

Sunshine Hospice Ltd

Formerly T/A

Sunshine Coast Community Hospice Ltd

ABN: 59 111 950 924

Annual financial report

30 June 2014

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Sunshine Hospice Ltd

Directors' report

For the year ended 30 June 2014

1. Directors

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

Sue Mason-Baker	Appointed - 11 October 2010
Stewart Wood	Appointed - 7 February 2011
Pat Mulhall	Appointed - 14 June 2012
Frank Lewins	Appointed - 14 June 2012
Claire Exley	Appointed - 14 March 2013
Beverley Barton	Appointed - 4 December 2013
Marguerite Robertson	Appointed - 21 October 2014

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 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 four Op Shops located at Maroochydore, Tewantin, Cooroy, Mapleton. A fifth store also opened at Nambour in August 2013.

5. Operating and financial review

Overview of the Company

The loss for the Company for the financial year was (\$104,572) (2013: (\$116,070)).

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.

Sunshine Hospice Ltd

Directors' report (continued)

For the year ended 30 June 2014

7. Likely developments (continued)

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.

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
Frank Lewins	12	12
Sue Mason-Baker	12	9
Pat Mulhall	12	12
Stewart Wood	12	10
Claire Exley	12	10
Beverley Barton	7	6

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 to indemnify against a liability incurred by 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 2014 and since the financial year, the Company has paid premiums in respect of such insurance contracts for the year ending 30 June 2015. Such insurance contracts insure against certain liabilities (subject to specific exclusions) for 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 Hospice Ltd
Directors' report (continued)
For the year ended 30 June 2014

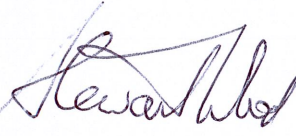
10. Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 26 and forms part of the directors' report for the financial year ended 30 June 2014.

This report is made with a resolution of the directors:



Sue Mason-Baker
Director



Stewart Wood
Director

Dated at Maroochydore this ⁵..... day of December 2014

Sunshine Hospice Ltd

Statement of financial position

As at 30 June 2014

	<i>Note</i>	2014 \$	2013 \$
Assets			
Cash and cash equivalents	11	310,517	420,765
Trade and other receivables	12	26,789	39,679
Total current assets		337,306	460,444
Property, plant and equipment	13	99,447	93,487
Total non-current assets		99,447	93,487
Total assets		436,753	553,931
Liabilities			
Trade and other payables	14	63,379	81,320
Employee benefits	17	31,961	26,408
Deferred Income		533	751
Total current liabilities		95,873	108,479
Total non-current liabilities		-	-
Total liabilities		95,873	108,479
Net assets		340,880	445,452
Equity			
Retained earnings		340,880	445,452
Total equity		340,880	445,452

The notes on pages 10 to 22 are an integral part of these financial statements.

Sunshine Hospice Ltd

Statement of comprehensive income

For the year ended 30 June 2014

	<i>Note</i>	2014	2013
		\$	\$
Revenue from ordinary activities		583,693	438,865
Other income	5	443,768	443,266
Employee expenses	7	(737,296)	(689,521)
Depreciation and amortisation expense	13	(17,765)	(12,489)
Administration expenses		(84,788)	(80,943)
Hospice expenses		(126,221)	(128,275)
Other expenses from ordinary activities	6	(174,046)	(101,320)
Results from operating activities		(112,655)	(130,417)
Financial income	9	8,083	14,347
Financing income		8,083	14,347
Loss before income tax		(104,572)	(116,070)
Income tax expense	10	-	-
Loss for the year		(104,572)	(116,070)
Other comprehensive income for the year, net of income tax		-	-
Total comprehensive income for the year		(104,572)	(116,070)

The notes on pages 10 to 22 are an integral part of these financial statements.

Sunshine Hospice Ltd

Statement of changes in equity

For the year ended 30 June 2014

	Retained earnings	Total equity
Balance at 1 July 2012	561,522	561,522
Total comprehensive loss for the year		
Loss for the year	(116,070)	(116,070)
Other comprehensive income	-	-
Total comprehensive loss for the year	(116,070)	(116,070)
Balance at 30 June 2013	445,452	444,452
Total comprehensive loss for the year		
Loss	-	-
Other comprehensive income	-	-
Total comprehensive loss for the year	(104,572)	(104,572)
Balance at 30 June 2014	340,880	340,880

The notes on pages 10 to 22 are an integral part of these financial statements.

