

Financial Statements

Southern Highlands Community Hospice

ABN 41659288353

For the year ended 30 June 2019

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Directors' Report

Southern Highlands Community Hospice For the year ended 30 June 2019

Directors' Report

Your directors submit the financial report of Southern Highlands Community Hospice for the financial year ended 30 June 2019.

Board Members

The names of board members throughout the year and at the date of this report are:

Board Member	Director Since	Experience	Qualification
Bramham, Richard	22 May 2017 to present	Retired architect with extensive experience in design and construction of healthcare buildings	RIBA ARAIA (retd)
Brown, James	10 May 2019 to present	Finance executive, former CFO of an ASX listed grocery retailer, financial services business and a listed energy business	B, Bus (Acc.) FCAP MAICD Diploma in Financial Planning
Clark, Mary	15 June 2018 to present	Extensive career in nursing, nurse education and quality management in health services	GN Cert MN Cert. Dip. N. Ed. QM Cert.
Fletcher, Peter AM Chair	22 May 2017 to present	Extensive experience in cardiology and healthcare redesign, Professor of Medicine at University of Newcastle	BScMed MB BS PhD FRACP FCSANZ
Foran, Jim	22 May 2017 to present	Extensive experience in public sector healthcare administration and management	BA MPH MBA PhD
Kallenberger, Niki Secretary	22 May 2017 to present	Experienced educator and public sector manager, also experienced in community volunteer management	BA MA GDTL
Rosenthal, Margaret AM	22 May 2017 to 22 October 2019	Retired Professor of Nursing, extensive experience in nursing, teaching, research and administration	MScAgr PhD MEdAdmin
Stanley, Phil	30 April 2018 to 3 May 2019	Full-time program director and chartered accountant with extensive financial and project management experience	BSc (Hons) ACA
Brabyn, Laura Margaret Patricia (known as Trish)	7 August to present	Experienced management consultant with particular expertise in IT, project and human resource management	

Meetings of Board Members

During the financial year, a number of board meetings were held. Attendances by each of board member during the year were as follows:

Board Member's Name	Number Eligible to Attend	Number Attended
Bramham, Richard	14	14
Brown, James	2	2
Clark, Mary	14	13
Fletcher, Peter	14	13
Foran, Jim	14	10
Kallenberger, Niki	14	12
Rosenthal, Margaret	14	13
Stanley, Phil	13	8

Principal Activities

The principal activities during year remained unchanged. These activities were to conduct enterprise operations, thereby raising funds to be able to fund the provision of inpatient hospice care, delivering holistic best practice palliative care services and where possible, financially assist patients who are unable to pay for the these services. The company's object was amended in September 2019 to adequately reflect the breadth and depth of current and future activities.

Significant Changes

In July 2019, the board announced that it will no longer pursue the building and operating a 10-bed Hospice at the location of 104-106 Bowral Street, Bowral as it recognised that this location was not a feasible option. All costs incurred to date with this project have been expensed in the 2019 financial statements or in prior years.

Operating Result

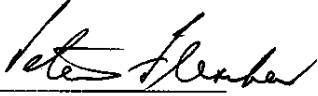
The deficit for the 2019 financial year amounted to \$45,040 (loss). The loss was due to the write off of costs (\$173,673) associated with the development approval for the 10 bed hospice at 104-106 Bowral St, Bowral, as the hospice is no longer participating in this proposed development.

Going Concern

This financial report has been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The ability of the association to continue to operate as a going concern is dependent upon the ability of the association to generate sufficient cashflows from operations to meet its liabilities.

The directors believe that the company is a going concern and can meet its obligations as and where they fall due.

Signed in accordance with a resolution of the directors of the company on:



Peter Fletcher (Chair)

Date 10/11/19



Niki Kallenberger (Secretary)

Date 10/11/19

Profit and Loss Statement

Southern Highlands Community Hospice For the year ended 30 June 2019

	NOTES	2019	2018
Income			
Gross Profit from Trading		528,603	661,437
Function & Event Income		10,868	7,101
Donations		2,053	24,938
Interest Income		48,872	45,426
Total Income		590,396	738,901
Total Income			
		590,396	738,901
Expenditure			
Audit Fees		2,200	-
Accounting & Consulting Fees		14,874	4,852
Bank Fees		4,441	5,078
Movement in leave provisions		5,587	4,225
Computers and website		4,142	1,058
Depreciation		8,468	9,784
Employment Cost		172,764	133,155
Functions & Events		3,151	2,410
Insurance		12,477	11,769
Light, Power, Heating		8,046	10,278
Motor Vehicle Expenses		4,222	5,647
Other Expenses		7,830	2,146
Printing & Stationery		6,579	6,520
Repairs and Maintenance		2,196	4,219
Rent		195,598	212,207
Shop expenses		4,639	7,302
Telephone & Internet		4,549	5,858
Total Expenditure		461,763	426,509
Profit/(Loss) Before Project Costs			
		128,633	312,392
Write off of Project Costs Expenses			
Project Costs		173,673	51,968
Profit/(Loss)			
		(45,040)	260,424

The accompanying notes form part of these financial statements. These financial statements have not been subject to audit or review, and should be read in conjunction with the attached Compilation Report.

