

PRIMARY CARE GOLD COAST LIMITED
ABN 47 152 953 092

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 JUNE 2020

**INDEX TO
FINANCIAL REPORT
30 JUNE 2020**

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

CONTENTS

	Page
Directors Report	1 - 3
Auditor's Independence Declaration	4
Statement of Profit or Loss and Other Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9 - 20
Directors' Declaration	21
Independent Auditor's Report	22 - 24

PRIMARY CARE GOLD COAST LIMITED
ABN 47 152 953 092

DIRECTORS' REPORT

Your directors, being the responsible persons of the Registered Charity, present this report on the company for the financial year ended 30 June 2020.

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:

Roger Halliwell

Experience	General Practitioner
Special responsibilities	Chair from 7 November 2019 Finance Audit and Risk Committee

David Rowlands

	<i>(Resigned 7 November 2019)</i>
Experience	General Practitioner
Special responsibilities	Chair until 7 November 2019

Kieran Chilcott

Experience	CEO – Kaiwun Health Services
Special responsibilities	Director Governance Committee

Julie-Anne Tarr

Experience	Professor, Law and Business
Special responsibilities	Director Chair – Finance and Risk Committee

Victoria Beedle

Experience	CEO – Melanoma Patients Australia Ltd
Special responsibilities	Director

Linda Taylor

	<i>(Resigned 7 November 2019)</i>
Experience	National Director of Operations – Infin8 Care
Special responsibilities	Director

Lisa Beecham

Experience	General Practitioner
Special responsibilities	Director Performance Quality and Research Committee

Ka-Kiu Cheung

	<i>(Started 7 November 2019)</i>
Experience	General Practitioner
Special responsibilities	Director Performance Quality and Research Committee

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

ABN 47 152 953 092

DIRECTORS' REPORT

Principal Activities

GCPHN received a new Deed of Funding, Primary Health Networks Core Funding, to 30 June 2023.

The Board reviewed its Strategic Plan, with a focus on digital health, and risk management framework to ensure GCPHN remains able to optimise efficiencies in health service planning and delivery. This was timely as the subsequent COVID-19 pandemic required a considerable change to the way that GCPHN, commissioned services and all health practitioners were required to deliver services to ensure continuity for patients, largely relying on new digital technologies. During COVID 19 all commissioned service providers efficiently transitioned all services, including the residential services, to virtual service delivery. All staff were supported to enhance their skills to deliver treatment via digital platforms with minimal disruption to services. Pandemic support also included supporting the establishment of Respiratory Clinics for COVID 19 testing, distribution of Personal Protective Equipment to GPs and community pharmacies, development of a suite of communication pathways, webinars, and evidence-based resources to support GPs, and a significant public communications strategy to support Queensland's COVID 19 Strategy.

Other significant highlights included:

- Development and endorsement of a Joint Regional Plan for mental health, suicide prevention and alcohol and other drug services for the Gold Coast which was endorsed by Gold Coast HHS and GCPHN Boards.
- New programs in wound management, psychological services in residential aged care, community connectors to increase access to hard to reach groups and the commissioning of a new headspace service in Upper Coomera, and a new suicide prevention program (Way Back Service) in partnership with Queensland Health.
- The National Psychosocial Support program successfully transitioned existing clients to the to the NDIS or other ongoing programs.
- Alcohol and Other Drug services supported 526 unique people to access Youth Outreach, Dual Diagnosis, and family support services.
- A record number of 6,613 unique clients accessing Stepped Care mental health programs.

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 2020 the collective liability of members was \$60 (2019: \$60).

PRIMARY CARE GOLD COAST LIMITED
ABN 47 152 953 092

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
Roger Halliwell	11	11
David Rowlands	4	3
Ka-Kiu Cheung	7	7
Kieran Chilcott	11	10
Julie-Anne Tarr	11	11
Victoria Beedle	11	11
Linda Taylor	4	3
Lisa Beecham	11	11

Auditor's Independence Declaration

The auditor's independence declaration as required under s60-40 of the Australian Charities and Not for Profits Commission Act 2012 for the year ended 30 June 2020 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 third day of September 2020



DICKFOS DUNN ADAM

22 Garden Street (PO Box 1669) Southport Queensland 4215
T (07) 5532 7855 F (07) 5531 1194 E (name)@dickfosdunnadam.com.au
www.dickfosdunnadam.com.au

