

Murray Haven
Homes

2020/21

Annual
Report



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Notice of Annual General Meeting 2021

Notice is given that Murray Haven Homes Ltd will hold its 44th Annual General Meeting on Wednesday, 24 November 2021 at 7:00pm at Murray Haven Homes, 98 Punt Road, Barham.

BUSINESS:

1. To confirm the minutes of 2020 AGM
2. To receive the Annual Report of the Board of Management and Audited Statements of accounts for the year ending 30 June 2020
3. To elect Board members
4. To elect an auditor for 2021/2022

Four positions on the Board of Directors are declared **vacant**.

Nominations for election to the Board must be made on the Board Member Nomination Form, available from reception at Murray Haven Homes Ltd.

President's Report

Welcome to the 2020/21 Annual General Meeting.

What a rollercoaster of a year. Who would have thought 12 months on, the COVID pandemic would still be with us? Ongoing lockdowns and outbreaks in NSW and Victoria continue to be challenging and have prompted the preventative closures of our home to visitors at various times to keep Murray Haven a safe place for our residents and staff. We have all had to adjust to the significant impact this pandemic has had on everyone! The global health pandemic has resulted in genuine concerns for Murray Haven, including the health and safety of our staff and those in our care, our residents.



It is pleasing that with the outside mayhem, our lovely residents still had many activities - BBQ outings, special events, cooking pancakes, cupcakes and the latest activity exercise class FUN-FIT-FAB.

To our Management Team and staff, we know after 18 months of COVID everyone is exhausted but you have shown resilience, passion and patience during this extraordinary time. You have remained committed to our residents' and their families' health, safety and wellbeing each and every day. The Board want to say a very heartfelt thank you and extend our deep gratitude. Thank you for your ongoing commitment to Murray Haven Homes.

This financial year has been another tough year, with another loss for 2020/21. Murray Haven Homes has faced many challenges this year including financial sustainability, COVID, unexpected financial expenditure and the recruiting and retention of staff.

The Board had been concerned with issues within Murray Haven, including turnover of management and clinical staff, financial viability, accountability and confidentiality and our upcoming accreditation. So, at our Board meeting in February, it was determined that there was a need for a review of the organisational structure.

In March, the Board completed a review and determined for future financial and management stability, a new organisational structure was needed. So, from this review, it was agreed to make the position of Chief Executive Officer redundant and that Murray Haven would have a management team be responsible for the continued operation of the facility with support from the Board.

We thanked Gary for his service and involvement with our facility under trying circumstances over the past two years and wished him well into the future.

The residential aged care sector has seen an unprecedented level of change in recent years and is primed to undergo further significant competitive and industry reform pressures in coming years. Anticipated changes to workforce models and quality and safety aspects are set to increase operating costs further, while changes to the funding models will likely require investment in updating technology systems.

This combines to create a critical need for residential aged care providers to review the value proposition and financial sustainability of their residential services to ensure they remain relevant and attractive to the market.

Murray Haven has operated at a loss over the past three years, placing the continuity of our services at risk. We have been successful in securing business improvement funding (BIF) from the Department of Health to help support our ongoing financial viability and our vision to offer quality care and services to the community.

The Board and the Management Team have been working together with KPMG consultants who are providing professional assistance with our financial management, strategic business and workforce review. This work is to be completed by June 2022.

It is important to remember that we are making this investment at a time when over 60% of residential aged care facilities across Australia, Murray Haven included, are operating at a loss due to funding challenges in the industry.

While the government has indicated that they are committed to increasing funding, this might not happen for a while, or might come with several new compliance and reporting requirements that will also result in costs. The government, however, seems to be focusing on Home Care.

The Aged Care Service Development Assistance Panel (SDAP) – Business Improvement Section, a section of the Department of Health, have approved Murray Haven Homes for a SDAP project that supplements the services we are currently receiving under the BIF. The services include support to improve recruitment effectiveness and assistance in the recruitment of qualified nursing staff.

