 2019

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 2019 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. At the date of this statement, there are reasonable grounds to believe that Havilah Hostel Inc. will be able to pay its debts as and when they fall due.

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



.....
Brian O'Connor
TREASURER



.....
Randall Edwards
BOARD MEMBER

Dated this 26th day of September, 2019



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.

