



Financial Report
2015 – 2016

*The Directors Present This Report on The Company For The Financial Year Ended
30 June 2016.*

Directors

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

Mrs Helen Fairlie
Dr Nicola Martin
Mrs Annette McKeand
Mrs Celestine Moon
Mrs Catherine Norman

Mr Dan Romanis
Mr Thomas Pickford
Mr Michael Pollard
Mr Mark Smith
Mr Anthony Vaughan

Mrs Rosemary Redston held office as a Director during the year until her resignation on 19 October 2015
Mr Dan Romanis was appointed as a Director on 1 December 2015 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 that optimises quality of life for those in our care, and honours their hope for choice, dignity, comfort and peace.

Peninsula Home Hospice is available to the following people within the Mornington Peninsula Shire, the City of Frankston and part of the City of Kingston:

1. Children and adults with life-limiting illness or conditions leading to dependence on life-sustaining treatments and/or long-term care by others for support of the activities of daily living.
2. Persons of any age with acute, serious and life-threatening illnesses (such as severe trauma, leukaemia or acute stroke), where cure or reversibility is a realistic goal, but the conditions themselves and their treatments pose significant burdens.
3. Persons living with progressive chronic conditions (such as peripheral vascular disease, malignancies, chronic renal or liver failure, stroke with significant functional impairment, advanced heart or lung disease, frailty, neurodegenerative disorders and dementia).
4. Seriously and terminally ill clients (such as persons living with end-stage dementia, terminal cancer or severe disabling stroke), who are unlikely to recover or stabilize, and for whom intensive palliative care is the predominant focus and goal of care for the time remaining.

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

Peninsula Home Hospice
DIRECTORS REPORT

Information on Directors

Mrs Helen Fairlie	<i>Chair</i>
Qualifications and Experience	Co owner and 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 the Audit and Finance and the Constitution and Governance Committees, and the Fundraising Working Party
Dr Nicola Martin	<i>Director</i>
Qualifications and Experience	General Practitioner for 35 years. Currently working in women's health, ante-natal care, medical education and medico-legal work
Special Responsibilities	Member of the Constitution and Governance Committee
Mrs Annette McKeand	<i>Director</i>
Qualifications and Experience	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 and the Accommodation Working Party
Mrs Celestine Moon	<i>Deputy Chair</i>
Qualifications and Experience	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 the Constitution and Governance Committee
Mrs Catherine Norman	<i>Director</i>
Qualifications and Experience	Extensive community volunteer experience, involved in PHH 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	<i>Director</i>
Qualifications and Experience	Fellow Chartered Accountant, Managing Director of Port Phillip Group Chartered Accountants & Financial Planners since 1993.
Special Responsibilities	Member of the Audit and Finance Committee
Mr Thomas Pickford	<i>Treasurer</i>
Qualifications and Experience	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 Committee

Peninsula Home Hospice ***DIRECTORS REPORT***

Mrs Rosemary Redston

Director

Qualifications and Experience

Retired nurse, past PHH Board member (2001-2004) and member of the Lyceum Club, having served as the Club's President from 1999-2001. Founding member and later President of Mornington Olive Growers Association

Special Responsibilities

Member of the Foundation Fundraising Committee

Mr Dan Romanis

Director

Qualifications and Experience

Over 40 years experience in the non-profit sector including CEO of Royal District Nursing Service for 17 years. Currently CEO of Marriott Support Services a leading disability services provider, Ministerial Appointee to Victoria's Health Services Review Council since 2012

Special Responsibilities

Mr Mark Smith

Director

Qualifications and Experience

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

Special Responsibilities

Member of Constitution and Governance Committee

Mr Anthony Vaughan

Director

Qualifications and Experience

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

Meetings of Directorships

During the financial year, ten 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	9	10
Nicola Martin	6	10
Annette McKeand	8	10
Celestine Moon	8	10
Catherine Norman	8	10
Thomas Pickford	10	10
Michael Pollard	7	10
Rosemary Reston	2	3
Dan Romanis	5	5
Mark Smith	8	10
Anthony Vaughan	8	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 2016, the total amount that members of the Company are liable to contribute if the Company is wound up is \$1,680 (2015: \$1,880)

Auditors' Independence Declaration

The Auditor's Independence Declaration for the year ended 30 June 2016 has been received and follows this Report

Signed in accordance with a Resolution of the Board of Directors



Helen Fairlie (Chairperson)

