

Sunshine Coast Community Hospice Ltd.

ABN: 59 111 950 924

Annual financial report

30 June 2012

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# Sunshine Coast Community Hospice Ltd

## Directors' report

### For the year ended 30 June 2012

The directors present their report together with the financial report of Sunshine Coast Community Hospice Ltd, for the financial year ended 30 June 2012 and the auditor's report thereon.

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# Sunshine Coast Community Hospice Ltd

## Directors' report

For the year ended 30 June 2012

### 1. Directors

The directors of the Company at any time during or since the end of the financial year are:

<b>Sandra Machin</b>	Appointed – 11 October 2010 Resigned - 14 June 2012
<b>John Henderson</b>	Appointed – 11 October 2010 Resigned - 14 June 2012
<b>Sue Mason-Baker</b>	Appointed – 11 October 2010
<b>Stewart Wood</b>	Appointed – 7 February 2011
<b>Sue Story</b>	Appointed – 14 June 2012 Resigned – 11 December 2012
<b>Pat Mulhall</b>	Appointed – 14 June 2012
<b>Frank Lewins</b>	Appointed – 14 June 2012

### 2. Company Secretary

Stewart Wood was appointed to the position of company secretary on 7th of February 2011.

### 3. Environmental regulation

The Company's operations are not subject to significant environmental regulation under either Commonwealth or State legislation. However the Board believes that the Company has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Company.

### 4. Principal activities

The principal activities of the Company during the course of the financial year was to provide specialised hospice care and support for people of all ages who are terminally ill. 'Katie Rose Cottage' is a six bed facility at located at Doonan, Sunshine Coast that is fully equipped with medical facilities and experienced nursing staff. The Hospice is funded primarily from community and corporate donations, fundraising event and sales from its three Op Shops located at Maroochydore, Tewantin and Mapleton.

### 5. Operating and financial review

Overview of the Company

The profit/(loss) for the company for the financial year was \$363,475 (2011: \$51,866).

There were no significant changes in the nature of the activities of the Company during the year.

### 6. Events subsequent to reporting date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in the future financial years.

### 7. Likely developments

The Company will continue to pursue its policy of providing services that are ethical, respectful and professional.

Further information about the likely developments in the operations of the Company and the expected results of those operations in the future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Company.

# Sunshine Coast Community Hospice Ltd

## Directors' report

For the year ended 30 June 2012

### 8. 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	B
John Henderson	10	1
Frank Lewins	-	-
Sandra Machin	10	10
Sue Mason-Baker	10	10
Pat Mulhall	-	-
Sue Story	-	-
Stewart Wood	10	8

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

B - Number of meetings attended

### 9. Indemnification and insurance of officers and auditors

#### Indemnification

Since the end of the previous financial year, the Company has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an officer or auditor of the Company.

#### Insurance premiums

During the financial year the Company has paid premiums in respect of directors' and officers' liability and legal expenses insurance contracts for the year ended 30 June 2012 and since the financial year, the Company has paid premiums in respect of such insurance contracts for the year ending 30 June 2013. Such insurance contracts insure against certain liability (subject to specific exclusions) persons who are or have been directors or executive officers of the Company.


The directors have not included details of the nature of the liabilities covered or the amount of the premiums paid in respect of the directors' and officers' liability and legal expenses insurance contracts, as such disclosure is prohibited under the terms of the contract.

**Sunshine Coast Community Hospice Ltd**  
**Directors' report**  
**For the year ended 30 June 2012**

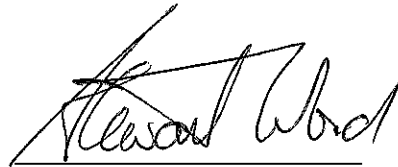
**10. Lead auditor's independence declaration**

The Lead auditor's independence declaration is set out on page 22 and forms part of the directors' report for the financial year ended 30 June 2012.