PRIMARY CARE GOLD COAST LIMITED
ABN: 47 152 953 092

**AUDITOR'S INDEPENDENCE DECLARATION UNDER S 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 2020 there have been:

- (i) No contraventions of the auditor independence requirements as set out in section 60-40 of 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

1.9.2020
.....
Dated
SOUTHPORT

.....
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 2020

	NOTE	2020 \$	2019 \$
Revenue	2	25,799,839	26,309,921
Employee expenses		(5,727,502)	(5,107,566)
Meeting costs		(99,615)	(243,342)
Administration programs		(693,714)	(1,628,248)
Contractors expense		(18,386,419)	(19,015,210)
Depreciation and amortisation expenses	3	(436,409)	(98,426)
Other expenses		(311,314)	(169,032)
Current year surplus before income tax		144,866	48,097
Income tax expense	1(j)	-	-
Current year surplus after income tax		144,866	48,097
Other comprehensive Income		-	-
Total comprehensive income for the year		144,866	48,097

PRIMARY CARE GOLD COAST LIMITED
ABN 47 152 953 092

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

		2020	2019
		\$	\$
	NOTE		
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	7,985,327	5,932,442
Trade and other receivables	5	229,460	164,616
Prepayments		777,148	652,800
TOTAL CURRENT ASSETS		<u>8,991,935</u>	<u>6,749,858</u>
NON-CURRENT ASSETS			
Plant and equipment	6	119,617	130,757
Right of use assets	7	398,566	-
TOTAL NON-CURRENT ASSETS		<u>518,183</u>	<u>130,757</u>
TOTAL ASSETS		<u>9,510,118</u>	<u>6,880,615</u>
CURRENT LIABILITIES			
Trade and other payables	8	1,598,528	1,280,417
Lease liabilities	10	489,631	-
Other liabilities	9	5,791,456	4,130,064
Provisions	11	804,237	574,849
TOTAL CURRENT LIABILITIES		<u>8,683,852</u>	<u>5,985,330</u>
NON-CURRENT LIABILITIES			
Provisions	11	46,862	72,487
Lease liabilities	10	20,398	-
TOTAL NON-CURRENT LIABILITIES		<u>67,260</u>	<u>72,487</u>
TOTAL LIABILITIES		<u>8,751,112</u>	<u>6,057,817</u>
NET ASSETS		<u>759,006</u>	<u>822,798</u>
EQUITY			
Retained Earnings		759,006	822,798
TOTAL ACCUMULATED FUNDS		<u>759,006</u>	<u>822,798</u>

PRIMARY CARE GOLD COAST LIMITED
ABN 47 152 953 092

STATEMENT OF CHANGES IN EQUITY
FOR YEAR ENDED 30 JUNE 2020

	Note	Retained Surplus \$	Total \$
Balance at 1 July 2018		774,701	774,701
Surplus for the year		48,097	48,097
Other comprehensive income for the year		-	-
Balance at 30 June 2019		822,798	822,798
Balance at 1 July 2019		822,798	822,798
Surplus for the year		144,866	144,866
Opening balance adjustment - new lease standard AASB 16	1(o)	(208,658)	(208,868)
Other comprehensive income for the year		-	-
Balance at 30 June 2020		759,006	759,006

PRIMARY CARE GOLD COAST LIMITED
ABN 47 152 953 092

STATEMENT OF CASH FLOWS
FOR YEAR ENDED 30 JUNE 2020

	NOTE	2020	2019
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers and grants		27,246,588	25,334,530
Cash payments to suppliers and employees		(24,788,756)	(30,217,305)
Interest received		149,799	236,954
Interest paid		(32,283)	-
Net cash generated from operating activities		<u>2,575,348</u>	<u>(4,645,821)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of plant and equipment		10,000	
Payment for property, plant and equipment		(69,322)	(48,538)
Net cash used in investing activities		<u>(59,322)</u>	<u>(48,538)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of finance leases		(463,141)	-
Net cash used in financing activities		<u>(463,141)</u>	<u>-</u>
Net increase/(decrease) in cash held		2,052,885	(4,694,359)
Cash on hand at beginning of the financial year		<u>5,932,442</u>	<u>10,626,801</u>
Cash on hand at the end of the financial year	4	<u>7,985,327</u>	<u>5,932,442</u>

PRIMARY CARE GOLD COAST LIMITED
ABN 47 152 953 092

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2020

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-Profits Commission Act 2012*. The Company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of 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 and are based on historical costs. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on the date of signing of the Directors' Report.

