Primary Care Gold Coast Ltd

ABN: 47 152 953 092

Financial Statements

For the Year Ended 30 June 2014

Primary Care Gold Coast Ltd
ABN: 47 152 953 092

Contents

For the Year Ended 30 June 2014

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Directors' Report

30 June 2014

The directors present their report on Primary Care Gold Coast Ltd for the financial year ended 30 June 2014.

1. General information

Information on directors

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

David Rowlands

Experience	General Practitioner
Special responsibilities	Chairman

Stephen Barry

Experience	General Practitioner
Special responsibilities	Treasurer

Sue Gardiner

Experience	General Practitioner
Special responsibilities	Director

Christine Trueman

Experience	Magistrate
Special responsibilities	Director

Debbie Blow

Experience	Associate Director of Community Services and Health Division - Gold Coast Institute of TAFE
Special responsibilities	Director

Noela Baglot

Experience	Registered Nurse
Special responsibilities	Director

Alyson Ross

Experience	Executive Manager Safety, Education and Promotion, Civil Aviation Safety Authority
Special responsibilities	Director

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

Principal activities

During 2013/14 PCGC continued to pursue the objectives of the Strategic Plan set in 2011, with a renewed emphasis on activities that deliver tangible benefits to the community. In particular PCGC was able to build on the momentum and learning from previous years and invest greater resources into those activities that have gained traction in the community and are demonstrating positive outcomes. This has also included the development of new initiatives that have the potential to achieve significant systems change on the Gold Coast. Importantly PCGC successfully absorbed from 1 July 2013, General Practice Gold Coast's ('GPGC') operational role in all Department of Health programs previously subcontracted to GPGC. This process involved a transmission of business and the transition of staff from GPGC to PCGC. The transition of business was successfully completed during the period July – September 2013.

Some of the program highlights include:

- The Gr8 project is an alliance of diverse services working together with a commitment to promotion/prevention, early identification, and efficient intervention for the health and wellbeing of children aged 0-8 years. The alliance includes around 50 government, non-government, private and not-for-profit early years' service providers and spans six sectors.

Directors' Report
30 June 2014

This year the Gr8Start early years initiative focussed on services working with early learning centres to assist parents in developmental screening using the Parent Evaluations of Developmental Status (PEDS) Tool; and increase the number of Healthy Kids Checks in general practice, and referral to specialist services. The following results were achieved:

Gr8 Start outcomes across the Gold Coast utilising the PEDS tool	
No of children screened	3916
No of children referred for assessment	1151
No of Early Childhood Education Centres (ECEC) involved	67