This report is made with a resolution of the directors:



\_\_\_\_\_  
Sue Mason-Baker  
Director



\_\_\_\_\_  
Stewart Wood  
Director

Dated at Maroochydore this 25<sup>th</sup> day of January 2013

# Sunshine Coast Community Hospice Ltd

## Statement of financial position

For the year ended 30 June 2012

	<i>Note</i>	2012	Unaudited 2011
<b>Assets</b>			
Cash and cash equivalents	10	541,667	118,933
Trade and other receivables	11	32,715	20,134
<b>Total current assets</b>		<u>574,382</u>	<u>139,067</u>
Property, plant and equipment	12	68,108	82,401
<b>Total non-current assets</b>		<u>68,108</u>	<u>82,401</u>
<b>Total assets</b>		<u>642,490</u>	<u>221,468</u>
<b>Liabilities</b>			
Trade and other payables	13	66,387	19,391
Employee benefits	14	14,581	4,030
<b>Total current liabilities</b>		<u>80,968</u>	<u>23,421</u>
<b>Total non-current liabilities</b>		-	-
<b>Total liabilities</b>		<u>80,968</u>	<u>23,421</u>
<b>Net assets</b>		<u>561,522</u>	<u>198,047</u>
<b>Equity</b>			
Retained earnings		561,522	198,047
<b>Total equity</b>		<u>561,522</u>	<u>198,047</u>

The notes on pages 11 to 18 are an integral part of these financial statements.

# Sunshine Coast Community Hospice Ltd

## Statement of comprehensive income

For the year ended 30 June 2012

	<i>Note</i>	<b>2012</b>	<b>Unaudited 2011</b>
Revenue from ordinary activities		321,204	238,718
Other income	4	717,624	107,163
Employee expenses	6	(413,106)	(135,323)
Depreciation and amortisation expense	12	(10,773)	(8,553)
Administration expenses		(105,696)	(73,222)
Hospice expenses		(70,449)	(48,931)
Other expenses from ordinary activities	5	(82,394)	(30,809)
<b>Results from operating activities</b>		<b>356,410</b>	<b>49,043</b>
Financial income	8	7,065	2,823
<b>Net financing Costs</b>		<b>7,065</b>	<b>51,866</b>
<b>Profit/(loss) before income tax</b>		<b>363,475</b>	<b>51,866</b>
Income tax expense	9	-	-
<b>Profit/(loss) for the year</b>		<b>363,475</b>	<b>51,866</b>
<b>Other comprehensive income for the year, net of income tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>363,475</b>	<b>51,866</b>

The notes on pages 11 to 18 are an integral part of these financial statements.



# Sunshine Coast Community Hospice Ltd

## Statement of changes in equity

For the year ended 30 June 2012

	Retained earnings	Total equity
Balance at 1 July 2010	146,181	146,181
<b>Total comprehensive income / (loss) for the year</b>		
Profit or (loss)	51,866	51,866
Other comprehensive income	-	-
Total comprehensive income / (loss) for the year	<u>198,047</u>	<u>198,047</u>
<b>Transactions with members, recorded directly in equity</b>		
Contributions by and distributions to members	-	-
Total transactions with members	<u>-</u>	<u>-</u>
Balance at 30 June 2011	198,047	198,047
<b>Total comprehensive income / (loss) for the year</b>		
Profit or (loss)	363,475	363,475
Other comprehensive income	-	-
Total comprehensive income / (loss) for the year	<u>363,475</u>	<u>363,475</u>
<b>Transactions with members, recorded directly in equity</b>		
Contributions by and distributions to owners	-	-
Total transactions with owners	<u>-</u>	<u>-</u>
Balance at 30 June 2012	<u>561,522</u>	<u>561,522</u>

The notes on pages 11 to 18 are an integral part of these financial statements.

