



300 years

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Thirty Fourth Annual Report 2017 | 2018



MannaCare
WIDER CHOICES FOR OLDER PEOPLE



Doncaster Melaleuca Lodge Entrance

Mission

To assist older people in the Manningham community to sustain and reinforce their independence, social relationships, personal wellbeing and community interaction.

Values

Professionalism throughout the organisation.
Respect and compassion for the individual.
Willingness to operate in an open and consultative way.
Integrity and adherence to high ethical standards.
Commitment to excellence and continuous improvement.
Openness to innovation.
Social justice within the local community.
Sustainability into the future.

MannaCare Inc gratefully acknowledges financial support provided by the Doncaster East & Templestowe Village Community Bank towards the cost of this publication.

Doncaster East & Templestowe Village **Community Bank** Branches  **Bendigo Bank**

Board of Governance



DAVID MEIKLEJOHN AM
Chairman



JOHN SHAW
Deputy Chairman



SHEENA KAY
Treasurer



RAY BARRINGTON



JOHN BENNIE PSM



PETER FULLER



RON KITCHINGMAN OAM



NUSIA KROLIKOWSKI



TRACY LAETHAISONG



IAN WATERS

Associated Firms

Auditors

SAWARD DAWSON

Bank

WESTPAC BANKING CORPORATION

Leadership Team



ROSS DAWSON
Chief Executive



VANESSA MAY
General Manager
Corporate Services



SHERRY-ANN BAILEY
General Manager
Operations



MICHELLE MURPHY
Human Resources
Manager



SHANTEL INNES
Facility Manager
Doncaster Melaleuca Lodge



PRIYA SALANDY
Facility Manager
Cassia House



ADAM DOUGHERTY
MCA FlexiCare Client
Services Coordinator



LAUREN RICHEY
Business Development
& Intake Coordinator



DHARANI NAGARAJAN
Team Leader
Doncaster Rehabilitation Services



SAJANI VARGHESE
Senior Care Advisor
Home Care Packages



VANESSA WATKINS
Clinical Quality Advisor
To 7 September 2018



DEZIE MARRISON
Grevillea House Coordinator
To 2 July 2018



SHARON GAMMON
Cassia Day Respite
Coordinator
To 3 July 2018



GEORGE KYRITSIS
Team Leader
Home Maintenance Services
To 1 August 2018



Chairman's Report

It is my pleasure to report to you as Chairman of MannaCare on our 34th year of operation.

Last year I reported that we were pressing on with the planning for major capital works which were needed to improve our residential facilities and to allow us to be more competitive with the new facilities opening up in Manningham. A year on it can be seen that great progress has been made and the scale and quality of the new facilities we will be offering residents in the near future are now clearly visible. We are still some time away from the final completion date but the works are progressing on time and on budget.

However, from an operating perspective, the last year was again financially challenging and we incurred another operating loss for our residential and non residential businesses. A substantial proportion of this loss can be attributed to the impact of the project works reducing the number of rooms available for occupancy in Cassia. Also, as Ross mentions in his report, the freeze on residential care funding had a significant impact on our bottom line as many of our operating costs continue to rise at sometimes alarming rates.

However, our underlying cash position remains sound and the Board has adopted conservative policies in relation to cash management generally. We also continue to press for active cost reduction programs and also encourage management to pursue growth opportunities in relevant community service programs.

The current financial year will also be challenging and results will be depressed into the second half until we are able to fully utilize the new facilities. However, we will continue to monitor closely our costs and cash reserves and the Board will ensure that we do not overcommit MannaCare.

I congratulate and thank all of our staff and volunteers for their commitment and efforts over the past year. It is an added challenge to maintain a high level of service and quality care amidst the disruptions that the capital projects create. I also pay tribute to the outstanding contributions of our volunteers and again make the observation that we could not operate without their effort and commitment.

We have not had any changes to the Board over the past year and I thank my Board colleagues for their valued input on the important governance, operational and financial matters.

I also congratulate our CEO, Ross Dawson and his team for the great job they have done and are doing in difficult operational conditions and in an increasingly complex aged care environment.

The past year has been demanding but we are looking forward to realizing the benefit of our new high quality residential facilities which will better meet the needs of the aged and aging members of the Manningham Community.

DAVID MEIKLEJOHN AM





Chief Executive Officer

Each year seems to bring new challenges in aged care and 2017/18 was no exception. Implementation of significant Commonwealth Government aged care policy reforms continued while at the same time residential care funding was frozen for 12 months. In this context it is easy to become disheartened and cynical in having to deal with continual change while trying to balance our budget. However, MannaCare is committed to serving older people in the local community and has proven through our lengthening history and our continued development that we are in this space for the long run.