- The Proactive Shared Care Project commenced during 2013/14 with the development of a comprehensive business plan that would deliver proactive management to those patients with the most chronic and complex conditions to de-escalate high usage and costs of hospital emergency departments and inpatient services through new models of integrated care and service redesign. It is planned that 10% of the Gold Coast population will be targeted and intensive case planning undertaken to ensure those with the most chronic and complex conditions are assisted to stay well and out of hospital. GCHHS and PCGC are significantly investing in the mobilisation of these plans with additional Queensland Health investment. This project has completed its planning phase and has moved into mobilisation phase in 2014/15.
- Reducing Outpatient Waiting Lists at Gold Coast Health. Utilising Queensland Health funding and the General Practice Liaison Officer (GPLO) teams, collaboration between general practice and Gold Coast Health (GCH) has reduced waiting times for outpatient appointments. As of 1 July 13 there were 22,620 patients waiting more than 12 months for an appointment. As of 30 May 2014 only 2,471 patients were waiting longer than 12 months for an appointment.
- Commencement of the Partners in Recovery Project (PIR). This targets people with mental health and complex health and social issues and is designed to better coordinate multiple services working with these individuals and their families. A consortium of five organisations completes the Gold Coast PIR consortia. The establishment phase of recruiting staff and coordinators and the development of joint governance systems was completed during 2013/14. As at 30 June 2014, 240 people with complex mental health conditions had been accepted into the program.
- The implementation of a Persistent Pain service was in response to community concern about the effects on people living with chronic and persistent pain, and the long wait for secondary and tertiary services. This project has established a partnership across Primary Health Care Providers to develop collaborative strategies and care pathway for early intervention and improved outcomes for patients. The development of a Primary Health Care Network across a community of practice to support community based patients with chronic pain has achieved active involvement of clinical teams including 31 Allied Health providers, 22 GPs, and 7 GP practices. 103 referrals from QLD Health or GPs have been received to date with 50% of patient registration from referrals. 138 patients have participated in extended Allied Health intervention services and 50 patients have a collaborative treatment plan. The Persistent Pain Program is being expanded in 2014/15 to deliver increased services to persistent pain sufferers on the Gold Coast.
- The wound management program was successfully expanded in 2013/14 to train a greater number of practice nurses in wound care. This innovative and cost effective model includes building the workforce capacity of Gold Coast practice nurses and practices in wound management utilising a formal education and mentoring model by specialised GP and registered nurse professionals. The wound management program was runner up at the National Lead Clinician Conference Innovation Awards.
- The first report against the Gold Coast Health and Wellbeing Plan was completed during the year and this evidenced very pleasing progress against a great many of the challenging goals that were set, in what has been a relatively short period of time.
- With the announcement in the 2014 Federal Budget that Medicare Locals are to be replaced by larger and fewer Primary Health Networks (PHNs) from 1 July 2015, PCGC is looking towards the future and planning to competitively tender for the PHN contract. Considerable negotiations and advocacy has occurred by the PCGC Directors and Company Members to advocate for a Gold Coast PHN, which is considered appropriate for a city the size of the Gold Coast. PCGC Directors and staff have commenced preparations with an aim to win the contract for a PHN in 2015. This will involve some changes to the PCGC's structure and systems to ensure that it can perform the functions of a world class commissioning body, and continue to provide population health planning and integrate the full range of services on the Gold Coast.

Directors' Report
30 June 2014

GCML Mission

Improving the health and wellbeing of the Gold Coast through local solutions to local needs.

GCML will build its capacity as a small, high performing organisation with dedicated skills and infrastructure to undertake: regional population health planning; community engagement and partnering; service development and commissioning of effective and efficient services to achieve an integrated patient centred health and wellbeing sector; and clinical and quality improvement. Through shared leadership GCML will continue to build on its well developed community and service partnerships to improve health and wellbeing through local solutions to local needs.

The GCML has the following Strategic Goals:

1. Promoting a shift in our communities and services to health risk reduction, promotion of good health and early intervention.

2. Improving the coordination and integration of care and services around the health needs of individual patients, their families and communities

3. Improve access to services and strive to eliminate differences in health status

4. Strengthen the role of individuals, consumer/ carer groups and their ability to influence health outcomes

5. Provide support to clinicians and service providers to improve quality, safety and performance of practice in primary health care

6. Developing a sustainable and skilled workforce

7. Developing capacity to support a high quality, and accountable organisation

8. Leading improvements through planning and partnering

Directors' Report
30 June 2014

Managing Performance

Managing Performance

GCML operates under a performance management system that includes:

1. Monthly and quarterly reporting to the Board
2. Bi annual reporting to the members of the Company
3. Bi annual reporting to Funding Bodies such as the Department of Health

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 members 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 2014 the collective liability of members was $60 (2013: $60).

Meetings of directors

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

	Directors' Meetings	
	Number eligible to attend	Number attended
David Rowlands	11	10
Stephen Barry	11	10
Sue Gardiner	11	9
Christine Trueman	11	8
Debbie Blow	11	9
Noela Bagiot	11	11
Alyson Ross	11	8

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2014 has been received and can be found on page 5 of the financial report.

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

Chairperson: .... Director: ....

