

Primary Care Gold Coast Limited

ABN 47 152 953 092

Financial Statements

For the Year Ended 30 June 2022

Primary Care Gold Coast Limited

ABN 47 152 953 092

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For the Year Ended 30 June 2022

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Primary Care Gold Coast Limited

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Directors' Report

30 June 2022

The directors present their report on Primary Care Gold Coast Limited for the financial year ended 30 June 2022.

General information

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Roger Halliwell

Experience

General Practitioner

Special responsibilities

Chair

Governance Committee

Victoria Beedle

Experience

CEO - Melanoma Patients Australia Ltd

Special responsibilities

Deputy Chair

Performance Quality and Research Committee

Kieran Chilcott

Experience

CEO - Kalwun Health Services

Special responsibilities

Director

Performance Quality and Research Committee

Lisa Beecham

Experience

General Practitioner

Special responsibilities

Director

Governance Committee

Ka-Kiu Cheung

Experience

General Practitioner

Special responsibilities

Director

Performance Quality and Research Committee

Damian Green

Experience

Deputy Director General and Chief Information Officer - QLD Health

Special responsibilities

Director

Performance Quality and Research Committee

Julie-Anne Tarr (Resigned 09 November 2021)

Experience

Professor, Law and Business

Special responsibilities

Director

Chair – Finance Audit and Risk Committee

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

Principal activities

COVID Support to general practices

Gold Coast Primary Health Network (GCPHN) continued its important role in supporting the Commonwealth Government's response to COVID-19 through vaccination support to general practices, through a total of 33 mobile COVID-19 vaccination clinics for vulnerable people across the Gold Coast, mandatory staff vaccination program across aged care services, and facilitating 75 COVID-19 vaccination in-reach clinics for RACF residents to administer primary, booster and winter doses, supporting six vaccination clinics for homeless people and people at risk of homelessness, and successfully increased vaccination rates for specific targeted culturally and linguistically diverse groups across the Gold Coast. GCPHN played an important liaison and communication role between the Commonwealth and Queensland Governments, and the primary care sector, particularly general practices to provide the latest information in a rapidly changing environment.

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Directors' Report

30 June 2022

Primary Sense Commercialisation

FY2021/22 marked the successful commercialisation of GCPHN's data analytics, population health planning and risk stratification tool. Primary Sense™. This is a significant strategic initiative that has great potential to leverage digital infrastructure to address current key challenges such as population health management, supporting Continuous Quality Improvement in general practices, and managing demand through enabling integration with acute specialists. 10 Primary Health Networks have agreed to adopt the system nationally with an aim to further expand coverage in Queensland to offer Queensland Health benefits in better understanding of the population, and meeting current and future health challenges with primary care.

Integration of care through the Joint Oversight Committee for Mental Health, Suicide Prevention and Alcohol and Other Drugs

The Joint Regional Plan Strategic Oversight Committee has been a very successful mechanism for the integration of health services on the Gold Coast. The aim is to ensure that people needing services experience a more effective, efficient and streamlined service. The Second Year Report against the Plan has evidenced successful partnership development and joint initiatives to meet increasing demand. The opening of the second mental health safe space in Southport is jointly funded by Gold Coast Health and Hospital Service, and GCPHN and is offering people experiencing mental ill health an alternative to emergency department attendance. The Bi-Lateral Agreement between the Commonwealth and Queensland Government is enabling great opportunities further development of integrated mental health services through joint investment.

Increasing maturity of systems and staff capacity

- Our ability to analyse, plan and report on strategic plan goals has been further developed to ensure GCPHN can assess and improve against all relevant KPIs.
- The implementation of new risk management planning and reporting systems.
- Improved capability in health needs assessments, evidenced through the Gold Coast Health Needs Assessment and the Care Finder Health Needs Assessment, the review of the psychological services program, and collaboration and relationship development with GCHHS with an aim of developing a single Health Needs Assessment into the future.
- Improved succession planning.
- Capability development in our commissioning teams that is evidencing significantly more mature systems, and joint planning and commissioning.
- Reviews of the primary Care improvement and communications functions have improved efficiencies.
- Increased collaboration across the Network at both a National and State level is building greater capability and systems across multiple functions such as data analytics, primary care improvement, outcomes frameworks, advocacy, and stakeholder engagement.

