

Financial Report

2013 – 2014

Supportive Responsive Compassionate Respectful Inclusive

*The Directors Present This Report On The Company For The Financial Year Ended
30 June 2014.*

Directors

The following Directors held office during the year and to the date of this report:

Mrs Helen Fairlie	Mr Thomas Pickford
Mrs Annette McKeand	Mr Michael Pollard
Dr Nicola Martin	Mr Mark Smith
Mrs Celestine Moon	Mr Bruce Wilson
Mrs Catherine Norman	

Mrs Meg Merton held office as a Director during the year until her resignation on 21 October 2013:

Mr Anthony Vaughan was appointed as Director on 21 October 2013 and has held office during the year from that date.

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities

The principal activity of Peninsula Home Hospice (PHH) during the financial year is to provide specialist palliative care services to people living at home with a life threatening illness, and their family and friends. The goal of care is to enhance quality of life and assist the families to feel confident to manage the care of a terminally ill person at home and feel supported in their subsequent bereavement. Services are provided to people living in Mornington Peninsula Shire, Frankston City and the City of Kingston (up to Mordialloc Creek).

The Company's Short Term Objectives are:

- To maintain quality core business of home based specialist palliative care
- To strive towards the provision of best possible care using research and ongoing evaluation of practice
- To maintain an appropriately qualified and skilled workforce and trained volunteers to deliver care in partnership with primary care providers
- To plan for the future accommodation needs of the service
- To continue to have effective business systems and achieve financial viability
- To actively engage the community to positively influence attitudes about death
- To develop new funding streams that support service innovation and development
- To support other health care providers to better understand palliative care and provide a palliative approach to care

The Company's Long Term Objectives are:

- To develop and expand the range of services to target a broader client group, while maintaining quality core service delivery
- To establish and maintain effective partnerships that support client and business services
- To build community and organisational capacity to provide appropriate levels of palliative care and meet service demand
- To build profile and awareness of palliative care and PHH to ensure access to services as needed
- To provide effective governance and leadership with an effective succession planning strategy
- To maintain financial viability and stability in line with Government funding arrangements
- To have a progressive fundraising strategy that maximises local and business opportunities
- To increase the range and capacity of the volunteer pool

To Achieve These Objectives, the Company has Adopted the Following Strategies:

Provide quality palliative care by maintaining accreditation and adherence to industry standards

- Client satisfaction
- National standard reporting
- Compliance with Victorian Government Service Delivery Framework and Policy
- Client care Planning and Review processes
- Partnerships and service agreements that evaluate outcomes

Workforce planning that includes

- Recruitment
- Staff retention
- Specialised training
- Research and development
- Flexibility and diversity
- Succession planning

Influence positive community attitudes to death, dying and palliative care through

- Web based services
- Marketing and service promotion
- Community engagement and feedback mechanisms

Governance systems that enable reporting measures and key indicators to be monitored and analysed

- Board reporting
- Strategic goals
- Finances
- Risk management planning, processes and incident reports
- Capacity and demand management
- Environmental and legislative changes
- Develop appropriate strategies to accommodate a changed funding model

Information on Directors

Mrs Helen Fairlie

Qualifications and Experience

Chair

Co owner & manager of prominent local hospitality business since 1992, member of Sorrento Portsea Chamber of Commerce Committee from 2000, Women of Action committee member since 1997

Special Responsibilities

Member of Audit and Finance, Constitution and Governance, and Fundraising Network Sub Committees

Mrs Meg Merton

Qualification and Experience

Director

Owner of the first B & B on the Peninsula, Committee member of Tourism for Mornington Peninsula, Treasurer of Western Port Auxiliary for 9 years.

Special Responsibilities

Member of the Fundraising Working Party

Mrs Annette McKeand

Qualifications and Experience

Director

Past history in nursing and aged care, 25 years in real estate on the Mornington Peninsula, and involvement in community fundraising and auxiliary support.

Special Responsibilities

Member of the Fundraising Working Party

Dr Nicola Martin

Qualifications and Experience

Director

General Practitioner with 32 years in practice, now working as a Medical Educator and in women's health. Past Board Chair of Toorak College.

Special Responsibilities

Member of Constitution and Governance Sub Committee

Mrs Celestine Moon

Qualifications and Experience

Deputy Chair

B. Juris, LLB
30 Years experience in the Hotel Industry, 15 years employment as a solicitor both in private practice and recently retired as a community lawyer.