Dated this 10TH day of SEPT 2014

Crowe Horwath™

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Primary Care Gold Coast Ltd

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Auditors Independence Declaration under Section 307C of the Corporations Act 2001 To the Board of Directors Primary Care Gold Coast Ltd

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2014, there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Crowe Horwath South QLD
Crowe Horwath South QLD

Logan J Meehan
Principal

Suite 12, Level 5
3321 Central Place
Emerald Lakes
Carrara QLD 4211

Dated this 28th day of August 2014

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2014

	Note	2014 $	2013 $
Revenue	3	13,261,883	6,752,298
Employee benefits expense		(4,951,351)	(1,773,526)
Meeting costs		(340,501)	(159,394)
Administration programs		(1,337,603)	(623,606)
Contractors expense		(5,634,984)	(4,041,053)
Refunds/Reimbursements		14,487	21,069
Depreciation and amortisation expense	4	(22,474)	(16,670)
Other expenses		(334,584)	(131,478)
Surplus before income tax expense		654,873	27,640
Income tax expense	1(j)	-	-
Surplus after income tax expense for the year attributable to the members of Primary Care Gold Coast Ltd		654,873	27,640
Other comprehensive income for the year, net of income tax		-	-
Total comprehensive income for the year attributable to the members of Primary Care Gold Coast Ltd		654,873	27,640

The accompanying notes form part of these financial statements.

Primary Care Gold Coast Ltd

ABN: 47 152 953 092

Statement of Financial Position

As At 30 June 2014

	Note	2014 $	2013 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	**4,288,840**	2,292,267
Trade and other receivables	6	**224,547**	2,098,143
Prepayments		**33,248**	-
TOTAL CURRENT ASSETS		**4,546,635**	4,390,410
NON-CURRENT ASSETS			
Property, plant and equipment	7	**53,206**	52,217
TOTAL NON-CURRENT ASSETS		**53,206**	52,217
TOTAL ASSETS		**4,599,841**	4,442,627
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	**1,107,373**	448,707
Short-term provisions	9	**472,724**	207,758
Unspent grants liability	10	**2,321,332**	3,755,101
TOTAL CURRENT LIABILITIES		**3,901,429**	4,411,566
NON-CURRENT LIABILITIES			
Long-term provisions	9	**12,478**	-
TOTAL NON-CURRENT LIABILITIES		**12,478**	-
TOTAL LIABILITIES		**3,913,907**	4,411,566
NET ASSETS		**685,934**	31,061
EQUITY			
Retained surpluses		**310,338**	31,061
Reserves	12	**375,596**	-
		685,934	31,061
TOTAL EQUITY		**685,934**	31,061

The accompanying notes form part of these financial statements.

Primary Care Gold Coast Ltd

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Statement of Changes in Equity

For the Year Ended 30 June 2014

2014

	Retained Surpluses $	Reserves	Total $
Balance at 1 July 2013	31,061	-	31,061
Surplus after income tax expense for the year	654,873	-	654,873
Transfer of grant funds allocated for 2014/15 from retained surpluses	(375,596)	375,596	-
Other comprehensive income for the year, net of tax	-	-	-
Balance at 30 June 2014	310,338	375,596	685,934

2013

	Retained Surpluses $	Reserves	Total $
Balance at 1 July 2012	3,421	-	3,421
Surplus after income tax expense for the year	27,640	-	27,640
Other comprehensive income for the year, net of tax	-	-	-
Balance at 30 June 2013	31,061		31,061

The accompanying notes form part of these financial statements.

Statement of Cash Flows
For the Year Ended 30 June 2014

	Note	2014 $	2013 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		14,631,138	7,400,382
Payments to suppliers and employees		(12,785,130)	(7,301,375)
Interest received		174,027	31,613
Net cash provided by operating activities	19	2,020,035	130,620
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of plant and equipment		-	-
Payment for property, plant and equipment		(23,462)	-
Net cash used in investing activities		(23,462)	-
Net increase in cash and cash equivalents held		1,996,573	130,620
Cash and cash equivalents at beginning of year		2,292,267	2,161,647
Cash and cash equivalents at end of financial year	5	4,288,840	2,292,267

The accompanying notes form part of these financial statements.