Dated this 16th day of September 2016

Peninsula Home Hospice
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30th June 2016

	Note	2016 \$	2015 \$
Revenues from ordinary activities – operating	2	2,664,125	2,643,762
Revenues from ordinary activities – non operating	2	526,098	250,953
Total Revenue from ordinary activities		3,190,223	2,894,715
Employee expenses		(1,887,950)	(1,797,150)
Depreciation and amortisation expenses	3	(109,861)	(103,547)
Interest expense	3	(96,928)	(2,325)
Other expenses from ordinary activities	3	(749,357)	(740,972)
Profit from ordinary activities before income tax expense		346,127	250,721
Other Comprehensive Income		Nil	Nil
Comprehensive Income before income tax expense		346,127	250,721
Income Tax Expense		Nil	Nil
Comprehensive Income after income tax expense		346,127	250,721

The accompanying notes form part of this financial report.

Peninsula Home Hospice
STATEMENT OF FINANCIAL POSITION
for the year ended 30th June 2016

	Note	2016 \$	2015 \$
CURRENT ASSETS			
Cash and Cash Equivalents	4	435,197	61,678
Receivables	5	27,152	338,223
Prepayments		12,106	11,714
Other Financial Assets	6	150,000	1,366,420
TOTAL CURRENT ASSETS		624,455	1,778,035
NON CURRENT ASSETS			
Other Financial Assets	6	266,250	416,250
Property, Plant and Equipment	7	3,960,059	3,807,434
TOTAL NON CURRENT ASSETS		4,226,309	4,223,684
TOTAL ASSETS		4,850,764	6,001,719
CURRENT LIABILITIES			
Payables	8	254,317	3,299,163
Interest Bearing Liabilities	9	150,000	258,589
Provisions	10	259,992	235,535
TOTAL CURRENT LIABILITIES		664,309	3,793,287
NON CURRENT LIABILITIES			
Interest Bearing Liabilities	9	1,631,169	Nil
Provisions	10	61,891	61,164
TOTAL NON CURRENT LIABILITIES		1,693,060	61,164
TOTAL LIABILITIES		2,357,369	3,854,451
NET ASSETS		2,493,395	2,147,268
EQUITY			
Retained Profits	11	2,493,395	2,147,268
TOTAL EQUITY		2,493,395	2,147,268

The accompanying notes form part of this financial report.

Peninsula Home Hospice
STATEMENT OF CHANGES IN EQUITY
for the year ended 30th June 2016

	Note	2016 \$	2015 \$
RETAINED PROFITS			
Balance at the beginning of the year		2,147,268	1,896,547
Profit for the period		346,127	250,721
Other Comprehensive Income		Nil	Nil
Transfers (to)/from Reserves		Nil	Nil
Total changes in equity of the Service		346,127	250,721
Balance at the end of the year		2,493,395	2,147,268

The accompanying notes form part of this financial report.

Peninsula Home Hospice
CASH FLOW STATEMENT
for the year ended 30th June 2016

	Note	2016 \$	2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from:			
Government grants		2,515,580	2,411,390
Fundraising & Donations		369,086	276,648
Subscriptions		1,180	1,420
Interest received		79,732	83,891
Capital Donations		729,572	18,000
Other		42,442	40,222
Payments to suppliers and employees		(2,679,402)	(2,610,797)
Interest paid		(96,928)	(2,325)
Net GST remitted to Tax Office		(149,069)	(147,552)
Net cash provided by operating activities	15b	812,193	70,897
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash redeemed from other financial Investments		1,366,420	Nil
Cash invested in other financial assets		Nil	(366,390)
Fixed asset purchases		(3,477,234)	(462,453)
Proceeds on sale of fixed assets		149,560	Nil
Net cash used by investing activities		(1,961,254)	(828,843)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Loan		3,150,000	Nil
Repayment of Loan		(1,368,831)	Nil
Net cash provided by financing activities		1,781,169	Nil
Net increase/(decrease) in cash held		632,108	(757,946)
Cash at the beginning of the financial year		(196,911)	561,035
Cash at the end of the financial year	15a	435,197	(196,911)

The accompanying notes form part of this financial report.

Peninsula Home Hospice
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30th June 2016

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 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:

Class of Fixed Asset	Depreciation Rate
Buildings	2 %
Motor Vehicles	20-25%
Leasehold improvements	10-50%
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 2016

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.