Special Responsibilities

Chair of Constitution and Governance Sub Committee

Mrs Catherine Norman

Qualifications and Experience

Director

Extensive community volunteer experience, Involved in PHH Mt Eliza Auxiliary since 1985, and maintains involvement in fundraising events for PHH, served as Chair on Peninsula Hospice Service Board from 2000-2010.

Special Responsibilities

Member of the Fundraising Working Party

Mr Michael Pollard

Qualifications and Experience

Director

Fellow Chartered Accountant, Director of Port Phillip Group Chartered Accountants & Financial Planners since 1993, Extensive experience in not for profit organisations including terms as Chair and Treasurer

Special Responsibilities

Member of the Audit and Finance Sub Committee

Mr Thomas Pickford

Qualifications and Experience

Treasurer

Chartered Accountant, CPA, AFAIM
Wide commercial experience at CEO and board level, member and Honorary Treasurer of PHH since 1991.

Special Responsibilities

Chair of the Audit and Finance Sub Committee

Mr Mark Smith

Qualifications and Experience

Director

MBA, Grad Dip Nursing Admin, BN.FACN, ARAIM, MAICD. Experienced healthcare executive with particular interest in community and primary health care.

Special Responsibilities

Member of Constitution and Governance Sub Committee

Mr Anthony Vaughan

Qualifications and Experience

Director

Experience at senior executive level in both the public and private sectors. A specialist in business development and strategic planning in property and asset management.

Special Responsibilities

Member of Accommodation Working Party

Mr Bruce Wilson

Qualifications and Experience

Director

Diploma Manufacturing Engineering. Previously worked in manufacturing operations management, and establishing operations in developing countries, experience in corporate capital expenditure budgeting. PHH client care volunteer since 2003

Special Responsibilities

Member of Audit and Finance Sub Committee

Meetings of Directorships

During the financial year, eleven meetings of Directors were held. Attendances by each Director were as follows:

<i>Director</i>	<i>Number Attended</i>	<i>Number Eligible to Attend</i>
Helen Fairlie	10	10
Nicola Martin	7	10
Annette McKeand	7	10
Meg Merton	3	4
Celestine Moon	10	10
Catherine Norman	9	10
Thomas Pickford	9	10
Michael Pollard	6	10
Mark Smith	6	10
Anthony Vaughan	5	6
Bruce Wilson	9	10

Membership

The Company is incorporated under the Corporations Act 2001 and is a Company Limited by Guarantee. If the Company is wound up, the Constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the entity. At 30 June 2014, the total amount that members of the Company are liable to contribute if the Company is wound up is \$1,920 (2013: \$1,980)

Auditors' Independence Declaration

The Auditor's Independence Declaration for the year ended 30 June 2014 has been received and can be found on page 25 of the Financial Report.

Signed in accordance with a Resolution of the Board of Directors

Helen Fairlie (Chairperson)
Dated this 19th day of September 2014

Peninsula Home Hospice

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30th June 2014

	Note	2014 \$	2013 \$
Revenues from ordinary activities – recurrent	2	2,586,040	2,533,739
Revenues from ordinary activities – non-recurrent	2	20,485	800
Total Revenue from ordinary activities		2,606,525	2,534,539
Employee expenses		(1,712,337)	(1,672,229)
Depreciation and amortisation expenses	3	(101,547)	(103,705)
Other expenses from ordinary activities	3	(669,194)	(672,480)
Profit from ordinary activities before SMR Consortium funding for 2014 services		123,447	86,123
SMR Consortium Project Funding for future services	2A	Nil	58,483
Profit from ordinary activities before income tax expense		123,447	144,606
Other Comprehensive Income		Nil	Nil
Comprehensive Income before income tax expense		123,447	144,606
Income Tax Expense		Nil	Nil
Comprehensive Income after income tax expense		123,447	144,606

The accompanying notes form part of this financial report.

