

PRIMARY CARE GOLD COAST LIMITED
ABN 47 152 953 092

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 JUNE 2016

**INDEX TO
FINANCIAL REPORT**

30 JUNE 2016

**PRIMARY CARE GOLD COAST LIMITED
ABN 47 152 953 092**

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PRIMARY CARE GOLD COAST LIMITED
ABN 47 152 953 092

DIRECTORS' REPORT

Your directors present this report on the company for the financial year ended 30 June 2016.

1. General information

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

David Rowlands

Experience General Practitioner

Special responsibilities Chairman

Stephen Barry

Experience General Practitioner

Special responsibilities Director

Sue Gardiner

Experience General Practitioner

Special responsibilities Director

Christine Trueman (*resigned 26 November 2015*)

Experience Magistrate

Special responsibilities Director

Debbie Blow

Experience Director of Faculty and Executive Leader Health and Nursing
TAFE Queensland Gold Coast

Special responsibilities Director

Alyson Ross

Experience Executive Manager Safety, Education and Promotion, Civil Aviation
Safety Authority

Special responsibilities Director

Rick Dennis

Experience Chartered Accountant and corporate advisor

Special responsibilities Director

Kieran Chilcott (*appointed 1 December 2015*)

Experience CEO – Kalwun Development Corporation Ltd

Special responsibilities Director

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

The accompanying notes form part of these financial statements and should be read in conjunction with the attached independent Auditor's Report

PRIMARY CARE GOLD COAST LIMITED
ABN 47 152 953 092

DIRECTORS' REPORT

Principal Activities

Following the successful tender by Primary Care Gold Coast Ltd, Gold Coast Primary Health Network commenced operations on 1 July 2016 as one of 31 new Primary Health Networks in Australia. The establishment of primary health networks by the Commonwealth Government is intended to improve the coordination of care to patients, increase the efficiency and effectiveness of health services, particularly for patients at risk of poor outcomes, and engage and support general practice to facilitate improvements in primary care.

The Primary Health Networks are Commissioning organisations, developing a deep understanding of the health needs of their communities, working with service users and the health and community sector to collectively develop local solutions to local needs and then directing resources to meet these needs.

The Board has developed a vision of "one World Class Health System for the Gold Coast" and developed a five years strategic plan to achieve this. In its first year of operations it concurrently delivered a broad range of health programs, and worked intensively with general practices and other health services and stakeholders to achieve this vision, and build capacity as a world class commissioning organisation.

Highlights of the year include:

- Development of governance structures including a Clinical Council and Community Advisory Council as advisory groups to the Board
- Building strong strategic relationships with key partners such as the Gold Coast Health and Hospital sector
- Commissioning a broad range of services that improved the coordination of care on the Gold Coast, and provided services to those people most at risk, including homeless people, Indigenous Australians, people experiencing mental illness, and those living with persistent pain.

The Board continues to provide high quality governance to the organisation, and holds itself accountable to its Members.

Members guarantee

Primary Care Gold Coast Ltd is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$20 for members that are corporations and \$20 for all other members, subject to the provisions of the company's constitution.

At 30 June 2016 the collective liability of members was \$60 (2015: \$60).

Meetings of directors

During the financial year, 11 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
David Rowlands	11	11
Stephen Barry	11	9
Sue Gardiner	11	9
Christine Trueman	4	4
Debbie Blow	11	10
Alyson Ross	11	10
Rick Dennis	11	10
Kieran Chilcott	7	6

The accompanying notes form part of these financial statements and should be read in conjunction with the attached independent Auditor's Report

PRIMARY CARE GOLD COAST LIMITED
ABN 47 152 953 092

DIRECTORS' REPORT

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2016 has been received and can be found on page 4 of the financial report.

This directors' report is signed in accordance with a resolution of the Board of Directors.