The financial statements are for Primary Care Gold Coast Ltd as an individual entity, incorporated and domiciled in Australia. Primary Care Gold Coast Ltd is a not-for-profit Company limited by guarantee.

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

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

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.

(b) Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated.

Where a change in comparatives has also affected the opening retained earnings previously presented in a comparative period, an opening statement of financial position at the earliest date of the comparative period has been presented.

(c) Current and Non-Current Classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(d) Property, Plant and Equipment

Classes of property, plant and equipment are measured using the cost or revaluation model as specified below.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

1 Summary of Significant Accounting Policies (continued)

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model.

Plant and equipment

Plant and equipment are measured using the cost basis less depreciation and impairment losses.

Depreciation

The depreciable amount of all property, plant and equipment, except for freehold land is depreciated on a straight-line method from the date that management determine that the asset is available for use. Assets held under a finance lease and leasehold improvements are depreciated over the shorter of the term of the lease and the assets useful life.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Plant and Equipment	20%
Motor Vehicles	25%
Software	40%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

When an asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

(e) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is the equivalent to the date that the Company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

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

1 Summary of Significant Accounting Policies (continued)

Amortised cost is calculated as:

(a) the amount at which the financial asset or financial liability is measured at initial recognition;

(b) less principal repayments;

(c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and

(d) less any reduction for impairment.

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

The classification of financial instruments depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and at the end of each reporting period for held-to-maturity assets.

The Company does not designate any interest as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) Loans and receivables

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

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting year.

(ii) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Fees payable on the establishment of loan facilities are recognised as transaction costs of the loan.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Impairment of financial assets

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

1 Summary of Significant Accounting Policies (continued)

Impairment on loans and receivables is reduced through the use of an allowance account, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

(f) Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

(g) Fair Value Measurements

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

(h) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(i) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(j) Income Tax

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

(k) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Company are classified as finance leases.

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

1 **Summary of Significant Accounting Policies (continued)**

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Company will obtain ownership of the asset or over the term of the lease.

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

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(l) Revenue and other income

Revenue is recognised when it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Revenue from grants is recognised when it is due and payable. Revenue is recognised when the entity obtains control of the contribution or the right to receive the contribution; it is probable that the economic benefits comprising the contribution will flow to the entity and the amount of the contribution can be measured reliably.

As a result, as at 30 June 2014 $375,596 has been recognised as revenue where no expense has been incurred hence the funds are still available and part of cash and cash equivalents. These funds has been set aside as a reserve at 30 June 2014. Refer to Note 12.

Interest revenue is recognised when it is received, but is accrued annually.

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

(m) 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.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

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.

(n) Going Concern

On 13 May 2014, the Federal Government announced that funding for Medicare Locals by the Department of Health will not continue past 30 June 2015. Medicare Locals will be replaced by new Primary Health Networks (PHN) and Primary Care Gold Coast Ltd will be submitting a tender to become a PHN. At the date of this report it is not known if there will be a PHN on the Gold Coast so the possible success of the tender is unknown which casts significant doubt on the company's ability to continue as a going concern. In the event that Primary Care Gold Coast Ltd is not successful with the tender bid, it is likely that the company will not continue to operate past 30 September 2015.