# Sunshine Coast Community Hospice Ltd

## Statement of cash flows

For the year ended 30 June 2012

	<i>Note</i>	2012	Unaudited 2011
<b>Cash flows from operating activities</b>			
Cash receipts from customers		1,061,887	345,876
Cash paid to suppliers and employees		(646,218)	(287,761)
Cash generated from operations		415,669	58,115
Interest paid		-	-
Interest received		7,065	2,823
<b>Net cash from (used in) operating activities</b>	<i>15</i>	<u>422,734</u>	<u>60,938</u>
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment		-	-
Acquisition of property, plant and equipment		-	(79,092)
<b>Net cash from (used in) investing activities</b>		<u>-</u>	<u>(79,092)</u>
<b>Cash flows from financing activities</b>			
Repayment of borrowings		-	-
<b>Net cash from (used in) financing activities</b>		<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents		422,734	(18,154)
Cash and cash equivalents at 1 July		118,933	137,087
<b>Cash and cash equivalents at 30 June</b>	<i>10</i>	<u>541,667</u>	<u>118,933</u>

The notes on pages 11 to 18 are an integral part of these financial statements.

# Sunshine Coast Community Hospice Ltd

## Notes to the financial statements

### 1. Reporting entity

Sunshine Coast Community Hospice Ltd (the "company") is a not for profit company limited by guarantee under the Corporations Act 2001 and domiciled in Australia.

### 2. Basis of preparation

#### (a) Statement of compliance

The special purpose financial report has been prepared in accordance with the requirements of the Corporations Act 2001 and the recognition, measurement and classification aspects of all applicable Australian Accounting Standards adopted by the Australian Accounting Standards Board ("AASB").

The financial report does not include the disclosure requirements of the following pronouncements having a material effect:

AASB 7	Financial Instruments: Disclosures
AASB 124	Related Party Disclosure
AASB 132	Financial Instruments: Presentation

The financial statements were authorised for issue by the Board of Directors on 25<sup>th</sup> January 2013.

#### (b) Basis of measurement

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

The financial report is prepared on the historical cost basis. Non-current assets and disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell.

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.

The accounting policies set out below have been applied consistently to all periods presented.

### 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.

# Sunshine Coast Community Hospice Ltd

## Notes to the financial statements

### 3. Significant accounting policies (continued)

#### (a) Property, plant and equipment (continued)

##### (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.

#### (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.

# Sunshine Coast Community Hospice Ltd

## Notes to the financial statements

### 3. Significant accounting policies (continued)

#### (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.

#### (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.

# Sunshine Coast Community Hospice Ltd

## Notes to the financial statements

### 3. Significant accounting policies (continued)

#### (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

#### (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.

# Sunshine Coast Community Hospice Ltd

## Notes to the financial statements

### 4. Other income

	<i>Note</i>	<b>2012</b>	<b>Unaudited 2011</b>
Bequests		300,000	-
Donations		172,987	32,538
Fundraising		139,021	38,270
Grants		30,794	28,781
Memberships		1,485	-
Other		27,843	-
QLD Health		45,494	7,574
		<u>717,624</u>	<u>107,163</u>

### 5. Other expenses

Rent expenses		75,215	28,353
Electricity		5,273	1,852
Other		1,906	604
		<u>82,394</u>	<u>30,809</u>

### 6. Employee expenses

Wages and salaries		346,863	124,119
Salary Sacrifice		19,222	-
Superannuation		32,313	10,178
Increase (decrease) in liability for annual leave		11,248	(1,104)
Other		3,460	2,130
		<u>413,106</u>	<u>135,323</u>

# Sunshine Coast Community Hospice Ltd

## Notes to the financial statements

### 7. Auditors' remuneration

	2012	Unaudited 2011
<b>Audit services</b>		
Auditors of the Company		
<i>SMB Accounting</i>		
Review of financial reports	2,650	2,500
<i>KPMG</i>		
Audit of financial reports	7,000	-
	<u>9,650</u>	<u>2,500</u>
<b>Other services</b>		
Auditors of the Company	-	-
<i>KPMG</i>		
Other assurance services	-	-
Preparation of financial statements	2,000	-
	<u>2,000</u>	<u>-</u>
Total	<u>11,650</u>	<u>2,500</u>

### 8. Net financing costs

Interest income	7,065	2,823
Financial income	<u>7,065</u>	<u>2,823</u>
Interest expense	-	-
Financial expenses	-	-
Net financing income/(costs)	<u>7,065</u>	<u>2,823</u>

### 9. Income tax expense

No provision has been made for income tax in the Company is not a taxable entity.