Peninsula Home Hospice
STATEMENT OF FINANCIAL POSITION
as at 30th June 2013

	Note	2014 \$	2013 \$
CURRENT ASSETS			
Cash and Cash Equivalents	4	561,035	316,192
Receivables	5	49,127	86,573
Prepayments		4,460	4,213
Other Financial Assets	6	400,030	692,502
TOTAL CURRENT ASSETS		1,014,652	1,099,480
NON CURRENT ASSETS			
Other Financial Assets	6	1,016,250	1,016,280
Property, Plant and Equipment	7	299,084	284,048
TOTAL NON CURRENT ASSETS		1,315,334	1,300,328
TOTAL ASSETS		2,329,986	2,399,808
CURRENT LIABILITIES			
Payables	8	150,669	357,760
Provisions	9	226,604	207,537
TOTAL CURRENT LIABILITIES		377,273	565,297
NON CURRENT LIABILITIES			
Provisions	9	56,166	61,411
TOTAL NON CURRENT LIABILITIES		56,166	61,411
TOTAL LIABILITIES		433,439	626,708
NET ASSETS		1,896,547	1,773,100
EQUITY			
Retained Profits	10	1,896,547	1,773,100
TOTAL EQUITY		1,896,547	1,773,100

The accompanying notes form part of this financial report.

Peninsula Home Hospice
STATEMENT OF CHANGES IN EQUITY
for the year ended 30th June 2013

	Note	2014 \$	2013 \$
RETAINED PROFITS			
Balance at the beginning of the year		1,773,100	1,628,494
Profit/(Loss) for the period		123,447	144,606
Other Comprehensive Income		Nil	Nil
Transfers (to)/from Reserves		Nil	Nil
Total changes in equity of the Service		123,447	144,606
Balance at the end of the year		1,896,547	1,773,100

The accompanying notes form part of this financial report.

Peninsula Home Hospice
CASH FLOW STATEMENT
for the year ended 30th June 2014

	Note	2014 \$	2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from			
• Fundraising		305,462	335,849
• Subscriptions		1,480	1,660
• Government grants		2,381,108	2,334,597
Interest received		82,289	81,311
Funds Received on behalf of Consortium		271,518	502,128
Other		104,977	593,319
Payments to suppliers and employees		(2,480,236)	(2,884,461)
Payments made on behalf of Consortium		(305,686)	(650,759)
Net GST remitted to Tax Office		(135,003)	(145,248)
Net cash provided by operating activities	14b	225,909	168,396
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash invested in other financial assets		292,502	(250,000)
Cash transferred to Consortium bank account		(167,412)	Nil
Fixed asset purchases		(286,156)	(235,108)
Proceeds on sale of fixed assets		180,000	163,000
Net cash provided (used) by investing activities		18,934	(322,108)
Net increase/(decrease) in cash held		244,843	(153,712)
Cash at the beginning of the financial year		316,192	469,904
Cash at the end of the financial year	14a	561,035	316,192

The accompanying notes form part of this financial report.

Peninsula Home Hospice

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30th June 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES.

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board, the requirements of the Corporations Act 2001, the Australian Charities and Not-for-Profits Commission Commission Act 2012 and the Australian Charities and Not-for-Profits Commission Regulations 2013.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except, where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the Service in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

a. Income Tax

The Company is not liable for income tax.

b. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

Plant and Equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by the Board to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

Depreciation

The depreciable amounts of all fixed assets are depreciated on a straight line basis over the useful lives of the assets to the Service commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable asset are:

<u>Class of Fixed Asset</u>	<u>Depreciation Rate</u>
Motor Vehicles	20-25%
Leasehold improvements	10-33%
Office equipment	15-33%
Client Service Equipment	33-50%

The carrying amount of fixed assets is reviewed annually by the Board to ensure it is not in excess of the recoverable amount of those assets.

The recoverable amount is assessed on the basis of expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining the recoverable amounts.

Peninsula Home Hospice
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30th June 2014

c. Leases

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

The accounting standards envisage that some contractual arrangements can confer the risks and benefits of ownership on the lessee. In these cases the accounting treatment is different from that of operating leases. The Service considers it does not have any of these arrangements.

d. Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the Company to an employee superannuation fund and are charged as expenses when incurred.

e. Cash

For the purpose of the Cash Flow Statement, cash includes cash on hand, at banks and on deposit.

f. Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

g. Accounting Standards Not Yet Operative

The Board has reviewed Australian Standards issued and not yet operative and determined, that whilst a number will apply to the Company in subsequent years, none will have a material effect on the reported results of the Company.

h. New and Amended Accounting Policies Adopted by the Company

Employee benefits

The Company adopted AASB 119: Employee Benefits (September 2011) and AASB 2011–10: Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) from the mandatory application date of 1 January 2013. The Company has applied these Standards retrospectively in accordance with AASB 108 and the transitional provisions in AASB 119 (September 2011).