1 **Summary of Significant Accounting Policies (continued)**

(o) Adoption of new and revised accounting standards

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period

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

Any significant impact on the accounting policies of the company from the adoption of these Accounting Standards and Interpretations are disclosed below. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

Standard Name	Impact
AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13	*The company has applied AASB 13 and its consequential amendments from 1 July 2013. The standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the 'exit price' and provides guidance on measuring fair value when a market becomes less active. The 'highest and best use' approach is used to measure non-financial assets whereas liabilities are based on transfer value. The standard requires increased disclosures where fair value is used.*
AASB 119 Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)	*There has been no impact on the reported financial position and performance*
AASB 2012-2 Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities	*The company has applied AASB 2012-2 from 1 July 2013. The amendments enhance AASB 7 'Financial Instruments: Disclosures' and requires disclosure of information about rights of set-off and related arrangements, such as collateral agreements. The amendments apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement. There has been no impact due to the entity not having such agreements.*
AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle	*The company has applied AASB 2012-5 from 1 July 2013. The amendments affect five Australian Accounting Standards as follows: Confirmation that repeat application of AASB 1 'First-time Adoption of Australian Accounting Standards' is permitted; Clarification of borrowing cost exemption in AASB 1; Clarification of the comparative information requirements when an entity provides an optional third column or is required to present a third statement of financial position in accordance with AASB 101 'Presentation of Financial Statements'; Clarification that servicing of equipment is covered by AASB 116 'Property, Plant and Equipment', if such equipment is used for more than one period; clarification that the tax effect of distributions to holders of equity instruments and equity transaction costs in AASB 132 'Financial Instruments: Presentation' should be accounted for in accordance with AASB 112 'Income Taxes'; and clarification of the financial reporting requirements in AASB 134 'Interim Financial Reporting' and the disclosure requirements of segment assets and liabilities. The entity applied the amendments where applicable.*

1 Summary of Significant Accounting Policies (continued)

(p) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2014. The company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the company, are set out below:

AASB 9 Financial Instruments and its consequential amendments	*This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2017 and completes phases I and III of the IASB's project to replace IAS 39 (AASB 139) 'Financial Instruments: Recognition and Measurement'. This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. Chapter 6 'Hedge Accounting' supersedes the general hedge accounting requirements in AASB 139 and provides a new simpler approach to hedge accounting that is intended to more closely align with risk management activities undertaken by entities when hedging financial and non-financial risks. The company will adopt this standard and the amendments from 1 July 2017 but the impact of its adoption is yet to be assessed by the company.*
AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities	*The amendments are applicable to annual reporting periods beginning on or after 1 January 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 'Financial Instruments: Presentation', by clarifying the meaning of 'currently has a legally enforceable right of set-off'; and clarifies that some gross settlement systems may be considered to be equivalent to net settlement. The adoption of the amendments from 1 July 2014 will not have a material impact on the company*
AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets	*These amendments are applicable to annual reporting periods beginning on or after 1 January 2014. The disclosure requirements of AASB 136 'Impairment of Assets' have been enhanced to require additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposals. Additionally, if measured using a present value technique, the discount rate is required to be disclosed. The adoption of these amendments from 1 July 2014 may increase the disclosures by the company.*

1 Summary of Significant Accounting Policies (continued)

(p) New Accounting Standards and Interpretations not yet mandatory or early adopted (continued)

