PRIMARY CARE GOLD COAST LIMITED
ABN 47 152 953 092

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 JUNE 2017

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FINANCIAL REPORT

30 JUNE 2017

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 2017.

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	*(Resigned 27 September 2016)*
Experience	General Practitioner
Special responsibilities	Treasurer
Sue Gardiner	
Experience	General Practitioner
Special responsibilities	Director
Debbie Blow	
Experience	Director of Faculty and Executive Leader Health and Nursing TAFE Queensland Gold Coast
Special responsibilities	Director
Alyson Ross	(Resigned 29 November 2016)
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	
Experience	CEO – Kalwun Health Services
Special responsibilities	Director
Roger Halliwell	*(Started 2 November 2016)*
Experience	General Practitioner
Special responsibilities	Director
Julie-Anne Tarr	*(Started 2 May 2017)*
Experience	Professor, Law and Business
Special responsibilities	Director

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

PRIMARY CARE GOLD COAST LIMITED
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DIRECTORS' REPORT

Principal Activities

Following the development of an inaugural Strategic Plan during GCPHN's initial year of operation, this was updated during 2016/17 to better reflect the maturity of GCPHN and to achieve its overarching vision of "Building One World Class Health System for the Gold Coast." This culminated in the GCPHN Strategic Plan 2016-21 which lays out a five year roadmap inclusive of measures of success for each of the national and local priority areas.

Included in the Strategic plan was the Strategic Outcome of Meeting World Class Commissioning Competencies. One of the most significant achievements was the development of a Five Year Maturity Plan to achieve this. The defined activities in Year 1 were successfully completed and Year 2 activities are now being implemented.

The increasing maturity of commissioning capability during 2016/17 was evidenced by the very successful commissioning of mental Health and Alcohol and other Drug services. This involved significant needs assessment and planning, community and provider engagement, new experiences in co-designing solutions with service providers and enhanced procurement systems. Significant competency, capacity and systems development occurred over this period and has placed GCPHN in a very strong position to undertake its key function as a Commissioning Organisation into the future.

Other significant successes included:

- Reviewing and enhancing governance structures including key board advisory groups.
- Further developing capability as a population health planning organisation with the development of new information systems.
- Engaging key stakeholders such as Gold Coast Health and Hospital Services to achieve the organisation's vision.
- Engaging broadly with general practices, and in particular with over 80 per cent of practices involved in the Tiered approach to practice support and improvement.
- Commissioning a range of services that that meet the health needs of the population.

The Board continues to engage with its Membership to ensure alignment between GCPHN's Strategic Plan and the needs of the community and service providers.

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 2017 the collective liability of members was $60 (2016: $60).

PRIMARY CARE GOLD COAST LIMITED
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DIRECTORS' REPORT

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	10
Stephen Barry	3	2
Sue Gardiner	11	11
Debbie Blow	11	10
Alyson Ross	5	5
Rick Dennis	11	11
Kieran Chilcott	11	10
Roger Halliwell	8	6
Julie-Anne Tarr	3	3

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2017 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 ....:Director

Dated 6th day of SEPTEMBER 2017

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Email (name)@dickfosdunn.com.au
www.dickfosdunn.com.au

DICKFOS DUNN ADAM
AUDIT AND ASSURANCE

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 2017 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

4.9.2017
Dated
SOUTHPORT

Tracey Adam
T L Adam

PRIMARY CARE GOLD COAST LIMITED
ABN 47 152 953 092

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

	NOTE	2017 $	2016 $ Restated	2016 $
Revenue	2	**21,169,985**	12,599,631	14,359,711
Employee Expenses		**(4,426,005)**	(4,435,456)	(4,435,456)
Meeting Costs		**(256,257)**	(313,986)	(313,986)
Administration Programs		**(1,292,886)**	(945,309)	(945,309)
Contractors Expense		**(14,873,835)**	(6,474,830)	(6,474,830)
Depreciation and amortisation expenses	3	**(64,319)**	(61,214)	(61,214)
Other expenses		**(181,239)**	(171,689)	(171,689)
Current year surplus/ (deficit) before income tax		**75,444**	197,147	1,957,227
Income tax expense	1(j)	**-**	-	-
Total comprehensive income/(deficit) for the year		**75,444**	**197,147**	1,957,227
Net current year surplus/(deficit) attributable to members of the entity		**75,444**	**197,147**	1,957,227