..... Director

Dr David Rowlands



.....Director

Dr Stephen Barry

Dated 6th day of September 2016



DICKFOS DUNN ADAM
AUDIT AND ASSURANCE

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PRIMARY CARE GOLD COAST LIMITED
ABN 47 152 953 092

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 60-40 OF THE AUSTRALIAN
CHARITIES AND NOT FOR PROFITS COMMISSION ACT 2012
TO THE DIRECTORS OF PRIMARY CARE GOLD COAST LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2016 there have been:

- i. no contraventions of the auditor independence requirements as set out in 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.

DICKFOS DUNN ADAM
Audit & Assurance

4-9-2016
Dated
SOUTHPORT


T L Adam



*The accompanying notes form part of these financial statements and should be read in conjunction
with the attached independent Auditor's Report*

Registered Company Auditors - Tracey Adam, Gavin Dunn
Liability limited under a scheme approved under Professional Standards Legislation

PRIMARY CARE GOLD COAST LIMITED
ABN 47 152 953 092

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

		2016 \$	2015 \$
	NOTE		
Revenue	2	14,359,711	12,153,215
Employee Expenses		(4,435,456)	(5,001,712)
Meeting Costs		(313,986)	(389,703)
Administration Programs		(945,309)	(1,029,513)
Contractors Expense		(6,474,830)	(4,632,348)
Refunds/Reimbursements		-	32,571
Depreciation and amortisation expenses	3	(61,214)	(22,347)
Other expenses		(171,689)	(316,206)
Current year surplus/ (deficit) before income tax		1,957,227	793,957
Income tax expense	1(j)	-	-
Total comprehensive income/(deficit) for the year		1,957,227	793,957
Net current year surplus/(deficit) attributable to members of the entity		1,957,227	793,957

The accompanying notes form part of these financial statements and should be read in conjunction with the attached independent Auditor's Report

PRIMARY CARE GOLD COAST LIMITED
ABN 47 152 953 092

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

		2016 \$	2015 \$
	NOTE		
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	5,000,921	4,255,943
Trade and other receivables	6	275,117	292,703
Prepayments		34,167	12,172
TOTAL CURRENT ASSETS		5,310,205	4,560,818
NON-CURRENT ASSETS			
Property, plant and equipment	7	175,138	78,214
TOTAL NON-CURRENT ASSETS		175,138	78,214
TOTAL ASSETS		5,485,343	4,639,032
CURRENT LIABILITIES			
Trade and other payables	8	717,834	1,331,371
Unspent grant liabilities	9	1,568,066	1,663,071
Provisions	10	787,257	540,295
TOTAL CURRENT LIABILITIES		3,073,157	3,534,737
NON-CURRENT LIABILITIES			
Provisions	10	25,584	-
TOTAL NON-CURRENT LIABILITIES		25,584	
TOTAL LIABILITIES		3,098,741	3,534,737
NET ASSETS		2,386,602	1,104,295
EQUITY			
Retained Earnings		626,522	429,375
Reserves	11	1,760,080	674,920
TOTAL ACCUMULATED FUNDS		2,386,602	1,104,295

The accompanying notes form part of these financial statements and should be read in conjunction with the attached independent Auditor's Report

PRIMARY CARE GOLD COAST LIMITED
ABN 47 152 953 092

STATEMENT OF CHANGES IN EQUITY
FOR YEAR ENDED 30 JUNE 2016

	Note	Retained Surplus \$	Reserves \$	Total \$
Balance at 1 July 2014		310,338	375,596	685,934
Surplus/(Deficit) for the year		793,957	-	793,957
Transfer of grant funds allocated for 2014/15 to retained surpluses		-	(375,596)	(375,596)
Transfer of grant funds allocated for 2015/16 from retained surpluses		(674,920)	674,920	-
Other comprehensive income for the year		-	-	-
Balance at 30 June 2015		429,375	674,920	1,104,295
Balance at 1 July 2015		429,375	674,920	1,104,295
Surplus/(Deficit) for the year		1,957,227	-	1,957,227
Transfer of grant funds allocated for 2015/16 to retained surpluses		-	(674,920)	(674,920)
Transfer of grant funds allocated for 2016/17 from retained surpluses		(1,760,080)	1,760,080	-
Other comprehensive income for the year		-	-	-
Balance at 30 June 2016		626,522	1,760,080	2,386,602