Accounting Policies

a. Revenue

Revenue from Contracts with Customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised services to customers and funding bodies at an amount that reflects the consideration the Company expects to receive in exchange for those services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable or unearned revenue liability.

Revenue outside the scope of AASB 15

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.

Finance income

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

PRIMARY CARE GOLD COAST LIMITED
ABN 47 152 953 092

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2020

Note 1: Summary of Significant Accounting Policies *continued*

b. 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(e) 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	2020	2019
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

At the lease commencement, the company recognises a right-of-use asset and associated lease liability for the lease term.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

PRIMARY CARE GOLD COAST LIMITED
ABN 47 152 953 092

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2020

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.

PRIMARY CARE GOLD COAST LIMITED
ABN 47 152 953 092

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2020

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 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 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 undiscounted value of estimated future cash flows to be made in respect of employees at reporting date. Expected future payments incorporate durations of service and employee departures. 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.

PRIMARY CARE GOLD COAST LIMITED
ABN 47 152 953 092

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2020

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 and Cash Equivalents

Cash on hand includes cash on hand, deposits held at-call with banks, and other short-term highly liquid investments with original maturities of three months or less.

h. Trade and Other Receivables

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.

PRIMARY CARE GOLD COAST LIMITED
ABN 47 152 953 092

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2020

Note 1: Summary of Significant Accounting Policies *continued*

I. Trade 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.

m. 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 at the undiscounted value of estimated future cash flows to be made in respect of employees at reporting date.

(iv) Employee benefits

For the purpose of measurement, AASB 119: Employee Benefits (August 2015) 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.

(v) Psychological Services Provision

The company reports within the current provision estimated commitments for psychological 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.

(vi) Software Development

The Company incurs costs associated with internally generated software. Due to uncertainty determining the future economic benefit to the Company, the costs associated with internally generated software are expensed when incurred.

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

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2020**

Note 1: Summary of Significant Accounting Policies *continued*

n. 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, was extended on 1 July 2018 for three years, and extended again in April 2020 until 30 June 2023.

o. Change in Accounting Policy

Leases - Adoption of AASB 16

The company has adopted AASB 16 *Leases* using the modified retrospective (cumulative catch-up) method from 1 July 2019 and therefore the comparative information for the year ended 30 June 2019 has not been restated and has been prepared in accordance with AASB 117 *Leases* and associated Accounting Interpretations.

Impact of adoption of AASB 16

The impact of adopting AASB 16 is described below:

Company as a lessee

Under AASB 117, the company assessed whether leases were operating or finance leases based on its assessment of whether the significant risks and rewards of ownership had been transferred to the Company or remained with the lessor. Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the statement of financial position (except for short-term leases and leases of low value assets).

The Company has elected to use the exception to lease accounting for short-term leases and leases of low value assets, and the lease expense relating to these leases are recognised in the statement of profit or loss on a straight-line basis.

Practical expedients used on transition

AASB 16 includes a number of practical expedients which can be used on transition; the Company has used the following expedients:

- lease liabilities have been discounted using the Company's incremental borrowing rate at 1 July 2019;
- a single discount rate was applied to all leases with similar characteristics;

Financial statement impact of adoption of AASB 16

The company has recognised right-of-use assets with a written down value of \$715,943 and lease liabilities of \$924,601 at 1 July 2019, for leases previously classified as operating leases.

The weighted average lessee's incremental borrowing rate applied to lease liabilities at 1 July 2019 was 4.5%.