Sunshine Hospice Ltd

Statement of cash flows

For the year ended 30 June 2014

	<i>Note</i>	2014 \$	2013 \$
Cash flows from operating activities			
Cash receipts from customers		1,142,879	919,055
Cash paid to suppliers and employees		(1,237,485)	(1,016,436)
Cash generated from operations		(94,606)	(97,381)
Interest received		8,083	14,347
Net cash from (used in) operating activities	18	(86,523)	(83,034)
Cash flows from investing activities			
Acquisition of property, plant and equipment	13	(23,725)	(37,868)
Net cash from (used in) investing activities		(23,725)	(37,868)
Cash flows from financing activities			
Net cash from (used in) financing activities		-	-
Net increase (decrease) in cash and cash equivalents		(110,248)	(120,902)
Cash and cash equivalents at 1 July		420,765	541,667
Cash and cash equivalents at 30 June	11	310,517	420,765

The notes on pages 10 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 domiciled in Australia.

2. Basis of preparation

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The financial report of the Company complies with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB).

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following:

- financial instruments at fair value through profit or loss are measured at fair value
- available-for-sale financial assets are measured at fair value

The methods used to measure fair values are discussed further in note 3.

(c) Functional and presentation currency

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

(d) 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.

Sunshine Hospice Ltd

Notes to the financial statements

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.

Sunshine Hospice Ltd

Notes to the financial statements

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.

(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.

Sunshine Hospice Ltd

Notes to the financial statements

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

Sunshine Hospice Ltd

Notes to the financial statements

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

	2014 \$	2013 \$
Bequests	-	73,281
Donations	207,750	129,971
Fundraising	85,084	79,896
Grants	21,189	23,626
Memberships	300	680
Other	79,231	74,796
QLD Health	50,214	61,016
	<u>443,768</u>	<u>443,266</u>

Sunshine Hospice Ltd

Notes to the financial statements

6. Other expenses

	2014 \$	2013 \$
Rent expenses	129,397	79,009
Electricity	14,325	8,206
Other	30,325	14,105
	<u>174,047</u>	<u>101,320</u>

7. Employee expenses

Wages and salaries	615,633	587,089
Salary Sacrifice	31,192	22,424
Superannuation	57,492	50,884
Increase (decrease) in liability for annual leave	5,553	11,827
Workcover	27,426	17,297
	<u>737,296</u>	<u>689,521</u>

8. Auditors' remuneration

Audit services

Auditors of the Company

KPMG

Audit of financial reports

BDO

Audit of financial reports

	-	6,650
	6,179	-
	<u>6,179</u>	<u>6,650</u>

Other services

Auditors of the Company

KPMG

Other assurance services

Preparation of financial statements

BDO

Other assurance services

Preparation of financial statements

	-	-
	-	-
	-	2,000
	-	-
	2,000	-
	<u>2,000</u>	<u>2,000</u>
Total	<u>8,179</u>	<u>8,650</u>

9. Net financing costs

Interest income	8,083	14,347
Financial income	<u>8,083</u>	<u>14,347</u>

Sunshine Hospice Ltd

Notes to the financial statements

10. Income tax expense

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

11. Cash and Cash Equivalents

	2014 \$	2013 \$
Cash on hand	5,210	5,240
Cash at bank	305,307	415,525
	<u>310,517</u>	<u>420,765</u>

12. Trade and other receivables

Current

Trade receivables	17,901	27,691
Other receivables	1,365	4,465
Deposits	7,523	7,523
	<u>26,789</u>	<u>39,679</u>

Trade receivables are shown net of impairment losses amounting to \$Nil (2013: \$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 2012	28,607	8,752	5,364	45,469	88,192
Acquisitions	25,219	1,722	10,927	-	37,868
Balance at 30 June 2013	53,826	10,474	16,291	45,469	126,060
Balance at 1 July 2013	53,826	10,474	16,291	45,469	126,060
Acquisitions	23,725	-	-	-	23,725
Balance at 30 June 2014	77,551	10,474	16,291	45,469	149,785
Depreciation					
Balance at 1 July 2012	(5,652)	(4,049)	(665)	(9,718)	(20,084)
Depreciation charge for the year	(5,111)	(1,373)	(1,061)	(4,944)	(12,489)
Balance at 30 June 2013	(10,763)	(5,422)	(1,726)	(14,662)	(32,573)
Balance at 1 July 2013	(10,763)	(5,422)	(1,726)	(14,662)	(32,573)
Depreciation charge for the year	(10,405)	(1,240)	(1,868)	(4,252)	(17,765)
Balance at 30 June 2014	(21,168)	(6,662)	(3,594)	(18,914)	(50,338)
Carrying amounts					
At 1 July 2012	22,955	4,703	4,699	35,751	68,108
At 30 June 2013	43,063	5,052	14,565	30,807	93,487
At 30 June 2014	56,383	3,812	12,697	26,555	99,447