Annual Improvements to IFRSs 2010-2012 Cycle	*These amendments are applicable to annual reporting periods beginning on or after 1 July 2014 and affects several Accounting Standards as follows: Amends the definition of 'vesting conditions' and 'market condition' and adds definitions for 'performance condition' and 'service condition' in AASB 2 'Share-based Payment'; Amends AASB 3 'Business Combinations' to clarify that contingent consideration that is classified as an asset or liability shall be measured at fair value at each reporting date; Amends AASB 8 'Operating Segments' to require entities to disclose the judgements made by management in applying the aggregation criteria; Clarifies that AASB 8 only requires a reconciliation of the total reportable segments assets to the entity's assets, if the segment assets are reported regularly; Clarifies that the issuance of AASB 13 'Fair Value Measurement' and the amending of AASB 139 'Financial Instruments: Recognition and Measurement' and AASB 9 'Financial Instruments' did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amount, if the effect of discounting is immaterial; Clarifies that in AASB 116 'Property, Plant and Equipment' and AASB 138 'Intangible Assets', when an asset is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount (i.e. proportional restatement of accumulated amortisation); and Amends AASB 124 'Related Party Disclosures' to clarify that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a 'related party' of the reporting entity. The adoption of these amendments from 1 July 2014 will not have a material impact on the company*
Annual Improvements to IFRSs 2011-2013 Cycle	*These amendments are applicable to annual reporting periods beginning on or after 1 July 2014 and affects four Accounting Standards as follows: Clarifies the 'meaning of effective IFRSs' in AASB 1 'First-time Adoption of Australian Accounting Standards'; Clarifies that AASB 3 'Business Combination' excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself; Clarifies that the scope of the portfolio exemption in AASB 13 'Fair Value Measurement' includes all contracts accounted for within the scope of AASB 139 'Financial Instruments: Recognition and Measurement' or AASB 9 'Financial Instruments', regardless of whether they meet the definitions of financial assets or financial liabilities as defined in AASB 132 'Financial Instruments: Presentation'; and Clarifies that determining whether a specific transaction meets the definition of both a business combination as defined in AASB 3 'Business Combinations' and investment property as defined in AASB 140 'Investment Property' requires the separate application of both standards independently of each other. The adoption of these amendments from 1 July 2014 will not have a material impact on the company.*

2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Notes to the Financial Statements
For the Year Ended 30 June 2014

3 Revenue and Other Income

	Note	2014 $	2013 $
Sales revenue			
- grant revenue		13,058,184	6,697,445
		13,058,184	6,697,445
Finance income			
- interest received		174,027	31,613
Finance income		174,027	31,613
Other revenue			
- other trading revenue		29,672	23,240
		29,672	23,240
Total Revenue		13,261,883	6,752,298

4 Expenses

Surplus before income tax includes the following specific expenses:

	2014	2013
Depreciation		
Office equipment	5,300	5,300
Motor vehicles	11,257	11,370
Computer software	5,917	-
Total depreciation	22,474	16,670
Superannuation		
Superannuation expense	391,471	139,087

5 Cash and cash equivalents

	2014	2013
Cash at bank and in hand	2,221,981	1,826,439
Investments	2,066,859	465,828
	4,288,840	2,292,267

6 Trade and other receivables

	Note	2014 $	2013 $
CURRENT			
Trade receivables		209,964	2,078,970
		209,964	2,078,970
Deposits		14,276	19,141
Other receivables		307	32
Total current trade and other receivables		224,547	2,098,143

6 Trade and other receivables (continued)

(a) Credit risk of receivables

The company has no significant concentration of credit risk with respect to any single counter party or group of counter parties other than those receivables specifically provided for and mentioned within Note 6. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the company.

The balances of receivables that remain within initial trade terms are considered to be of high credit quality.

The company does not hold any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired.

7 Property, plant and equipment

	Note	2014 $	2013 $
PLANT AND EQUIPMENT			
Motor vehicles			
At cost		**45,581**	45,581
Accumulated depreciation		**(22,727)**	(11,470)
Total motor vehicles		**22,854**	34,111
Office Equipment			
At cost		**25,804**	25,804
Accumulated depreciation		**(12,997)**	(7,698)
Total office equipment		**12,807**	18,106
Software			
At cost		**23,463**	-
Accumulated depreciation		**(5,918)**	-
Total software		**17,545**	-
Total property, plant and equipment		**53,206**	52,217

(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:

	Motor Vehicles $	Office Equipment $	Software $	Total $
Balance at 1 July 2013	34,111	18,106	-	52,217
Additions	-	-	23,463	23,463
Disposals - written down value	-	-	-	-
Transfers	-	-	-	-
Depreciation expense	(11,257)	(5,299)	(5,918)	(22,474)
Balance at 30 June 2014	22,854	12,807	17,545	53,206