So, how did we demonstrate this in 2017/18? Perhaps the most obvious has been and continues to be our investment in capital improvements in the two residential aged care facilities we manage. Over many years the Board has set aside funds accumulated through prudent financial management in recognition that it is not just our residents and clients who are ageing. Our buildings within which we provide care need to keep up with rising consumer expectations and an increasingly competitive market place.

To this end we committed over \$10 million to major works across our facilities. Completed during the year was the construction of a new hairdressing salon, resident's laundry and assisted bathroom at Doncaster Melaleuca Lodge and a new staff base, medication room, store and temporary lounge in Banksia unit of Cassia House. In January Devco Construction commenced work to replace remaining shared rooms with single rooms and private ensuites in Cassia House. This incorporates the complete rebuilding of Banksia unit and construction of new bedrooms, lounges, dining rooms and associated amenities elsewhere in the facility. This large and complicated project executed while services continue to be provided in the facility is due to be completed in April 2019.

Apart from this construction we also invested in other improvement works and in our infrastructure. Improvements including painting and carpeting within both facilities, new and replacement equipment such as a blast chiller and dishwasher at the Lodge; and a new accounting package called Epicor to significantly enhance our capacity to measure and manage our financial performance and associated back-office services.

While investments in buildings and equipment are readily observable, physical evidence of our local commitment to serving older people, less evident but no less important has been the growth of our various community services. These vital services support older people in a variety of ways to remain living in their own home in the community. The number of people we assist in managing their Home Care Package has grown, as has our private service provision arm, MCA Flexicare. Doncaster Rehabilitation Services implemented a number of new and exciting initiatives during the year including a relaxation and mindfulness program and an advanced back group. It also expanded into a private service offering incorporating physiotherapy, occupational therapy and exercise physiology to enable clients to move beyond the limits of government funded short-term rehabilitation.

While serving people is the core of what we do it would be remiss of me not to warmly acknowledge with thanks the ranks of those who do the serving. We have a lot of staff fulfilling a variety of roles on and off-site who truly reflect our values. I also mention that those staff in our residential services who are covered by our Certified Agreement went the entire year without a pay rise due to the freeze in our government funding. While we still finished the year with a substantial operating deficit, their restraint has helped limit the size of this loss.

I also want to thank our large band of volunteers who reflect our position as a community owned and community benefit organization. They represent the community helping those in that community who through age and/or infirmity are finding life more challenging. Be it in governance as a Director on our Board or in direct service providing, for example, a hand massage, you are all very much admired and appreciated.

Finally, looking into 2018/19 the most significant development since the close of the current financial year has been the announcement and formation of a Royal Commission into Aged Care Quality and Safety. This will be a confronting time for the sector but promises to address some of the issues and challenges associated with meeting the needs and wants of our ageing population.

I commend to your reading the following reports from our broader leadership team highlighting other key points from the year including our financial performance.

ROSS DAWSON



Volunteer John assists Nicole with her rehabilitation exercises

Community services comprise Cassia Day Respite, Doncaster Rehabilitation Services (DRS), Grevillea House, Home Care Packages (HCP), Home Maintenance Services (HMS) and MCA FlexiCare.

Highlights

- Commonwealth Home Support Programs (CHSP) funded services commenced a transition from the current client information system to The Care Manager (TCM) to assist in streamlining client information and documentation across all community services in readiness for the new quality audit framework which MannaCare is due to be assessed against in 2019. The transition also assisted the required government funding reporting requirements (DEX) which has been a challenge to date with HMS; and reduced the number of systems and the costs associated with multiple software licenses.
- In partnership with Om-Ni (“Old men New ideas”) (COTA) Grevillea House established a “Men's discussion group” for clients with memory loss. The first group commenced in September 2017 and ran weekly for 2 hours. A male staff member was part of the group to help facilitate discussion and to assist with any personal care needs. This group subsequently transitioned to become Menz Den under the capable leadership of volunteer Phillip Green. The aim is to provide a safe environment for men to have their say, form friendships and be around other men. The group has been a great success and there is now a wait list of men wanting to join.
- Another initiative in Grevillea House was the commencement of a Men's Workshop each Friday under the tutelage of a volunteer, Terry. Two or three men work together to make, fix or build something similar to what would occur in a Men's Shed program.
- MCA FlexiCare continued to grow with some of this growth being fueled by the National Disability Insurance Scheme (NDIS). As an Approved NDIS Provider MCA FlexiCare has a number of older clients with a disability and is regularly receiving new referrals.
- DRS established restorative groups covering Diabetes Exercise, Pulmonary Rehabilitation and Backs; and due to increased demand - an Advanced Back Group; and a Relaxation and Mindfulness Program. Partnering with Deakin University School of Exercise and Nutrition Sciences, DRS trialed using virtual reality therapy incorporating a Wii and Smart TV for stroke rehabilitation.
- DRS was successful in receiving a Community Development Grant from Manningham Council and a grant from Doncaster East and Templestowe Village Community Bank Branch Bendigo Bank to pilot an initiative titled Program Oncology Wellness and Exercise Rehabilitation (POWER). This is an innovative, evidence-based supervised exercise and wellness program that supports the individual to take part in safe physical activity during and after treatment for cancer.

