

President's Report for 2020 YVAC AGM

It is hard to know where to begin because so much has happened in the last twelve months. It is no doubt that 2020 has been the most difficult year since the fire destroyed a significant portion of Horton House but the impact of the pandemic may be even greater because we really do not know when it is going to end. The pressure on Lyn and all the staff is unrelenting dealing with all the issues thrown up by the pandemic: first and foremost ensuring the good health and happiness of our residents, going into lockdown and now the screening of all visitors, keeping relatives fully informed and managing and training staff in the event that a resident or member of staff becomes infected with the virus.

Lyn, her clinical team and all the staff are to be congratulated for doing a fantastic job in very difficult circumstances and I commend them all for their effort and dedication.

Turning to the refurbishment, although we were able to resume occupancy of all rooms from mid October 2019 the roof space works were not completed to early November 2019 and the Final Occupation Certificate issued on 24 March 2020. The contract cost was \$3,173,617.00 but there were additional costs of \$263,325.00, incurred to a large extent in the roof space and "Parker Link" to comply with the fire safety code. Also, consultant fees increased by about \$100,000, caused by the delay in completing the project and dealing with additional work and fire safety code.

The increased costs and the delays were concerning but the work had to be done otherwise Horton House would have been a second-rate facility unattractive to potential residents, whereas now we have a truly magnificent facility that is fully compliant.

As I have previously mentioned we were able to fund the refurbishment from our cash reserves which includes refundable accommodation deposits. At the 30 June 2020 cash was about 79% of current liabilities. According to our accountants, Stewart Brown anything above 65% is acceptable. Obviously, I would prefer to be at 100% or higher but to achieve such an outcome will be extremely difficult. There has been some additional government funding, but these have been one off and residential aged care was completely ignored in the recent budget. The Federal Government's stance on aged care is very disappointing and low interest rates have decimated investment income.

The profit and loss statement has a loss of \$560,401 but adding back the depreciation and the write off of bed licenses there is a small cash profit of \$20,876.00. The situation is concerning and quite frankly we need to improve our trading position, but doing so will not be easy. It is difficult to reduce costs, particularly staff, without impacting the level of care provided to our residents. Lyn is reviewing government funding to ensure the facility is receiving its full entitlement. We also need to investigate the development of our land bank such as Corona Grove to supplement revenue.

We are very thankful for the support of the Foundation because without that support we would have not have been able to carry out and complete the refurbishment or provide the additional equipment needed for our residents. My thanks again to Katie and all the other members of the Foundation.

I also acknowledge the work of the Friends of Horton House and Warmington lodge who raise considerable amounts of money each year for the facility to enable it to purchase specialised equipment. I thank Cathryn Williams, the outgoing President and Rowena Weir, the incoming President and all their team for all that they do for the facility.

My thanks also to the other members of the Board for all their effort during the year: Melina Waters and Nyree Ashton make up the Audit & Risk committee, Tony Reeves, Wendy Dashwood and Brooke Sainsbury are the Personnel and Remuneration committee and Chris Copeland, Hugh McDonald, Paul Turner and myself are the Future Directions committee. I also acknowledge the good work done by Paul, landscaping around and at the back of the new wing. Thank you, Paul.

Michael Walker

President