

AUDIT REPORT

To the Members

IPSWICH HOSPICE CARE INCORPORATED

Scope

We have audited the attached special purpose financial report of IPSWICH HOSPICE CARE INCORPORATED for the year ended 30 June, 2011, comprising the Profit & Loss Statement and Balance Sheet. The Committee is responsible for the preparation and presentation of the financial report and the information contained therein, and have determined that the basis of accounting used is appropriate to the needs of the organisation. We have conducted an independent audit of the financial report in order to express an opinion on it to the committee. No opinion is expressed as to whether the basis of accounting used is appropriate to the needs of the members.

The special purpose financial report has been prepared for distribution to the members of the IPSWICH HOSPICE CARE INCORPORATED for the purpose of fulfilling the committee's accountability requirements. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates, to any person other than the committee, or of any purpose other than that for which it was prepared.

Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion as to whether in all material respects, the financial report is presented fairly, in accordance with the requirements of the Associations Incorporated Act.

Donations and fund raising activities

Qualification

It is not practical for IPSWICH HOSPICE CARE INCORPORATED to maintain an effective system of internal control over donations and fund raising activities until their initial entry in the accounting records. Accordingly, our audit in relation to donations and fund raising was limited to amounts recorded.

The audit opinion expressed in this report has been formed on the above basis.

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Qualified Audit Opinion

In our opinion, subject to the effects of such adjustments, if any, as might be determined to be necessary had the limitation discussed in the qualification paragraph not existed, the financial report of IPSWICH HOSPICE CARE INCORPORATED presents fairly the assets and liabilities at 30 June 2011 and the income and expenditure of the Service for the year then ended in accordance with the Associations Incorporations Act (Qld) and the basis of accounting described in Note 1 to the financial statements.

OWEN, HARRIS & ASSOCIATES



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TOM HUTTON, CPA

08.09.2011

IPSWICH HOSPICE CARE INCORPORATED

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE, 2010**

NOTE 1: STATEMENT OF ACCOUNTING POLICIES

- (a) These financial statements are a special purpose financial report prepared in order to provide accounts which satisfy the requirements to prepare the financial statements. The committee has determined that the service is not a reporting entity as defined in the Statement of Accounting Concepts 1 'Definition of the Reporting Entity' and therefore, as there is no requirement to apply accounting concepts or standards in the preparation and presentation of these statements, none have been adopted intentionally.

The Statements have been prepared in accordance with the requirements of the Associations Incorporation Act (Qld). These statements are prepared on a cash basis, from the records of the service. They are based on historic costs and do not take into account changing money values or except where specifically stated, the current values of non-current assets.

The following specific policies have been applied in the preparation of these statements.

- (b) Plant and Equipment
All assets are depreciated over their useful lives.
- (c) Inventories
Inventories are held at their cost value.
- (d) Income Tax
The Service is exempt from Income Tax .

IPSWICH HOSPICE CARE INC

**FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2011**

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Professional Standards Legislation**

IPSWICH HOSPICE CARE INC

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 \$	2010 \$
INCOME			
Grants		787,048.19	884,767.77
Donations		323,921.25	313,090.27
Income - General		116,800.68	42,394.51
		<u>1,227,770.12</u>	<u>1,240,252.55</u>
OTHER INCOME			
Rental Income		25,520.05	27,527.26
Contributions - Fundraising		91,975.32	107,612.89
Health Fund Claims		252,124.00	179,118.70
Loss on Sale of Non-current Assets		-	(5,122.40)
Gross profit from trading		311,448.89	259,422.23
		<u>681,068.26</u>	<u>568,558.68</u>
		<u>1,908,838.38</u>	<u>1,808,811.23</u>

The accompanying notes form part of these financial statements.
These statements should be read in conjunction with the attached compilation
report of Accountants.

