



Annual Report 2019-20



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About Kudos

Our Vision

We are built on the belief that every child, young person and adult, and their families or carers, has the right to belong to a supportive community that understands them and is completely focused on their unique ability to achieve the best that is possible.

Our Purpose

We empower children, young people, adults and their families and carers to shape positive outcomes and live their best lives.

Kudos Values



Knowledge

We are a bold, highly skilled and experienced multidisciplinary team of child and youth therapists, sharing best practice techniques with our community of children and parents to achieve results together.



Enterprising

We are bold, innovative and brave, driven to do things differently through our Australian-first mutual model of integrated service delivery.



Camaraderie

We are a group of brave, purposeful people with a shared passion for improving the lives of children and young people.



Heart

We will inspire and care for each other, take pride in our achievements through mutual celebration and ensure everyone in our community – therapists, children and families – are valued and appreciated.

Kudos Services is Australia's first public service mutual, owned and driven by its members.

As a community of the most highly skilled and experienced therapists and support staff, together we exist to support and celebrate every child, young person and adult with a disability, from early intervention to ongoing therapy.

Now in our second year of operation, we have continued to work hard to build a strong foundation for our organisation to flourish, with our members at the heart of our business. Members power our organisation and are the means to our success in delivering high-quality services and the best possible experiences and outcomes for clients.

We proudly deliver the NDIS Early Childhood Early Intervention service in South Australia as the NDIS Partner in the Community, and provide high-quality specialist allied health, specialist support coordination and positive behaviour support services to NDIS participants who are school-age and beyond.

Our name represents our belief that achievements, small and large, need to be recognised, admired and celebrated.

Kudos to all in our Community of Care who have contributed so much to the success of Kudos Services over the last year. We are pleased to share the highlights from our work across our services, our governance system, and our financial reports in this year's Annual Report.



Image: Kudos members Bec Morris and Rowan James at Kudos' first birthday celebration in September 2019



2019-20 Achievements

7,019

Children and young people supported



New 7-member
MAC elected

102

Members



First Annual

General Meeting

First member elected

Board Directors



**2020 Vision Strategic
Plan released**

**200+ ILC information
sessions and workshops**





Chair's report

I am very pleased to be presenting this Report as Chair of the Board of Directors of Child and Youth Services Mutual Ltd, or Kudos Services.

In 2019-20, the second year of Kudos' operation, we moved from the establishment stage to develop strategic priorities for growing Kudos' quality services, member culture and community of care into the future. This has resulted in significant consolidation, change and progress over these last twelve months, driven by the dedication, enterprising spirit, and collaborative approach of the members of this employee-led mutual – the outstanding team of specialist allied health practitioners and support staff who are the beating heart of the organisation.

The members and employees of Kudos Services have continued to provide excellent allied health and early intervention services, in partnership with clients and their families and carers, at the same time as developing further the mutual culture, strategies for future growth and development, and tackling some of the big questions at the heart of the mutual enterprise. The Board of Directors has had the great pleasure and duty of guiding the organisation over this time.

2019-20 will be one to remember for many reasons, not the least of which being the extraordinary situation the entire world has faced as a result of the COVID-19 pandemic. I am pleased to report that the team at Kudos Services responded quickly and effectively to address the challenges and to continue to provide quality services to clients and their families and carers, albeit in different ways. Throughout, Kudos Services maintained its commitment that *No Matter Where, Kudos Cares*.

I took up the role of Chair following Kudos' inaugural Annual General Meeting (AGM) held in October 2019. At that meeting, the members of Kudos Services voted for the first time for a fully member-elected Board of Directors. Prior to this, Kudos was governed by an independent Foundation Board appointed by the Department of Human Services as part of the establishment of the new organisation.

The AGM marked an enormous step forward for Kudos as an employee-led mutual, with members electing the Board, as well as conducting other business including amendments to the Constitution to enshrine the Members Advisory Council in Kudos' governance system, accepting the first audited financial reports, and receiving the first Annual Report.

Thank you to Adam Wilson for his tireless work as Chair of the Foundation Board, for providing great leadership and counsel up to the AGM, and for chairing the AGM so well. Thank you also to outgoing Foundation Board members David Syme and Sarah White for your commitment to and support of Kudos Services. Foundation Board member Madge McGuire joined me in being elected by members to a position on the full Board.