### 10. Cash and Cash Equivalents

Cash	2,315	2,245
Bank Balances	539,352	116,688
Cash and cash equivalents	<u>541,667</u>	<u>118,933</u>
Bank overdrafts used for cash management purposes	-	-
Total	<u>541,667</u>	<u>118,933</u>



Sunshine Coast Community Hospice Ltd  
Notes to the financial statements

11. Trade and other receivables

<b>Current</b>	<b>2012</b>	<b>Unaudited 2011</b>
Trade receivables (net of provision)	13,884	8,331
Prepayments	4,719	4,280
Other receivables	6,589	-
Deposits	7,523	7,523
	<u>32,715</u>	<u>20,134</u>

Trade receivables are shown net of impairment losses amounting to \$Nil (2011: \$Nil) recognised in the current year.

# Sunshine Coast Community Hospice Ltd

## Notes to the financial statements

### 12. Property, plant and equipment

	Plant & Equipment	Office Equipment	Fixtures & Fittings	Motor vehicles	Total
<b>Cost</b>					
Balance at 1 July 2010	6,153	9,033	-	-	15,187
Acquisitions	22,454	5,806	5,364	45,469	79,092
Disposals	-	(259)	-	-	(259)
Balance at 30 June 2011	28,607	14,580	5,364	45,469	94,020
Balance at 1 July 2011	28,607	14,580	5,364	45,469	94,020
Acquisitions	-	-	-	-	-
Disposals	-	(5,828)	-	-	(5,828)
Balance at 30 June 2012	28,607	8,752	5,364	45,469	88,192
<b>Depreciation</b>					
Balance at 1 July 2010	(1,265)	(2,060)	-	-	(3,325)
Depreciation charge for the year	(1,402)	(3,038)	(143)	(3,970)	(8,553)
Disposals	-	259	-	-	259
Balance at 30 June 2011	(2,667)	(4,839)	(143)	(3,970)	(11,619)
Balance at 1 July 2011	(2,667)	(4,839)	(143)	(3,970)	(11,619)
Depreciation charge for the year	(2,985)	(1,518)	(522)	(5,748)	(10,773)
Disposals	-	2,308	-	-	2,308
Balance at 30 June 2012	(5,652)	(4,049)	(665)	(9,718)	(20,084)
<b>Carrying amounts</b>					
At 1 July 2010 (Unaudited)	4,888	6,973	-	-	11,861
At 30 June 2011 (Unaudited)	25,940	9,741	5,221	41,499	82,401
At 1 July 2011	25,940	9,741	5,221	41,499	82,401
At 30 June 2012	22,955	4,703	4,699	35,751	68,108

### 13. Trade and other payables

	Note	2012	Unaudited 2011
Trade payables		2,819	8,755
Accruals		9,905	-
Other payables		53,663	10,636
		66,387	19,391

# Sunshine Coast Community Hospice Ltd

## Notes to the financial statements

### 14. Employee benefits

	<i>Note</i>	2012	Unaudited 2011
<b>Current</b>			
Liability for annual leave		14,581	3,333
Other		-	697
		<u>14,581</u>	<u>4,030</u>
Number of employees at year end		12	7