IPSWICH HOSPICE CARE INC

**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 \$	2010 \$
EXPENDITURE			
Accreditation		4,602.52	4,425.50
Advertising		7,855.14	8,937.61
Audit Fees		4,130.00	4,393.00
Bank Charges		442.87	142.87
Bank Merchant Fees		1,774.76	1,379.83
Bank Direct Entry Fees		196.51	153.96
Bad Debts		7,945.80	850.00
Cleaning		7,036.08	18,749.73
Client Support - Consumables		31,975.69	29,161.40
Client Support Services		3,461.57	1,243.04
Computer Expenses		6,358.89	7,518.66
Consultancy Fees		6,465.45	8,755.06
Depreciation		27,571.29	27,637.51
Depreciation - Assets under \$1000.00		4,131.84	3,858.01
Electricity & Utilities		37,211.53	22,985.77
Employment Support & Supervision		190.00	1,379.09
Health & Safety		994.21	1,394.50
Equipment Hire		780.00	650.00
General Expenses		1,937.32	4,071.03
Insurance		19,311.01	24,554.07
Fundraising-Consumables		15,301.37	11,926.69
Investment Fees		3,423.12	3,381.16
Fees - Payroll		-	5,523.90
Fees & Permits		2,002.04	766.00
Meeting Expenses		1,613.29	2,981.43
Motor Vehicle Expenses		11,211.32	8,372.91
Postage		4,124.14	2,458.67
Printing & Stationery		13,323.15	11,828.06
Publications & Information		409.12	702.22
Rates		5,289.29	17,034.08
Rent Bargain Centre		58,349.40	55,279.08
Repairs & Maintenance		20,789.18	24,484.15
Rubbish Removal Costs		3,552.74	2,813.01
Security Costs		4,328.79	5,951.22
Telephone		9,334.55	8,979.42
Travelling Expenses		236.46	-
Volunteer Expenses		3,177.47	3,513.57
Staff Salary & On costs		1,506,073.58	1,436,582.17

The accompanying notes form part of these financial statements.

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report of Accountants.

IPSWICH HOSPICE CARE INC

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 \$	2010 \$
Profit before income tax		1,836,911.49	1,774,818.38
Income tax expense	2	71,926.89	33,992.85
Profit after income tax		36,131.71	(22,708.28)
Retained earnings at the beginning of the financial year		35,795.18	56,701.13
Retained earnings at the end of the financial year		1,205,319.24	1,148,618.11
		1,241,114.42	1,205,319.24

The accompanying notes form part of these financial statements.
 These statements should be read in conjunction with the attached compilation
 report of Accountants.

IPSWICH HOSPICE CARE INC

**BALANCE SHEET
AS AT 30 JUNE 2011**

	Note	2011 \$	2010 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		167,958.29	113,692.31
Trade and other receivables	3	<u>248,193.40</u>	<u>273,091.72</u>
TOTAL CURRENT ASSETS		<u>416,151.69</u>	<u>386,784.03</u>
NON-CURRENT ASSETS			
Property, plant and equipment	4	1,049,550.36	1,049,666.38
Building Improvements - Hospice Centre		30,758.97	19,162.05
Less: Accumulated Depreciation		<u>(5,703.00)</u>	<u>(3,914.00)</u>
TOTAL NON-CURRENT ASSETS		<u>1,074,606.33</u>	<u>1,064,914.43</u>
TOTAL ASSETS		<u>1,490,758.02</u>	<u>1,451,698.46</u>
LIABILITIES			
CURRENT LIABILITIES			
Less Unrealised Gains/Losses		7,769.65	17,888.89
Sundry Creditors		16,947.96	23,810.06
PAYG Payable		11,868.00	12,660.00
Payroll Liabilities		-	21,146.49
GST Payable		-	206.31
Employee benefits	6	172,660.90	167,468.21
Provision for Personal Leave	5	<u>28,777.25</u>	-
TOTAL CURRENT LIABILITIES		<u>238,023.76</u>	<u>243,179.96</u>
NON-CURRENT LIABILITIES			
Income Received in Advance		229.07	1,587.17
Grants Received in Advance		9,317.22	1,619.27
Loan - Heritage Line of Credit		-	(7.18)
Loan - Heritage Visa		<u>2,073.55</u>	-
TOTAL NON-CURRENT LIABILITIES		<u>11,619.84</u>	<u>3,199.26</u>
TOTAL LIABILITIES		<u>249,643.60</u>	<u>246,379.22</u>
NET ASSETS		<u>1,241,114.42</u>	<u>1,205,319.24</u>
MEMBERS' FUNDS			
Retained earnings	7	<u>1,241,114.42</u>	<u>1,205,319.24</u>
TOTAL MEMBERS' FUNDS		<u>1,241,114.42</u>	<u>1,205,319.24</u>

The accompanying notes form part of these financial statements.
These statements should be read in conjunction with the attached compilation
report of Accountants.

IPSWICH HOSPICE CARE INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

1 Statement of Significant Accounting Policies

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act QLD. The committee has determined that the association is not a reporting entity.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax assets and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

IPSWICH HOSPICE CARE INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Property, Plant and Equipment (PPE)

Leasehold improvements and office equipment are carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all PPE is depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use.

Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Provisions

Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

IPSWICH HOSPICE CARE INC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

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 cessation of all involvement in those goods.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

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

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

IPSWICH HOSPICE CARE INC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	2011 \$	2010 \$
2 Income Tax Expense		
The components of tax expense comprise:		
Unrealised Losses on Solar Investment	36,131.71	(22,708.28)
3 Trade and Other Receivables		
Current		
Accounts Receivable	51,247.75	66,207.55
	(7,945.80)	-
Tax Clearing Account	1,965.03	1,997.63
Solar Investment Service - Managed Funds Portfolio	128,211.24	176,852.94
Solar Investment Portfolio - Cash Account	33,595.71	28,024.60
Unsettled Trades	40,979.67	-
GST Payable	121.80	-
ABN Withholding Tax	18.00	9.00
	248,193.40	273,091.72

The association does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.

IPSWICH HOSPICE CARE INC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	2011	2010
	\$	\$
4 Property, Plant and Equipment		
Land and Buildings		
Hospice Buildings	520,812.89	520,812.89
39 Chermside Rd Property	85,577.65	85,577.65
Community Centre Development	296,580.58	296,580.58
	<u>902,971.12</u>	<u>902,971.12</u>
Total Land and Buildings	<u>902,971.12</u>	<u>902,971.12</u>
Motor Vehicles	25,138.18	25,138.18
Less: Accumulated Depreciation	<u>(21,711.00)</u>	<u>(20,716.00)</u>
	3,427.18	4,422.18
Plant, Equipment, Furniture & Fittings	217,433.70	212,639.16
Less: Accumulated Depreciation	<u>(190,051.60)</u>	<u>(183,623.56)</u>
	27,382.10	29,015.60
Plant & Equipment - Friends of Hospice	65,791.98	65,791.98
Less: Accumulated Depreciation	<u>(51,551.93)</u>	<u>(47,985.18)</u>
	14,240.05	17,806.80
Plant & Equipment - Hospice Enterprises	60,723.73	40,859.27
Less: Accumulated Depreciation	<u>(17,446.75)</u>	<u>(11,729.70)</u>
	43,276.98	29,129.57
Motor Vehicles - Hospice Enterprises	2,200.00	2,200.00
Less: Accumulated Depreciation	<u>(2,200.00)</u>	<u>(2,200.00)</u>
	-	-
Plant & Equipment - Fundraising	100,557.14	100,557.14
Less: Accumulated Depreciation	<u>(67,155.90)</u>	<u>(61,197.45)</u>
	33,401.24	39,359.69
Bequests - Jewellery	8,000.00	8,000.00
Plant & Equipment - "Hilda's House"	9,264.55	8,797.28
Less: Accumulated Depreciation	<u>(5,663.14)</u>	<u>(5,116.14)</u>
	3,601.41	3,681.14
Furniture & Fittings - "Hilda's House"	15,927.77	15,927.77
Less: Accumulated Depreciation	<u>(11,111.00)</u>	<u>(10,322.00)</u>
	4,816.77	5,605.77
Plant & Equipment - Bargain Centre	18,271.51	17,731.51
Less Accumulated Depreciation	<u>(9,838.00)</u>	<u>(8,057.00)</u>
	<u>8,433.51</u>	<u>9,674.51</u>

These notes should be read in conjunction with the attached compilation
report of Accountants.

IPSWICH HOSPICE CARE INC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	2011	2010
	\$	\$
Total Plant and Equipment	<u>146,579.24</u>	<u>146,695.26</u>
Total Property, Plant and Equipment	<u>1,049,550.36</u>	<u>1,049,666.38</u>
5 Tax		
Liabilities		
Current		
Provision for Personal Leave	<u>28,777.25</u>	<u>-</u>
6 Employee Benefits		
Current		
Provision for Annual Leave	101,816.33	82,896.62
Provision for Long Service Leave	<u>70,844.57</u>	<u>84,571.59</u>
	<u>172,660.90</u>	<u>167,468.21</u>
7 Retained Earnings		
Retained earnings at the beginning of the financial year	1,205,319.24	1,148,618.11
Net profit attributable to the association	<u>35,795.18</u>	<u>56,701.13</u>
Retained earnings at the end of the financial year	<u>1,241,114.42</u>	<u>1,205,319.24</u>

These notes should be read in conjunction with the attached compilation report of Accountants.