- The community gym established by DRS, GymActive, continued to grow in popularity and now has over 50 registered clients. Attendance varied as the gym is intended to be used at the convenience of the client (similar to a commercial gym).
- To meet growing demand particularly for unfunded services, DRS recruited an additional Occupational Therapist, a new Physiotherapist and an Exercise Physiologist. This is another exciting area of development for MannaCare which adds to the range of support services delivered to clients both in their own home and in residential care.

Challenges

- Service growth and evolving client needs have put pressure on the space needs of several of our services. Both Grevillea House and Cassia Day Respite are stretched space-wise particularly when they have clients with challenging behaviours who may need to be separated for a time due to safety or comfort considerations of other clients. DRS would also benefit from having additional space for its growing list of therapy programs.
- Getting timely and accurate statements to clients on Home Care Packages regarding their monthly and year-to-date income and expenditure has received considerable attention. Systems, processes and software issues required extensive review and remediation in order to meet this key requirement.
- While program delivery targets for services funded under the CHSP were largely met or exceeded, some of our respite services found this challenging due to high client absenteeism for reasons of illness or general frailty. HMS well exceeded its targets by February for home modifications and by May for general maintenance which led to a hold on services in these two streams until the end of June 2018 due to no funds being available.
- HMS experienced a high volume of demand for custom made railings which stretched the workshop to full capacity. An accident in which the HMS van used to transport finished railings was written off resulted in a backlog of installations which the service struggled to catch up on.

Looking Ahead

- The DRS pilot Program Oncology Wellness and Exercise Rehabilitation (POWER) will be completed with outcomes documented and reported to the two grant providers. We have every indication this will be a successful initiative for the target client group and will then form the foundation for a new ongoing program.
- Positive outcomes are expected to be seen from a repositioning of HMS following staffing and process changes and the consolidation of community respite services under a single manager.
- Following completion of the current building program in Cassia House, the focus will move to devising a solution to current space issues limiting service growth such as that faced by DRS and respite services.



Employee Joyce helps Brenda with a walk

Residential services comprise of Doncaster Melaleuca Lodge (“Lodge”) and Cassia House

Highlights

- A variety of building improvements were completed in the Lodge over the year. Two courtyards and the external garden area of the memory support unit were professionally landscaped. A new ramp, gate and a fencing realignment was completed at the front of the facility so that residents not in the memory support unit can walk around the building without creating a security issue for less able residents. A new hairdressing salon, resident laundry and assisted bathroom were completed in December 2017. Carpet outside the hairdressing salon, in the north lounge and in most passageways was replaced with carpet squares. The passageways of houses 6 and 7 were repainted. Quite a number of resident rooms were renovated, encompassing painting, upgraded lighting, new curtains and floor covering.
- In Cassia House, following an extensive consultative, design and approval process preliminary (early) works involving the construction of a new nurses station, medication room, store and a temporary dining/lounge room in Banksia unit were completed in December 2017. This was followed by tendering for major works in the facility basically aimed at removing all shared rooms and replacing them with private rooms and ensuites. Associated lounges, dining rooms, sitting rooms, activity spaces and the like also formed part of the works. The winning tender of \$7.32 million (ex GST) was submitted by Devco Project and Construction Management. They commenced on site in January 2018 with the project expected to be completed by April 2019.
- Larger capital purchases in the Lodge during the year included a blast chiller and dishwasher for the kitchen and a bulk supply of carpet for use in room renovations to avoid extended supply delays.
- In terms of service quality, the kitchens in both facilities were presented with 5 Star Food Safety Awards for 2018 by Manningham Council in March. In addition, Auditing Services Australia undertook an external food audit at Cassia House in June 2018 and was assessed as meeting all the requirements.
- The Australian Aged Care Quality Agency (AACQA) undertook a scheduled triennial reaccreditation audit of Cassia House in September 2017. The auditors assessed the facility as having met all 44 expected outcomes and it was subsequently reaccredited from 1 December 2017 to 1 December 2020.
- Both facilities had unannounced support visits by auditors from the AACQA in January and February 2018 and were deemed compliant in the areas audited.
- The Lodge was generously gifted an unexpected \$50,000 donation from the CARI Foundation in December to be used specifically for weekend social programs, with a focus on music

for residents with dementia. This funding has had an immense positive impact on the quality of life of these residents and has been warmly welcomed by relatives and staff.