The accompanying notes form part of these financial statements and should be read in conjunction with the attached independent Auditor's Report

PRIMARY CARE GOLD COAST LIMITED
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STATEMENT OF CASH FLOWS
FOR YEAR ENDED 30 JUNE 2016

	NOTE	2016 \$	2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers and grants		13,513,995	12,213,913
Cash payments to suppliers and employees		(12,751,391)	(12,358,070)
Interest received		140,512	166,123
Net cash (used in)/generated from operating activities		903,116	21,966
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(158,138)	(54,863)
Net cash used in investing activities		(158,138)	(54,863)
Net increase/(decrease) in cash held		744,978	(32,897)
Cash on hand at beginning of the financial year		4,255,943	4,288,840
Cash on hand at the end of the financial year	5	5,000,921	4,255,943

The accompanying notes form part of these financial statements and should be read in conjunction with the attached independent Auditor's Report

PRIMARY CARE GOLD COAST LIMITED
ABN 47 152 953 092

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2016

Note 1: Summary of Significant Accounting Policies

Basis of Preparation

Primary Care Gold Coast Limited ("the Company") 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*.

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-Profit 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 these 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 basis² 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.

The financial statements were authorised for issue on 30 August 2016 by the directors of the company.

Accounting Policies

a. Revenue

Revenues from services provided in the course of ordinary activities are recognised at fair value of the consideration received or receivable, net of the amount of goods and services tax (GST) payable to the Australian Taxation Office. Exchanges of goods or services of the same nature and value without any cash consideration are not recognised as revenue.

A grant is recognised as revenue when -

- the company obtains control of the grant
- it is probable that the economic benefits gained from the grant will flow to the company
- the amount of the grant can be measure reliably

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

The company reports the following grant income as deferred income/unspent grant monies:

- (i) when grant revenue is received whereby the company incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction. The grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor,
- (ii) The grant funding agreement provides clarity regarding the refund by the company of any unspent grants at reporting date.

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues, using the effective interest method.

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

The accompanying notes form part of these financial statements and should be read in conjunction with the attached independent Auditor's Report

PRIMARY CARE GOLD COAST LIMITED
ABN 47 152 953 092

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2016

Note 1: Summary of Significant Accounting Policies *continued*

b. Property, Plant and Equipment

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and any 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.

In the event the carrying amount of plant and equipment is greater than the recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

Plant and equipment that have been contributed at no cost, or for nominal cost, are recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the entity 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:

Class of Fixed Asset	2016	2015
Office equipment	33.3%	33.3%
Computer software	40.0%	40.0%
Computer hardware	33.3%	33.3%
Motor Vehicle	33.3%	33.3%
Leasehold Improvements	16.7%	-

c. Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to entities in the economic entity, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

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PRIMARY CARE GOLD COAST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2016

Note 1: Summary of Significant Accounting Policies *continued*

d. 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 (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction 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 fair value, amortised cost using the effective interest method, or cost. 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 the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

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 amount with a consequential recognition of an income or expense item in profit or loss.

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. 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 company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if the management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts.

The accompanying notes form part of these financial statements and should be read in conjunction with the attached independent Auditor's Report

PRIMARY CARE GOLD COAST LIMITED
ABN 47 152 953 092

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2016

Note 1: Summary of Significant Accounting Policies *continued*

d. Financial Instruments *continued*

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire 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 discharged, cancelled or have expired. The difference between the carrying amount 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.

e. Impairment of Assets

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

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

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

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

f. Employee Provisions

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. 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 are recognised as a part of accounts payable and other payables in the statement of financial position.

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

g. Cash on Hand

Cash on hand includes 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.

PRIMARY CARE GOLD COAST LIMITED
ABN 47 152 953 092

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2016

Note 1: Summary of Significant Accounting Policies *continued*

h. Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from any outstanding grant receipts. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

i. 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 (ATO).