### 15. Reconciliation of cash flows from operating activities

	<i>Note</i>		
<b>Cash flows from operating activities</b>			
Profit/(loss) for the period		363,475	51,866
Adjustments for:			
Amortisation & Depreciation	12	10,773	8,553
(Gain)/loss on sale of property, plant and equipment		3,520	-
<b>Operating profit before changes in working capital and provisions</b>		<u>377,768</u>	<u>60,419</u>
Change in trade and other receivables		(12,582)	(23,529)
Change in trade and other payables		46,997	25,152
Change in provisions and employee entitlements		10,551	(1,104)
<b>Cash generated from the operations</b>		<u>422,734</u>	<u>519</u>
<b>Net cash from operating activities</b>		<u>422,734</u>	<u>60,938</u>

### 16. Operating Leases

#### Leases as lessor

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

	<i>Note</i>		
Less than one year		102,989	122,178
Between one and five years		32,375	135,364
More than five years		-	-
		<u>135,364</u>	<u>257,542</u>

### 17. Subsequent events

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

# Sunshine Coast Community Hospice Ltd

## Directors' declaration

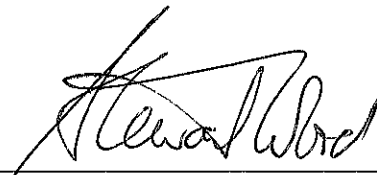
- 1 In the opinion of the directors' of Sunshine Coast Community Hospice Ltd ('the Company'):
- (a) the financial statements and notes set out on pages 7 to 19, are in accordance with the Corporations Act 2001, including:
    - (i) giving a true and fair view of the Company's financial position as at 30 June 2012 and of their performance, for the financial year ended on that date; and
    - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;
  - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors':

Dated at Maroochydore this 25<sup>th</sup> day of January 2013



\_\_\_\_\_  
Sue Mason-Baker  
Director



\_\_\_\_\_  
Stewart Wood  
Director



## Independent auditors' report to the members of Sunshine Coast Community Hospice Ltd

### Report on the financial report

We have audited the accompanying financial report of Sunshine Cost Community Hospice Ltd (the company) which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes 1 to 17 comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

### *Directors' responsibility for the financial report*

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

### *Auditor's responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Company's financial position, and of its performance.

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

### *Independence*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

### *Basis for qualified auditor's opinion*

Fundraising revenue is a significant source of revenue for the Sunshine Coast Community Hospice Ltd. Sunshine Coast Community Hospice Ltd has determined that it is impracticable to establish controls over the collection of fundraising 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 fundraising revenue had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion on whether fundraising revenue of the Sunshine Coast Community Hospice Ltd is complete.



### *Qualified auditor's opinion*

In our opinion, except for the possible effects of the matter described in the Basis for qualified opinion paragraph, the financial report of Sunshine Coast Community Hospice Ltd is in accordance with:

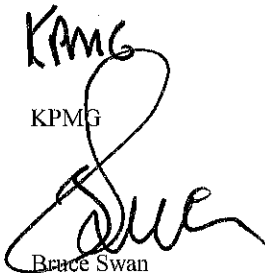
- a) the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the Company's financial position as at 30 June 2012 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

### **Basis of Accounting**

Without modifying our opinion, 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 Directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose.

### **Other Matter**

We were appointed as the auditor of the Company on the 15<sup>th</sup> of November 2012. The report from 2011 was not audited by KPMG. Accordingly we are not in a position to, and do not, express an opinion on the comparative information for the year ended 30 June 2011 included in the financial report. In addition, as the opening balances enter into the determination of the results of operations for the current year, we are unable to determine whether any additional adjustments to the results of operations or opening accumulated balances may be necessary for the year ended 30 June 2012.

  
KPMG

Bruce Swan

Partner

Maroochydore

25<sup>th</sup> January 2013



## Lead auditor's independence declaration under Section 307C of the Corporations Act 2001

To: the Directors of Sunshine Coast Community Hospice Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2012 there has been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Bruce Swan  
*Partner*

Maroochydore

25<sup>th</sup> January 2013