The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the supporting notes to the financial statements

PRIMARY CARE GOLD COAST LIMITED
ABN 47 152 953 092

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	NOTE	2017 $	2016 $ Restated	2016 $
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	5	**10,222,140**	5,000,921	5,000,921
Trade and other receivables	6	**222,894**	275,117	275,117
Prepayments		**130,006**	34,167	34,167
TOTAL CURRENT ASSETS		**10,575,040**	5,310,205	5,310,205
NON-CURRENT ASSETS				
Property, Plant and equipment	7	**178,157**	175,138	175,138
TOTAL NON-CURRENT ASSETS		**178,157**	175,138	175,138
TOTAL ASSETS		**10,753,197**	5,485,343	5,485,343
CURRENT LIABILITIES				
Trade and other payables	8	**1,294,354**	717,834	717,834
Other financial liabilities	9	**7,863,096**	3,328,146	1,568,066
Provisions	10	**852,066**	787,257	787,257
TOTAL CURRENT LIABILITIES		**10,009,516**	4,833,237	3,073,157
NON-CURRENT LIABILITIES				
Provisions	10	**41,715**	25,584	25,584
TOTAL NON-CURRENT LIABILITIES		**41,715**	25,584	25,584
TOTAL LIABILITIES		**10,051,231**	4,858,821	3,098,741
NET ASSETS		**701,966**	626,522	2,386,602
EQUITY				
Retained Earnings		**701,966**	626,522	626,522
Reserves	11	**-**	-	1,760,080
TOTAL ACCUMULATED FUNDS		**701,966**	626,522	2,386,602

The Statement of Financial Position should be read in conjunction with the supporting notes to the financial statements

PRIMARY CARE GOLD COAST LIMITED
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STATEMENT OF CHANGES IN EQUITY
FOR YEAR ENDED 30 JUNE 2017

	Note	Retained Surplus $	Reserves $	Total $
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**
Balance at 1 July 2015 (Restated)		429,375	-	**429,375**
Surplus/(Deficit) for the year		197,147	-	**197,147**
Other comprehensive income for the year		-	-	-
Balance at 30 June 2016		**626,522**	-	**626,522**
Balance at 1 July 2016		626,522	-	**626,522**
Surplus/(Deficit) for the year		75,444	-	**75,444**
Other comprehensive income for the year		-	-	-
Balance at 30 June 2017		**701,966**	-	**701,966**

The Statement of Changes in Equity should be read in conjunction with the supporting notes to the financial statements

PRIMARY CARE GOLD COAST LIMITED
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STATEMENT OF CASH FLOWS
FOR YEAR ENDED 30 JUNE 2017

	NOTE	2017	2016
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers and grants		25,500,359	13,513,995
Cash payments to suppliers and employees		(20,425,673)	(12,751,391)
Interest received		213,871	140,512
Net cash (used in)/generated from operating activities		5,288,557	903,116
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(67,338)	(158,138)
Net cash used in investing activities		(67,338)	(158,138)
Net increase/(decrease) in cash held		5,221,219	744,978
Cash on hand at beginning of the financial year		5,000,921	4,255,943
Cash on hand at the end of the financial year	5	10,222,140	5,000,921

The Statement of Cash Flows should be read in conjunction with the supporting notes to the financial statements

PRIMARY CARE GOLD COAST LIMITED
ABN 47 152 953 092

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2017

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.*

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 basis[2] 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 29 August 2017 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 -

- 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.

Note 1: Summary of Significant Accounting Policies *continued*

b. Property, Plant and Equipment

Property, 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	2017	2016
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%	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 present value of the minimum lease payments, including any guaranteed residual values..

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.

PRIMARY CARE GOLD COAST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2017

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.

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.

Other long-term employee benefits
The company classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are 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. Provision is made for the company's obligation for other long-term employee benefits, which 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. Upon the re-measurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense.

