

IPSWICH HOSPICE CARE LTD

Financial Report Year Ended 30 June 2021

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1. **General Purpose Financial Report**
 - Ipswich Hospice Care Ltd

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Ipswich Hospice Care Ltd

ABN 63 563 946 327

Financial Report

For The Year Ended 30 June 2021

Ipswich Hospice Care Ltd

ABN 63 563 946 327

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Ipswich Hospice Care Ltd

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Directors Report

The Responsible Entities of Ipswich Hospice Care Ltd (Ipswich Hospice Care), being the Board of Directors, present their report together with the financial statements of the entity, being Ipswich Hospice Care (the Company) for the year ended 30 June 2021 and the Independent Audit Report thereon.

Directors' details

The following persons were Directors of Ipswich Hospice Care during the financial year.

Mr Raymond Chandler

Director since 2016, Board Deputy Chair since 2018

Has held executive and senior level corporate services and financial management positions in both the public and private health sectors over much of the past 25 years. Ray is born and bred in Ipswich and has strong community links through active and administrative involvement in local musical theatre and sporting organisations.

Ms Patricia Evatt

BAppSc (Psych), Dip Psych MOP, AICD Dip

Director since 2014, Corporate Governance & Risk Management Committee Chair

Worked as a psychologist in the disability sector before moving into the corporate sector where she specialized in organizational psychology. Pat was Director of Livingstones Australia for over 15 years and has held numerous Board positions in a variety of organizations, including the West Moreton Hospital & Health Services Board of which she is a current serving member.

Dr Robert Illingworth

MD, FACRRM, Cert. Musculoskeletal Medicine

Director since March 2021

A General Practitioner and Musculoskeletal Medicine Practitioner in Ipswich as well as a Visiting Medical Officer for Ipswich Hospice. Takes an active role in the medical community.

Mr Gregory Jensen

Director since March 2021

Over 30 years' experience in both the healthcare and not-for-profit sectors. Has significant experience in fundraising in the healthcare, education and social services sectors and a background in clinical sales and marketing in the pharmaceutical and medical device sectors.

Mr Trevor Kucks

Director since 2018 (retired March 2021)

Ms Rosemary Laidlaw

ICU/ECU Cert, Dip Nursing Adv, Grad Dip Hospital Admin, Grad Dip Gerontology, Master of Gerontology

Director since 2017, Safety & Quality Committee Member

Has over 50 years in healthcare from two states in Australia. Rosie came to Queensland in 1995 and worked at Ipswich Hospital for 18 years in Nursing Services. She has a broad and diverse clinical background with specialties in cardiac, intensive care and studies in palliative care. Has travelled widely with health including being part of a World Health team. In the later years of her career, introduced Advance Care Planning into the health arena in Queensland.

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Directors Report

Ms Pamela Lane

Director since 2000, Safety & Quality Committee Chair

Was the District CEO of the Darling Downs West Moreton Health Service District and held senior leadership positions within the public health system for 17 years. Pam has a clinical background in Nursing and Midwifery and a commitment to the continuous improvement of the quality of health services.

Ms Melinda Parcell

AICD, Master of Management (Innovation & Change), Bachelor of Health Management

Director since March 2021, Corporate Governance & Risk Management Committee Member

A Health Care Executive with West Moreton Hospital and Health Service, with 30 years of experience in nursing and midwifery. Is passionate about healthcare and the provision of clinical services that are consumer focused. Has served on several health service and community not-for-profit boards and committees in the local region.

Mr Lance Pearce

Director since 2017 (retired March 2021)

Mr Gerard Pender

Director since 1994, Corporate Governance & Risk Management Committee Member

Is a partner in the region's largest legal firm, Walker Pender Group, and has been actively involved in community affairs for many years, participating in numerous community organisations. He is a former Councillor with the Ipswich City Council and has been the President of the Rotary Club of Ipswich North. He has a passion for and strong interest in community affairs in the Ipswich region.

