

Sunshine Hospice Ltd  
ABN: 59 111 950 924  
Annual financial report  
30 June 2019

# Contents of financial report

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# Sunshine Hospice Ltd

## Directors' report

### For the year ended 30 June 2019

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2019.

#### Directors

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

Frank William Lewins  
Basil Stewart Charles Wood  
Marguerite Mary Robertson  
Chloe Kopilovic

Susan May Mason-Baker  
Beverley Marie Barton

#### Objectives

Sunshine Hospice has a mandate to design and deliver specialist palliative care services through the operation of a licensed and accredited hospice on the Sunshine Coast. The services will provide compassionate support for people in their end-of-life journey along with their carers, partners, families and friends.

#### Strategy for achieving the objectives

- Exercise contemporary governance and leadership;
- Provide a unique and distinctive hospice facility, and fit-for-purpose op shops;
- Co-design and develop an innovative new business model for Sunshine Coast Palliative Care Services;
- Development of a contemporary quality management system in support of management, staff and volunteers;
- Integration of organisational systems and technologies;
- Organisation-wide accountability and performance management;
- Embodiment of organisational values through exemplary customer service and professional standards;
- Promote business development through synergistic alliances, partnerships and appropriate tenders; and
- Expand market share through researched campaigns and strategies.

#### Principal activities

Sunshine Hospice is dedicated to providing the best possible care for those with life-limiting illnesses and those close to them. With limited hospice facilities providing overnight care on the Sunshine Coast, the need for a hospice to provide dignified and humane care at the end of one's life is paramount. Sunshine Hospice has a clear mandate to build and operate a financially sustainable, licensed and accredited hospice within the Sunshine Coast Council footprint.

In the continuing search for a suitable site for a hospice, a parcel of land owned by Unitywater was identified in Buderim. Following successful negotiations with Unitywater, a contract for purchase was signed in April 2019, subject to a development application being approved by Sunshine Coast Council to build a 6-bed hospice. The design incorporates some family accommodation and administration functions. The development application is currently before Council.

The board engaged skilled consultants to undertake the necessary architectural, town planning and specialist reports required to support the development application process. Discussions have continued during the year with State and Federal Governments regarding capital and operational funding.

The charity continues to operate four Op Shops located at Tewantin, Montville, Bli Bli and Maroochydore, raising the majority of our current revenue. Fundraising activities continued during the year and remains a vital source of funds.

More information is available on our website [www.sunshinehospice.org.au](http://www.sunshinehospice.org.au).

# Sunshine Hospice Ltd

## Directors' report

For the year ended 30 June 2019

### 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 William Lewins	10	10
Susan May Mason-Baker	10	10
Basil Stewart Charles Wood	10	8
Beverley Marie Barton	10	8
Marguerite Mary Robertson	8	6 (resigned 15 April 2019)
Chloe Kopilovic	7	7 (appointed 8 October 2018)

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 2019.

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



Susan May Mason-Baker  
Director



Basil Stewart Charles Wood  
Director



Dated at ..... this ..... day of December 2019.

**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 2019, 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, <sup>12<sup>th</sup></sup> December 2019

**Sunshine Hospice Ltd**  
**Statement of financial position**  
**As at 30 June 2019**

	<i>Note</i>	2019 \$	2018 \$
<b>Assets</b>			
Cash and cash equivalents	11	430,584	408,641
Trade and other receivables	12	9,447	10,212
<b>Total current assets</b>		<u>440,031</u>	<u>418,853</u>
Property, plant and equipment	13	218,621	69,151
<b>Total non-current assets</b>		<u>218,621</u>	<u>69,151</u>
<b>Total assets</b>		<u>658,652</u>	<u>488,004</u>
<b>Liabilities</b>			
Trade and other payables	14	35,980	18,052
Employee benefits	16	8,860	7,307
<b>Total current liabilities</b>		<u>44,840</u>	<u>25,359</u>
<b>Total liabilities</b>		<u>44,840</u>	<u>25,359</u>
<b>Net assets</b>		<u>613,812</u>	<u>462,645</u>
<b>Equity</b>			
Retained earnings		613,812	462,645
<b>Total equity</b>		<u>613,812</u>	<u>462,645</u>

The notes on pages 10 to 17 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 2019