Note 1: Summary of Significant Accounting Policies *continued*

Other long-term employee benefits *continued*

The company's obligations for long-term employee benefits are presented as non-current liabilities 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 end of the reporting period, in which case the obligations are presented as current liabilities.

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.

h. Trade Receivable and Other Debtors

Trade receivables 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.

Note 1: Summary of Significant Accounting Policies *continued*

l. Comparative Figures

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

During the year the company amended previous accounting treatment regarding unspent grant monies. In prior years unspent funds were classified within other reserves where grant income was recognised as revenue but no expense incurred against the funds. The following year the income when spent was reallocated to income, effectively overstating revenue and reported surplus in the subsequent reporting period. Grant income is either recognised as income, unless conditions as per Note 1 (a) exist and the funds are recognised as income in advance or unspent grant liabilities. 2016 comparative data has been amended the treatment of other reserves (restated), together with the original prior year data reported as comparative data within the financial statements.

m. Trade 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.

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.

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NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2017

Note 1: Summary of Significant Accounting Policies *continued*

Critical Accounting Estimates and Judgements continued

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.

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.

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
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NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2017

Note 2: Revenue

	2017 $	2016 $ Restated	2016 $
Grants			
- Commonwealth	20,632,293	11,874,377	13,492,837
- State	103,238	358,175	499,795
- Other	195,735	198,447	198,447
	20,931,266	12,430,999	14,191,079
Interest Income	213,871	140,512	140,512
Other income	24,843	28,120	28,120
Total revenue	**21,169,985**	**12,599,631**	**14,359,711**

Note 3:

Expenses

	2017 $	2016 $
Depreciation of:		
- Office Equipment;	716	630
- Motor Vehicles	2,370	8,197
- Computer Software	27,022	28,425
- Computer Hardware	16,962	6,726
- Leasehold Improvements	17,248	17,236
Total depreciation	**64,318**	**61,214**
Superannuation	**358,060**	**364,246**

Note 4: Auditors' Remuneration

Audit Services – Dickfos Dunn Adam	**16,000**	**10,900**

Note 5: Cash and cash equivalents

Cash at bank and in hand	6,104,985	2,877,411
Term deposits	4,117,155	2,123,510
	10,222,140	**5,000,921**

PRIMARY CARE GOLD COAST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2017

Note 6: Trade and Other Receivables

	2017 $	2016 $
Current		
Trade Debtors	16,530	140,907
		140,907
Deposits Paid	295	384
Other Receivables	206,069	133,826
	206,364	134,210
Total Current Trade and Other Receivables	**222,894**	**275,117**

Note 7: Property, Plant & Equipment

	2017	2016
Office Equipment		
Office Equipment at cost	7,550	2,150
Less accumulated depreciation	(1,347)	(630)
Total Office Equipment	**6,203**	**1,520**
Motor Vehicles		
Motor Vehicles at cost	45,581	45,581
Accumulated depreciation	(40,835)	(38,465)
Total motor vehicles	**4,746**	**7,116**
Software		
Software at cost	104,527	104,528
Less accumulated depreciation	(70,750)	(43,729)
Total software	**33,777**	**60,799**
Computer Hardware		
Computer Hardware at cost	88,204	26,145
Accumulated depreciation	(23,809)	(6,726)
Total Computer Hardware	**64,395**	**19,419**
Leasehold Improvements		
Leasehold Improvements at cost	103,520	103,520
Less accumulated depreciation	(34,484)	(17,236)
Total Leasehold Improvements	**69,036**	**86,284**
Total Property, Plant & Equipment	**178,157**	**175,138**

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NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2017

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
	$	$	$	$	$	$
2017						
Balance at the beginning of the year	1,520	7,116	60,799	19,419	86,284	**175,138**
Additions	5,400	-	-	61,938	-	**67,338**
Disposals	-	-	-	-	-	-
Depreciation expense	(717)	(2,370)	(27,022)	(16,962)	(17,248)	**(64,319)**
Carrying Amount at the end of the year	6,203	4,746	33,777	64,395	69,036	**178,157**