Mr Paul Saba

BCom CPA (Retired)

Director and Board Treasurer since 2016, Corporate Governance & Risk Management Committee Member

Retired from a career in public accounting that spanned almost 35 years. Commencing as an employee in local and Brisbane based firms before commencing as a sole practitioner in the Ipswich area and then merging his practice with RW Ramsey & Co where he became a practicing partner for approximately 17 years. Paul brings business and accounting knowledge together with an ethic of service to the community.

Dr Mark Waters

MBBS, FRACGP, MHA, FRACMA, FACHSM, Dip RANZCOG, CHIA

Director since 2017, Board Chair since 2018, Medical Council Member

Over thirty years' experience in both public and private health sector management, including various positions at Ipswich General Hospital. Mark and his family lived in Ipswich for eighteen very enjoyable years during which time he was involved with the community through both schools and sporting organisations.

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Directors Report

Principal activities

During the year, the principal activity of the Company was to operate a seven-bed private healthcare facility to aid terminally ill people and their families in the community. This activity included palliative care nursing and bereavement counselling support.

There have been no significant changes in the nature of these activities during the year.

Key objectives

The principal object of the Company is to provide dignified, compassionate end of life care and to support families and bereaved members of the community.

The Company's key objectives are to:

- Deliver excellence in patient and family centred care, encouraging and empowering patients, clients, and families in all aspects of care
- Develop our people and capabilities to meet all challenges of future clinical needs and disease management
- Model best practice and create a learning environment as leaders of end of life palliative care
- Grow sustainably through opportunities to extend our services to meet community demand and need

Strategy for achieving key objectives

To achieve these objectives, the Company has adopted the following strategies:

- Instil a culture of person and family centre care
- Effective engagement with the patient and their family to enhance the patient's experience
- Ensure safe, high quality and culturally sensitive end of life palliative care
- Feature a highly skilled workforce into our palliative care model of service delivery
- Grow our people to create a workforce where staff and volunteers are valued and excel
- Embed the required quality and safety standards into all services for patients, clients, and families
- Maximise information technology to assist service delivery
- Strive to provide a sustainable financial model to enable investment in future business
- Take every opportunity to network and work collaboratively with other healthcare facilities to serve the greater community and provide an arena for new service opportunities and external investment for growth
- Actively manage relationships with organisations representing funding opportunities to ensure maximum access to funding
- Promote Ipswich Hospice Care as the Charity of Choice for Ipswich and surrounding community

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Directors Report

Directors meetings

Attendance of meetings of Directors (including committees of Directors) for the year is as follows:

	Meetings eligible to attend	Meetings attended
Raymond Chandler	10	7
Patricia Evatt	14	12
Robert Illingworth	3	3
Gregory Jensen	3	3
Trevor Kucks	7	7
Rosemary Laidlaw	22	21
Pamela Lane	22	21
Melinda Parcell	4	4
Lance Pearce	9	1
Gerard Pender	14	11
Paul Saba	14	10
Mark Waters	13	9


Contribution in winding up


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 \$10 each towards meeting any outstanding obligations of the entity. As of 30 June 2021, the total amount that members of the Company are liable to contribute if the Company wound up is \$580 (58 x \$10). (2020: \$570)

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under Section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 is set out on page 6.

Signed in accordance with a resolution of the Board of Directors:


.....
Gregory Jensen
Chairperson


.....
Paul Saba
Treasurer

Dated: 6 October 2021

Auditor's Independence Declaration

Under Section 60-40 of the Australian Charity and Not-for-profits Commission Act 2012 to the Directors of Ipswich Hospice Care Ltd

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021, there have been:

- (i) No contraventions of the auditor's independence requirements of any applicable code of professional conduct in respect of the review.