- In April 2018 the Lodge was invited by the University of Wollongong to participate in a research project titled the Resource Utilization and Classification Study (RUCS). The University was commissioned by the Federal Government to examine and recommend a new funding tool for aged care residential services across Australia to replace the current Aged Care Funding Instrument (ACFI). The research project ran for the entire month of May with all care, lifestyle and administration staff plus some staff from Cassia House participating in the study. Its scope included a time and motion study of staff as they provided care using barcode scanners and codes for residents and care types; analysis of financial reports for the facility; and an independent assessment being conducted for all 59 permanent residents in care using the proposed new funding tool. The Lodge received excellent feedback from the University staff about the staff and the care provided.
- After a full assessment of benefits and costs a decision was made to introduce uniforms for staff working in the two aged care facilities. Staff in these areas were issued with up to 3 shirts and a vest in March. The reaction from staff, residents, visitors and volunteers has been overwhelmingly positive.

Challenges

- Both facilities experienced infectious outbreaks during the year. These outbreaks were external in origin and resulted in the facilities being locked down with full infection control procedures for several weeks each time. The increased risk to frail elderly residents was our prime concern but the outbreaks also isolated residents from visitors and were very costly to MannaCare. To reduce risk in winter 2018, MannaCare organised for subsidized influenza vaccinations for staff in May 2018; and GP's facilitated the administration of the influenza vaccinations for the residents. Emails and letters were also sent to resident's family members to increase awareness and encourage them to have the vaccination done.
- As a consequence of the major building works in Cassia House the facility had to temporarily close down some rooms as areas were demolished and rebuilt; and relocate residents during construction. At its peak up to 20 rooms were vacant. This was very difficult to manage operationally and had a severe impact on the financial viability of the facility. Costs were trimmed where possible particularly in staffing where there were several redundancies and the use of flexible shifts directly related to occupancy rates. Not receiving any indexation in ACFI funding from the Federal Government over 2017/18 exacerbated the situation.
- Maintaining operations in Cassia House while the major building works were in progress. Residents and staff had to

Residential Services (cont.)

vacate the northern part of Banksia unit before it was demolished and then continue providing care in cramped conditions in the remaining southern part of the unit. Work on constructing 3 new rooms in Acacia unit meant residents lost a dining room and visitors lost one point of access to the building. Pleasingly, residents, staff and visitors were tolerant and adapted to these disruptions to normal operations.

Looking Ahead

- Completion of major building works in Cassia House in April 2019 and subsequent official opening.
 - Preparing a response by MannaCare to the new Voluntary Assisted Dying Act which comes into effect from 19 June 2019. Victorians who meet strict eligibility criteria will
- be able to request access and aged care providers must ensure residents, their representatives and staff are fully informed and appropriate guidance materials are in place.
 - Preparing for the new Aged Care Quality Standards from 1 July 2019. This new single set of standards, will replace the Accreditation Standards, Home Care Standards, National Aboriginal and Torres Strait Islander Flexible Aged Care Program Quality Framework Standards and Transition Care Standards.
 - The Royal Commission into Aged Care Quality and Safety will potentially have far reaching implications for the whole aged care sector. The progress of the enquiry over the next 12 to 18 months and ultimately its final report to the Federal Government will be watched with great interest.

Volunteers

Thank You

We cannot thank all our volunteers enough, for their passion and commitment to our organization.

Whether they are here for one hour or their maximum 16 hours a week, we appreciate the contribution they make to our Mission namely: to assist older people in the Manningham community to sustain and reinforce their independence.

Their efforts make a big difference to our seniors.

Men's Discussion Group

Grevillea House in partnership with Om-Ni ("Old men New Idea") (COTA) established an innovative group designed for men living with dementia.

The first group commenced in September 2017 and ran for 2 hours on a weekly basis. Subsequently the group successfully transitioned to become Menz Den under the experienced leadership of volunteer Phillip Green.

The aim of the men's program is to offer fun and fellowship for older men providing a safe connection to chat for those living with dementia. Menz Den has made a real difference to the lives of residents and clients who attend regularly and there is now a waiting list.