Balance Sheet

Southern Highlands Community Hospice As at 30 June 2019

	NOTES	30 JUN 2019	30 JUN 2018
Assets			
Current Assets			
Cash and Cash Equivalents	2	199,936	258,933
Trade and Other Receivables	3	16,911	12,511
Inventories	4	-	47,263
Total Current Assets		216,846	318,708
Non-Current Assets			
Term Deposits	2	2,109,931	1,909,503
Property, plant and equipment	5	33,056	30,850
Financial assets	6	5,633	5,633
Intangibles	7	-	173,673
Total Non-Current Assets		2,148,620	2,119,660
Total Assets		2,365,467	2,438,367
Liabilities			
Current Liabilities			
Current Tax Liabilities	8	(2,931)	1,273
Trade and Other Payables	9	28,198	4,591
Total Current Liabilities		25,266	5,864
Total Liabilities		25,266	5,864
Net Assets		2,340,200	2,432,503
Equity			
Retained Earnings			
Current Year Earnings		(45,040)	260,424
Retained Earnings		2,385,240	2,124,816
Total Retained Earnings		2,340,200	2,385,240
Shareholders' Accounts			
Stock Revaluation		-	47,263
Total Shareholders' Accounts		-	47,263
Total Equity		2,340,200	2,432,503

The accompanying notes form part of these financial statements. These financial statements have not been subject to audit or review, and should be read in conjunction with the attached Compilation Report.

Statement of Changes in Equity

Southern Highlands Community Hospice
For the year ended 30 June 2019

	NOTES	2019	2018
Changes in Equity			
Retained Earnings			
Retained earnings At the Start of the Year		2,385,240	2,124,816
Profit/(Loss) Attributable to Shareholders			
Profit / (loss) Before Tax		(45,040)	260,424
Total Profit/(Loss) Attributable to Shareholders		(45,040)	260,424
Total Retained Earnings		2,340,200	2,385,240
Shareholders' Accounts			
Stock Revaluation		-	47,263
Total Shareholders' Accounts		-	47,263
Equity at the End of the Year		2,340,200	2,432,503

The accompanying notes form part of these financial statements. These financial statements have not been subject to audit or review, and should be read in conjunction with the attached Compilation Report.

Statement of Cash Flows

Southern Highlands Community Hospice For the year ended 30 June 2019

	NOTES	2019	2018
Operating Activities			
Receipts From Customers		543,992	689,993
Payments to Suppliers and Employees		(443,179)	(448,590)
Interest Received		48,444	56,375
Net Cash Flows from Operating Activities		149,257	297,779
Investing Activities			
Payment for Property, Plant and Equipment		(8,255)	(4,450)
Project Costs		-	(154,767)
Proceeds From Sale of Investments		500,000	732,862
Payment for Investments		(700,000)	(750,000)
Net Cash Flows from Investing Activities		(208,255)	(176,354)
Net Cash Flows		(58,998)	121,425
Cash and Cash Equivalents			
Cash and cash equivalents at beginning of period		258,933	137,509
Cash and cash equivalents at end of period		199,936	258,933
Net change in cash for period		(58,998)	121,425

Notes to the Financial Statements

Southern Highlands Community Hospice For the year ended 30 June 2019

1. Statement of Significant Accounting Policies

The financial statements cover Southern Highlands Community Hospice (*the company*) as an individual entity, incorporated under the *Corporations Act 2001* on 8 August 2017 and domiciled in Australia. The company is a not-for-profit public company limited by guarantee.

The financial statements were authorised for issue on the date of the signed directors' declaration.

Basis of Preparation

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

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

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policy Changes

In 2019, the accounting policy for the recognition of donated stock and inventory items was changed. The policy was changed from an annual one off recognition of donated stock on hand to not ascribing a subjective value of donated stock on hand.