HARDING MARTIN
Chartered Accountants



NS HARDING
IPSWICH QLD

Dated: 6 October 2021

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Statement of Profit or Loss and Other Comprehensive IncomeFor the year ended 30 June 2021

	Note	2021 \$	2020 \$
INCOME			
Fundraising income		129,114	182,050
Gifts and donations		272,631	342,869
Grant income	3	1,929,491	1,726,676
Interest received		12,494	12,844
Other income		9,624	15,404
Service income		403,356	329,270
Government subsidies		50,000	50,000
TOTAL INCOME		2,806,710	2,659,113
EXPENSES			
Advertising		8,175	4,973
Assets purchased < \$1,000		17,470	12,883
Audit fees		7,137	6,637
Bank charges		1,775	440
Client support expense		62,232	51,151
Computer expense		40,073	34,233
Consultancy expense		15,701	17,709
Credit card/merchant fees		2,650	1,701
Depreciation		111,431	35,085
Direct entry fees		104	94
Equipment hire		1,040	264
Fees and permits		3,046	1,604
Fundraising expense		43,459	45,650
General expenses		9,571	7,390
Health and safety		9,103	7,349
Interest paid		1	79
Loss on assets disposal		6,593	2,422
Meeting expense		1,536	2,780
Membership fees		8,580	8,996
Motor vehicle expense		1,385	972
Payroll and oncost		2,212,927	2,002,221
Payroll processing fees		11,664	10,926
Postage		5,445	4,633
Printing and stationery		14,024	12,069
Publication and info resources		518	240
Service expense		147,490	111,624
Telephone		6,454	5,717
TOTAL EXPENSES		2,749,584	2,389,842
NET SURPLUS/(DEFICIT)		57,126	269,271
Income tax expense		-	-
NET SURPLUS/(DEFICIT) AFTER INCOME TAX		57,126	269,271
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Changes in asset revaluation reserve		245,000	1,738,435
TOTAL COMPREHENSIVE INCOME		302,126	2,007,706

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Statement of Financial PositionAs at 30 June 2021

	Note	2021 \$	2020 \$
CURRENT ASSETS			
Cash and cash equivalents	4	1,146,504	1,161,575
Trade and other receivables	5	112,416	39,663
Other current assets	6	17,657	15,219
TOTAL CURRENT ASSETS		<u>1,276,577</u>	<u>1,216,457</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	<u>3,183,207</u>	<u>2,966,592</u>
TOTAL NON-CURRENT ASSETS		<u>3,183,207</u>	<u>2,966,592</u>
TOTAL ASSETS		<u>4,459,784</u>	<u>4,183,049</u>
CURRENT LIABILITIES			
Trade and other payables	8	119,940	109,577
Provisions	9	230,365	261,647
Other current liabilities	10	92,638	124,070
TOTAL CURRENT LIABILITIES		<u>442,943</u>	<u>495,294</u>
NON-CURRENT LIABILITIES			
Provisions	9	<u>26,960</u>	<u>-</u>
TOTAL NON-CURRENT LIABILITIES		<u>26,960</u>	<u>-</u>
TOTAL LIABILITIES		<u>469,903</u>	<u>495,294</u>
NET ASSETS		<u>3,989,881</u>	<u>3,687,755</u>
EQUITY			
Retained earnings		2,006,446	1,949,320
Reserve		1,983,435	1,738,435
TOTAL EQUITY		<u>3,989,881</u>	<u>3,687,755</u>

The accompanying notes form part of these financial statements.

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Statement of Changes in EquityFor the year ended 30 June 2021

	<u>Retained Earnings</u>	<u>Assets Revaluation Reserve</u>	<u>Total</u>
Balance at 1 July 2019	1,680,049	-	1,680,049
Surplus/(deficit) from operating activities	269,271	-	269,271
Other comprehensive income	-	1,738,435	1,738,435
Balance at 30 June 2020	<u>1,949,320</u>	<u>1,738,435</u>	<u>3,687,755</u>
Balance at 1 July 2020	1,949,320	1,738,435	3,687,755
Surplus/(deficit) from operating activities	57,126	-	57,126
Other comprehensive income	-	245,000	245,000
Balance at 30 June 2021	<u><u>2,006,446</u></u>	<u><u>1,983,435</u></u>	<u><u>3,989,881</u></u>

The accompanying notes form part of these financial statements.