Notes to the Financial Statements
For the Year Ended 30 June 2014

7 Property, plant and equipment (continued)

	Motor Vehicles $	Office Equipment $	Software $	Total $
Balance at 1 July 2012	45,481	23,406	-	68,887
Additions	-	-	-	-
Disposals - written down value	-	-	-	-
Transfers	-	-	-	-
Depreciation expense	(11,370)	(5,300)	-	(16,670)
Balance at 1 July 2013	**34,111**	**18,106**	**-**	**52,217**

8 Trade and other payables

	Note	2014 $	2013 $
CURRENT			
Unsecured liabilities			
Accrued expenses		**425,683**	54,948
Other payables		**9,007**	11,306
		434,690	66,254
Secured Liabilities			
Trade payables		**504,644**	142,966
BAS payables		**168,039**	239,487
		672,683	382,453
		1,107,373	448,707

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

9 Provisions

	2014 $	2013 $
CURRENT		
Provisions	**472,724**	207,758
NON-CURRENT		
Provisions	**12,478**	-

9 Provisions (continued)

	Annual Leave	Long Service Leave	Total
	$	$	$
Opening balance at 1 July 2013	140,672	67,086	207,758
Additional provisions	617,082	96,882	713,964
Provisions used	(394,979)	(41,541)	(436,520)
Balance at 30 June 2014	362,775	122,427	485,202

	Annual Leave	Long Service Leave	Total
	$	$	$
Opening balance at 1 July 2012	74,883	81,302	156,185
Additional provisions	167,851	(14,216)	153,635
Provisions used	(102,062)	-	(102,062)
Balance at 30 June 2013	140,672	67,086	207,758

10 Unspent grants liability

	Note	2014 $	2013 $
CURRENT			
Unspent grants liability		2,321,332	3,755,101

11 Capital and Leasing Commitments

(a) Operating Leases

	Note	2014 $	2013 $
Minimum lease payments under non-cancellable operating leases:			
- not later than one year		255,609	297,623
- between one year and five years		-	-
		255,609	297,623

The lease commitment consists of three property leases. All leases will expire on 30 June 2015 per contract.

12 Reserves

At 30 June 2014, the company transferred unspent funds to reserves to be used in 2014/15 financial year for the following programs:

	2014 $	2013 $
Better Health Care Connections – Aged Care	214,841	-
Partners in Recovery	78,130	-
Chronic Disease Wound Management	55,134	-
Karulbo	27,491	-
	375,596	-

13 Financial Risk Management

Financial risk management objectives
The company's activities do not expose it to many financial risks, with only liquidity risk being needed to be actively managed.

Market risk

Foreign currency risk
The company is not exposed to any significant foreign currency risk.

Price risk
The company is not exposed to any significant price risk.

Interest rate risk
The company is not exposed to any significant interest rate risk.

Credit risk
The company is not exposed to any significant credit risk.

Liquidity risk
Vigilant liquidity risk management requires the company to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The company manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the company's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

2014	Weighted average interest rate	1 Year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
Non-derivatives						
Non-interest bearing						
Trade payables	-%	504,644	-	-	-	504,644
Accrued expenses	-%	425,683	-	-	-	425,683
BAS payables	-%	168,039	-	-	-	168,039
Other payables	-%	9,007	-	-	-	9,007
Total non-derivatives		1,107,373	-	-	-	1,107,373

2013	Weighted average interest rate	1 Year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
Non-derivatives						
Non-interest bearing						
Trade payables	-%	142,966	-	-	-	142,966
Accrued expenses	-%	54,948	-	-	-	54,948
BAS payables	-%	239,487	-	-	-	239,487
Other payables	-%	11,306	-	-	-	11,306
Total non-derivatives		448,707	-	-	-	448,707

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

14 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of $ 20 each towards meeting any outstanding obligations of the Company. At 30 June 2014 the number of members was 3 (2013: 3).