The impact of this accounting policy change was negligible as the prior year's reserve was derecognized, and the stock value held within the accounts was reversed. See the section Inventories in the Accounting Policy note for the Inventory policy applied.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Trade and Other Receivables

Trade receivables are recognised initially at the transaction price (i.e. cost) and are subsequently measured at cost less provision for impairment. At the end of each reporting period, the carrying value of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in the financial statements.

The accompanying notes form part of these financial statements. These financial statements have not been subject to audit or review, and should be read in conjunction with the attached Compilation Report.

Inventories

Inventories of goods purchased for resale are valued at the lower of cost and net realisable value. The carrying value of purchased inventory items is determined by the market based selling price in the ordinary course of business, less any applicable selling expenses. Where the net realisable value is less than purchase price, the difference is recognised in the profit and loss, and the carrying value of the inventory is written down.

No value is ascribed to goods for resale that have been donated to the Company as the fair value cannot be reliably determined and supported on an ongoing basis.

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. All other repairs and maintenance are recognised in the profit or loss as incurred.

The cost of each item of Intangible assets and property, plant and equipment are written off over its expected economic life, adjusted for any salvage value if applicable. Depreciation is provided on a straight-line basis on all plant and equipment.

Derecognition

An item of Intangible assets and property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Impairment

Intangible assets and property, plant and equipment are reviewed for impairment if there is any indication that the carrying amount may not be recoverable.

Financial Assets

Investments held are originally recognised at cost, which includes transaction costs. They are subsequently measured at fair value which is equivalent to their market bid price at the end of the reporting period. Movements in fair value are recognised through an equity reserve.

Income Tax

Income tax has not been provided for in the financial statements of the company, as it is a tax exempt entity under the Income Tax Assessment Act 1997, being a charitable institution registered with the Australian Charities and Not-for profits Commission (ACNC).

Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the company that remain unpaid at 30 June 2019. Trade payables are recognised at their transaction price. They are subject to normal credit terms and do not bear interest.

Employee Benefits

Provision is made for the liability for employee entitlements arising from services rendered by employees to 30 June 2019. Employee benefits have been measured at the amounts expected to be paid when the liability is settled, plus related costs.

Provisions

Provisions are recognised when the entity has a legal or constructive obligation resulting from past events, for which it is probable that there will be an outflow of economic benefits and that outflow can be reliably measured. Provisions are measured using the best estimate available of the amounts required to settle the obligation at the end of the reporting period.

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Revenue Recognition

Non-reciprocal grant revenue is recognised in the profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before the entity is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor; otherwise the grant is recognised as income on receipt.

The company may receive non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in profit or loss.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised as it accrues using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement by the company in those goods.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer. All revenue is stated net of the amount of goods and services tax.

Goods and Services Tax

Transactions are recognised net of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

Leases

Finance leases are leases of fixed assets where substantially all of the risks and benefits incidental to the ownership of the asset are transferred to the entity, but the legal ownership is not transferred to the entity.

Finance leases are capitalised by recording an asset and a corresponding liability at the lower of the amounts equal to the fair value of the leased asset, or the minimum lease payments measured at present value including any residual values.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Operating lease payments are charged to the income statement on a straight-line basis over the term of the lease.

Lease incentives are deferred and amortised over the period of the lease.

Profits and losses on sale and leaseback transactions are recognised in the reporting period in which they occur.

	2019	2018
2. Cash & Cash Equivalents		
Bank Accounts	199,936	258,933
Term Deposits		
Maturing Less than 12 months	2,109,931	1,909,503
Total Term Deposits	2,109,931	1,909,503
Total Cash & Cash Equivalents	2,309,867	2,168,436

The accompanying notes form part of these financial statements. These financial statements have not been subject to audit or review, and should be read in conjunction with the attached Compilation Report.

	2019	2018
3. Trade and Other Receivables		
Current		
Accounts Receivable	4,477	-
Other Debtors	-	6,276
Prepayments	12,434	6,235
Total Current	16,911	12,511
Total Trade and Other Receivables	16,911	12,511

	2019	2018
4. Inventories		
Inventories	-	47,263

	2019	2018
5. Property Plant and Equipment		
Leasehold Improvements		
Cost	16,327	11,952
Less: Accumulated amortisation - Leasehold Improvements	(12,506)	(11,475)
Total Leasehold Improvements	3,820	477
Plant and equipment		
Cost	29,284	22,985
Less: Accumulated depreciation - Plant and Equipment	(19,647)	(17,182)
Total Plant and equipment	9,637	5,804
Motor Vehicles		
Cost	39,769	39,769
Less: Accumulated depreciation - Motor vehicles	(20,171)	(15,199)
Total Motor Vehicles	19,599	24,570
Total Property Plant and Equipment	33,056	30,850

	2019	2018
6. Financial Assets		
Rental Bond	5,633	5,633
Total Financial Assets	5,633	5,633

The accompanying notes form part of these financial statements. These financial statements have not been subject to audit or review, and should be read in conjunction with the attached Compilation Report.