Members' guarantee

Primary Care Gold Coast Limited 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 2022 the collective liability of members was \$ 60 (2021: \$ 60).

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Directors' Report

30 June 2022

Meetings of directors

During the financial year, 9 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Roger Halliwell	9	8
Kieran Chilcott	9	5
Victoria Beedle	9	9
Lisa Beecham	9	8
Ka-Kiu Cheung	9	9
Damian Green	9	9
Julie-Anne Tarr	6	4

Auditors independence declaration

The lead auditor's independence declaration for the year ended 30 June 2022 has been received and can be found on page 4 of the financial report.

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



Director:


Ka-Kiu Cheung (Oct 14, 2022 09:51 GMT+10)

Director:

Dated this 13th day of OCTOBER 2022

**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**

In accordance with the requirements of section 60-40 of the *Australian Charities and Not for Profits Commission Act 2012*, as lead auditor for the audit of Primary Care Gold Coast Limited for the year ended 30 June 2022, I declare that to the best of my knowledge and belief, 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.

MGI Audit Pty Ltd



S C Greene
Director

Brisbane

16 September 2022

Primary Care Gold Coast Limited

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2022

		2022	2021
	Note	\$	\$
Revenue from contracts with customers	3	30,120,462	28,522,831
Other income	3	532,365	108,884
Total Revenue		30,652,827	28,631,715
Employee expenses	4	(5,779,281)	(5,822,060)
Meeting costs		(45,231)	(26,657)
Administration programs		(888,344)	(615,755)
Contractors expense		(22,993,195)	(21,262,050)
Depreciation and amortisation expenses	4	(343,705)	(426,127)
Other expenses		(528,227)	(367,090)
Current year surplus before income tax		74,844	111,976
Income tax expense		-	-
Current year surplus after income tax		74,844	111,976
Other comprehensive income		-	-
Total comprehensive income for the year		74,844	111,976

The accompanying notes form part of these financial statements.

Primary Care Gold Coast Limited

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Statement of Financial Position

As At 30 June 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	11,332,398	8,443,835
Trade and other receivables	6	768,883	208,445
Prepayments		1,430,653	1,058,958
TOTAL CURRENT ASSETS		13,531,934	9,711,238
NON-CURRENT ASSETS			
Plant and equipment	7	115,895	56,430
Right-of-use assets	8	1,136,259	55,796
TOTAL NON-CURRENT ASSETS		1,252,154	112,226
TOTAL ASSETS		14,784,088	9,823,464
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	2,738,596	2,015,338
Contract liabilities	10	9,038,253	6,029,483
Lease liabilities	11	261,597	18,220
Provisions	12	852,249	821,639
TOTAL CURRENT LIABILITIES		12,890,695	8,884,680
NON-CURRENT LIABILITIES			
Provisions	12	29,182	36,220
Lease liabilities	11	918,385	31,582
TOTAL NON-CURRENT LIABILITIES		947,567	67,802
TOTAL LIABILITIES		13,838,262	8,952,482
NET ASSETS		945,826	870,982
EQUITY			
Retained earnings		945,826	870,982
TOTAL EQUITY		945,826	870,982

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity For the Year Ended 30 June 2022

2022

	Retained Surplus	Total
Note	\$	\$
Balance at 1 July 2021	870,982	870,982
Surplus for the year	74,844	74,844
Other comprehensive income for the year	-	-
Balance at 30 June 2022	945,826	945,826
Balance at 1 July 2020	759,006	759,006
Surplus for the year	111,976	111,976
Other comprehensive income for the year	-	-
Balance at 30 June 2021	870,982	870,982

The accompanying notes form part of these financial statements.