For the purpose of measurement, AASB 119 (September 2011) defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. In accordance with AASB 119 (September 2011), provisions for short-term employee benefits are measured at the (undiscounted) amounts expected to be paid to employees when the obligation is settled. Provisions that do not meet the criteria for classification as short-term employee benefits (ie other long-term employee benefits) are measured at the present value of the expected future payments to be made to employees. Previously, the Company had separated provisions for benefits with similar characteristics, such as annual leave and sick leave, into short- and long-term portions, and applied the relevant measurement approach under AASB 119 to the respective portions.

As the Company expected that all of its employees would use all their annual leave entitlements earned during a reporting period within 12 months after the end of the reporting period, adoption of AASB 119 (September 2011) did not have a material impact on the amounts recognised in respect of the Company's employee provisions. Note also that adoption of AASB 119 (September 2011) did not impact the

Peninsula Home Hospice

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30th June 2014

classification of leave entitlements between current and non-current liabilities in the Company's financial statements.

AASB 119 (September 2011) also introduced changes to the recognition and measurement requirements applicable to termination benefits and defined benefit plans. The Company did not have any of these types of obligations in the current or previous reporting period, therefore these changes did not impact the Company's financial statements.

Peninsula Home Hospice

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30th June 2014

<u>NOTE 2: REVENUE</u>	2014	2013
	\$	\$
Operating Activities		
• Fundraising	305,462	335,819
• Subscriptions	1,345	1,509
• Government Grants - recurrent	2,141,286	2,052,795
• Bequests – non recurrent	485	800
• Other	27,863	52,879
	2,476,441	2,443,802
Non Operating Activities		
• Interest received	99,654	90,737
• Net Profit on disposal of plant and equipment	10,430	Nil
• Government Grants – non recurrent	20,000	Nil
	130,084	90,737
Total Revenue	2,606,525	2,534,539

A SMR Consortium Project Funding

2013 Income included \$58,843 from SMR Consortium. This has been included in 2014 expenses.

NOTE 3: EXPENSES

	2014	2013
	\$	\$
Profit from ordinary activities before income tax expense has been determined after deduction of all appropriate expenses including:		
A Expenses		
• Depreciation of property, plant and equipment	101,547	103,705
• Loss on disposal of plant and equipment	Nil	465
• Minimum lease payments	57,027	55,607
Remuneration of auditor		
• Audit or review of services	1,600	1,600
• Other services	Nil	Nil
Total remuneration	1,600	1,600

B Other Significant Expenses

The following expense items are relevant in explaining the financial performance

• Contracted Services	217,290	206,077
• Occupancy & Communication	77,408	75,518
• Employment On costs	161,068	157,019
• Administration	39,883	39,225
• Hire of Client Service Equipment	34,613	33,446
• Financial Development Planning Research	Nil	20,311

Peninsula Home Hospice

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30th June 2014

NOTE 4: CASH AND CASH EQUIVALENTS

Cash on Hand	600	600
Cash at Bank	560,435	315,592
	561,035	316,192
	561,035	316,192

In 2013 Cash at Bank included cash held on behalf of the SMR Consortium to the value of \$201,580. As of 1 January 2014 the financial operations of the Consortium were separated from the Company and a separate bank account was opened.

NOTE 5: RECEIVABLES

Current

Trade Debtors	1,126	1,998
Other Debtors	48,001	84,575
	49,127	86,573
	49,127	86,573

NOTE 6: OTHER FINANCIAL ASSETS

Current

Term Deposits	400,030	692,502
	400,030	692,502

Non Current

Term Deposits	1,016,250	1,016,280
	1,016,250	1,016,280

Peninsula Home Hospice
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30th June 2014