Note 8: Trade and Other Payables

	2017	**2016**
	$	**$**
Current		
Trade creditors	561,203	179,219
Deposits held	2,660	714
GST payable	170,476	193,966
Payroll accrual	51,336	50,072
Other creditors and accruals	508,679	293,863
Total Trade & Other Payables	**1,294,354**	**717,834**

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

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NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2017

Note 9: Other financial liabilities	**2017**	**2016**	**2016**
	$	**$**	**$**
		Restated	
Income received in advance	4,127,626	1,389,426	1,389,426
Unspent grant funding	3,735,470	1,938,720	178,640
Total Unspent grants liabilities	7,863,096	3,328,146	1,568,066
Total other financial liabilities	7,863,096	3,328,146	1,568,066

Note 10: Provisions	**2017**	**2016**
	$	**$**
Current		
Provision for Annual Leave	373,925	352,666
Provision for TOIL	5,852	11,349
Provision for Long Service Leave	95,064	87,702
Provision for ATAPS commitments	377,225	335,540
Total current provisions	**852,066**	**787,257**
Non Current		
Provision for Long Service Leave	41,715	25,584
Total non current provisions	**41,715**	**25,584**

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(f).

Note 11: Reserves

Refer Accounting Policy 1 (l) for restatement of reserves.

	2017 $	2016 $ Restated	2016 $
After Hours	-	-	588,981
Innovation	-	-	474,200
Core	-	-	442,926
Gold Coast Public Health Unit - Immunisation	-	-	82,844
Mental Health	-	-	80,198
Chronic Disease Wound Management	-	-	58,776
Better Health Care Connections – Aged Care	-	-	32,155
	-	-	1,760,080

Note 12: Commitments

a) Operating Lease Payable Commitments

Minimum lease payments under non-cancellable operating leases

	2017 $	2016 $
- No later than 12 months	427,562	426,816
- Between 1 and 5 years	1,374,586	1,385,643
Total operating lease commitments	1,802,148	1,812,459

Note 13: Contingent Liabilities

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2017 (30 June 2016: None)

PRIMARY CARE GOLD COAST LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2017

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:

	2017 $	2016 $
Payments for goods and services:		
- Rental payments and expense reimbursements to General Practice Gold Coast	1,818	2,741
- Payments for services from Runaway Bay Doctors' Surgery (common entity director)	2,029	5,555
- Payments for services from Gold Coast Institute of TAFE (common entity director)	-	900
- Payments for services from On the Park General Practice (common entity director)	1,000	138
- Payments for services from Kalwun Health Service (common entity director)	577,985	114,188
- Payments for services from Ignite Design/Creative (other related party))	2,275	2,288

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 $399,000 (2016: $326,184).

Note 16: Events after the reporting period

No matter or circumstances has arisen since 30 June 2017 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	2017 $	2016 $
Financial Assets			
Cash and cash equivalents	5	10,222,140	5,000,921
Loans and receivables	6	222,894	260,589
Total financial assets		10,445,034	5,261,510
Financial liabilities			
Financial liabilities at amortised cost;			
- Trade and other payables	8	1,294,348	717,834
Total financial liabilities		1,294,348	717,834

PRIMARY CARE GOLD COAST LIMITED
ABN 47 152 953 092

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 2017 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 .... Director

Dated this 6th day of SEPTEMBER 2017

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Email (name)@dickfosdunn.com.au
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DICKFOS DUNN ADAM
AUDIT AND ASSURANCE

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

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

Report on the Financial Report

Opinion

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 2017, 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.

In our opinion, the accompanying financial report of Primary Care Gold Coast Limited has been prepared in accordance with Div 60 of the *Australian Charities and Not-for-profits Commission Act 2012* , including:

(i) giving a true and fair view of the registered entity's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
(ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulation 2013* .

Basis of 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 registered entity 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.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the registered entity's annual report for the year ended 30 June 2017, 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 the Directors for the Financial Report

The directors of the registered entity 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 the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

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

In preparing the financial report, the directors are responsible for assessing the registered entity'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 the directors either intend to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so.

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 the 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 this 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 registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 registered entity'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 registered entity 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 the directors 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.

DICKFOS DUNN ADAM
Audit & Assurance

DDA
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Tracey Adam
....
T L ADAM

18.9.2017
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Dated
SOUTHPORT