Sunshine Hospice Ltd
ABN: 59 111 950 924
Annual financial report
30 June 2017

Contents of financial report

Sunshine Hospice Ltd
Directors' report
For the year ended 30 June 2017

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2017.

Directors
The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Frank William Lewins
Susan May Mason-Baker
Basil Stewart Charles Wood
Valmai Patricia Mulhall - resigned 27 April 2017
Beverley Marie Barton
Marguerite Mary Robertson
Lois Elaine Kennedy

Objectives
To build a robust skill-based organisation capable of constructing a hospice and sustaining, operating and growing hospice services on the Sunshine Coast.

Strategy for achieving the objectives
- Progressively implement a staffing structure and development program for both staff and volunteers for all facets of the organisation;
- Continue to be an efficiently run, compliant and financially sustainable organisation;
- Continue to build the financial and administrative capacity to enable sustainable future operations and growth;
- Continue to build a strong brand consistently applied across all facets of our organisation which fosters instant and positive community recognition; and
- Continue operating an effective governance model that covers financial, administrative and regulatory matters.

Principal activities
The principal activities of the Company during previous financial years has been to provide specialised hospice care and support for people of all ages who are terminally ill. The Company's Hospice was a six bed facility located at Doonan, on the Sunshine Coast and was fully equipped with medical facilities and experienced nursing staff. The Hospice was funded primarily from community and corporate donations, fundraising events and sales from its five Opportunity Shops located at Maroochydore, Tewantin, Cooroy, Mapleton and Nambour. Due to a shortage of funds the Hospice was closed on 15 December 2015 and medical related equipment stored for future use. Since that time, the charity has continued to operate Opportunity Shops and conduct Fund Raising activities, with revenues supporting our purpose of building and operating a licenced, accredited and financially sustainable Hospice on the Sunshine Coast. Concept building plans have been developed and the Board is assessing suitable land options. Our corporate fundraiser has been re-engaged to raise funds for the building project.

Sunshine Hospice Ltd
Directors' report (continued)
For the year ended 30 June 2017

Directors' meetings

The number of directors' meetings (including meetings of committees of directors) and number of meetings attended by each of the directors of the Company during the financial year are:

Directors	Meetings A	Meetings B
Frank William Lewins	15	15
Susan May Mason-Baker	15	13
Valmai Patricia Mulhall	13	12
Basil Stewart Charles Wood	15	14
Beverley Marie Barton	15	13
Marguerite Mary Robertson	15	9
Lois Elaine Kennedy	15	8

A - Number of meetings held during the time the director held office during the year

B - Number of meetings attended

Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on the following page and forms part of the directors' report for the financial year ended 30 June 2017.

This report is made in accordance with a resolution of the directors:

S Baker

Susan May Mason-Baker
Director

Stewart Wood

Basil Stewart Charles Wood
Director

Dated at Maroochydore this 20th day of November 2017.

BDO

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DECLARATION OF INDEPENDENCE BY BRUCE SWAN TO THE DIRECTORS OF SUNSHINE HOSPICE LTD UNDER SUBDIVISION 60-C OF THE *AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012*

As lead auditor of Sunshine Hospice Ltd for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

BDO Audit Pty Ltd

Bruce Swan
Director

Maroochydore, 2nd November 2017

Sunshine Hospice Ltd
Statement of financial position
As at 30 June 2017

	Note	2017 $	2016 $
Assets			
Cash and cash equivalents	*11*	426,078	307,578
Trade and other receivables	*12*	9,835	5,323
Total current assets		435,913	312,901
Property, plant and equipment	*13*	55,235	89,304
Total non-current assets		55,235	89,304
Total assets		491,148	402,205
Liabilities			
Trade and other payables	*14*	37,523	27,665
Employee benefits	*17*	2,092	20,591
Total current liabilities		39,615	48,256
Total liabilities		39,615	48,256
Net assets		451,533	353,949
Equity			
Retained earnings		451,533	353,949
Total equity		451,533	353,949

The notes on pages 11 to 22 are an integral part of these financial statements.

Sunshine Hospice Ltd

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2017

	Note	2017 $	2016 $
Revenue from ordinary activities		480,390	664,128
Other income	5	37,898	442,097
Employee expenses	7	(114,826)	(516,113)
Depreciation and amortisation expense	13	(16,175)	(18,377)
Administration expenses		(113,453)	(78,851)
Hospice expenses		(28,331)	(121,893)
Other expenses from ordinary activities	6	(153,313)	(163,371)
Results from operating activities		92,190	207,620
Financial income	9	5,394	909
Net financing income		5,394	909
Profit/(loss) before income tax		97,584	208,529
Income tax expense		-	-
Profit/(loss) for the year		97,584	208,529
Other comprehensive income for the year, net of income tax			
Total comprehensive income/(loss) for the year		97,584	208,529

The notes on pages 11 to 22 are an integral part of these financial statements.