Fundraising income is raised through a number of events held during the year and through volunteer organisations across the Mornington Peninsula. It is impracticable for Peninsula Home Hospice to establish control over the collection of income from fundraising activities prior to entry into its financial records. Accordingly revenue is not recognised until it has been banked which is when control has been passed to the Organisation.

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

g. Borrowings

All interest bearing liabilities are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

h. 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.

Peninsula Home Hospice
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30th June 2016

NOTE 2: REVENUE	2016	2015
	\$	\$
Operating Activities		
Government Grants - recurrent	2,286,891	2,192,173
Fundraising	337,885	324,648
Subscriptions	1,073	1,291
Other	38,276	37,678
	2,664,125	2,555,790
Non Operating Activities		
Interest received	46,233	87,972
Capital Fundraising	479,865	250,953
	526,098	338,925
Total Revenue	3,190,223	2,894,715

NOTE 3: EXPENSES

2016	2015
\$	\$

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	109,861	103,547
Loss on disposal of plant and equipment	3,354	556
Minimum lease payments	79,444	49,541
Remuneration of auditor		
Audit or review of services	2,500	1,945
Other services	Nil	Nil
Total remuneration	2,500	1,945

B Other Significant Expenses

The following expense items are relevant in explaining the financial performance

Contracted Services	220,898	219,200
Occupancy & Communication	91,687	104,180
Employment On costs	191,037	176,712
Administration	45,053	58,992
Hire of Client Service Equipment	24,339	34,637
Interest	96,928	2,325

Peninsula Home Hospice
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30th June 2016

NOTE 4: CASH AND CASH EQUIVALENTS

	2016	2015
	\$	\$
Cash on Hand	400	700
Cash at Bank	434,797	60,978
	435,197	61,678

NOTE 5: RECEIVABLES

Current

Trade Debtors	1,247	32,448
Other Debtors	25,905	55,775
Other receivables - Bequest	Nil	250,000
	27,152	338,223

NOTE 6: OTHER FINANCIAL ASSETS

Current

Term Deposits	150,000	1,366,420
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Non Current

Term Deposits	266,250	416,250
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Peninsula Home Hospice
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30th June 2016

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

	2016	2015
	\$	\$
a) Carrying Amounts		
Land & Buildings – at cost	3,895,569	3,500,000
Less accumulated depreciation	19,056	Nil
	3,876,513	3,500,000
Motor vehicles – at cost	Nil	247,415
Less accumulated depreciation	Nil	60,290
	Nil	187,125
Furniture & Fittings – at cost	159,154	155,070
Less accumulated depreciation	131,072	109,853
	28,082	45,217
Office equipment – at cost	276,161	278,259
Less accumulated depreciation	221,403	203,590
	54,758	74,669
Client Service Equipment – at cost	61,321	61,492
Less accumulated depreciation	60,615	61,069
	706	423
	3,960,059	3,807,434

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.

	Land & Buildings	Motor Vehicles	Furniture & Fittings	Office Equipment	Client Service Equipment	Total
	\$	\$	\$	\$	\$	\$
Balance at the Beginning of the Year	3,500,000	187,125	45,217	74,669	423	3,807,434
Additions	395,569	Nil	4,084	15,287	460	415,400
Disposals	(Nil)	(152,914)	(Nil)	(Nil)	(Nil)	(152,914)
Depreciation Expense	(19,056)	(34,211)	(21,219)	(35,198)	(177)	(109,861)
Carrying Amount at the End of the Year	3,876,513	Nil	28,082	54,758	706	3,960,059

Peninsula Home Hospice
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30th June 2016

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the 2015 financial year.

	Land & Buildings	Motor Vehicles	Furniture & Fittings	Office Equipment	Client Service Equipment	Total
	\$	\$	\$	\$	\$	\$
Balance at the Beginning of the Year	Nil	241,454	4,261	52,930	439	299,084
Additions	3,500,000	Nil	54,599	57,394	460	3,612,453
Disposals	(Nil)	(Nil)	(117)	(Nil)	(439)	(556)
Depreciation Expense	(Nil)	(54,329)	(13,526)	(35,655)	(37)	(103,547)
Carrying Amount at the End of the Year	3,500,000	187,125	45,217	74,669	423	3,807,434