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

	2014	2013
	\$	\$
a) Carrying Amounts		
Motor vehicles – at cost	247,415	223,100
Less accumulated depreciation	5,961	8,234
	241,454	214,866
Furniture & Fittings – at cost	105,791	112,695
Less accumulated depreciation	101,530	105,751
	4,261	6,944
Office equipment – at cost	222,850	240,586
Less accumulated depreciation	169,920	193,679
	52,930	46,907
Client Service Equipment – at cost	61,483	62,806
Less accumulated depreciation	61,044	47,475
	439	15,331
	299,084	284,048

b) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Motor Vehicles	Furniture & Fittings	Office Equipment	Client Service Equipment	Total
	\$	\$	\$	\$	\$
Balance at the Beginning of the Year	214,866	6,944	46,907	15,331	284,048
Additions	247,413	3,288	35,001	451	286,153
Disposals	(169,570)	(Nil)	(Nil)	(Nil)	(169,570)
Depreciation Expense	(51,255)	(5,971)	(28,978)	(15,343)	(101,547)
Carrying Amount at the End of the Year	241,454	4,261	52,930	439	299,084

Peninsula Home Hospice

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30th June 2014

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the 2013 financial year.

	Motor Vehicles	Furniture & Fittings	Office Equipment	Client Service Equipment	Total
	\$	\$	\$	\$	\$
Balance at the					
Beginning of the Year	201,636	11,803	64,185	38,485	316,109
Additions	223,100	420	11,588	Nil	235,108
Disposals	(163,464)	(Nil)	(Nil)	(Nil)	(163,464)
Depreciation Expense	(46,406)	(5,279)	(28,866)	(23,154)	(103,705)
Carrying Amount at the End of the Year	<u>214,866</u>	<u>6,944</u>	<u>46,907</u>	<u>15,331</u>	<u>284,048</u>

2014	2013
\$	\$

NOTE 8: PAYABLES

Current

Trade creditors and accruals	82,288	90,304
Funds held in Trust – SMR Consortium	Nil	201,580
Other Creditors	68,381	65,876
	<u>150,669</u>	<u>357,760</u>

As of 1 January 2014 the finance operations of the Consortium were removed from the books of PHH, a separate Bank account was opened and is now excluded from PHH accounts.

As of 30 June 2014 the funds in this account amounted to \$77,456.

NOTE 9: PROVISIONS

Current

Provision for employee Annual Leave entitlements	144,720	132,600
Provision for employee Long Service Leave entitlements	81,884	74,938
	<u>226,604</u>	<u>207,537</u>

Non Current

Provisions for employee entitlements	<u>56,166</u>	<u>61,411</u>
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Number of employees at year end	31	30
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Peninsula Home Hospice

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30th June 2014

	2014	2013
	\$	\$
<u>NOTE 10: RETAINED PROFITS</u>		
Retained profits at the beginning of the financial year	1,773,100	1,628,494
Profit/(Loss) for the period	123,447	144,606
Other comprehensive income	Nil	Nil
Transfers (to)/from Reserves	Nil	Nil
Total changes in equity of the Service	123,447	144,606
Retained profits at the end of the financial year	1,896,547	1,773,100

NOTE 11: SUPERANNUATION

- i. Employees of the Company are members of the First State Super (formerly Health Super) fund or a nominated Complying Superannuation fund.
- ii. All the Superannuation Funds provide benefits by way of accumulation of contributions and earnings for individual members. The Company does not make contributions to Defined Benefit Funds.
- iii. Contributions have been calculated at the prescribed rates in accordance with the Superannuation Guarantee Act Section 29(2a), 29(3) and 20(c).
- iv. Contributions made by Peninsula Home Hospice during the year ended 30 June 2014 totalled \$148,637 (2013: \$178,240).
- v. Outstanding contributions at 30 June 2014: \$ 10,685 (2013: \$Nil)
- vi. Loans from the fund to Peninsula Home Hospice: \$Nil

NOTE 12: COMMITMENTS FOR EXPENDITURE

	2014	2013
	\$	\$
a. Operating Lease Commitments		
<i>Being Rent for Premises and Rent for Equipment</i>		
Payable		
Not later than 1 year	31,382	24,884
Later than 1 year but not later than 5 years	3,418	11,631
Later than 5 years	Nil	Nil

The Company is committed to the following expenditure for future periods:

As part of the Agreement for rent of the operational centre, the Company is committed to an annual contribution toward utilities; the amount of which is determined by negotiations between the Lessor and Lessee on an annual basis. The amount incurred for 2014 was \$6,300 (2013: \$6,300).

b. Other Commitments for Expenditure

<i>Being Contracted Services</i>		
Payable		
Not later than 1 year	264,571	231,408
Later than 1 year but not later than 5 years	66,890	258,892
Later than 5 years	Nil	Nil

Peninsula Home Hospice

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30th June 2014

NOTE 13: SEGMENT REPORTING

The Company operates in the Palliative Care sector providing physical, emotional, spiritual and psychological support as sought and required, to people on the Mornington Peninsula who are living with a life threatening illness.