Sunshine Hospice Ltd

Statement of changes in equity

For the year ended 30 June 2017

	Retained earnings	Total equity
Balance at 1 July 2015	145,420	145,420
Total comprehensive income for the year		
Profit for the year	208,529	208,529
Other comprehensive income	-	-
Total comprehensive income for the year	208,529	208,529
Balance at 30 June 2016	353,949	353,949
Total comprehensive income for the year		
Profit for the year	97,584	97,584
Other comprehensive income	-	-
Total comprehensive income for the year	97,584	97,584
Balance at 30 June 2017	451,533	451,533

The notes on pages 11 to 22 are an integral part of these financial statements.

Sunshine Hospice Ltd
Statement of cash flows
For the year ended 30 June 2017

	Note	2017	2016
		$	$
Cash flows from operating activities			
Cash receipts from customers		514,089	1,132,721
Cash paid to suppliers and employees		(394,233)	(941,816)
Cash generated from operations		119,856	190,905
Interest received		5,394	909
Net cash from (used in) operating activities	*18*	125,250	191,814
Cash flows from investing activities			
Acquisition of property, plant and equipment	*13*	(9,152)	(22,181)
Proceeds from the sale of property, plant and equipment		2,402	200
Net cash from (used in) investing activities		(6,750)	(21,981)
Cash flows from financing activities		-	-
Net cash from (used in) financing activities		-	-
Net increase (decrease) in cash and cash equivalents		118,500	169,833
Cash and cash equivalents at 1 July		307,578	137,745
Cash and cash equivalents at 30 June	*11*	426,078	307,578

The notes on pages 11 to 22 are an integral part of these financial statements.

Sunshine Hospice Ltd

Notes to the financial statements

1. Reporting entity

Sunshine Hospice Ltd (the "Company") is a not-for-profit Company limited by guarantee under the *Corporations Act 2001* and registered under the *Australian Charities and Not-for-profits Commission Act 2012*. The Company is domiciled in Australia.

2. Basis of preparation

(a) Statement of compliance

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Australian Charities and Not-for-profits Commission Act 2012* and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements were approved by the board of directors on the date of signing of the responsible entities' declaration.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

(b) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Company's functional currency.

(c) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. Borrowing costs related to the acquisition or construction of qualifying assets are recognised in profit or loss as incurred.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line and diminishing value basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

The estimated useful lives for the current and comparative periods are as follows:

- Plant and Equipment 5 - 40 years
- Motor Vehicles 5 - 7 years
- Office Equipment 5 - 8 years
- Fixtures and Fittings 10 - 20 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

(b) Trade and other receivables

Trade and other receivables are stated at their cost less impairment losses (see accounting policy d).

(c) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

3. Significant accounting policies (continued)

(d) Impairment

(i) Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

(ii) Non-financial assets

At the end of each reporting period, the entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

(e) Employee Benefits

(i) Long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on costs.

(ii) Termination benefits

Termination benefits are recognised as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

(iii) Short-term benefits

Liabilities for employee benefits for wages, salaries, annual leave and sick leave represent present obligations resulting from employees' services provided to reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Company expects to pay as at reporting date including related on-costs, such as workers compensation insurance.

(f) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

3. Significant accounting policies (continued)

(g) Trade and other payables

Trade and other payables are stated at cost.

(h) Revenue

(i) Services

Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

(ii) Goods sold

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

(i) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the contingency no longer exists and the lease adjustment is known.

(j) Finance income and expense

Finance income comprises interest income on funds invested (including available-for-sale financial assets), dividend income, gains on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit or loss, and gains on hedging instruments that are recognised in profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions, dividends on preference shares classified as liabilities, foreign currency losses, changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognised on financial assets, and losses on hedging instruments that are recognised in profit or loss. All borrowing costs are recognised in profit or loss using the effective interest method. Bank charges are included as part of administration expenses

3. Significant accounting policies (continued)

(k) Income tax

The Company has been deemed a Public Benevolent Institution and has been granted income tax exemption under the Income Tax Act.

(l) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(m) Accounting estimates and judgements

Management has been involved in the development, selection and disclosure of the Company's critical accounting policies and estimates and the application of these policies and estimates.

4. Financial risk management

(a) Overview

The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk.
- interest rate risk

This note presents information about the Company's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout this financial report.

The Company has overall responsibility for the establishment and oversight of the risk management framework and for developing and monitoring risk management policies.

Risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The exposure to credit risk is monitored on an ongoing basis.

At the balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Company's customer base, including the default risk of the industry and country in which customers operate, has less of an influence on credit risk. There is no concentration of credit risk geographically or with one customer.