2016
\$

2015
\$

NOTE 8: PAYABLES

Current

Trade Creditors and Accruals	168,964	82,308
Other Creditors	85,353	66,855
Payables – contract of sale	Nil	3,150,000
	<u>254,317</u>	<u>3,299,163</u>

NOTE 9: INTEREST BEARING LIABILITIES

Current

Overdraft	Nil	258,589
Mortgage	150,000	Nil
	<u>150,000</u>	<u>258,589</u>

Non Current

Mortgage	<u>1,631,169</u>	<u>Nil</u>
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NOTE 10: PROVISIONS

Current

Provision for employee Annual Leave entitlements	118,627	117,980
Provision for employee Long Service Leave entitlements	141,365	117,556
	<u>259,992</u>	<u>235,536</u>

Non Current

Provisions for employee entitlements	<u>61,891</u>	<u>61,164</u>
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Number of employees at year end	33	33
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Peninsula Home Hospice
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30th June 2016

	2016 \$	2015 \$
NOTE 11: RETAINED PROFITS		
Retained profits at the beginning of the financial year	2,147,268	1,896,547
Profit for the period	346,127	250,721
Other comprehensive income	Nil	Nil
Transfers (to)/from Reserves	Nil	Nil
Total changes in equity of the Service	346,127	250,721
Retained profits at the end of the financial year	2,493,395	2,147,268

NOTE 12: SUPERANNUATION

- i. Employees of the Company are members of the First State 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 2016 totalled \$198,682 (2015: \$183,729).
- v. Outstanding contributions at 30 June 2016: \$15,018 (2015: \$16,184)
- vi. Loans from the fund to Peninsula Home Hospice: \$Nil

NOTE 13: COMMITMENTS FOR EXPENDITURE

	2016 \$	2015 \$
a. Operating Lease Commitments		
<i>Being Rent for Premises and Rent for Equipment</i>		
Payable		
Not later than 1 year	105,363	45,926
Later than 1 year but not later than 5 years	53,198	14,166
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 2016 was \$6,300 (2015: \$6,300).

b. Other Commitments for Expenditure

Being Contracted Services

Payable		
Not later than 1 year	81,356	68,295
Later than 1 year but not later than 5 years	71,676	9,680
Later than 5 years	Nil	Nil

Peninsula Home Hospice
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30th June 2016

NOTE 14: SEGMENT REPORTING

Peninsula Home Hospice provides home-based specialist palliative care that optimises quality of life for those in our care, and honours the hope for choice, dignity, comfort and peace.

NOTE 15: CASH FLOW INFORMATION

	2016 \$	2015 \$
a. Reconciliation of Cash		
Cash on hand	400	700
Cash at bank	434,797	60,978
Overdraft	Nil	(258,589)
	435,197	(196,911)
b. Reconciliation of Net Cash Provided		
Profit/(Loss) from ordinary activities after income tax	346,127	250,721
Non cash flows in profit from ordinary activities:		
Depreciation	109,861	103,547
Net (profit)/loss on disposal of plant and equipment	3354	556
<i>Changes in assets and liabilities</i>		
(Increase)/Decrease in receivables	311,071	(289,096)
(Increase) in prepayments	(392)	(7,254)
Decrease/(increase) in trade creditors, accruals and income in advance	16,988	(1,506)
Increase in provisions	25,184	13,929
Net cash provided by operating activities	812,193	70,897

c. Corporate Credit Card

The Company has access to a corporate credit card with a limit of \$5,000.

d. Non-Cash Financing

There were no non-cash financing or investing activities during the period.

The Company acts as fund holder for the Southern Metropolitan Region Consortium. Separate banking and recording of transactions are maintained by Peninsula Home Hospice administration staff. As at 30 June 2016 the amount held was \$75,885 (2015: \$67,496).

Peninsula Home Hospice
Notes to the Financial Statements
for the year ended 30th June 2016

NOTE 16: 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	
	2016 %	2015 %	2016 \$	2015 \$	2016 \$	2015 \$	2016 \$	2015 \$
FINANCIAL ASSETS								
Cash	Nil	Nil	3,106	700	432,091	60,978	Nil	Nil
Trade and Other Receivables	Nil	Nil	27,152	338,223	Nil	Nil	Nil	Nil
Short Term Deposits	6.0	3.9	Nil	Nil	Nil	Nil	150,000	1,366,420
Long Term Deposits (more than 1 year, less than 5) years)	4.65	5.14	Nil	Nil	Nil	Nil	266,250	416,250
Total Financial Assets			30,258	338,923	432,091	60,978	416,250	1,782,670
FINANCIAL LIABILITIES								
Trade & Other Payables	Nil	Nil	233,193	3,249,102	Nil	Nil	Nil	Nil
Interest Bearing Liabilities	5.01	5.8	Nil	Nil	1,781,168	258,589	Nil	Nil
Total Financial Liabilities			233,193	3,249,102	1,781,168	258,589	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.