Along with the other members of the first member-elected independent Board – Pete Madsen, Sam Scammell, Gillian McFee, Elaine Nash and Tom Laundry – I thank the members and employees for entrusting us with the governance of your organisation and for the generosity of spirit you show in your work with clients, your support for us and each other, and for living your values every day.

In another significant step in building the mutual identity, members appointed the first fully member-elected Members Advisory Council (MAC) in April 2020. The seven committed, enthusiastic and energetic MAC members hit the ground running and have provided thoughtful leadership and the members' collective considered voice to the Board and the Senior Management Team. And we know the best is yet to come!

In the last year, the Board approved the 2020 Vision Strategic Plan for Kudos Services and has provided guidance and support to the leadership team in implementing the directions. We established two new Board Committees – Finance and Audit, and Governance and Risk – and Board Directors participated directly with some key process and management improvements including the review and implementation of recommendations of the senior management structure, risk management system, and clinical leadership model. We have also provided guidance around key corporate policies and provided financial oversight of the organisation.

So that the organisation can continue to build from its strong foundation, in 2019-20 the Board started the search for a new Chief Executive Officer. On behalf of the Board I thank Madge McGuire for delaying the commencement of her Director duties and stepping in the role of CEO while we undertook the search. We were delighted to appoint Darrin Johnson to the role in August 2020.

Kudos Services ended the 2019-20 financial year in a sound financial position and performed well throughout the height of the COVID-19 restrictions. The team has continued to grow and expand its quality services, build a supportive community of care around clients and their families or carers, and take great strides towards the further development of the mutual's culture.

It has been an honour and a privilege to serve this vibrant member-led organisation as Chair of the Board and I know that there are many exciting things ahead in the coming year.

Penny Gale





CEO Report

The members of Kudos Services would like to acknowledge the inaugural CEO, Nicole Keller, who led the organisation before and through its transition out of Government and for the first year of operation. Nicole left Kudos Services in September 2019 and we thank her sincerely for her contribution to Kudos Services and for her leadership, vision and energy throughout the ups and downs of establishment.

We also acknowledge and thank the inimitable Madge McGuire, who stepped into the role of Acting CEO after Nicole's departure, while the Board searched for an ongoing CEO. Madge provided guidance, innovation, support and a ready smile throughout her time in the position and continues to contribute to Kudos' success as a Board Director.

Over the 2019-20 year Kudos Services built from its strong foundations to continue to grow our quality services and build the member culture.

Members participated in the very first Annual General Meeting, appointed the first member-elected Board of Directors, and elected a new Members Advisory Council. The 2020 Vision Strategic Plan for Kudos Services was released, guiding priority initiatives, actions and outcomes across the organisation.

The Early Childhood Early Intervention team continued to consolidate its excellent work as the NDIS Partner in the Community, through designing and implementing an enhanced ECEI business model for more integrated services and outcomes, recruiting a number of new practitioners, and working with the NDIA to remodel the ECEI Grant Agreement to better align with the demand for services in the community.

In Therapy Services, the team worked hard to build new business opportunities and to harness the skills, ideas and energy of the team through a new Business Entrepreneur Group as well as an internal Therapy Advancement Group. This team also had to manage significant readjustments in response to the COVID-19 pandemic and innovate in remote service delivery and teamwork during the restrictions.

Therapy Services delivered an end of financial year surplus which was a testament to the enterprising spirit and depth of care for clients and the community from all involved.

To continue to build the mutual culture, all members and employees were engaged in discussions around the rights and responsibilities of membership, with guest facilitator Clive Thompson leading workshops in February at both sites to explore these topics. This conversation was closely connected to members' consideration of new employment terms and conditions. Along with representatives of the Health Services Union, members and employees were provided with information about the options for the form of the new terms and conditions, prior to a vote of all employees which determined that a new Enterprise Agreement would be developed.

2019-20 marked the second year of operation of Kudos Services as its own business entity. We took the opportunity to reflect on some of the systems that were inherited from the State Government as part of the transition, to ensure that the management, clinical leadership and risk and governance systems and structures are fit-for-purpose and future-proof. This led to some key changes being made to the structure of the Senior Management Team, the clinical leadership model, and the risk management system.

An Art and Design Project group was established and is seeking to enhance our working environment and create a stimulating experience for our client group and visitors.