14. Trade and other payables

	2014 \$	2013 \$
Trade payables	11,456	8,106
Accruals	7,929	13,084
Other payables	43,994	60,130
	63,379	81,320

Sunshine Hospice Ltd

Notes to the financial statements

15. Operating Leases

Leases as lessor

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

	2014 \$	2013 \$
Less than one year	142,870	121,580
Between one and five years	-	68,464
	<u>142,870</u>	<u>190,044</u>

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	310,517	420,765
Trade and other receivables	26,519	39,679
	<u>337,036</u>	<u>460,444</u>

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

Australia	<u>26,519</u>	<u>39,679</u>
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Sunshine Hospice Ltd

Notes to the financial statements

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:

2014	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	67,814	67,814	67,814	-	-	-	-
	67,814	67,814	67,814	-	-	-	-
2013	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							
Bank overdraft	-	-	-	-	-	-	-
Trade & other payables	81,320	81,320	81,320	-	-	-	-
	81,320	81,320	81,320	-	-	-	-

There were no derivative financial liabilities (2013: nil).

Currency Risk

There was no exposure to foreign currency risk at balance date (2013: nil).

Interest Rate Risk

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

	2014 \$	2013 \$
Variable Rate Instruments		
Financial Assets	305,307	415,525
	305,307	415,525

Sunshine Hospice Ltd

Notes to the financial statements

16. Financial Instruments (continued)

Interest Rate Risk (continued)

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

	<i>Note</i>	2014 \$	2013 \$
Current			
Liability for annual leave		31,961	26,408
		<u>31,961</u>	<u>26,408</u>
Number of employees at year end		15	12

18. Reconciliation of cash flows from operating activities

Cash flows from operating activities

Loss for the period		(104,572)	(116,070)
Adjustments for:			
Amortisation & Depreciation	13	17,765	12,489
Operating profit before changes in working capital and provisions		<u>(86,807)</u>	<u>(103,581)</u>
Change in trade and other receivables		12,890	(6,963)
Change in trade and other payables		(17,941)	15,682
Change in provisions and employee entitlements		5,335	11,828
Cash generated from the operations		<u>284</u>	<u>20,547</u>
Net cash from operating activities		<u>(86,523)</u>	<u>(83,034)</u>

Sunshine Hospice Ltd

Notes to the financial statements

19. Contingent liabilities

The board is not aware of any circumstances or information, which would lead them to believe that any contingent liabilities will crystallise and consequently no provisions are included in the financial statements in respect of these matters.

20. 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 Hospice Ltd

Directors' declaration

- 1 In the opinion of the directors' of Sunshine Hospice Ltd ('the Company'):
- (a) the financial statements and notes set out on pages 6 to 22, 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 2014 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.
- 2 The directors draw attention to note 2(a) of the financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors':

Dated at Maroochydore this ⁵..... day of December 2014



Sue Mason-Baker

Director



Stewart Wood

Director

INDEPENDENT AUDITOR'S REPORT

To the members of Sunshine Hospice Ltd.

We have audited the accompanying financial report of Sunshine Hospice Ltd, which comprises the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 2 the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Sunshine Hospice Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.



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Basis for Qualified Opinion

Fundraising, cash donations and store sales are significant streams of revenue for the Sunshine Hospice Ltd. The entity has determined that it is impracticable given its resources, for it to establish sufficient controls to monitor the collection and management of these revenue streams prior to entry into its financial records. Accordingly, as the evidence available to us regarding these revenue streams was limited, we were not able to perform audit procedures over revenue. We therefore are unable to express an opinion on the revenue of the Sunshine Coast Community Hospice.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph:

- (a) the financial report of Sunshine Hospice Ltd is 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 2014 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

BDO Audit Pty Ltd



Bruce Swan
Partner

Maroochydore, *jsl* December 2014



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DECLARATION OF INDEPENDENCE BY BRUCE SWAN TO THE DIRECTORS OF SUNSHINE HOSPICE LTD

As lead auditor of Sunshine Hospice Ltd for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* 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

Partner

Maroochydore, ^{5th} December 2014