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

j. Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

k. Provisions

Provisions are recognised when the entity 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.

l. Comparative Figures

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

Where the company retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements must be presented.

m. Accounts Payable and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

n. Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements 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.

The accompanying notes form part of these financial statements and should be read in conjunction with the attached independent Auditor's Report

PRIMARY CARE GOLD COAST LIMITED
ABN 47 152 953 092

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2016

Note 1: Summary of Significant Accounting Policies *continued*

n. Critical Accounting Estimates and Judgements *continued*

Key estimates

(i) Impairment

The company assesses impairment at the end of each reporting period by evaluating conditions and events specific to the company that may be indicative of impairment triggers.

(ii) Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

(iii) Long service leave

The liability for long service leave is recognised and measured at the present value of the estimated cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Key judgements

(i) Employee benefits

For the purpose of measurement, AASB 119: Employee Benefits (September 2011) defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. As the company expects that most employees will use all of their annual leave entitlements in the same year in which they are earned or during the 12-month period that follows the directors believe that obligations for annual leave entitlements satisfy the definition of other short-term employee benefits and, therefore, are not required to be measured at the present value of the expected future payments to be made to employees.

(ii) ATAPS Provision

The company reports within the current provision estimated commitments for ATAPS services. This provision is based on the application of the assumption that of the twelve sessions that each patient is entitled to, the average sessions used will be six. For example, if a patient has used two sessions at the end of the reporting period, a provision is made for an additional four.

In the prior reporting period the ATAPS commitments outstanding were reported within accrued expenses (2015: \$335,540) however due to the level of estimation of the liability and uncertainty regarding the specific amounts and timing of the future obligations directors have assessed these commitments as provisions.

o. Economic Dependence

Primary Care Gold Coast Limited is dependent on Federal grants. At the date of this report, the Board of Directors has no reason to believe government funding will not continue to support Primary Care Gold Coast Limited. A three year funding agreement with the Department of Health commenced on 1 July 2015.

PRIMARY CARE GOLD COAST LIMITED
ABN 47 152 953 092

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2016

Note 1: Summary of Significant Accounting Policies *continued*

p. 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. AASB 13.9–15 "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).

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.

PRIMARY CARE GOLD COAST LIMITED
ABN 47 152 953 092

DIRECTORS' REPORT

		2016	2015
Note 2:	Revenue	\$	\$
	Grants		
	- Commonwealth	13,492,837	11,203,263
	- State	499,795	546,191
	- Other	198,447	193,894
		14,191,079	11,943,348
	Interest Income	140,512	166,123
	Other income	28,120	43,744
	Total revenue	14,359,711	12,153,215
Note 3:	Expenses		
	Depreciation of:		
	- Office Equipment;	630	5,420
	- Motor Vehicles	8,197	7,542
	- Computer Software	28,425	9,385
	- Computer Hardware	6,726	-
	- Leasehold Improvements	17,236	-
	Total depreciation	61,214	22,347
	Superannuation	364,246	417,710
Note 4:	Auditors' Remuneration		
	Audit Services – Dickfos Dunn Adam	10,900	7,300
Note 5:	Cash and cash equivalents		
	Cash at bank and in hand	2,877,411	2,240,902
	Term deposits	2,123,510	2,015,041
		5,000,921	4,255,943

The accompanying notes form part of these financial statements and should be read in conjunction with the attached independent Auditor's Report

PRIMARY CARE GOLD COAST LIMITED
ABN 47 152 953 092

DIRECTORS' REPORT

Note 6: Trade and Other Receivables

	Note	2016 \$	2015 \$
<u>Current</u>			
Trade Debtors		140,907	133,179
		<u>140,907</u>	<u>133,179</u>
Deposits Paid		384	44,657
Other Receivables		133,826	114,867
		<u>134,210</u>	<u>159,524</u>
Total Current Trade and Other Receivables		<u>275,117</u>	<u>292,703</u>

Note 7: Property, Plant & Equipment

Office Equipment

Office Equipment at cost	2,150	14,888
Less accumulated depreciation	(630)	(121)
Total Office Equipment	<u>1,520</u>	<u>14,767</u>