In the second half of the year many of these activities happened against the backdrop of the COVID-19 pandemic. We took decisive steps to keep our valued clients, their families and each other safe during this extraordinary time.

We quickly enacted a plan for physical distancing and hygiene at the office and client appointments. Over time this involved a full work from home plan and adapted service delivery strategy.

Telehealth platforms were used to deliver our services in different ways, as well as to connect with clients and their families or carers. We also leveraged the team's knowledge to create a COVID-19 digital toolkit with information, activities and resources for families, and made sure children didn't miss out on our birthday wishes by sending a digital birthday card to those who had birthdays between April and June.

We ended the year with a robust COVID-safe plan in place, including rostered office attendance, physical distancing protocols, and cleaning and hygiene guidelines and equipment. And we continue to offer telehealth services, incorporating this innovation into our core business model.

2019-20 has been a year of achievement and growth. We have continued to provide high quality and valued services to clients and their families or carers and lived our values in the way we support our Community of Care and each other.

Kudos and thank you!



Image: COVID-19 electronic birthday card



Image: No Matter Where, Kudos Cares



MAC report



Image: Members Advisory Council (top row l-r) Keli Blake, Matt Sanders, Karen Temple, Bec Morris (bottom row l-r) Bethany Taylor, Gemma Hogg, Paula Harris

The Members Advisory Council (MAC) is a key part of the governance system of Kudos Services and its role is to represent the members' collective considered voice and provide advice to the Board of Directors and Senior Management Team on a range of strategic, operational, membership and organisational culture matters.

The six-member interim MAC was first established in the 2018-19 financial year with a six-member Interim MAC appointed to develop the systems, structure and terms of reference for the group, as well as facilitating member participation in the business.

We thank the members of the interim MAC for their energy, commitment and enthusiasm in getting the MAC off the ground and, in particular, acknowledge Nenalyn Chan, Christine Devine and Steven Elcombe for their service to members in this role.

In the first half of 2019-20, the Interim MAC was closely involved in workshops with the Board and Senior Management Team to develop a strategic plan for Kudos Services, as well as the promotion of and engagement of members in the business of Kudos' first AGM, in particular around the election of the Board of Directors. The Interim MAC also advised on the process for the election of the new MAC.

In March-April 2020 an election was held for the first directly elected MAC. Twelve strong candidates put themselves forward for one of seven positions on the MAC.

All members and employees were invited to participate in an online ballot, and 88 voters (representing 78% of possible voters) cast 540 votes to elect the new MAC, which was a great turnout and demonstration of member engagement. The MAC was appointed via a circular resolution of members in April 2020.

The new MAC includes three members of the Interim MAC, and four new members representing the business across the Therapy Services, ECEI and Corporate teams:

- Keli Blake
- Paula Harris
- Gemma Hogg
- Rebecca Morris
- Matthew Sanders
- Bethany Taylor
- Karen Temple

The member-elected MAC met seven times in 2019-20 following its appointment in April 2020. The new MAC's activities focussed from the outset on building the profile of MAC amongst members, consolidating its place in the governance system, and building relationships with the SMT and Board.

In order to provide all members of the MAC with opportunities to develop leadership skills, the MAC has introduced a rotating chairing arrangement, with two-month terms for a Chair and a Co-Chair. The inaugural Chair of the MAC was Bethany Taylor.

In order for the MAC to better understand the views, ideas and interests of members, an organisation-wide survey was conducted in June 2020. Sixty-nine members and employees responded to the Tell Us! survey and provided rich information on the issues they wish MAC to represent them on and how they are feeling about their participation as a member. The results of the survey are the basis of the workplan for the MAC for the coming year.



Image: Interim MAC members (l-r) Paula Harris, Karen Temple, Steven Elcombe, Bethany Taylor, Nenalyn Chan, Christine Devine



Membership update

As an employee-led mutual, Kudos Services has a focus on providing value to members through employee development, shared innovation, and participation in the governance of the organisation.

The Members Advisory Council, in partnership with the Senior Management Team and the Board, has provided leadership on member participation, in particular around building understanding of membership, member rights and responsibilities, and governance and communication processes.

At the end of the 2019-20 year Kudos had 102 members who continue to grow the organisation and contribute to the culture of innovation, collaboration and courage that has been the hallmark of Kudos Services since its establishment.