PRIMARY CARE GOLD COAST LIMITED
ABN 47 152 953 092

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 June 2020

	2020	2019
	\$	\$
Note 2: Revenue		
Grants		
- Commonwealth	24,839,389	25,661,036
- State	12,584	39,877
- Other	648,961	352,817
	<u>25,500,934</u>	<u>26,053,730</u>
Interest Income	149,799	236,954
Other income	149,106	19,237
Total revenue	<u>25,799,839</u>	<u>26,309,921</u>

Note 3: Expenses

Depreciation of:		
- Office Equipment	4,570	7,268
- Motor Vehicles	674	1,142
- Computer Software	-	6,755
- Computer Hardware	55,947	66,013
- Leasehold Improvements	17,248	17,248
Total depreciation	<u>78,439</u>	<u>98,426</u>
Amortisation of:		
- Office Lease	337,694	-
- Printer Lease	20,276	-
Total amortisation	<u>357,970</u>	<u>-</u>
Total depreciation and amortisation	<u>436,409</u>	<u>98,426</u>

Note 4: Cash and cash equivalents

Cash at bank and in hand	4,354,690	4,967,922
Term deposits	3,630,637	5,658,879
	<u>7,985,327</u>	<u>5,932,442</u>

Note 5: Trade and Other Receivables

	2020	2019
	\$	\$
Current		
Trade Debtors	<u>120,287</u>	<u>122,859</u>
Deposits Paid	506	404
GST Receivable	-	6,121
Other Receivables	108,667	35,232
	<u>109,173</u>	<u>41,757</u>
Total Current Trade and Other Receivables	<u>229,460</u>	<u>164,616</u>

PRIMARY CARE GOLD COAST LIMITED
ABN 47 152 953 092

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 June 2020

Note 6: Plant & Equipment	2020	2019
	\$	\$
<u>Office Equipment</u>		
Office equipment at cost	7,094	17,030
Less accumulated depreciation	(4,570)	(9,936)
Total office equipment	<u>2,524</u>	<u>7,094</u>
<u>Motor Vehicles</u>		
Motor vehicles at cost	-	45,581
Less Accumulated depreciation	-	(43,557)
Total motor vehicles	<u>-</u>	<u>2,024</u>
<u>Software</u>		
Software at cost	-	104,527
Less accumulated depreciation	-	(104,527)
Total software	<u>-</u>	<u>-</u>
<u>Computer Hardware</u>		
Computer hardware at cost	155,747	201,196
Accumulated depreciation	(55,946)	(114,097)
Total computer hardware	<u>99,801</u>	<u>87,099</u>
<u>Leasehold Improvements</u>		
Leasehold improvements at cost	34,540	103,520
Less accumulated depreciation	(17,248)	(68,980)
Total leasehold improvements	<u>17,292</u>	<u>34,540</u>
Total Plant & Equipment	<u>119,617</u>	<u>130,757</u>

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	Computer Hard - ware	Leasehold Improve - ments	Total
	\$	\$	\$	\$	\$	\$
2019						
Balance at the beginning of the year	14,362	3,166	6,755	104,574	51,788	180,645
Additions	-	-	-	48,538	-	48,538
Depreciation expense	(7,268)	(1,142)	(6,755)	(66,013)	(17,248)	(98,426)
Carrying Amount at the end of the year	<u>7,094</u>	<u>2,024</u>	<u>-</u>	<u>87,099</u>	<u>34,540</u>	<u>130,757</u>
2020						
Balance at the beginning of the year	7,094	2,024	-	87,099	34,540	130,757
Additions	-	-	-	68,649	-	68,649
Disposal	-	(1,350)	-	-	-	(1,350)
Depreciation expense	(4,570)	674	-	(55,947)	(17,248)	(78,439)
Carrying Amount at the end of the year	<u>2,534</u>	<u>-</u>	<u>-</u>	<u>99,801</u>	<u>17,292</u>	<u>119,617</u>

PRIMARY CARE GOLD COAST LIMITED
ABN 47 152 953 092

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 June 2020

	2020 \$	2019 \$
Note 7: Right of Use Assets		
<u>Office Lease</u>		
Office Lease - Right of Use	2,026,174	-
Less accumulated amortisation	(1,688,478)	-
Total Office Lease	<u>337,696</u>	<u>-</u>
<u>Printers</u>		
Printers – Right of Use	60,827	-
Less accumulated amortisation	(40,551)	-
Total Printers	<u>20,276</u>	<u>-</u>
<u>Motor Vehicle</u>		
Motor Vehicle – Right of Use	40,595	-
Less accumulated amortisation	-	-
Total Motor Vehicle	<u>40,595</u>	<u>-</u>
Total Right of Use Assets	<u>398,566</u>	<u>-</u>