Motor Vehicles

Motor Vehicles at cost	45,581	45,581
Accumulated depreciation	(38,465)	(30,269)
Total motor vehicles	<u>7,116</u>	<u>15,312</u>

Software

Software at cost	104,528	63,438
Less accumulated depreciation	(43,729)	(15,303)
Total software	<u>60,799</u>	<u>48,135</u>

Computer Hardware

Computer Hardware at cost	26,145	-
Accumulated depreciation	(6,726)	-
Total Computer Hardware	<u>19,419</u>	<u>-</u>

Leasehold Improvements

Leasehold Improvements at cost	103,520	-
Less accumulated depreciation	(17,236)	-
Total Leasehold Improvements	<u>86,284</u>	<u>-</u>

Total Property, Plant & Equipment

<u>175,138</u>	<u>78,214</u>
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The accompanying notes form part of these financial statements and should be read in conjunction with the attached independent Auditor's Report

PRIMARY CARE GOLD COAST LIMITED
ABN 47 152 953 092

DIRECTORS' REPORT

Note 7: Property, Plant & Equipment *continued*

a) Reconciliations in Carrying Amounts

Reconciliations of the carrying amounts for each class of property, plant and equipment between the beginning and the end of the year are set out below.

	Office Equipment	Motor Vehicles	Software	Hard - ware	Leasehold Improve - ments	Total
	\$	\$	\$	\$	\$	\$
Balance at the beginning of the year	14,767	15,312	48,135	-	-	78,214
Transfer between classifications	(14,767)	-	-	14,767	-	-
Additions	2,150	-	41,090	11,378	103,520	158,138
Disposals	-	-	-	-	-	-
Depreciation expense	(630)	(8,196)	(28,426)	(6,726)	(17,236)	(61,214)
Carrying Amount at the end of the year	<u>1,520</u>	<u>7,116</u>	<u>60,799</u>	<u>19,419</u>	<u>86,284</u>	<u>175,138</u>

	2016 \$	2015 \$
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Note 8: Trade and Other Payables

Current

Trade creditors	179,219	555,955
Deposits held	714	3,009
GST payable	193,966	57,736
Payroll accrual	50,072	48,260
Other creditors and accruals	293,863	666,411
Total Trade & Other Payables	<u>717,834</u>	<u>1,331,371</u>

No interest is payable on trade and other creditors or on deposits held for third parties.

Note 9: Other financial liabilities

Unspent grants liabilities	<u>1,568,066</u>	<u>1,663,071</u>
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Note 10: Provisions

Current

Provision for Annual Leave	352,666	384,587
Provision for TOIL	11,349	18,153
Provision for Long Service Leave	87,702	137,555
Provision for ATAPS commitments	335,540	-
Total current provisions	<u>787,257</u>	<u>540,295</u>

Non Current

Provision for Long Service Leave	<u>25,584</u>	<u>-</u>
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The accompanying notes form part of these financial statements and should be read in conjunction with the attached independent Auditor's Report

PRIMARY CARE GOLD COAST LIMITED
ABN 47 152 953 092

DIRECTORS' REPORT

Note 10: Provisions (continued)

Provision for Employee Benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave. The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 1(g).

Note 11: Reserves

At 30 June 2015 the company transferred unspent funds to reserves to be used in 2015/16 financial year for the following programs

	2016	2015
	\$	\$
After Hours	588,981	-
Innovation	474,200	-
Core	442,926	-
Gold Coast Public Health Unit - Immunisation	82,844	41,322
Mental Health Operational	80,198	-
Chronic Disease Wound Management	58,776	210,043
Better Health Care Connections – Aged Care	32,155	-
Transition Funding	-	410,149
Karulbo	-	13,406
	<u>1,760,080</u>	<u>674,920</u>

Note 12: Commitments

a) Operating Lease Payable Commitments

Minimum lease payments under non-cancellable operating leases

- No later than 12 months	426,816	239,400
- Between 1 and 5 years	1,385,643	1,812,459
Total operating lease commitments	<u>1,812,459</u>	<u>2,051,859</u>