Image: Kudos members and supporters at Kudos' first birthday celebration in September 2019



ECEI update

1982

first NDIS Plans



2742

NDIS Plan reviews

2000+

initial supports and short-term intervention



200+

ILC information sessions

Our Early Childhood Early Intervention (ECEI) partnership with the National Disability Insurance Agency (NDIA) has been incredibly successful over the past year. We have been recognised by the NDIA for establishing a high performing team who have delivered great outcomes for more than 7000 South Australian children, as well as their parents and carers in the local government areas of the Adelaide Hills, Barossa, Light and Lower North, Eastern Adelaide, Eyre and Western, Far North SA, Fleurieu, Limestone Coast, Murray and Mallee, Northern Adelaide, Southern Adelaide, Western Adelaide and Yorke and Mid North.

In addition, we have provided Individual Linkages and Capacity building (ILC) to many of these families as well as Community Engagement and Capacity Building services to mainstream community organisations.

Specifically, we have we have supported:

- 1982 children to receive their first NDIA funded plans
- 2742 children to receive reviews of their existing plans
- Over 2000 children and families to receive initial supports and linkages as well as some short-term intervention support
- Over 200 ILC information sessions and workshops held.

As an industry leader and specialists in the field of early childhood intervention, we have used our resources and community networks to ensure families can access the best pathway of support, information, advice and intervention for their child during those critical early years. We have also worked closely with the mainstream community sector to build the capacity of our mainstream partners to ensure meaningful inclusion and participation of all children in our community.



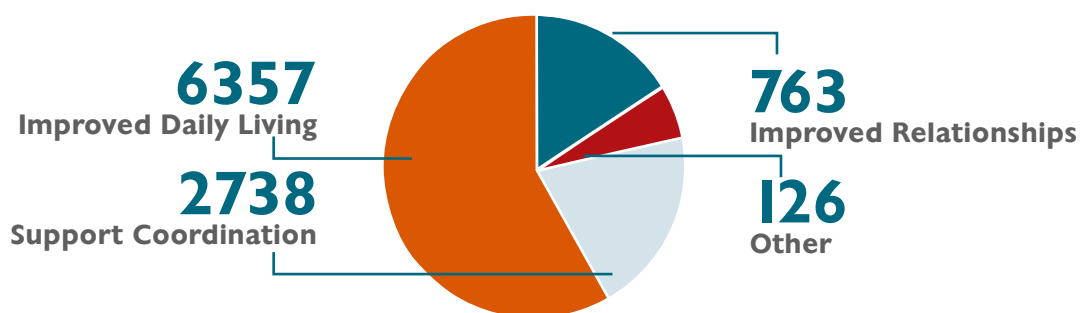
Therapy Services update

295

clients supported

9,979

hours of service delivered



In its second year as Kudos Therapy Services, the organisation continued to grow our strong reputation in the sector as a provider of high quality services, with knowledgeable staff who really care and go above and beyond to achieve the best outcomes for their clients. The collaborative, community based approach continued to deliver quality outcomes to clients and their families and support networks.