Primary Care Gold Coast Limited

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Statement of Cash Flows For the Year Ended 30 June 2022

	2022	2021
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	33,398,634	28,787,526
Payments to suppliers and employees	(30,183,891)	(27,918,687)
Interest received	29,289	57,789
Interest paid	-	(12,616)
Net cash provided by/(used in) operating activities	3,244,032	914,012
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(108,360)	(7,893)
Net cash provided by/(used in) investing activities	(108,360)	(7,893)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of lease liabilities	(247,109)	(447,611)
Net cash provided by/(used in) financing activities	(247,109)	(447,611)
Net increase/(decrease) in cash and cash equivalents held	2,888,563	458,508
Cash and cash equivalents at beginning of year	8,443,835	7,985,327
Cash and cash equivalents at end of financial year	5 11,332,398	8,443,835

The accompanying notes form part of these financial statements.

Primary Care Gold Coast Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2022

The financial report covers Primary Care Gold Coast Limited as an individual entity. Primary Care Gold Coast Limited is a not-for-profit Company, registered and domiciled in Australia.

The principal activities of the Company for the year ended 30 June 2022 were:

- Leading the development of a needs assessment that identifies the health needs of local residents and service issues within our local system, then designing solutions to meet those needs. This includes the assessment, planning and establishment of new health services.
- Funding health organisations to provide local health services across a range of areas including mental health, alcohol and other drugs, aged and palliative care, persistent pain, suicide prevention, cancer screening, immunisation, improving Aboriginal and Torres Strait Islander health and supporting general practices in quality improvement.
- Helping the health system work better together for patients and their families. This includes supporting health professionals including general practitioners, to improve the quality of patient care.

The functional and presentation currency of Primary Care Gold Coast Limited is Australian dollars. The

financial report was authorised for issue by those charged with governance on 27 September 2022.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

(a) 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.

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.

Long Service Leave

The liability of long service leave is recognised at the undiscounted value of estimated future cash flows to be made in respect of employees at reporting date.

Employee Benefits

For the purpose of measurement, AASB 119: Employee Benefits 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 entity expects that most employees will not

Notes to the Financial Statements

For the Year Ended 30 June 2022

1 Basis of Preparation

(a) Critical Accounting Estimates and Judgements

use all of their annual leave entitlements in the same year in which they are earned or during the 12 month period that follows (despite an informal internal policy that requires annual leave to be used within 18 months), the Directors believe that obligations for annual leave entitlements satisfy the definition of other long-term employee benefits and, therefore, are required to be measured at the present value of the expected future payments to be made to employees.

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.

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.

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.

Revenue

For many of the grant agreements received, the determination of whether the contract includes sufficiently specific performance obligations was a significant judgement involving discussions with several parties at the company, review of the proposal documents prepared during the grant application phase and consideration of the terms and conditions.

Grants received by the company have been accounted for under both AASB 15 and AASB 1058 depending on the terms and conditions and decisions made. If this determination was changed then the revenue recognition pattern would be different from that recognised in this financial report.

Key Judgements – Receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Key Judgements – Lease Term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Notes to the Financial Statements

For the Year Ended 30 June 2022

1 Basis of Preparation

(a) Critical Accounting Estimates and Judgements

Key Estimates – Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

The company has determined the incremental borrowing rate to be 6%.

(b) New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. For the 2022 financial year, the application of AASB 1060 has resulted in changes to disclosure only.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

2 Summary of Significant Accounting Policies

(a) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(b) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(c) Financial Instruments

Initial recognition and measurement

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument. On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(c) Financial Instruments

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)

Classification is based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Amortised cost

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair value through other comprehensive income (FVOCI) - Equity

The company holds investments directly in listed shares and the company has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trading purposes.