	<i>Note</i>	2019 \$	2018 \$
Revenue from ordinary activities		608,588	509,205
Other income	5	35,893	32,060
Employee expenses	7	(178,597)	(234,738)
Depreciation and amortisation expense	13	(17,748)	(12,963)
Administration expenses		(100,262)	(120,259)
Other expenses from ordinary activities	6	(206,638)	(170,557)
<b>Results from operating activities</b>		<b>141,236</b>	<b>2,748</b>
Financial income	9	9,931	8,364
<b>Net financing income</b>		<b>9,931</b>	<b>8,364</b>
<b>Surplus/(deficit) before income tax</b>		<b>151,167</b>	<b>11,112</b>
Income tax expense		-	-
<b>Surplus/(deficit) for the year</b>		<b>151,167</b>	<b>11,112</b>
Other comprehensive income for the year, net of income tax			
<b>Total comprehensive income/(loss) for the year</b>		<b>151,167</b>	<b>11,112</b>

The notes on pages 10 to 17 are an integral part of these financial statements.



**Sunshine Hospice Ltd**  
**Statement of changes in equity**  
**For the year ended 30 June 2019**

	Retained earnings	Total equity
Balance at 1 July 2017	451,533	451,533
<b>Total comprehensive income for the year</b>		
Surplus for the year	11,112	11,112
Other comprehensive income	-	-
Total comprehensive income for the year	<u>11,112</u>	<u>11,112</u>
Balance at 30 June 2018	462,645	462,645
<b>Total comprehensive income for the year</b>		
Surplus for the year	151,167	151,167
Other comprehensive income	-	-
Total comprehensive income for the year	<u>151,167</u>	<u>151,167</u>
Balance at 30 June 2019	<u>613,812</u>	<u>613,812</u>

The notes on pages 10 to 17 are an integral part of these financial statements.



**Sunshine Hospice Ltd**  
**Statement of cash flows**  
**For the year ended 30 June 2019**

	<i>Note</i>	2019 \$	2018 \$
<b>Cash flows from operating activities</b>			
Cash receipts from customers		645,246	540,888
Cash paid to suppliers and employees		(465,858)	(539,567)
Cash generated from operations		179,388	1,321
Interest received		9,931	8,364
<b>Net cash from (used in) operating activities</b>	<b>17</b>	<b>189,319</b>	<b>9,685</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	<b>13</b>	(167,501)	(27,796)
Proceeds from the sale of property, plant and equipment		125	674
<b>Net cash from (used in) investing activities</b>		<b>(167,376)</b>	<b>(27,122)</b>
<b>Cash flows from financing activities</b>			
		-	-
<b>Net cash from (used in) financing activities</b>		<b>-</b>	<b>-</b>
Net increase (decrease) in cash and cash equivalents		21,943	(17,437)
Cash and cash equivalents at 1 July		408,641	426,078
<b>Cash and cash equivalents at 30 June</b>	<b>11</b>	<b>430,584</b>	<b>408,641</b>

The notes on pages 10 to 17 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

In the directors' opinion, the company is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the Australian Charities and Not-for-profits Commission Act 2012 and Queensland legislation the Collections Act 1966 and associated regulations and the Corporations Act 2001 requirements to prepare and distribute financial statements to the members of Sunshine Hospice Ltd. The directors have determined that the accounting policies adopted are appropriate to meet the needs of Sunshine Hospice Ltd.

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

## 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 receivables are recognised at amortised cost, less any allowance for expected credit losses.

##### (c) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.



# Sunshine Hospice Ltd

## Notes to the financial statements

### 3. Significant accounting policies (continued)

#### (d) Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

#### (e) Employee Benefits

##### (i) Long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

##### (ii) Short-term benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

#### (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

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

#### (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 Hospice Ltd

## Notes to the financial statements

### 3. Significant accounting policies (continued)

#### (i) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

#### (j) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

#### (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. New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2019. The company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

# Sunshine Hospice Ltd

## Notes to the financial statements

### 5. Other income

	2019 \$	2018 \$
Donations and bequests	14,668	7,631
Fundraising	7,980	12,704
Memberships	400	680
Other	12,845	11,045
	<u>35,893</u>	<u>32,060</u>

### 6. Other expenses

Store rental expenses	182,715	144,764
Electricity	12,265	10,169
Other	11,658	15,624
	<u>206,638</u>	<u>170,557</u>

### 7. Employee expenses

Wages and salaries	158,611	214,936
Superannuation	17,042	13,479
Increase (decrease) in liability for annual leave	1,553	5,214
Workcover	1,391	1,109
	<u>178,597</u>	<u>234,738</u>