The methodology of the program is based on stimulating senses and interaction in a group setting which creates an opportunity for people to interact in any way that's within their own potential. It is this methodology which is specifically tailored towards those who are experiencing memory loss that is partly considered responsible for the success of the group.



CEO, Ross Dawson addresses a Menz Den celebration

The program has received very positive feedback from most partners of the group members, as well as staff and other involved participants.

Overall, this was a successful pilot program.

This year we celebrated the contributions and achievements of our dedicated staff with a week of celebrations.

5 YEARS OF SERVICE

STAFF

Noriel Alvarico
Florence Basanyukira
Brodie Dickfos
Ramli Haryanto
Sam Korsriporn
KyiKyi Lhamo
Aura Macales
Shamiso Mutsure
Tracy Lea Noe
Appuarachchige Perera
Phurbu Phurbu
Annette Timothy
Tanya Warms
Luying Xia

VOLUNTEERS

Claire Ledda
Mira Mehra
David Meiklejohn AM
Maria Muntean
Savita Hazari
Barbara Britton

10 YEARS OF SERVICE

STAFF

Henny Goss
Mei Li
Anne McMahon
David McPherson
Veronica Muscat
Niranjan Saunders
Jenny Sun

VOLUNTEERS

Serafina Martino
Helen Sandy
Don Sandy
Tony Temple

15 YEARS OF SERVICE

STAFF

Stella Christofis
Jennifer Moody

20 YEARS OF SERVICE

STAFF

Colin Spilman

25 YEARS OF SERVICE

STAFF

Yew-Lian Choong

30 YEARS OF SERVICE

VOLUNTEERS

Patricia Wheeler

Bachelor of Occupational Therapy

Anita Bjorkman

Certificate IV in Leadership and Management

Graduate Certificate in Health Services Management

Dharani Nagarajan

Bachelor of Nursing

Shamiso Mutsure

Diploma of Nursing (Enrolled Division 2)

Theivayani Makindan

Graduate Certificate of Diabetes Education

Luying Xia

Certificate IV in Lifestyle and Leisure

Malihe Amini

Microsoft Certified Systems Engineer

Microsoft Certified Professional

Microsoft Certified Sharepoint Engineer

Frankie Sia



Highlights

- As foreshadowed in last year's report, the Board approved the proposal to replace the outdated AIM financial software with Epicor SLS. Implementation commenced October 2017 with the cut-over to the new system taking place April 1 2018. It went extremely smoothly thanks to the dedication and hard work of the entire finance team. We are already seeing real benefits of switching to a more sophisticated and modern system, particularly around access to data and the reporting process. We now have a system that will provide a solid base for growth and efficiency of data capture and processing across the organisation.
- Integration of systems, designed to reduce duplication of effort and to increase accuracy, was also a heavy focus during the year. Integration work between our resident care management system Manad and the new finance system Epicor was completed, allowing more accurate and automated reconciliations of Government Care funding. Further integration work was also undertaken between our community care program TCM with both Epicor and our rostering system RosterOn, greatly reducing data entry time.
- MannaCare has joined a group of six other aged care organizations of similar size in the Eastern Metropolitan region for the purpose of exploring ways of sharing knowledge and working together for common goals. The primary focus is on effective and efficient delivery of corporate services. Although this 'alliance' is in its early days we are already seeing the benefits, with joint initiatives in the areas of clinical quality and risk management, development of policies and procedures, and benchmarking of key financial inputs.
- Following on from the new tradition commenced in July 2017, the second Staff Appreciation Week was again held in July and the feedback has been extremely positive. Several activities were held throughout the week designed to thank staff for all their hard work and dedication. Each service area provided either a morning or afternoon tea for staff with many clients also attending to express their appreciation. Certificates for Years of Service, Education, and Staff Awards for Excellence were given out by the CEO.

Challenges

- Negotiations for a new Enterprise Bargaining Agreement (EBA) which commenced early in 2017 progressed during the year, culminating in agreement by the unions to sign off on our proposed one year EBA. We were able to clearly demonstrate that we were unable to meet the initial log of claims and the new EBA in effect retains the status quo with some improvements to flexibility in staffing and the provision of a 2% pay rise which took effect from 1 July 2018. This agreement was put to staff vote 13 June and was passed with an overwhelming 91.6% majority.