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Statement of Cash FlowsFor the year ended 30 June 2021

	Note	2021 \$	2020 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from operations		2,882,550	2,980,263
Payments to suppliers and employees		(2,820,475)	(2,513,186)
Interest received		12,494	12,844
interest paid		(1)	(79)
Net cash generated from / (used in) operating activities	12(b)	<u>74,568</u>	<u>479,842</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	180
Payment for property, plant and equipment		<u>(89,639)</u>	<u>(38,516)</u>
Net cash generated from / (used in) investing activities		<u>(89,639)</u>	<u>(38,336)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings		-	-
Repayments of borrowings		<u>-</u>	<u>-</u>
Net cash generated from / (used in) investing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash held		(15,071)	441,506
Cash at the beginning of the financial year		<u>1,161,575</u>	<u>720,069</u>
Cash at the end of the financial year	12(a)	<u>1,146,504</u>	<u>1,161,575</u>

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements

For the year ended 30 June 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report covers Ipswich Hospice Care Ltd as an individual entity. Ipswich Hospice Care Ltd is a company limited by guarantee, incorporated and domiciled in Australia and is a registered charity with the Australia Charities and Not-for-profits Commission.

The financial statements were authorised for issue on 6 October 2021 by the Directors of the Company.

Basis of preparation

Adoption of Australian Accounting Standards – Reduced Disclosure Requirements

Ipswich Hospice Care Ltd applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements and other applicable Australian Accounting Standards – Reduced Disclosure Requirements.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the Australian Charities and Not-for-profits Commission Act 2012. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting policies

a) Income tax

Ipswich Hospice Care Ltd is a not-for-profit organisation as defined under the Commonwealth's Income Tax Assessment Act 1997 and accordingly they are income tax exempt.

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 and impairment losses.

Property

Freehold land and buildings are presented at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic valuations by external independent valuers or directors' assessments.

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Notes to the Financial Statements

For the year ended 30 June 2021

Plant and equipment

Plant and equipment including computer programs are measured on the cost basis less depreciation and impairment losses.

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

The cost of fixed assets constructed within the company includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on the basis presented below and over their useful lives to the company 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 assets are:

<u>Class of Fixed Asset</u>	<u>Depreciation Rate</u>	<u>Depreciation Method</u>
Buildings	2.5%	Straight line
Plant and equipment	10-25%	Diminishing value
Motor vehicle	20%	Diminishing value

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Notes to the Financial StatementsFor the year ended 30 June 2021

c) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (ie trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- i. the amount at which the financial asset or financial liability is measured at initial recognition;
- ii. less principal repayments;
- iii. plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- iv. less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking, or where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are

Notes to the Financial StatementsFor the year ended 30 June 2021

expected to mature within 12 months after the end of the reporting period.

If during the period the company sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investment would be tainted and reclassified as available-for-sale.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after the end of the reporting period.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At the end of each reporting period, the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability, which is extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Notes to the Financial StatementsFor the year ended 30 June 2021

d) Impairment of assets

At the end of each reporting period, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

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

Where it is not possible to estimate the recoverable amount of an assets class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong. Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

e) Employee benefits

Short-term employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and annual leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables and provisions in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements of obligations for other long-term employee benefits for changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the reporting date, in which case the obligations are presented as current provisions.

Notes to the Financial StatementsFor the year ended 30 June 2021

f) Provisions

Provisions are recognised when the company 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.

g) 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 short-term borrowings in current liabilities on the balance sheet.

h) Revenue

Grant revenue is recognised in the statement of comprehensive income when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

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

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

Donations and bequests are recognised as revenue when received.

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

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

i) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use of sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

j) Concessionary lease

The Company does not recognise, as a lessee, a concessionary lease (also known as peppercorn lease), being a lease that has significantly below-market terms and conditions principally to enable the lessee to further its objective, in the financial statements on the basis that the value of the concessionary lease, measured at cost as allowed under AASB 2018-8 Amendments to Australian Accounting Standards, would be immaterial and therefore, would not be able to provide financial information that is relevant and useful to the users of the financial statements. Instead, additional information in relation to the concessionary lease is disclosed as notes to the financial statements in accordance with the disclosure requirements of AASB 2018-8.