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 17: 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 2016.

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 2016

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	
	2016	2015	2016	2015
	\$	\$	\$	\$
FINANCIAL ASSETS				
Short Term Deposits (within 1 year)	432,091	60,978	150,000	1,366,420
Long Term Deposits (more than 1 year less than 5 years)	Nil	Nil	266,250	416,250
TOTAL FINANCIAL ASSETS	432,091	60,978	416,250	1,782,670
FINANCIAL LIABILITIES				
Long Term Interest Bearing Liabilities (within 1 year)	150,000	Nil	Nil	Nil
Long Term Interest Bearing Liabilities (more than 1 year less than 10 years)	1,631,169	Nil	Nil	Nil
	1,781,169	Nil	Nil	Nil

Receivables of \$4,246 are expected to be received within two months. , The balance is expected to be received within six months.

	2016	2015
	\$	\$
Trade and sundry payables are expected to be paid as follows:		
Less than 6 months	233,193	3,249,102
More than 6 months but less than 12 months	Nil	Nil

As at June 2016, 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%	(18,657)	31,701
Decrease in interest rate by 2%	18,657	(31,701)
Change in Equity		
Increase in interest rate by 2%	(18,657)	31,701
Decrease in interest rate by 2%	18,657	(31,701)

Peninsula Home Hospice
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30th June 2016

NOTE 18: 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 Anthony Vaughan.

Mrs Rosemary Redston held office as a Director during the year until her resignation on 19 October 2015.

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:

	2016	2015
	\$	\$
a. Short term employee benefits	403,263	394,446
b. Post-employment benefits	Nil	Nil
c. Other Long term benefits payable	8,263	21,572
d. Termination benefits	Nil	Nil
e. Share-based payment	Nil	Nil

NOTE 19: RELATED PARTY TRANSACTIONS

There are no other Related Party Transactions for the financial year ended 30 June 2016, except that some Directors were reimbursed for expenses that they incurred on behalf of Peninsula Home Hospice.

NOTE 20: SUBSEQUENT EVENTS

There are no other 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 7 to 22:

1. Presents fairly the financial position of Peninsula Home Hospice as at 30 June 2016 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 16th day of September 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PENINSULA HOME HOSPICE

We have audited the accompanying financial report of Peninsula Home Hospice (the Company) which comprises the Statement of Financial Position as at 30 June 2016, and the Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Directors' Declaration.

Directors' Responsibility for the Financial Report

The directors of the Peninsula Home Hospice are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to Peninsula Home Hospice'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 Peninsula Home Hospice'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 *Australian Charities and Not-for-profits Commission Act 2012*. We confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012* provided to the directors of Peninsula Home Hospice on 15 September 2016 would be in the same terms if provided to the directors as at the date of this auditor's report.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF PENINSULA HOME HOSPICE**

Opinion

In our opinion the financial report of Peninsula Home Hospice is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of Peninsula Home Hospice's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Regulations 2013*.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 1(f) to the financial report which describes the revenue recognition policy of the Company, including the limitations that exist in relation to the recording of cash receipts from fundraising. Revenue from this source represents a significant proportion of the Peninsula Home Hospice.

McLean Delmo Bentleys Audit Pty Ltd

MCLEAN DELMO BENTLEYS AUDIT PTY LTD



ADAM ROBERTS
Partner

Hawthorn, Victoria

Dated: *16* September 2016

Auditor's Independence Declaration

To the Board of Directors of Peninsula Home Hospice:

I declare that, to the best of my knowledge and belief, there have been:

- i. No contraventions of the independence requirements of the the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- ii. No contraventions of any applicable code of professional conduct in relation to the audit.

McLean Delmo Bentleys Audit Pty Ltd

MCLEAN DELMO BENTLEYS AUDIT PTY LTD



ADAM ROBERTS
Partner

Hawthorn, Victoria

15 September 2016