These equity investments are carried at fair value with changes in fair value recognised in other comprehensive income - FVOCI reserve. On disposal any balance in the reserve is transferred to accumulated funds and is not reclassified to profit or loss.

Dividends relating to these investments are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Fair value through profit or loss

The investment in managed funds is measured at fair value through profit and loss with changes in fair value at each reporting period being recognised directly in surplus for the year.

Net gains or losses, including any interest or dividend income are recognised in profit or loss.

Impairment of financial assets measured at amortised cost

Impairment of financial assets is determined on an expected credit loss (ECL) basis for financial assets measured at amortised cost and contract assets arising under AASB 15.

The company has used the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The company has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(c) Financial Instruments

Financial assets

When estimating ECL, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the company's historical experience and informed credit assessment and including forward looking information.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in the result for the year. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables, other payables and lease liabilities.

(d) 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 in profit or loss.

Where the assets are not held primarily for their ability to generate net cash inflows - that is, they are specialised assets held for continuing use of their service capacity - the recoverable amounts are expected to be materially the same as fair value.

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

Where an impairment loss on a revalued individual asset is identified, this is recognised 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 class of asset.

(e) Revenue

Revenue from contracts with customers.

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct goods or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(e) Revenue

Grants

Grant income arising from an agreement which contains enforceable and sufficiently specific performance obligations is recognised when control of each performance obligations is satisfied. Within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

Where control is transferred over time, generally the revenue is recognition based on either cost or time incurred.

If conditions are attached to the grant which must be satisfied before the company is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

Assets arising from grants in the scope of AASB 1058 are recognised at their fair value when the asset is received. These assets are generally cash but maybe property which has been donated or sold to the company at significantly below its fair value.

Once the asset has been recognised, the Company recognises any related liability amounts (e.g., provisions, financial liabilities).

Once the assets and liabilities have been recognised then income is recognised for any difference between the recorded asset and liability.

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate as per the performance obligations of the agreement.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

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

(f) Cash and Cash Equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of six months or less where the investment is convertible to known amounts of cash and is subject to insignificant risk of changes in value. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined in note 5.

Cash at bank earns interest at floating rates based on daily deposit rates. Short-term deposits are made for varying periods of between one day and six months, depending on the company's cash requirements. These deposits earn interest at market rates.

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(g) Trade and Other Receivables & Accrued Income

Trade receivables which comprise amounts due from work performed under grant agreements and fee for service arrangements are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

Accrued income is recognised based under the Company's revenue recognition policy where performance obligations have been met but an invoice not yet raised.

(h) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, accumulated depreciation and any impairment losses.

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 2(d) for details of impairment).

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

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets but excluding freehold land, 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	Depreciation Rate
Motor Vehicles	33.3%
Office equipment	33.3%
Computer software	40%
Computer hardware	33.3%
Leasehold improvements	16.7%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. Gains are not classified as revenue. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(i) Right-of-Use Assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(j) Lease Liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(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 reporting period.

(l) Employee Benefits

Short-term employee benefits

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

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

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(l) Employee Benefits

Other long-term employee benefits

The entity 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 high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement 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.

The company's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the entity 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.

(m) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(n) Comparative Figure

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

3 Revenue

	2022 \$	2021 \$
Revenue from contracts with customers		
Revenue from reciprocal government grants and other grants		
- Commonwealth	29,401,866	27,389,927
- State	497,115	671,964
- Other	221,481	460,940
	30,120,462	28,522,831
Other revenue		
Interest Income	29,289	57,789
Other Income	503,076	51,095
	532,365	108,884
Total	30,652,827	28,631,715

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Notes to the Financial Statements For the Year Ended 30 June 2022