Notes to the Financial StatementsFor the year ended 30 June 2021

k) 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 Taxation 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.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

l) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

When an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

m) Critical accounting estimates and judgements

The company evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

n) Economic dependence

Ipswich Hospice Care Ltd is dependent Qld Health for the majority of its funding used to operate the business. At the date of this report the Board has no reason to believe Qld Health will not continue to support Ipswich Hospice Care Ltd.

o) Fair value of assets and liabilities

The company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

“Fair value” is the price the company would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

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Notes to the Financial StatementsFor the year ended 30 June 2021

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (if any) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and where significant, are detailed in the respective note to the financial statements.

	2021	2020
	\$	\$
NOTE 2: AUDITOR REMUNERATION		
Remuneration paid to the auditor for providing the following services:		
> auditing or reviewing the financial report	7,137	6,637
> other advisory service	-	-
	<u>7,137</u>	<u>6,637</u>
NOTE 3: GRANT INCOME		
Grants (Cwlt) Oper. Non-Recur	76,404	5,000
Grants (Cwlt) Operating Recur	272,295	269,740
Grants (Local) Oper. Non-Recur	52,295	50,000
Grants (Other) Capital	-	22,500
Grants (Other) Operating	-	19,664
Grants (State) Capital	24,845	-
Grants (State) Oper. Non-Recur	125,214	59,814
Grants (State) Operating Recur	1,378,438	1,299,958
	<u>1,929,491</u>	<u>1,726,676</u>
NOTE 4: CASH AND CASH EQUIVALENTS		
Cash on hand	1,230	3,143
Cash at bank	217,053	439,790
Term deposits	928,221	718,642
	<u>1,146,504</u>	<u>1,161,575</u>
NOTE 5: TRADE AND OTHER RECEIVABLES		
Current		
Accounts receivables	71,939	11,238
GST refund	4,330	-
Accrued income	36,147	28,425
	<u>112,416</u>	<u>39,663</u>
NOTE 6: OTHER CURRENT ASSETS		
Prepayments to suppliers	17,657	15,219
	<u>17,657</u>	<u>15,219</u>

Ipswich Hospice Care Ltd

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Notes to the Financial Statements

For the year ended 30 June 2021

	2021	2020
	\$	\$
NOTE 7: PROPERTY, PLANT & EQUIPMENT		
<u>Land and buildings</u>		
Freehold land at valuation*	245,000	-
Buildings at valuation	2,756,000	2,756,000
Accumulated depreciation	(68,900)	-
	<u>2,687,100</u>	<u>2,756,000</u>
Total land and buildings	<u>2,932,100</u>	<u>2,756,000</u>
<u>Plant and equipment</u>		
Plant and equipment at cost	822,692	796,372
Accumulated depreciation	(591,581)	(585,780)
	<u>231,111</u>	<u>210,592</u>
Motor vehicles at cost	24,216	-
Accumulated depreciation	(4,220)	-
	<u>19,996</u>	<u>-</u>
Total plant and equipment	<u>251,107</u>	<u>210,592</u>
Total property, plant and equipment	<u>3,183,207</u>	<u>2,966,592</u>

*A mortgage is registered on the freehold land interest to Heritage Bank. For further details refer to Note 11.