Sunshine Hospice Ltd

Notes to the financial statements

4. Financial risk management (continued)

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company ensures that it has sufficient cash on demand to meet expected operational, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

(d) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company currently does not enter into any derivatives, nor incurs financial liabilities, in order to manage market risks.

(e) Currency risk

The Company is not currently exposed to currency risk as it does not deal in a currency other than its functional currency.

(f) Interest rate risk

The Company's exposure is limited to interest rate variations on its variable rate borrowings.

(g) Other market price risk

The Company has limited exposure to any other market price risk.

(h) Capital management

The Company's policy is to develop and maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the Company.

5. Other income

	2017 $	2016 $
Donations and bequests	31,891	271,161
Fundraising	4,614	25,251
Memberships	1,393	1,170
Other	-	15,021
QLD Health	-	129,494
	37,898	442,097

6. Other expenses

	2017 $	2016 $
Store rental expenses	135,032	130,301
Electricity	13,625	12,608
Other	4,656	20,462
	153,313	163,371

7. Employee expenses

Wages and salaries	124,319	495,861
Superannuation	8,568	39,442
Increase (decrease) in liability for annual leave	(18,499)	(23,290)
Workcover	438	4,100
	114,826	516,113

8. Auditor's remuneration

Audit services		
Auditors of the Company		
BDO		
Audit of financial reports	7,365	7,220
	7,365	7,220
Other services		
Auditors of the Company		
BDO		
Preparation of financial statements	2,075	2,035
Other services	10,945	-
	13,020	2,035
Total	20,385	9,255

9. Net financing income

Interest income	5,394	909
Financial income	5,394	909

10. Income tax expense

As the Company is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

11. Cash and Cash Equivalents

	2017 $	2016 $
Cash on hand	2,918	3,295
Cash at bank	423,160	304,283
	426,078	307,578

12. Trade and other receivables

Trade receivables	2,134	-
Deposits	7,701	5,323
	9,835	5,323

Trade receivables are shown net of impairment losses amounting to $Nil (2016: $Nil) recognised in the current year.

Sunshine Hospice Ltd
Notes to the financial statements

13. Property, plant and equipment

	Plant & Equipment	Office Equipment	Fixtures & Fittings	Motor vehicles	Total
Cost					
Balance at 1 July 2015	78,266	10,474	16,291	61,876	166,907
Acquisitions	3,875	-	-	18,306	22,181
Disposals	-	-	-	(16,636)	(16,636)
Balance at 30 June 2016	82,141	10,474	16,291	63,546	172,452
Balance at 1 July 2016	82,141	10,474	16,291	63,546	172,452
Acquisitions	-	9,152	-	-	9,152
Disposals	(29,324)	(8,751)	(12,735)	(11,488)	(62,298)
Balance at 30 June 2017	52,817	10,875	3,556	52,058	119,306
Depreciation					
Balance at 1 July 2015	(31,751)	(7,576)	(5,138)	(28,452)	(72,917)
Depreciation charge for the year	(8,744)	(681)	(1,298)	(7,654)	(18,377)
Disposals	-	-	-	8,146	8,146
Balance at 30 June 2016	(40,495)	(8,257)	(6,436)	(27,960)	(83,148)
Balance at 1 July 2016	(40,495)	(8,257)	(6,436)	(27,960)	(83,148)
Depreciation charge for the year	(5,998)	(1,021)	(512)	(8,644)	(16,175)
Disposals	14,928	7,390	5,276	7,658	35,252
Balance at 30 June 2017	(31,565)	(1,888)	(1,672)	(28,946)	(64,071)
Carrying amounts					
At 30 June 2015	46,515	2,898	11,153	33,424	93,990
At 30 June 2016	41,646	2,217	9,855	35,586	89,304
At 30 June 2017	21,252	8,987	1,884	23,112	55,235

14. Trade and other payables

	2017 $	2016 $
Trade payables	17,825	17,535
Accruals	14,368	6,930
Other payables	5,330	3,200
	37,523	27,665

15. Operating Leases

Leases as lessor

The future minimum lease payments under non-cancellable operating leases are as follows:

	2017 $	2016 $
Less than one year	70,734	45,999
Between one and five years	30,543	42,094
	101,277	88,093

16. Financial Instruments

Credit risk

Exposure to credit and interest rate risks arises in the normal course of the Company's business.

The Company's management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The Company does not require collateral in respect of financial assets.

At the balance sheet date there were no significant concentrations of credit risk.