4 Expenses

	2022 \$	2021 \$
Employee expenses:		
- Salaries and wages	5,087,728	5,265,013
- Superannuation contributions	508,941	500,654
- Annual leave	79,700	(35,707)
- Long service leave	101,579	88,100
- Other payroll expenses	1,333	4,000
Total employee expenses	5,779,281	5,822,060
Depreciation of:		
- Office equipment	641	1,959
- Computer hardware	46,194	51,870
- Leasehold improvements	44	17,248
	46,879	71,077
Amortisation of:		
- Office lease	275,458	323,545
- Printer lease	7,836	17,974
- Motor vehicle lease	13,532	13,531
	296,826	355,050
Total depreciation and amortisation	343,705	426,127
Audit fees:		
- Audit services	13,930	14,700
Total audit remuneration	13,930	14,700

5 Cash and Cash Equivalents

Cash at bank	11,204,857	8,316,515
Short-term deposits	127,541	127,320
	11,332,398	8,443,835

6 Trade and Other Receivables

CURRENT		
Trade receivables	768,164	62,947
Deposits paid	488	483
Other receivables	231	145,015
	768,883	208,445

Notes to the Financial Statements

For the Year Ended 30 June 2022

7 Plant and Equipment

	2022 \$	2021 \$
Office equipment		
At cost	21,954	17,031
Accumulated depreciation	(17,107)	(16,467)
	<u>4,847</u>	<u>564</u>
Computer equipment		
At cost	336,155	272,092
Accumulated depreciation	(225,107)	(216,270)
	<u>111,048</u>	<u>55,822</u>
Leasehold Improvements		
At cost	103,520	103,520
Accumulated depreciation	(103,520)	(103,476)
	<u>-</u>	<u>44</u>
Total plant and equipment	<u>115,895</u>	<u>56,430</u>

(a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Office Equipment \$	Computer Equipment \$	Leasehold Improvement s \$	Total \$
Year ended 30 June 2022				
Balance at the beginning of year	564	55,822	44	56,430
Additions	4,924	103,436	-	108,360
Disposals	-	(2,016)	-	(2,016)
Depreciation expense	(641)	(46,194)	(44)	(46,879)
Balance at the end of the year	<u>4,847</u>	<u>111,048</u>	<u>-</u>	<u>115,895</u>

Notes to the Financial Statements

For the Year Ended 30 June 2022

8 Right-of-Use Assets

	2022 \$	2021 \$
Office Lease		
Right-of-use	1,377,289	2,026,174
Accumulated depreciation	(275,458)	(2,026,174)
	<u>1,101,831</u>	<u>-</u>
Motor Vehicles		
Right-of-use	40,595	40,595
Accumulated depreciation	(27,063)	(13,531)
	<u>13,532</u>	<u>27,064</u>
Printers		
Right-of-use	36,568	36,568
Accumulated depreciation	(15,672)	(7,836)
	<u>20,896</u>	<u>28,732</u>
	<u>1,136,259</u>	<u>55,796</u>

Movements in carrying amounts of Right-of-use assets

	Office Lease \$	Motor Vehicles \$	Printers \$	Total \$
Year ended 30 June 2022				
Balance at beginning of year	-	27,064	28,732	55,796
Additions	1,377,289	-	-	1,377,289
Disposals	-	-	-	-
Depreciation	(275,458)	(13,532)	(7,836)	(296,826)
Balance at end of year	<u>1,101,831</u>	<u>13,532</u>	<u>20,896</u>	<u>1,136,259</u>

9 Trade and Other Payables

CURRENT

Trade payables	755,180	324,308
Payroll accrual	136,640	69,471
Other payables	1,846,776	1,621,559
	<u>2,738,596</u>	<u>2,015,338</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

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Notes to the Financial Statements

For the Year Ended 30 June 2022

10 Contract balances

	2022 \$	2021 \$
Contract assets		
Accrued income on services provided not yet invoiced	-	-
	-	-
Contract liabilities		
Deferred income	9,038,253	6,029,483
	9,038,253	6,029,483

Contract assets

Contract assets arise when work has been performed on a particular program and goods or services have been transferred to the customer and the performance obligations met, but due to the timing of the service an invoice is yet to be raised.