Note 8: Trade and Other Payables

Current

Trade creditors	319,060	569,745
Payroll accrual	80,040	66,678
Other creditors and accruals	1,199,428	643,994
Total Trade & Other Payables	<u>1,598,528</u>	<u>1,280,417</u>

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

Note 9: Other liabilities

Income received in advance	-	90,000
Unspent grant funding	5,791,456	4,040,064
Total liabilities	<u>5,791,456</u>	<u>4,130,064</u>

Note 10: Lease Liabilities

Current

Lease liabilities	489,631	-
Total current lease liabilities	<u>489,631</u>	<u>-</u>

Non-Current

Lease liabilities	20,398	-
Total non-current lease liabilities	<u>20,398</u>	<u>-</u>

PRIMARY CARE GOLD COAST LIMITED
ABN 47 152 953 092

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 June 2020

Note 11: Provisions	2020	2019
	\$	\$
Current		
Provision for Annual Leave	471,168	352,664
Provision for Long Service Leave	212,908	129,575
Provision for Psychological Services commitments	120,161	92,610
Total current provisions	<u>804,237</u>	<u>574,849</u>
Non-Current		
Provision for Long Service Leave	46,862	72,487
Total non-current provisions	<u>46,862</u>	<u>72,487</u>

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 undiscounted 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 12 Commitments

a) *Lease Payable Commitments*

Minimum lease payments under non-cancellable operating leases	2019
	\$
- No later than 12 months	457,351
- Between 1 and 5 years	573,359
Total operating lease commitments	<u>930,710</u>

In the current year the Company implemented AASB 16 Leases. There are no leases which are classified as operating leases at 30 June 2020.

Note 13: Contingent Liabilities

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2020 (30 June 2019: None)

PRIMARY CARE GOLD COAST LIMITED
ABN 47 152 953 092

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 June 2020

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:

	2020 \$	2019 \$
Payments for goods and services:		
- Payments for services from Runaway Bay Doctors' Surgery (common entity director)	-	500
- Payments for services from Kalwun Health Service (common entity director)	912,087	528,681
- Payments for services from Blue Care (common entity director)	-	4,145
- Payments for services from Eyeserve Pty Ltd (common entity director)	9,815	1,377
- Payments for services from On the Park General Practice (common entity director)	3,641	3,080
- Payments for services from Ignite Design Creative (other related party)	4,005	-

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 \$434,340 (2019: \$474,112).

Note 16: Events after the reporting period

No matter or circumstances has arisen since 30 June 2020 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. (2019: nil)

Note 17: Assets and Liabilities

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	2020 \$	2019 \$
Financial Assets			
Cash and cash equivalents	4	7,985,327	5,932,442
Loans and receivables	5	229,460	164,616
Total financial assets		<u>8,214,787</u>	<u>6,097,058</u>
Financial liabilities			
Financial liabilities at amortised cost;			
- Trade and other payables	7	1,598,528	1,280,417
Total financial liabilities		<u>1,598,528</u>	<u>1,280,417</u>

PRIMARY CARE GOLD COAST LIMITED
ABN 47 152 953 092

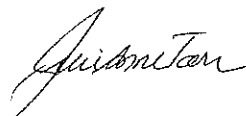
DIRECTOR'S DECLARATION

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-Profits 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 2020 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 third day of September 2020



DICKFOS DUNN ADAM

22 Garden Street (PO Box 1669) Southport Queensland 4215
T (07) 5532 7855 F (07) 5531 1194 E (name)@dickfosdunnadam.com.au
www.dickfosdunnadam.com.au

PRIMARY CARE GOLD COAST LIMITED
ABN 47 152 953 092

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF
PRIMARY CARE GOLD COAST LIMITED

Unqualified Auditor's Opinion

We have audited the financial report of Primary Care Gold Coast Limited (the company), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the director's declaration.

In our opinion, the accompanying financial report is in accordance with Division 60 the *Australian Charities and Not-For-Profits Commission Act 2012*, including:

- (i) Giving a true and fair view of the company's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards – Reduced Disclosure Requirements.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the company in accordance with the auditor independence requirements of division 60 of the *Australian Charities and Not-For-Profits Commission Act 2012* and 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.

Responsibilities of the Directors of the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of Division 60 of the *Australian Charities and Not-For-Profits Commission Act 2012* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company 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 company'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 director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with 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

..... T.L Adam

Dated 4.9.2020
SOUTHPORT