- MannaCare is bound by the provisions of the Privacy Act 1988, which require us to handle personal and sensitive information appropriately. On 22nd February 2018 new legislation took effect for the mandatory reporting of data breaches relating to personal and sensitive information held or used by an organisation. MannaCare undertook a privacy audit across all service areas which looked at potential breaches of the Privacy Act. Several 'hot spots' were identified and steps taken accordingly to rectify. Additionally, a Data Breach Response Plan and a Notifiable Data Breach Statement were developed for MannaCare to assist in complying with the new legislation. The regulations provide many challenges for organisations, particularly with regard to electronic data.

Looking Ahead

- Phase 2 of the Epicor implementation will commence in November 2018, bringing on board new functionality such as Fixed Assets, electronic purchasing and approvals, stock control and job costing for Home Maintenance, Customer Relationship Management, and new streamlined financial reporting.
- As part of our commitment to maintain the currency of our electronic systems, we are also in the process of upgrading to the latest version of RosterOn, which will provide some long awaited improvements, particularly to do with the on line portal and also to leave management.
- Negotiations for the new multi-year EBA will take place during 2019. This will be a challenging and arduous process to ensure the best possible outcomes for our staff and clients. The increasing constraints on aged care funding, lower occupancy rates for residential services, and the increase in competition to attract and retain suitably qualified and experienced staff, means that these negotiations are key to the long-term financial viability of MannaCare.







Financial Report

The Statements of Income and Expenditure and Other Comprehensive Income, Changes in Equity and Cash Flows for the year ended 30th June 2018; and the Financial Position at that date that follow are extracted from MannaCare's audited Financial Statements. The full Financial Statements are available on request from MannaCare's central office or can be downloaded from the website.

MannaCare made an operating loss of \$492,295 in 2018 (\$260,207 in 2017) and an overall loss of \$205,951. The overall deficit of \$621,363 in residential services has been the major contributing factor to this result. The decline in profitability of residential services previously reflected mainly in the operating results, are starting to have a significant impact on the non-operating results as well, with non-operating results decreasing by \$444,547 compared to 2017. Non-operating items are mainly of a capital nature and include capital grants, government accommodation subsidies, daily accommodation payments (DAPs), and net interest earned on investments. Despite the challenges experienced by the residential services, DML had a substantial increase in occupancy levels during the later months of the year resulting in an overall surplus of \$291,858 for the facility. Occupancy levels at Cassia House declined further to accommodate the major capital works program. HCP continued to do well, contributing a surplus of \$365,965 to operating profits.

Continuing the trend from last year, which saw a drop in total State and Federal revenue of 2%, Government revenue for 2018 dropped a further 4.5%. This is in stark comparison to the increases of 1.3% in 2016 and 4.6% in 2015. This trend is due to a combination of reduced residential services occupancy rates as well as the changes to ACFI funding that were introduced during the 2017 financial year. These changes were two-fold. The first was a permanent change to the scoring for the ACFI complex health care domain, which in effect reduced the ACFI funding for residents with complex health care needs. As arrangements for residents existing prior to the changes have been grandfathered, the impact of these changes will be a continued gradual decline in ACFI revenue over the next two to three years of approximately \$180,000 per year. The second part of the changes to the funding was a freeze on indexation across all three ACFI domains for the 2018 financial year, with only a partial return to indexation for the 2019 financial year. This means that MannaCare has had to absorb the effects of wage rises and CPI without any increase to funding. Fortunately, MannaCare entered this period of aggressive funding cut-backs in a relatively strong financial position, able to withstand the ensuing operating losses in the short term.

Total expenditure on domestic expenses increased by \$17,315, reflecting increases in costs for the cleaning contract, kitchen requisites, paper products, and laundry supplies due mainly to the major influenza outbreak early in the financial year. This was tempered by a decrease in cleaning supplies. Administration costs reduced by \$59,454, mainly due to a decrease in consulting fees, IT subscriptions and travel costs. Food supplies increased slightly, however a full review of food supplier contracts is currently underway to ensure we can secure the best prices and the most efficient

procurement methods across the organisation. We expect to see improvements during the 2019 year. There was a substantial increase in the cost of professional and clinical services for both residential facilities, reflecting changes to the ACFI rules, particularly around pain management. Another major contributor to the overall 1.5% increase in total expenditure was the significant increase in the cost of power. Our cost of utilities rose by a staggering \$49,913 (25.1%). Electricity alone rose by 33.8%. Although we have been able to secure best available price at time of contract leveraging from a group contract across several public sector organisations, we cannot escape the impact of the large energy price increases experienced in Victoria.

At MannaCare our accumulated funds and residential bonds are invested in term deposits with approved deposit institutions. Investment income during 2018 was down 9.2% compared to 2017, reflective of both the low interest rates on offer and a reduction in available cash to invest due to reduced revenue and the large cash outlays for the major capital works underway.