### 8. Auditor's remuneration

#### Audit services

Auditors of the Company

*BDO*

Audit of financial reports

	7,615	7,490
	<u>7,615</u>	<u>7,490</u>

#### Other services

Auditors of the Company

*BDO*

Preparation of financial statements

Other services

	2,145	2,110
	-	-
	<u>2,145</u>	<u>2,110</u>

Total

	<u>9,760</u>	<u>9,600</u>
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### 9. Net financing income

Interest income	9,931	8,364
Financial income	<u>9,931</u>	<u>8,364</u>

## Sunshine Hospice Ltd

### Notes to the financial statements

#### 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

	2019 \$	2018 \$
Cash on hand	1,450	1,350
Cash at bank	429,134	407,291
	<u>430,584</u>	<u>408,641</u>

#### 12. Trade and other receivables

Trade receivables	500	-
Deposits	8,947	10,212
	<u>9,447</u>	<u>10,212</u>

Trade receivables are shown net of impairment losses amounting to \$Nil (2018: \$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	Work in Progress	Total
<b>Cost</b>						
Balance at 1 July 2017	52,817	10,875	3,556	52,058	-	119,306
Acquisitions	-	2,031	-	-	25,765	27,796
Disposals	(3,244)	(1,722)	-	-	-	(4,966)
Balance at 30 June 2018	49,573	11,184	3,556	52,058	25,765	142,136
Balance at 1 July 2018	49,573	11,184	3,556	52,058	25,765	142,136
Acquisitions	8,857	3,532	6,506	-	148,606	167,501
Transfers	-	-	25,765	-	(25,765)	-
Disposals	-	-	(540)	-	-	(540)
Balance at 30 June 2019	58,430	14,716	35,287	52,058	148,606	309,097
<b>Depreciation</b>						
Balance at 1 July 2017	(31,565)	(1,888)	(1,672)	(28,946)	-	(64,071)
Depreciation charge for the year	(4,131)	(2,885)	(188)	(5,759)	-	(12,963)
Disposals	2,630	1,419	-	-	-	4,049
Balance at 30 June 2018	(33,066)	(3,354)	(1,860)	(34,705)	-	(72,985)
Balance at 1 July 2018	(33,066)	(3,354)	(1,860)	(34,705)	-	(72,985)
Depreciation charge for the year	(3,876)	(2,571)	(7,126)	(4,175)	-	(17,748)
Disposals	-	-	257	-	-	257
Balance at 30 June 2019	(36,942)	(5,925)	(8,729)	(38,880)	-	(90,476)
<b>Carrying amounts</b>						
At 30 June 2018	16,507	7,830	1,696	17,353	25,765	69,151
At 30 June 2019	21,488	8,791	26,558	13,178	148,606	218,621

#### 14. Trade and other payables

	2019 \$	2018 \$
Trade payables	6,148	5,890
Accruals	5,318	8,167
Income received in advance	15,330	-
Other payables	9,184	3,995
	<u>35,980</u>	<u>18,052</u>

# Sunshine Hospice Ltd

## Notes to the financial statements

### 15. Operating Leases

#### Leases as lessee

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

	2019 \$	2018 \$
Less than one year	86,349	96,463
Between one and five years	110,875	196,606
	<u>197,224</u>	<u>293,069</u>

### 16. Employee benefits

#### Current

Liability for annual leave

8,860	7,307
<u>8,860</u>	<u>7,307</u>

Number of employees at year end

2	2
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### 17. Reconciliation of cash flows from operating activities

#### Cash flows from operating activities

Profit/(loss) for the year

151,167	11,112
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#### Adjustments for:

Amortisation & depreciation

13

17,748	12,963
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Loss on sale of assets

158	243
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Operating profit before changes in working capital and provisions

169,073	24,318
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Change in trade and other receivables

765	(377)
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Change in trade and other payables

17,928	(19,471)
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Change in provisions and employee entitlements

1,553	5,215
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Cash generated from the operations

20,246	(14,633)
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Net cash from operating activities

<u>189,319</u>	<u>9,685</u>
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### 18. 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

### Directors' declaration

In the directors' opinion:

- the company is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 2 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Australian Charities and Not-for-profits Commission Act 2012 and Queensland legislation the Collections Act 1966 and associated regulations and the Corporations Act 2001 requirements to prepare and distribute financial statements to the members of Sunshine Hospice Ltd;
- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards as described in note 2 to the financial statements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2019 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company 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*.

*Merredale*

*12/12*

Dated at....., this.....day of December 2019.

*S Baker*

Susan May Mason-Baker

Director

*Basil Stewart Charles Wood*

Basil Stewart Charles Wood

Director

## 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 2019, 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 2019 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 \$644,481. 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.



### **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](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, <sup>12/12</sup> December 2019