The government announced that it is mandatory for all residential aged care workers and volunteers to be fully vaccinated. Since 27 July 2021, all residential aged care providers have been required to report weekly on the COVID-19 vaccination status of residents. In addition, aged care providers must also report weekly on the COVID-19 vaccination status of their workforce, including contractors and volunteers. The purpose of the new reporting requirement is to provide greater health security for vulnerable older people. Murray Haven has 100% staff and volunteers vaccinated.

Finally, I would like to thank my fellow Board members for your time, effort and support during this difficult year. I am very thankful for your passion and commitment to Murray Haven Homes.

Pam Waldron
President

Board of Directors

The Board of Directors is made up of dedicated community members who give their time to ensure that Murray Haven Homes Ltd remains viable and meets the community's needs.



Pam Waldron
President



Tanya Heffer
Secretary



Wes O'Neill
Treasurer / Public Officer



Carol Sincok
Director



Don Taylor
Director



David Derksen
Director



Marie McDougall
Director

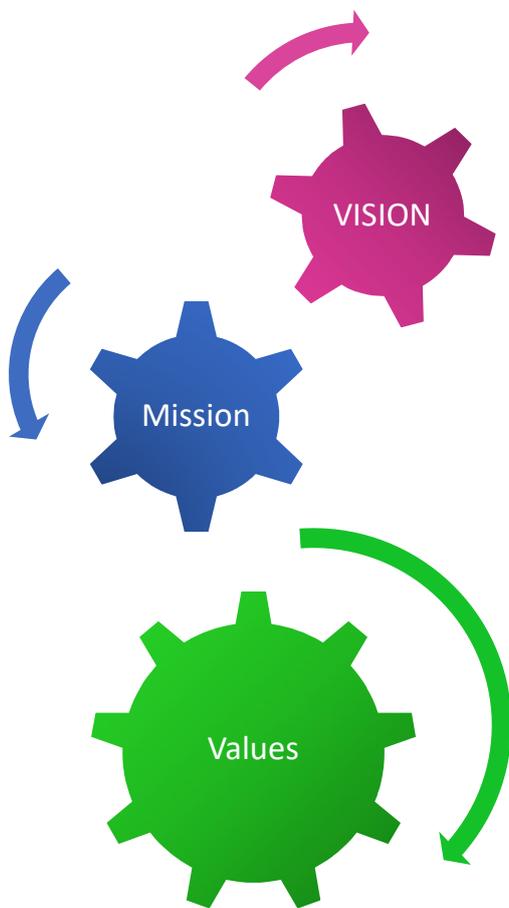
Life Members

Ms Anne Skate (dec)
Mr Bill Jackson
Mr Bruce Boyd (dec)
Ms Dot Laughlin (dec)
Mrs Jennifer Johnston
Mr Jim McConnell (dec)
Mr John Dusting (dec)
Ms Kath Sheldrick (dec)
Mr Malcom Hare (dec)
Ms Val James
Mr Les Bray

Vision, Mission and Values

At Murray Haven Homes Ltd we pride ourselves as a fully accredited aged care facility displaying a happy, caring and friendly family-like living environment for our residents and a pleasant working environment for our staff.

Our philosophy is to provide holistic care and quality of life in a home-like environment, irrespective of religion or race, whilst preserving the independence and dignity of individuals, appropriate to their physical and emotional needs. Our dedicated staff and volunteers perform their tasks with compassion and understanding to all residents.



OUR VISION

to provide accessible aged care services and excellence in service provision through innovation and leadership to the community of Barham and district.

OUR MISSION

to provide integrated residential aged care services and support that empowers and promotes respect for all people and strengthens the relationship between our residents and our community.

OUR VALUES

- Respect, Quality
- Integrity
- Responsibility
- Leadership
- Community

Auxiliary Report

In presenting this report I wish to acknowledge the dedicated effort of the Murray Haven Board Members and Staff in working tirelessly to enhance the lives of our residents in what has been a second difficult Covid year.