Contract liabilities

Contract liabilities generally represent the unspent grants or other fees received on the condition that specified services are delivered or conditions are fulfilled. In most instances, the provider of the grant has not confirmed whether fees can be rolled forward to future financial years, so there is a chance that funds may need to be repaid until this confirmation is received.

11 Lease Liabilities

CURRENT

Lease liabilities	261,597	18,220
	261,597	18,220

NON-CURRENT

Lease liabilities	918,385	31,582
	918,385	31,582

Total Lease liabilities

	1,179,982	49,802
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The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year \$	1 - 5 years \$	> 5 years \$	Total undiscounted lease liabilities \$	Lease liabilities included in this Statement Of Financial Position \$
2022					
Lease liabilities	261,597	918,385	-	1,398,231	1,179,982

Notes to the Financial Statements

For the Year Ended 30 June 2022

12 Provisions

	2022 \$	2021 \$
CURRENT		
Provision for Annual Leave	381,399	389,648
Provision for Long Service Leave	377,079	296,953
Provision for Psychological Services commitments	93,771	135,038
	852,249	821,639
NON-CURRENT		
Provision for Long Service Leave	29,182	36,220
	29,182	36,220

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 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 2(l).

13 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 parties unless otherwise stated.

Transactions with related entities

The following transactions related to the above related entities:

Payments (GST exclusive) for goods and services provided by:

- Kalwun Health Service (common entity director)	559,779	818,727
- Eyeserve Pty Ltd (common entity director)	12,313	13,483
- Lisa Beecham (director)	23,120	-
- Ignite Design Creative (other related party)	2,100	3,554
- Sumptuous Fine Food Pty Ltd (other related party)	292	-
	597,604	835,764

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Notes to the Financial Statements **For the Year Ended 30 June 2022**

14 Key Management Personnel Disclosures

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 \$ 502,689 (2021: \$ 488,585).

15 Contingent liabilities

In the opinion of those charged with governance, the Company did not have any contingencies at 30 June 2022 (30 June 2021:None).

16 Events after the end of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

17 Statutory Information

The registered office and principal place of business of the company is:

Primary Care Gold Coast Limited
Level 1/14 Edgewater Ct, Robina QLD 4226

Primary Care Gold Coast Limited

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Directors' Declaration

In accordance with a resolution of the directors of Primary Care Cold Coast Limited, the directors of the entity declare that:

- there are reasonable grounds to believe that the Company is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.



Director


Ka-Kiu Cheung (Oct 14, 2022 09:51 GMT+10)

Director

Dated : 13/10/2022

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Primary Care Gold Coast Limited, which comprises the statement of financial position as at 30 June 2022 and 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 other explanatory information and the directors' declaration.

In our opinion, the accompanying financial report of Primary Care Gold Coast Limited is in accordance with 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 2022 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards – *AASB 1060: General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and the *Australian Charities and Not-for-profits Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements 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.

Other Information

The directors of the Company are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2022, 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.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the Responsible Entities 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.

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 related to going concern and using the going concern basis of accounting unless the directors either intend to liquidated the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility 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 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 judgment 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 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, internal 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 reasonableness of accounting estimates and related disclosures made by 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 Company's ability to continue as a going concern. If we conclude 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

Auditor's Responsibility for the Audit of the Financial Report (Continued)

- 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 the audit.

MGI Audit Pty Ltd



S C Greene
Director

Brisbane
16 September 2022

Gold Coast Primary Health Network (2022) - Financial statements_FINAL

Final Audit Report

2022-10-13

Created:	2022-10-13
By:	Executive Assistant (EA@gcphn.com.au)
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 Signer kakiucheung@hotmail.com entered name at signing as Ka-Kiu Cheung

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 Document e-signed by Ka-Kiu Cheung (kakiucheung@hotmail.com)

Signature Date: 2022-10-13 - 11:51:45 PM GMT - Time Source: server- IP address: 101.182.181.20

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