Impairment of Assets

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

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of a class of asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

	2019	2018
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7. Intangibles

Hospice Building Project

Hospice Building Project	-	173,673
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	2019	2018
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8. Current Tax Asset / Liabilities

Current Tax Liabilities

ATO Liabilities	(2,931)	1,273
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Total Current Tax Asset / Liabilities	(2,931)	1,273
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	2019	2018
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9. Trade and Other Payables

Current

Provision of Annual Leave	9,812	4,225
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Accounts Payable	15,583	366
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Employee Accruals	2,803	-
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Total Current	28,198	4,591
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Total Trade and Other Payables	28,198	4,591
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	2019	2018
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10. Cash Flow Reconciliation

Net surplus/(deficit) for the period	(45,040)	260,424
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Adjustments for:	-	-
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Depreciation	8,468	9,784
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Impairment of Assets	173,673	17,574
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Changes in assets and liabilities:	-	-
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Increase/ (decrease) in payables	16,984	3,809
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Increase / (decrease) in Accrued Interest	(428)	10,949
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(Increase)/ decrease in Other Current Assets	(4,400)	(4,834)
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Net cash outflows from operating activities	149,257	297,707
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The accompanying notes form part of these financial statements. These financial statements have not been subject to audit or review, and should be read in conjunction with the attached Compilation Report.

	2019	2018
11. Future Commitments		
- Less than one year	228,209	227,038
- Greater than one year, less than five years	249,206	478,428
Total Future Commitments	477,414	705,466

Note: The above non-cancellable operating leases are for shop leases at Bowral and Mittagong. The leases are due for renewal in July 2021.

Auditor's Report

Southern Highlands Community Hospice
For the year ended 30 June 2019

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
SOUTHERN HIGHLANDS COMMUNITY HOSPICE LIMITED**

Report on the Financial Report

Conclusion

I have reviewed the accompanying financial report of Southern Highlands Community Hospice Ltd (the Organisation), which comprises of the Balance Sheet as at 30 June 2019, the Profit and Loss Statement, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and other selected explanatory notes to the financial report, including a summary of significant accounting policies and the Director's Declaration.

Based on my review, which is not an audit, nothing has come to my attention that causes me to believe that the 30 June 2019 financial report of Southern Highlands Community Hospice Ltd does not present fairly, in all material respects, the financial position of the entity as at 30 June 2019 and of its financial performance and its cash flows, in accordance with *the Corporations Act 2001* and *Australian Charities and Not-For-Profits Commission Act 2012*.

Basis for Conclusion

I conducted my review in accordance with *ASRE 2415 Review of a Financial Report: Company Limited by Guarantee or an Entity Reporting under the ACNC Act or Other Applicable Legislation or Regulation*. My responsibilities are further described in *the Assurance Practitioner's Responsibilities for the Review of the Financial Report* section of my report. I am independent of the entity in accordance with the auditor independence requirements of the *Corporations Act 2001* 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 my review of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

Emphasis of Matter – Basis of Accounting and Restriction on Distribution and Use

I draw attention to Note 1 to the financial report, which describes the basis of accounting, accounting policy changes in relation to inventory recognition and the revenue recognition policy of the Organisation.

The financial report has been prepared to assist Southern Highlands Community Hospice Ltd to meet the requirements of the *Corporations Act 2001* and *Australian Charities and Not-For-Profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. My report is intended solely for the Organisation and should not be distributed to or used by parties other than the Organisation.

Responsible Persons Responsibility for the Annual Financial Report

The responsible persons of the company are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the annual financial report that is free from material misstatement, whether due to fraud or error.

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

Assurance Practitioner's Responsibilities for the Review of the Financial Report

My responsibility is to express a conclusion on the 2019 financial report based on my review. *ASRE 2415* requires me to conclude whether I have become aware of any matter that makes me believe that the annual financial report does not fairly, in all material aspects, and of its financial performance and its cash flows for the year ended on that date, in accordance with the *Corporations Act 2001* and *Australian Charities and Not-For-Profits Commission Act 2012* as at 30 June 2019

A review of the financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australia Auditing Standards and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an opinion.



Glenn M SHELTON

10 November 2019

4B Walker Street
BOWRAL NSW 2576