As an Auxiliary we have a membership of 24 – 20 of whom are active - and over the past 12 months have contributed immensely to:

- providing delicious food for the Resident's Christmas Party
- cooking, catering, selling raffle tickets and donating raffle prizes for our Golf Day in May
- generously donating slices, quiches and sausage rolls for Murray Haven's Mother's Day celebrations.

To each of you I say a very sincere "Thank You". To Judy Lake (Secretary) and Pat Taylor (Treasurer) go special thanks for your enthusiasm and professionalism.

I would also like to acknowledge the generosity of Russell Sincock, O'Briens Redgum and cluBarham Golf and Sports to our fundraising efforts this year and to cluBarham for allowing us to hold meetings there when needed.

Thank you also to the Board Members and Staff who have attended our meetings and kept us 'in the loop'.

To the incoming executive, I offer best wishes for a less Covid impacted term.

Thank you.

Kathleen Mathers
President
Murray Haven Auxiliary

Treasurer's Report

Murray Haven Homes Limited is once again reporting a substantial operating loss for the past financial year of \$547,875. As a result of the recent losses for the past three years Murray Haven Homes has substantially used up their cash reserves.



Murray Haven Homes Ltd Board has secured the services of leading accounting firm, KPMG, through the Federal Government's Business Improvement Funding grants program who will provide expertise and hand-on support to improve Murray Haven Homes in all business operations. Along with KPMG, Murray Haven Homes also has been allocated a consultancy service from the Department of Health (Federal). This service goes by the name of SDAP Project and consists of a team of four who are here to work with Murray Haven Homes for the next 15 months to get our facility in the position where we will be sustainable into the future.

How did Murray Haven Homes Ltd get to this position?

The losses have come about due to staffing the facility for 55 beds and then having an occupancy rate of between 80%-90% coupled with a below average ACFI funding amount. It is not easy to alter staffing rosters for lower occupancy. Staff shortages meaning a substantial amount of overtime has been paid in the past two years as a direct result of staff recruitment issues. The Board and staff are actively trying to increase both the occupancy and ACFI funding level but have found recruiting the correct expertise difficult. With SDAP team on board and with recent appointments in the past six months to the facility, we are getting the correct work force experience and knowledge in place which will enable a lift in occupancy with an expected lift in ACFI to follow. A profitable position for Murray Haven Homes will occur once occupancy and ACFI funding have attained at least the industry average. Additional costs incurred associated with COVID over and above the government funding received has also put pressure on the loss position.

The way out for Murray Haven Homes Limited

- Maintain occupancy at greater than 90% (currently at 95%)
- Increase ACFI average daily rate from \$125-\$135 currently to \$180 industry average for a facility of our size. The ACFI trend of the last three months has been increasing and currently sits at \$139 per day.
- Engage with the community to draw volunteer's back to the facility and increase fundraising efforts.
- Business Improvement Funding – Federal Government – allows the utilising of the services of Aged Care consultants KPMG to assist the Board, management and staff improve the operation of the facility.
- SDAP team members actively engaging with Murray Haven Homes over the next 15 months.

It has been an extremely difficult time in this COVID environment for all members of the community, residents, families, staff and the Board and it is now up to the community to assist the organisation in its time of need and to honour the prior establishment committee of Murray Haven to ensure that the facility continues as a locally owned and operated not for profit organisation for the next 20 years and beyond.

Wesley O'Neill
Treasurer

Financial Statements 2020/2021

The following reports provide a summary of the 2020/2021 Financial Report for Murray Haven Homes Ltd. Full reports are available upon request which include explanatory notes.