NOTE 14: CASH FLOW INFORMATION

	2014	2013
	\$	\$
a. Reconciliation of Cash		
Cash on hand	600	600
Cash at bank	560,435	315,592
	561,035	316,192
b. Reconciliation of Net Cash Provided		
Profit/(Loss) from ordinary activities after income tax	123,447	144,606
Non cash flows in profit from ordinary activities:		
Depreciation	101,547	103,705
Net (profit)/loss on disposal of plant and equipment	(10,430)	465
<i>Changes in assets and liabilities</i>		
Decrease in receivables	37,446	24,618
(Increase) in prepayments	(247)	(2,223)
(Decrease) in trade creditors, accruals and income in advance	(39,676)	(136,697)
Increase in provisions	13,822	33,922
Net cash provided by operating activities	225,909	168,396
c.		
The Company has access to a corporate credit card with a limit of \$5,000.		
d.		
There were no non-cash financing or investing activities during the period.		

Peninsula Home Hospice
NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30th June 2014

NOTE 15: FINANCIAL INSTRUMENTS

a. Interest Rate Risk

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		No Interest		Floating Interest Rate		Fixed Interest Rate	
	2014 %	2013 %	2014 \$	2013 \$	2014 \$	2013 \$	2014 \$	2013 \$
FINANCIAL ASSETS								
Cash	0.41	2.01	629	1,771	560,406	314,421	Nil	Nil
Trade and Other Receivables	Nil	Nil	49,127	86,573	Nil	Nil	Nil	Nil
Short Term Deposits	4.58	5.44	Nil	Nil	Nil	Nil	400,030	692,502
Long Term Deposits (more than 1 year, less than 5 years)	4.68	4.90	Nil	Nil	Nil	Nil	1,016,250	1,016,280
Total Financial Assets			49,756	88,344	560,406	314,421	1,416,280	1,708,782
FINANCIAL LIABILITIES								
Trade & Other Payables			103,681	319,905	Nil	Nil	Nil	Nil
Total Financial Liabilities			103,681	319,905	Nil	Nil	Nil	Nil

b. Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements.

The Company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Company.

Peninsula Home Hospice

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30th June 2014

c. Net Fair Values

Methods and assumptions used in determining net fair value.

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the Company intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

NOTE 16: FINANCIAL RISK MANAGEMENT

a. Financial Risk Management Policies

The Company's financial instruments consist mainly of deposits with banks, local money market instruments, short term investments, accounts receivable and payable.

The Company does not have any derivative instruments as 30 June 2014.

i. Treasury Risk Management

An Audit and Finance Committee consisting of Board members and senior management meet on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The Committee's overall risk management strategy seeks to assist the Company in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

The Audit and Finance Committee operates under policies approved by the Board. Risk management policies are approved and reviewed by the committee on a regular basis. These include the use of credit risk policies and future cash flow requirements.

ii. Financial Risk Exposures and Management

The main risk the Company is exposed to through its financial instruments is liquidity risk.

Liquidity risk is managed by monitoring forecast cash flows, by staggering maturity dates on term deposits and spreading the investments over more than one financial institution.

Peninsula Home Hospice

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30th June 2014

b. Financial Instrument Composition and Maturity Analysis

The following table reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such the amounts may not reconcile to the balance sheet.

	Floating Interest Rate		Fixed Interest Rate	
	2014	2013	2014	2013
	\$	\$	\$	\$
FINANCIAL ASSETS				
Short Term Deposits (within 1 year)	560,406	314,421	400,030	692,502
Long Term Deposits (more than 1 year less than 5 years)	Nil	Nil	1,016,250	1,016,280
TOTAL FINANCIAL ASSETS	560,406	314,421	1,416,280	1,708,782

Receivables of \$54,796 are expected to be received within 2 months

	2014	2013
	\$	\$
Trade and sundry payables are expected to be paid as follows:		
Less than 6 months	103,680	319,905
More than 6 months but less than 12 months	Nil	Nil

As at June 2014, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

Change in Profit

Increase in interest rate by 2%	39,533	40,464
Decrease in interest rate by 2%	(39,533)	(40,464)

Change in Equity

Increase in interest rate by 2%	39,533	40,464
Decrease in interest rate by 2%	(39,533)	(40,464)

Peninsula Home Hospice
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30th June 2014

NOTE 17: RELATED PARTY TRANSACTIONS

During the year the following members were Directors of the Board and held office for the full year: Helen Fairlie, Nicola Martin, Annette McKeand, Celestine Moon, Catherine Norman, Thomas Pickford, Michael Pollard, Mark Smith and Bruce Wilson.