15 Key Management Personnel Disclosures

The totals of remuneration paid to the key management personnel of Primary Care Gold Coast Ltd during the year are as follows:

	2014 $	2013 $
Short-term employee benefits	**290,508**	307,311
Long-term benefits	**26,838**	26,735
	317,346	334,046

Notes to the Financial Statements
For the Year Ended 30 June 2014

15 Key Management Personnel Disclosures (continued)

Other key management personnel transactions

For details of other transactions with key management personnel, refer to Note 18: Related Party Transactions.

16 Remuneration of Auditors

	2014	2013
	$	$
Remuneration of the auditor of the Company, Crowe Horwath, for:		
- auditing or reviewing the financial report	4,850	4,700
- other services	2,100	-
	6,950	4,700

17 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2014 (30 June 2013: None).

18 Related Party Transactions

Key management personnel
Disclosures relating to key management personnel are set out in note 15.

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

The following occurred with related parties:

	2014	2013
	$	$
Payment for goods and services:		
- Rental payments and expense reimbursements to General Practice Gold Coast	225,066	-
- Payments for services from Gold Coast Institute of TAFE (common entity director)	15,345	-
- Payments for services from Palm Beach Family Practice (common entity director)	20,075	-
- Payments for services from Ignite Design/Creative (other related party)	528	-

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Notes to the Financial Statements
For the Year Ended 30 June 2014

19 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2014 $	2013 $
Profit for the year	**654,873**	27,640
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	**22,474**	16,670
- net gain on disposal of property, plant and equipment	-	-
- net gain of sale of scaffolding construction and hire division	-	-
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in trade and other receivables	**1,873,595**	(1,372,293)
- (increase)/decrease in prepayments	**(33,248)**	-
- increase/(decrease) in trade and other payables	**658,666**	180,226
- increase/(decrease) in employee benefits	**277,444**	51,573
- increase/(decrease) in prepaid grant funding	**(1,433,769)**	1,226,804
Cashflow from operations	**2,020,035**	130,620

20 Events Occurring After the Reporting Date

The financial report was authorised for issue on 10 September 2014 by the Board of Directors.

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.

21 Economic Dependence

Primary Care Gold Coast Ltd is dependent on the Department of Health for the majority of its revenue used to operate the business. On 13 May 2014 the Federal Government announced that funding for Medicare Locals will not continue past 30 June 2015. See Note 1 (n) for going concern issue note disclosure.

22 Company Details

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

Primary Care Gold Coast Ltd
2/5 Executive Drive
Burleigh Waters
QLD 4220

Primary Care Gold Coast Ltd
ABN: 47 152 953 092

Directors' Declaration

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 6 to 26, are in accordance with the *Corporations Act 2001* and:

   (a) comply with Australian Accounting Standards; and

   (b) give a true and fair view of the financial position as at 30 June 2014 and of the performance for the year ended on that date of the entity.

2. In the directors' opinion, there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

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

Chairperson .... Director ....

Dated this 10TH day of SEPT 2014

Crowe Horwath™

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Primary Care Gold Coast Ltd

ABN: 47 152 953 092

Independent Audit Report to the members of Primary Care Gold Coast Ltd

Report on the Financial Report

We have audited the accompanying financial report of Primary Care Gold Coast Ltd, which comprises the statement of financial position as at 30 June 2014, 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, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Primary Care Gold Coast Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

Crowe Horwath™

Primary Care Gold Coast Ltd
ABN: 47 152 953 092

Independent Audit Report to the members of Primary Care Gold Coast Ltd

Opinion

In our opinion the financial report of Primary Care Gold Coast Ltd is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Going Concern

Without modifying our opinion, we draw attention to Note 1(n) to the financial report which indicates that the current funding for Medicare Locals by the Department of Health will not continue past 30 June 2015. This condition, along with other matters as described in Note 1(n), indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern.

Crowe Horwath South QLD
Crowe Horwath South QLD

Logan J Meehan
Principal

Suite 12, Level 5
3321 Central Place
Emerald Lakes
Carrara QLD 4211

Dated this ......12th...... day of ......September...... 2014