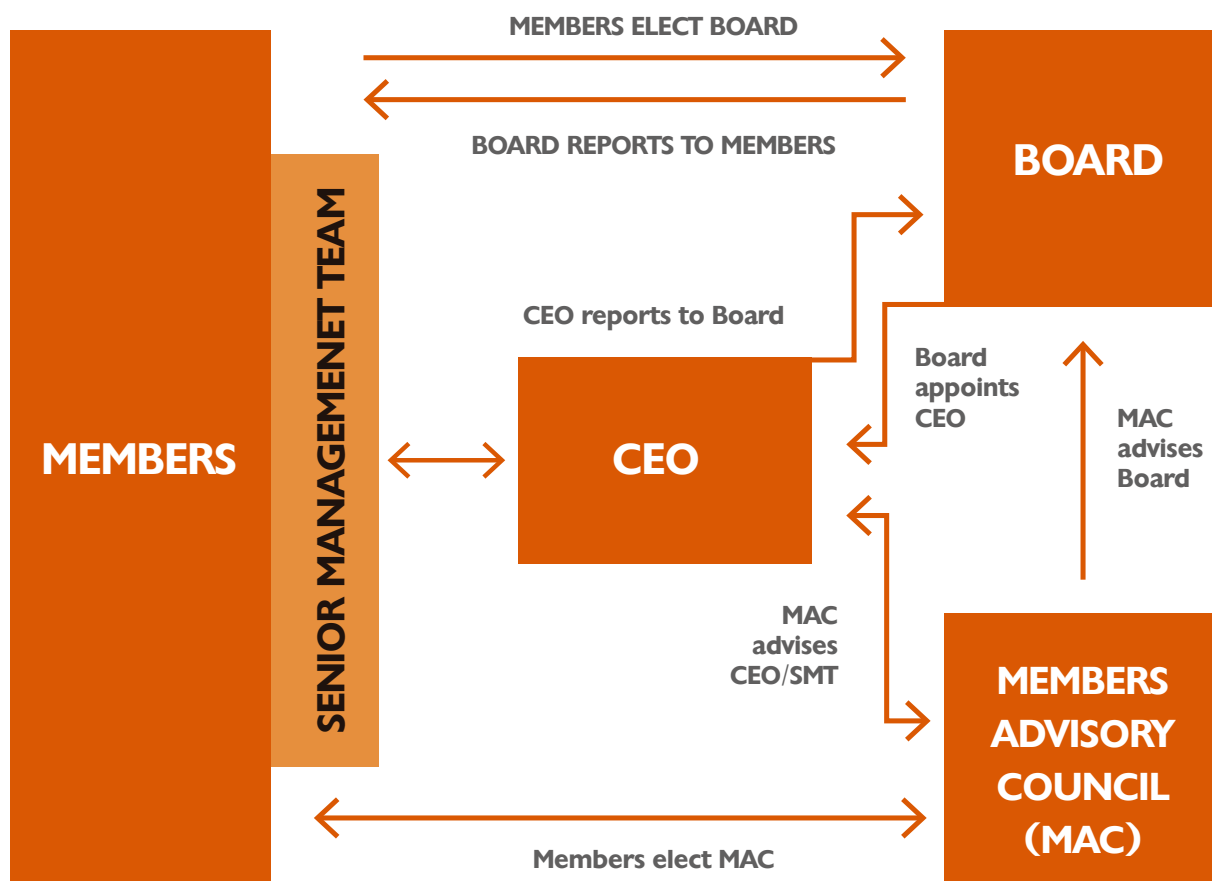
Therapy Services finished the year in a sound financial position, overcoming the challenges of the COVID-19 pandemic through a commitment to client-centred services and flexible work practices. The team demonstrated a strong dedication to their clients and their work, adapting the model of practice from a community based approach to an online model, to ensure that services were able to continue for our client group.

In Therapy Services, a key focus of 2019-20 was to define the service as a provider with a clear service delivery model and a clear point of difference in the market, enhancing the key strengths of the organisation in the delivery of therapeutic supports, support coordination and positive behaviour support.

The building blocks are now firmly in place for the future, with strategic growth a key target for the year ahead. Work is well underway to explore opportunities in regional areas, expand the services provided under Support Coordination and Positive Behaviour Support and continue to diversify income streams outside of the NDIS sector. The formation of the Business Entrepreneur Group and the Therapy Advancement Group has continued the evolution of the enterprising mindset of the team.



Governance update



The Board of Directors – both the Foundation Board, whose term ended in October 2019, and the current member-elected Board – has contributed to the effective governance of Kudos Services and made significant contributions towards the strategic direction, growth and management of Kudos Services.

Our Directors have been champions of our employee-mutual and provided a great deal of support to members, the Members Advisory Council, and the senior management team in developing the member culture and consolidating quality services.

The Foundation Board Directors were:

- Adam Wilson (Chair)
- Penny Gale (Deputy Chair)
- Madge McGuire
- Sarah White
- David Syme

The Foundation Board met four times in 2019-20: 1 July, 5 August, 2 September, 8 October.

All Foundation Board Directors resigned prior to the 2019 Annual General Meeting.

Members were presented with a list of candidates to vote from for the new Board of Directors, with a ballot conducted at the AGM. The following people were elected as independent non-Executive Directors on 18 October 2019:

- Penny Gale
- Madge McGuire
- Pete Madsen
- Sam Scammell
- Tom Laundry
- Gillian McFee
- Elaine Nash



Image: Board of Directors (l-r) Pete Madsen, Sam Scammell, Penny Gale, Gillian McFee, Elaine Nash, Tom Laundry

The Board subsequently appointed Penny Gale as Chair and Pete Madsen as Deputy Chair of the Board, at its first meeting on 5 November 2019. Sam Scammell was appointed as Company Secretary on 21 January 2020.