The financial results for 2018 decreased our net assets from \$9,453,892 to \$9,247,941, reflecting the lower revenues and increase in expenditure. The major capital works program at Cassia House commenced during the year and is due for completion in March 2019. The expectation is that, once completed, Cassia House will become more attractive to potential residents and substantially increase occupancy levels over what has been experienced over the past few years. Further details of the proposed works are provided elsewhere in this report.

Overall, 2018 has been a difficult year financially. Many of these challenges will continue through much of the 2019 financial year. It is imperative that MannaCare continues to focus on maximising revenue whilst maintaining strong control over costs. Once the capital works are completed, there is every reason to expect that the last quarter of the 2019 financial year will begin to reflect a substantial increase in revenues from the residential services, with the full benefits to be felt during the 2020 year.

SHEENA KAY Treasurer



Narelle giving a hand massage to a resident

STATEMENT OF INCOME AND EXPENDITURE AND OTHER COMPREHENSIVE INCOME

For the Year Ended 30 June 2018

	2018 \$	2017 \$
Revenue	17,893,335	18,541,299
Employee Benefits Expense	(13,969,055)	(13,608,252)
Rent Expense	(886,757)	(832,290)
Catering Expense	(580,707)	(562,557)
Cleaning and Laundry Expense	(535,384)	(530,177)
Depreciation and Amortisation Expense	(345,239)	(248,389)
Interest Paid	(47,567)	(60,202)
Administration Expense	(341,705)	(398,088)
Repairs and Maintenance Expense	(360,060)	(479,475)
Client Supplies and Service Expense	(709,234)	(661,400)
Energy and Utilities Expense	(248,664)	(198,751)
Fundraising Expense	(1,576)	(9,541)
Other Expenses	(73,338)	(221,286)
NET SURPLUS/(DEFICIT) FOR THE YEAR	(205,951)	730,891
OTHER COMPREHENSIVE INCOME		
Other Comprehensive Income	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(205,951)	730,891

STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2018

	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Government Grants	12,331,958	12,336,367
Receipts from Residents & Clients	5,109,747	5,301,848
Donations and fundraising received	63	37,193
Sundry receipts	244,588	219,145
Payments to suppliers and employees	(17,777,261)	(17,815,999)
Interest received	490,635	575,905
Net cash provided by (used in) operating activities	399,730	654,459
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash from sale of asset	37,116	2,133
Purchase of property, plant and equipment	(2,293,693)	(1,047,649)
Redemption (placement) of term deposits	(1,500,000)	1,800,005
Net cash provided by (used in) investing activities	(3,756,577)	754,489
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings procured (repaid)	-	-
Bond refunds to residents	(630,305)	(2,148,268)
RAD/RAC receipts from new residents	5,027,878	5,890,437
RAD/RAC refunds to residents	(2,249,000)	(2,792,000)
Net cash provided by (used in) financing activities	2,148,573	950,169
Net increase (decrease) in cash held	(1,208,274)	2,359,117
Cash and cash equivalents at beginning of financial year	4,753,514	2,394,397
Cash and cash equivalents at end of financial year	3,545,240	4,753,514

STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

	2018 \$	2017 \$
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	3,545,240	4,753,514
Trade and Other Receivables	1,487,001	1,533,416
Financial Assets	20,699,995	19,199,995
Other Assets	135,329	119,748
TOTAL CURRENT ASSETS	25,867,565	25,606,673
NON-CURRENT ASSETS		
Property, Plant and Equipment	2,353,193	1,622,762
Capital Works in Progress	2,820,110	220,747
TOTAL NON-CURRENT ASSETS	5,173,303	1,843,509
TOTAL ASSETS	31,040,868	27,450,182
LIABILITIES		
CURRENT LIABILITIES		
Trade and Other Payables	3,807,974	2,144,516
Provisions	2,388,586	2,210,661
Bond Liabilities	3,074,521	3,744,808
RAD & RAC Liabilities	12,069,472	9,290,594
TOTAL CURRENT LIABILITIES	21,340,553	17,390,579
NON-CURRENT LIABILITIES		
Provisions	452,374	605,711
TOTAL NON-CURRENT LIABILITIES	452,374	605,711
TOTAL LIABILITIES	21,792,927	17,996,290
NET ASSETS	9,247,941	9,453,892
EQUITY		
Retained earnings	9,247,941	9,453,892
TOTAL EQUITY	9,247,941	9,453,892