The carrying amount of the Company's financial assets represents the maximum credit exposure. The Company's maximum exposure to credit risk at the reporting date was:

Cash and cash equivalents	423,160	304,283
Trade and other receivables	9,835	5,323
	432,995	309,606

The Company's maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

Australia	100%	100%

16. Financial Instruments (continued)

Liquidity Risk

The following are the contractual maturities of all financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

2017	Carrying amounts	Contractual cash flows	6 mths or less	6-12 mths	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Trade & other payables	37,523	37,523	37,523	-	-	-	-
	37,523	37,523	37,523	-	-	-	-

2016	Carrying amounts	Contractual cash flows	6 mths or less	6-12 mths	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Trade & other payables	27,665	27,665	27,665	-	-	-	-
	27,665	27,665	27,665	-	-	-	-

There were no derivative financial liabilities (2016: nil).

Currency Risk

There was no exposure to foreign currency risk at balance date (2016: nil).

Interest Rate Risk

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was:

	2017 $	2016 $
Variable Rate Instruments		
Financial Assets	423,160	304,283
	423,160	304,283

Interest-bearing loans and borrowings

Fair value is calculated based on discounted expected future principal and interest cash flows.

Trade and other receivables / payables

For receivables / payables with a remaining life of less than one year, the notional amount is deemed to reflect the fair value. All other receivables / payables are discounted to determine the fair value.

Cash flow sensitivity analysis for variable rate instruments

The effect of a change in interest rates at the reporting date would not have changed equity nor profit or loss.

Fair Values versus carrying amounts

There are no significant differences between fair value and carrying amounts shown in the statement of financial position.

17. Employee benefits

	2017 $	2016 $
Current		
Liability for annual leave	2,092	20,591
	2,092	20,591
Number of employees at year end	2	3

18. Reconciliation of cash flows from operating activities

Cash flows from operating activities			
Profit/(loss) for the year		97,584	208,529
Adjustments for:			
Amortisation & depreciation	*13*	16,175	18,377
Loss on sale of assets		24,644	8,290
Operating profit before changes in working capital and provisions		138,403	235,196
Change in trade and other receivables		(4,512)	13,296
Change in trade and other payables		9,858	(33,388)
Change in provisions and employee entitlements		(18,499)	(23,290)
Cash generated from the operations		(13,153)	(43,382)
Net cash from operating activities		125,250	191,814

19. Contingent liabilities

On the 18th of January 2017 a former employee made an ambit claim in the Magistrates Court alleging underpaid wages. The matter is still before the Magistrates Court and the board has determined that defending the claim is justified. We fully expect our defence to be successful however the outcome will depend upon the interpretation of specific contractual provisions by a Magistrate.

20. Subsequent events

The board of directors is not aware of any events of a material nature that have occurred subsequent to balance date that would require disclosure in the financial statements.

Sunshine Hospice Ltd
Responsible entities' declaration

In the opinion of the directors of Sunshine Hospice Ltd ('the Company'):

(a) the financial statements and notes set out on pages 7 to 22, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012,* including:

  (i) giving a true and fair view of the registered entity's financial position as at 30 June 2017 and of its performance for the financial year ended on that date in accordance with the accounting policies described in note 2 to the financial statements; and

  (ii) complying with Australian Accounting Standards applicable to the company.

(b) there are reasonable grounds to believe that the registered entity will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013.*

Dated at Maroochydore, this 20th day of November 2017.

SMBaker

Susan May Mason-Baker

Director

Basil Stewart Charles Wood

Director

BDO

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INDEPENDENT AUDITOR'S REPORT

To the members of Sunshine Hospice Ltd

Report on the Audit of the Financial Report

Qualified opinion

We have audited the financial report of Sunshine Hospice Ltd (the registered entity), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the responsible entities' declaration.

In our opinion, except for the effects of the matter described in the *Basis for qualified opinion* section of our report, the accompanying financial report of Sunshine Hospice Ltd, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

(i) Giving a true and fair view of the registered entity's financial position as at 30 June 2017 and of its financial performance for the year then ended; and

(ii) Complying with Australian Accounting Standards to the extent described in Note 2 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for qualified opinion

Fundraising revenues through opportunity shop sales, events and donations are a significant source of fundraising revenue for the registered entity. The registered entity has determined that it is impracticable to establish control over the collection of opportunity shop sales, event and donation revenue prior to entry into its financial records. Accordingly, as the evidence available to us regarding fundraising revenue from this source was limited, our audit procedures with respect to opportunity shop sales, event revenue and donations had to be restricted to the amounts recorded in the financial records amounting to $518,288. We therefore are unable to express an opinion whether the recorded opportunity shop sales, event revenue and donations of the registered entity are complete.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the registered entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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Emphasis of matter – Basis of accounting

We draw attention to Note 2 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Registered Entity's financial reporting responsibilities under the *ACNC Act*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of responsible entities for the Financial Report

The responsible entities of the registered entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 2 to the financial report is appropriate to meet the requirements of the ACNC Act and the needs of the members. The responsible entities' responsibility also includes such internal control as the responsible entities determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the responsible entities are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the responsible entities either intend to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd

Bruce Swan
Director

Maroochydore, 28 November 2017