Note 13: Contingent Liabilities

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2016 (30 June 2015: None)

The accompanying notes form part of these financial statements and should be read in conjunction with the attached independent Auditor's Report

PRIMARY CARE GOLD COAST LIMITED
ABN 47 152 953 092

DIRECTORS' REPORT

Note 14: Related Party Transactions

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

Related entities

The following transactions related to the above related entities:

	2016 \$	2015 \$
Payments for goods and services:		
- Rental payments and expense reimbursements to General Practice Gold Coast	2,741	42,400
- Payments for services from Runaway Bay Doctors' Surgery (common entity director)	5,555	16,965
- Payments for services from Gold Coast Institute of TAFE (common entity director)	900	15,345
- Payments for services from Palm Beach Family Practice (common entity director)	-	14,850
- Payments for services from On the Park General Practice (common entity director)	138	-
- Payments for services from Kalwun Health Service (common entity director)	114,188	-
- Payments for services from Ignite Design/Creative (other related party))	2,288	3,465

Note 15: Key Management Personnel Compensation

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

The total remuneration paid to key management personnel of the Company is \$326,184 (2015: \$327,986).

Note 16: Events after the reporting period

No matter or circumstances has arisen since 30 June 2016 that has significantly affected, or may significantly affect the Company operations, the results of those operations, or the Company's state of affairs in future financial year.

Note 17: Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, accounts receivable and payable, bank loans and leases.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2016 \$	2015 \$
Financial Assets			
Cash and cash equivalents	5	5,000,921	4,255,943
Loans and receivables	6	260,589	292,703
Total financial assets		<u>5,261,510</u>	<u>4,548,646</u>
Financial liabilities			
Financial liabilities at amortised cost;			
- Trade and other payables	8	717,834	1,331,371
Total financial liabilities		<u>717,834</u>	<u>1,331,371</u>

The accompanying notes form part of these financial statements and should be read in conjunction with the attached independent Auditor's Report

PRIMARY CARE GOLD COAST LIMITED
ABN 47 152 953 092

DIRECTORS' REPORT

DIRECTOR'S DECLARATION

In accordance with a resolution of the directors of PRIMARY CARE GOLD COAST Limited, the directors of the company declare that:

1. The financial statements and notes thereto are in accordance with the *Australian Charities and Not-for-Profit Commission Act 2012* and;
 - a. comply with the Australian Accounting Standards - Reduced Disclosure Requirements; and
 - b. give a true and fair view of the Company's financial position as at 30 June 2016 and of its performance for the financial year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.



..... Director

Dr David Rowlands



.....Director

Dr Stephen Barry

Dated 6th day of September 2016



DICKFOS DUNN ADAM
AUDIT AND ASSURANCE

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PRIMARY CARE GOLD COAST LIMITED
ABN 47 152 953 092

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS
OF
PRIMARY CARE GOLD COAST LIMITED**

Report on the Financial Report

We have audited the accompanying financial report, being a general purpose financial report, of Primary Care Gold Coast Limited (the Company), which comprises the statement of financial position as at 30 June 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and *Not-for-Profit Commission Act 2012* and for such internal control as directors determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company'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 Company's internal control. An audit also includes evaluating 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-Profit Commission Act 2012 (Section 60-40)*.



PRIMARY CARE GOLD COAST LIMITED
ABN 47 152 953 092

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS
OF
PRIMARY CARE GOLD COAST LIMITED

Unqualified Auditor's Opinion

In our opinion, the financial report of Primary Care Gold Coast Limited is in accordance with the *Australian Charities and Not-for-Profit Commission Act 2012* including:

- a) Giving a true and fair view of the company's financial position as at 30 June 2016 and its performance for the year ended on that date; and
- b) Complying with the Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

DICKFOS DUNN ADAM
Audit & Assurance

DDA

T L ADAM

6-9-2016

Dated
SOUTHPORT