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2018

2018	Note	Retained Earnings \$
Balance at 1 July 2017		9,453,892
Total comprehensive income for the year		(205,951)
Balance at 30 June 2018		9,247,941
2017		Retained Earnings \$
Balance at 1 July 2016		8,723,001
Total comprehensive income for the year		730,891
Balance at 30 June 2017		9,453,892

Auditor's Report

MannaCare Inc. ABN 15 698 364 348

Report of the Independent Auditor on the Summary Financial Statements

Opinion

The summary financial statements, which comprise the statement of financial position as at 30 June 2018, the statement of income and expenditure and other comprehensive income, statement of cash flows and statement of changes in equity for the year then ended are derived from the audited financial report of MannaCare Inc. for the year ended 30 June 2018.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial report.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by the Australian Accounting Standards – Reduced Disclosure Regime and the *Australian Charities and Not-for-profits Commission Act 2012*. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial report and the auditor's report thereon. The summary financial statements and the audited financial report do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial report.

The Audited Financial Report and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial report in our report dated 17 October 2018.

Board's Responsibility for the Summary Financial Statements

The board is responsible for the preparation and presentation of the summary financial statements.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial report based on our procedures, which were conducted in accordance with Auditing Standard ASA 810 *Engagements to Report on Summary Financial Statements*.



Saward Dawson



Peter Shields
Partner

Blackburn
Dated: 17 October 2018

100 CLUB and going strong



Reaching the age of 100 is an impressive achievement in anyone's language!

Some say it is about attitude; some say it is what you eat or that nip of whiskey before bed. However, whatever the reason it is a special and unique milestone.

In the days of social media and instant communication, where a large number of people document their every move, milestones still matter.

Birthdays, anniversaries, graduations, no matter what the achievement, these highlights authenticate the passage of time. They shape our lives and they record the story of our life.

As Aristotle put it, "not only do we measure change by time, but time by change, because they are defined by one another."

Doncaster Melaleuca Lodge has 3 centenarians among its ranks.

Dennis Gaffney 104, Aileen McNeair 103, and Linda Bottegal 100, each with a different story to tell.

During their lifetimes, all of them have seen remarkable transformations as well as destructive developments. And all the while, they have celebrated many milestones spanning more than one generation. All 3 residents lived independently in their own homes before calling Doncaster Melaleuca Lodge home. All were immigrants to this land. Dennis arrived as a 4 year old from the UK, and was an engineer by occupation. Arriving from New Zealand as a 5 year old, Aileen taught piano and was also a secretary. And Linda arrived in Australia at the ripe old age of 12, working hard as a domestic house keeper and as a clothes presser in a factory.

During the day, the ladies like to read the newspaper daily to keep up to date with the news and current affairs. Dennis enjoys watching sport on TV and is an avid sports follower especially of the AFL, and with his team being Essendon, there have been some tough years over the past decade.

Each story is unique, however, all are connected by life's milestones and being part of the 100 club!

Dennis Gaffney passed away on 15 September 2018 not long after this photo was taken and the story was written. Sympathies to his family and friends.





Services

COMMUNITY SERVICES

DONCASTER REHABILITATION SERVICES

- ☎ 9856 1210
- 📠 9856 1233
- ✉ rehab@mannacare.org.au

MCA FLEXICARE

- ☎ 9856 1212
- 📠 9856 1293
- ✉ flexicare@mannacare.org.au

CASSIA DAY RESPITE

- ☎ 9856 1236
- ☎ A/H 0458 379 377
- ✉ cassiadayrespite@mannacare.org.au

GREVILLEA HOUSE

(Social Support Group & Respite Program)

- ☎ 9845 1224
- 📠 9856 1284
- ✉ grevillelighthouse@mannacare.org.au

HOME CARE PACKAGES

- ☎ 9856 1218
- 📠 9856 1293
- ✉ homecare@mannacare.org.au

HOME MAINTENANCE SERVICES

- ☎ 9856 1222
- 📠 9856 1242
- ✉ hms@mannacare.org.au

RESIDENTIAL SERVICES

CASSIA HOUSE

- ☎ 9856 1201
- 📠 9856 1233
- ✉ contact@mannacare.org.au

DONCASTER MELALEUCA LODGE

- ☎ 9856 1244
- 📠 9856 1255
- ✉ dml@mannacare.org.au

ADMINISTRATION

- ☎ 9856 1201
- 📠 9856 1233
- ✉ contact@mannacare.org.au

MannaCare gratefully acknowledges the voluntary work of Emilia Colafella and John Parkinson who contributed some of the photographs displayed in this report.



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 MannaCare