STATEMENT OF FINANCIAL POSITION

	2021 \$	2020 \$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	5,900,696	4,925,061
Trade and other receivables	39,810	60,746
Inventories	1,000	1,200
Other current assets	21,297	37,170
TOTAL CURRENT ASSETS	5,962,803	5,024,177
NON-CURRENT ASSETS		
Property, plant and equipment	7,459,205	7,525,589
TOTAL NON-CURRENT ASSETS	7,459,205	7,525,589
TOTAL ASSETS	13,422,008	12,549,766
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	212,187	148,129
Provisions and borrowings	657,166	289,652
Accommodation Bonds	1,880,747	1,519,123
TOTAL CURRENT LIABILITIES	2,750,100	1,956,904
NON-CURRENT LIABILITIES		
Deferred Income Building Grant	5,309,820	5,465,557
Provisions and borrowings	198,192	138,781
Accommodation Bonds	3,761,493	3,038,247
TOTAL NON-CURRENT LIABILITIES	9,269,505	8,642,585
TOTAL LIABILITIES	12,019,605	10,599,489
NET ASSETS (LIABILITIES)	1,402,403	1,950,278
EQUITY		
Retained earnings	1,402,403	1,950,278
TOTAL EQUITY	1,402,403	1,950,278

STATEMENT OF CASH FLOWS

	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Residents and others	1,405,502	1,207,949
Payments to suppliers and employees	(4,874,302)	(4,630,707)
Donations received	11,083	59,355
Interest received	38,054	102,637
Government grants received	3,400,107	2,716,744
Net cash provided by operating activities	(19,556)	(544,022)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(155,498)	(796,888)
Proceeds from sale of property, plant and equipment	0	0
Net cash provided by / (used in) investing activities	(155,498)	(796,888)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from resident bonds	1,084,870	(1,225,620)
Proceeds from equipment finance	83,073	0
Principal repayments of equipment finance	(17,255)	(11,122)
Net cash provided by financing activities	1,150,688	(1,236,742)
Net increase in cash held	975,634	(2,577,652)
Cash at beginning of financial year	4,925,061	7,502,713
Cash at end of financial year	5,900,695	4,925,061

PROFIT AND LOSS STATEMENT

	2021	2020
	\$	\$
INCOME		
Residential Income	1,246,829	1,121,859
Residential Care Subsidies	2,812,121	2,647,139
Business Improvement	83,740	0
COVID Workforce Retention	113,280	0
Building Extension Capital Grant	155,737	162,340
ATO Cashflow Boost	37,500	62,500
Donations	14,926	59,355
Interest Received	24,049	83,251
Insurance Recoveries – Workcover	138,866	81,827
Ladies Auxiliary Income	3,046	8,222
Other/Sundry Income	16,263	257,410
TOTAL INCOME	4,646,357	4,483,903
EXPENSES		
Administration	195,807	207,247
Depreciation	221,883	225,416
Employment	4,063,199	3,932,887
Finance	19,673	18,949
Occupancy	264,755	242,205
Other	31,271	30,904
Residents	376,994	364,646
	5,173,582	5,022,254
(Loss) / Profit before adjustments	(527,225)	(538,351)
Prior Year Adjustment	(20,650)	0
(Loss) / Profit before income tax	(547,875)	(538,351)

Profile of the Organisation

Murray Haven Homes Ltd is a 55-bed community, not-for-profit residential aged care facility that provides the only 'ageing in place' service for the people of Barham and Koondrook, including the surrounding rural areas in NSW and Victoria. Murray Haven Homes Ltd is a company limited by guarantee and is registered and accredited under the Aged Care Act. Current accommodation places at Murray Haven Homes include:

- 41 ageing in place rooms
- 13 memory support rooms
- 1 respite room

Address: 98 Punt Road
Barham NSW 2732

Telephone: (03) 5453 2080

Fax: (03) 5354 2700

Email: admin@murrayhavenhomes.com.au

Website: www.mhh.org.au

Established: 1977

Auditors: Brian McCleary & Co. Chartered Accountants



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