The Board of Directors met nine times in 2019-20: 4 November, 9 December, 29 January, 17 February, 2 March, 16 March, 20 April, 18 May, 22 June.

Two new Board Committees were formed: the Finance and Audit Committee and the Risk and Governance Committee. Both Committees have provided additional rigour to the governance of Kudos Services, in the areas of financial management and strategy, risk management, policy development, corporate governance and member engagement.

The members of the Finance and Audit Committee are:

- Tom Laundry (Chair)
- Penny Gale
- Sam Scammell

The members of the Governance and Risk Committee are:

- Penny Gale (Chair)
- Elaine Nash
- Gillian McFee
- Pete Madsen

Name	Number of Board meetings held	Number of Board meetings attended	Committee membership	Number of Committee meetings held	Number of Committee meetings attended
Penny Gale, Chair	9	9	Governance and Risk (Chair)	4	4
			Finance and Audit	3	3
Peter Madsen, Deputy Chair*	9	4	Governance and Risk	4	0
Sam Scammell	9	9	Finance and Audit	3	3
Elaine Nash	9	8	Governance and Risk	4	4
Tom Laundry	9	8	Finance and Audit (Chair)	3	3
Gillian McFee	9	8	Governance and Risk	4	4
Madge McGuire	9	9*	N/A		

*Pete Madsen was on a leave of absence between February and May 2020.

*Madge McGuire attended Board meetings in the role of Acting CEO in 2019-20.

The members of Kudos Services thank the Board of Directors most sincerely for their commitment to and support of our organisation, and for the diligence and expertise they have brought to their roles.



Community of Care

The members and employees of Kudos Services live by our values of Heart, Camaraderie, Enterprise and Knowledge in our work with clients and their families and care givers, and how we support each other in our employee-led mutual. Together we build a Community of Care so that the children, young people and adults we work with are supported, have positive experiences and live a good life.

We acknowledge and thank all of the families and care givers in our Community of Care who we have worked with over the last year, for allowing us to be part of your journey in seeking the best possible outcomes for your child or family member.

We thank the Business Council of Co-operatives and Mutuals (BCCM) and other Co-operative and Mutual Enterprises, for your support and advice. As members of National Disability Services (NDS) and Business SA, we also appreciate the support provided by our industry peak bodies.


Our thanks also go to the people in partner organisations with whom we collaborate to empower the children, young people and adults we work with, and to enable a lifetime of achievement:

- National Disability Insurance Agency (NDIA)
- NDIS Quality and Safeguards Commission
- Department of Human Services
- Department of Child Protection
- Department of Health and Wellbeing (Country Health)
- Department of Education
- Public Advocate, Anne Gale
- Disability Advocate, David Caudrey
- Commissioner for Children and Young People, Helen Connolly

We also wish to thank the suppliers and stakeholders who have advised and supported us over the last year:


- Sarah Groth (SG Balanced Solutions)
- Gaby Jaksa
- Clive Thompson (CoSolve)
- Comunet
- Intermain Pty Ltd
- Minter Ellison
- Fuller Communications
- Ranstad Australia and HR Partners – A Ranstad Company
- Hancock Creative
- Commonwealth Bank
- Therapy Pro
- Tquila ANZ
- Salesforce
- BDO

- Harrison McMillan
- Bespoke HR
- Underwood Executive
- Alison Sinclair
- Tina Hudson (Harnessing Talent)
- LeasePlan Australia
- KnightFrank
- Le Cornu Investment
- Safe Place Training
- Aon insurance consultants
- Tie Networks
- Adelaide Car Care
- Fresh and Clean
- WINC
- Pro AV Solutions
- Xero
- Translating and Interpreting Services
- PyschMed



By Kudos

Enterprising: We are bold, innovative and brave, driven to do things differently through our Australian first mutual model of integrated service delivery.