Mrs Meg Merton held office as a Director during the year until her resignation on 21 October 2013, Mr Anthony Vaughan was appointed as Director on 21 October 2013 and has held office during the year from that date.

The key management positions held during the year were:

- Chief Executive Officer
- Manager of Business Services
- Manager of Clinical Services
- Manager of Volunteers

The aggregate compensation for key management positions for the year was:

	2014	2013
	\$	\$
a) Short term employee benefits	362,117	368,407
b) Post-employment benefits	Nil	Nil
c) Other Long term benefits	20,181	9,081
d) Termination benefits	Nil	Nil
e) Share-based payment	Nil	Nil

NOTE 18: RELATED PARTY TRANSACTIONS

There are no other Related Party Transactions for the financial year ended 30 June 2014, except that some Directors were reimbursed for expenses that they incurred on behalf of Peninsula Home Hospice.

NOTE 19: DISCLOSURE OF INTERESTS IN OTHER ENTITIES

On 25th June 2014 Peninsula Home Hospice formed another company limited by guarantee called Peninsula Home Hospice Foundation (The Foundation). Peninsula Home Hospice is the sole member of the Foundation. The Foundation's main purposes align with that of the Parent Company and also to establish and operate a fund to provide money for the acquisition of property, construction and maintenance of the building or leasing the property in furtherance of the aims of the Company. As at 30th June the Foundation has no transactions to report.

NOTE 20: SUBSEQUENT EVENTS

There are no subsequent events which would have a material impact on the financial accounts.

NOTE 21: SERVICE DETAILS

The principal place of business of the Service is:

Building 6, 125 Golf Links Road
Frankston Vic 3199

Directors' Declaration

In the opinion of the Directors the financial report as set out on pages 6 to 22:

1. Presents fairly the financial position of Peninsula Home Hospice as at 30 June 2014 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board, the Australian Charities and Not-for-Profits Commission Act 2012 and the Australian Charities and Not for Profit Commission Regulations 2013.
2. At the date of this statement, there are reasonable grounds to believe that Peninsula Home Hospice will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Board and is signed for an on behalf of the Board by:

Director:

Helen Fairlie

Treasurer

Thomas G Pickford

Dated this 19th day of September 2014

Independent Audit Report

To The Members Of

Peninsula Home Hospice

Report on the Financial Report

We have audited the accompanying financial report of **Peninsula Home Hospice**. (the Company) 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.

DIRECTOR'S RESPONSIBILITY FOR THE FINANCIAL REPORT

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

AUDITOR'S RESPONSIBILITY

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

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

We 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 was given to the directors of Peninsula Home Hospice, would be in the same terms if given to the directors at the time of this auditor's report.

Independent Audit Report

To The Members Of

Peninsula Home Hospice

BASIS FOR QUALIFIED OPINION

The Company carries out fundraising procedures for which the conduct of audit verification procedures is not practical. Our audit procedures have therefore been limited in this regard and we have accepted the amounts disclosed in the Company's receipts journal.

AUDITOR'S OPINION

In our opinion, except for the matter of fundraising income referred to in the Basis for Qualified Opinion paragraph, the financial report of Peninsula Home Hospice is in accordance with the *Corporations Act 2001*, including:

- (a) 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
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

UHY Haines Norton
Chartered Accountants

Joella Gould

Melbourne

Dated this 19th day of September 2014

Liability limited under a scheme approved under Professional Standards Legislation

Auditor's Independence Declaration

Peninsula Home Hospice Limited ACN 153 071 928

AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF PENINSULA HOME HOSPICE LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2014 there have been:

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

UHY Haines Norton
Chartered Accountants

Joella Gould
Partner

19th September 2014

Level 8
607 Bourke Street
Melbourne Vic 3000