Movements in carrying values

	Balance at beginning of the year	Additions/Revaluation	Disposal/Reclassification	Depreciation Expense	Carrying amount at year end
2020					
Land and buildings	1,102,912	1,738,435	(85,347)	-	2,756,000
Plant and equipment	123,970	38,516	83,134	(35,028)	210,592
Motor vehicle	445	-	(388)	(57)	-
Total	<u>1,227,327</u>	<u>1,776,951</u>	<u>(2,601)</u>	<u>(35,085)</u>	<u>2,966,592</u>
2021					
Land and buildings	2,756,000	245,000	-	(68,900)	2,932,100
Plant and equipment	210,592	65,423	(6,593)	(38,311)	231,111
Motor vehicle	-	24,216	-	(4,220)	19,996
Total	<u>2,966,592</u>	<u>334,639</u>	<u>(6,593)</u>	<u>(111,431)</u>	<u>3,183,207</u>

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Notes to the Financial StatementsFor the year ended 30 June 2021

	2021	2020
	\$	\$
NOTE 8: TRADE AND OTHER PAYABLES		
Accounts payable	29,232	11,340
Accrued expenses	52,727	51,135
Visa card	8	732
GST liability	-	13,258
PAYG withholding liability	22,246	20,512
Superannuation liability	15,727	12,600
	<u>119,940</u>	<u>109,577</u>
 NOTE 9: PROVISIONS		
Employee benefits		
Balance at 1 July	261,647	251,979
Additional provisions raised during the year	-	9,668
Amounts used	<u>(4,322)</u>	<u>-</u>
Balance at 30 June	<u>257,325</u>	<u>261,647</u>
 <u>Analysis of provisions</u>		
Current	230,365	261,647
Non-current	<u>26,960</u>	<u>-</u>
	<u>257,325</u>	<u>261,647</u>
 NOTE 10: OTHER CURRENT LIABILITIES		
Income in advance	92,638	124,070
	<u>92,638</u>	<u>124,070</u>

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Notes to the Financial StatementsFor the year ended 30 June 2021

NOTE 11: FINANCE ARRANGEMENT

	2021	2020
	\$	\$
(i) Line of credit with bank		
Credit limit	200,000	-
Amount utilised	-	-
Unused credit	<u>200,000</u>	<u>-</u>

The line of credit facility with Heritage Bank is secured by a mortgage registered on the freehold land interest (Note 7).

	2021	2020
	\$	\$
NOTE 12: CASH FLOW INFORMATION		
(a) Reconciliation of cash		
Cash on hand	1,230	3,143
Cash at bank	217,053	439,790
Term deposits	928,221	718,642
	<u>1,146,504</u>	<u>1,161,575</u>
 (b) Reconciliation of cash flow operations with surpluses after income tax		
Surplus after income tax	57,126	269,271
Non cash flows in profit from ordinary activities		
Depreciation	111,431	35,085
Movements in provisions	(4,322)	9,668
Loss on assets disposal	6,593	2,422
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	(75,191)	94,520
Increase/(decrease) in trade and other payables	<u>(21,069)</u>	<u>68,876</u>
	<u>74,568</u>	<u>479,842</u>

Ipswich Hospice Care Ltd

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Notes to the Financial Statements

For the year ended 30 June 2021

NOTE 13: FINANCIAL INSTRUMENTS

(a) Financial Instrument Composition

	Weighted Average Effective Interest Rate		Variable Interest Rate		Non Interest Bearing		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	%	%	\$	\$	\$	\$	\$	\$
Financial Assets								
Cash on hand	0.00%	0.00%	-	-	1,230	3,143	1,230	3,143
Cash at bank	0.10%	0.10%	217,053	439,790	-	-	217,053	439,790
Cash at bank	0.60%	0.60%	928,221	718,642	-	-	928,221	718,642
Trade and other receivable	0.00%	0.00%	-	-	71,939	11,238	71,939	11,238
Total financial assets			1,145,274	1,158,432	73,169	14,381	1,218,443	1,172,813
Financial Liabilities								
Trade and other payables	0.00%	0.00%	-	-	29,232	11,340	29,232	11,340
Total financial liabilities			-	-	29,232	116,804	29,232	11,340

(b) Financial Risk Management

Financial instruments consist largely of deposits with financial institutions. The risk in these investments is considered very low.

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 balance sheet 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

The net fair values for financial assets and liabilities approximate their carrying value. No financial assets and financial liabilities are readily traded on organised markets in a standardised form other than listed investments.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and the notes to and forming part of the accounts.