HEART

GOOGLE:	KUDOS:
<p>A hollow muscular organ that pumps the blood through the circulatory system by rhythmic contraction and dilation.</p>	<p>We inspire and care for each other, and ensure everyone in our community – therapists, clients and families – are valued and appreciated.</p>



Financial Summaries

Notes to the Financial Annual Report information

Kudos Services is a member-led organisation that operates as a Not-for-Profit, meaning we carry out our mission with no shareholders receiving benefits or a profit motive for individual gain.

As the South Australian NDIS Partner in the Community for Early Childhood Early Intervention services we receive ongoing funding from the Federal Government for the services delivered under that agreement. Kudos also generates fee-for-service income from the delivery of our Therapy Services.

The financial statements below reflect both these income streams in the revenue section of the income statement. This income supports the expenses noted in the report: Employee Expenses, Property Expenses and Other Operational Expenses.

The 2019-20 year was the first full year of operations for Kudos Services and this is reflected in the financial statements when comparing to the ten (10) months of the 2018-19 reported year.

The increases reported in Revenue and Employee Expenses reflect this full year of trading when compared to last year.

The depreciation line reflects the first year of amortising the costs incurred in establishing the service. Last year, the funding received to support the expenditure was brought to account as revenue and resulted in the significant surplus posted. That surplus will now be written off as depreciation, with the 2019-20-year reporting this for the first time.

2020 also saw the adoption of AASB16, an accounting standard that changes the way property expenses are reflected in financial statements. Rent is now reflected as amortisation of a lease liability and interest expense. The right to use the "Asset" (in this case the office locations) is reported as an asset on the balance sheet, and the liability to pay the lease (the lease obligation) is reflected as an offsetting liability on the balance sheet.

The net surplus reported on the income statement of \$0.66K is a reflection of the contribution of our Therapy Services (\$225K) less the annual amortisation of Kudos' establishment funding (\$259K). Also reported in the surplus is the \$100K Cashflow Boost, the Federal Government stimulus package released in response to COVID-19.

The Statement of Financial Position reflects the assets of the service (that is, items owned and controlled by the business) less the liabilities of the service (items owed or obligations payable by the business). The assets less the liabilities are the equity of the business and in the case of Kudos this is represented by the reported net surplus.

INCOME STATEMENT

	2020 \$
Revenue	
Grant Income	9,068,476
Fee for Service	2,138,720
	<u>11,207,196</u>
Interest Income	8,982
Other Income	5,736
Grant Income - Cashflow Boost	100,000
TOTAL REVENUE	11,321,914
Expenses	
Employee Expenses	8,628,733
Agency and Contractor	663,408
Property Expenses	406,574
Audit Legal and consultancy	265,700
Administration expenses	371,749
Office Establishment Costs	16,927
Other Expenses	902,627
TOTAL EXPENSES	11,255,718
NET SURPLUS	66,196

STATEMENT OF FINANCIAL POSITION

	2020 \$
CURRENT ASSETS	
Cash & Cash Equivalents	5,953,867
Trade & other receivables	171,867
Other Assets	66,718
Total Current Assets	6,192,452
NON-CURRENT ASSETS	
Plant & Equipment	1,324,409
Right of use Asset	1,164,989
Intangible Assets	61,828
Total Non Current Assets	2,551,226
TOTAL ASSETS	8,743,678
CURRENT LIABILITIES	
Trade & other payables	689,375
Provisions	1,276,247
Contract Liabilities	3,828,515
Lease Liabilities	420,418
Total Current Liabilities	6,214,555
NON-CURRENT LIABILITIES	
Provisions	66,176
Lease Liabilities	828,207
Total Non Current Liabilities	894,383
TOTAL LIABILITIES	7,108,938
NET ASSETS	1,634,740
EQUITY	
Retained Surplus	1,634,740
TOTAL EQUITY	1,634,740

STATEMENT OF CASHFLOWS

	2020 \$
CASHFLOW FROM OPERATING ACTIVITIES	
Receipt from clients and government	11,644,518
Payments to Suppliers and employees	(11,625,824)
Interest Received	8,982
Interest Paid	(62,087)
Net Cash provided from operating activities	34,411
CASHFLOW FROM INVESTING ACTIVITIES	
Payment for property, plant and equipment	(83,689)
Repayment of Lease Liabilities	(277,183)
Net Cash provided from investing activities	(360,872)
Cash & cash equivalents at beginning of the financial period	6,349,150
Cash & cash equivalents at end of the financial period	5,953,867