Ipswich Hospice Care Ltd

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Notes to the Financial StatementsFor the year ended 30 June 2021

(d) Sensitivity Analysis

A sensitivity analysis has been prepared in relation to the company's exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on current year results and equity which could change in this risk.

At 30 June 2021, 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:

	2021	2020
	\$	\$
Change in profit		
• increase in interest rate by 2%	22,905	23,169
• decrease in interest rate by 2%	(22,905)	(23,169)
Change in equity		
• increase in interest rate by 2%	22,905	23,169
• decrease in interest rate by 2%	(22,905)	23,169

NOTE 14: FAIR VALUE MEASUREMENT

The Board has the following assets, as set out in the table below, that are measured at fair value on a non-recurring basis after initial recognition.

		2021	2020
Non - recurring fair value measurements	Note	\$	\$
Non-financial assets			
Property – land and buildings	7	2,932,100	2,756,000
Total non- financial assets recognised at fair value		<u>2,932,100</u>	<u>2,756,000</u>

The Board, on reviewing the fair value of the land and buildings, determined that an incremental adjustment of \$245,000, in relation to the fair value of the freehold land at 39 Chermside Rd Eastern Heights, be made to the carrying amount of the land/building assets as at 30 June 2021. The \$245,000(2019: \$1,738,435) valuation increase was recognised via other comprehensive income in the assets revaluation reserve for the reporting period.

The Board does not measure any liability at fair value either on a recurring or non-recurring basis after initial recognition.

Ipswich Hospice Care Ltd

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Notes to the Financial StatementsFor the year ended 30 June 2021

NOTE 15: CONCESSIONARY LEASE

The company's registered office and operational facility are constructed on land owned by the local health authority, with right of use granted to the company under a concessionary lease. The company is dependent on the lease to further its charitable objectives and continue the provision of hospice service.

The lease agreement was granted for 50 years commencing 11 March 1994 at a nominal annual rent of \$10 if demanded by the lessor. Included in the key requirements of the lease are that the land should be used for the purposes of the accommodation and care of the sick and the related administration as well as that the hospice is operating as a not-for-profit organisation.

The lease of reserve of 37 Chermside Rd Eastern Heights, was granted under the Land Act between the hospice and West Moreton Health.

NOTE 16: CONTINGENT LIABILITIES AND ASSETS

There have been no contingent liabilities and/or assets against the company that have not been disclosed elsewhere throughout this report. The company is not currently being sued or suing in its own right nor is it aware of any intentions to do so.

NOTE 17: EVENTS AFTER THE REPORTING PERIOD

There have been no events subsequent to balance date that would materially influence the financial position, performance or stability of the company.

NOTE 18: COMPANY DETAILS

The registered office and the principal place of business of the company is at 37 Chermside Rd, Eastern Heights, Qld 4305.

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Directors' Declaration

For the year ended 30 June 2021

The directors of Ipswich Hospice Care Ltd declare that:

1. the financial statements including the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and the Notes to the Financial Statements, are in accordance with the ACNC Act 2012 and:
 - a. comply with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Regulation 2013; and
 - b. give a true and fair view of the financial position as at 30 June 2021 and performance for the year ended on that date of the company;
2. in the Directors' opinion there are reasonable grounds to believe that the Ipswich Hospice Care Ltd will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Gregory Jensen
Chairperson



Paul Saba
Treasurer

Dated: 6 October 2021

**Independent Audit Report
To the Members of Ipswich Hospice Care Ltd**

Opinion

We have audited the financial report of Ipswich Hospice Care Ltd, which comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by those charged with governance.

In our opinion the accompanying financial report of Ipswich Hospice Care Ltd is in accordance with the ACNC Act 2012, including:

- i. giving a true and fair view of the company's financial position as at 30 June 2021 and of their performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

HARDING MARTIN
Chartered Accountants

Dated: 6 October 2021
IPSWICH QLD



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NEIL S HARDING
Partner