# Adelaide Northern Division of General Practice Ltd
# ABN 12 061 979 048

## Northern Health Network

### Financial Statements
### For the year ended 30 June 2017

**Ascensio Accountants**
Suite 12, 116-120 Melbourne Street
NORTH ADELAIDE SA 5006

Phone: 08 8267 4800
Fax: 08 8239 0728
Email: admin@ascensio.com.au

## Contents

Your directors present this report on the company for the financial year ended 30 June 2017.

## Directors

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

| | | |
|---|---|---|
| **Dr Farooq AHMAD** | - | Director |
| Qualifications | - | MBBS, FRACGP, Dip Farm Med |
| Experience | - | Board Appointed: 25 March 2009 |
| Special Responsibilities | - | Nil |
| **Dr Richard HEAH** | - | Director / Chairman |
| Qualifications | - | MBBS, Dip RANZCOG, ACCAM, FRACGP |
| Experience | - | Board Appointed: 19 November 2004 |
| Special Responsibilities | - | Chairman |
| **Dr Rizwan LATIF** | - | Director |
| Qualifications | - | MBBS, FRACGP |
| Experience | - | Board Appointed: 14 December 2009 |
| Special Responsibilities | - | Risk & Finance Committee Member |
| **Dr Seema JAIN** | - | Director |
| Qualifications | - | FRACGP |
| Experience | - | Board Appointed: 15 July 2013 |
| Special Responsibilities | - | Nil |
| **Dr Sudheer TALARI** | - | Director |
| Qualifications | - | MBBS |
| Experience | - | Board Appointed: 15 July 2013 |
| Special Responsibilities | - | Nil |
| **Daniel J HAYDON** | - | Director |
| Qualifications | - | Masters of Health Services Management |
| Experience | - | Board Appointed: 10 February 2014 |
| Special Responsibilities | - | Risk & Finance Committee Member |
| **John MANNING** | - | Director |
| Qualifications | - | Bachelor of Commerce |
| Experience | - | Board Appointed: 3 August 2015 |
| Special Responsibilities | - | Risk & Finance Committee Chair |

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

## Directors' Meetings

During the year ten (10) Directors' meetings were held. An account of attendances follows:

| | Directors' Meetings Attended | AGM | Risk & Finance Committee | Special Risk & Finance Meeting |
|---|---|---|---|---|
| Dr Farooq AHMAD | 9 | 1 | - | - |
| Dr Richard Heah | 9 | 1 | - | - |
| Dr Rizwan Latif | 8 | 1 | 4 | 2 |
| Dr Seema JAIN | 8 | 1 | - | - |
| Dr Sudheer TALARI | 10 | 1 | - | - |
| Mr Daniel J HAYDON | 8 | 0 | 4 | 2 |
| Mr John MANNING | 10 | 0 | 3 | 2 |

## Operating Result

The total surplus from operations of the company for the financial year after providing for income tax amounted to:

| Year ended 30 June 2017 | Year ended 30 June 2016 |
|---|---|
| $289,853 | $202,002 |

## Significant Changes in the State of Affairs

No significant changes in the company's state of affairs occurred during the financial year.

## Principal Activities

The Northern Health Network delivers innovative programs enabling improved access to health and wellness services in metro and regional areas. For FY 2016/2017, the NHN delivered on behalf of both Primary Health Networks clinical services across the age span and complexity of mental health concerns, including the state funded Shared Care with GPs program. In addition, the NHN delivers a Barossa based primary care palliative care program, Aboriginal health CTG program across Barossa, mid-North and Yorke Peninsula and the entire metro region. The NHN is also the lead agency for headspace Edinburgh North. The NHN delivers an integrated service where Aboriginal Health CTG staff, mental health staff and health projects staff work seamlessly to ensure that clients are able to access multiple service types to address their care requirements. Furthermore, the NHN has also provided support to GPs and the community through education and training, health promotions and provision of IT support services.

## After Balance Date Events

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 subsequent financial years.

## Directors' Benefits

No director has received or has become entitled to receive, during or since the financial year, a benefit because of a contract made by the company or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest.

This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the company's accounts, or the fixed salary of a full-time employee of the company or related body corporate.

## Indemnifying Officer or Auditor

No indemnities have been given or agreed to be given or insurance premiums paid or agreed to be paid, during or since the end of the financial year, to any person who is or has been an officer or auditor of the company.

## Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

## Auditors Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 has been included.

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

| | |
|---|---|
| Dr Richard HEAH | Mr. John MANNING |
| Director | Director |

Dated: 28 August 2017

## Adelaide Northern Division of General Practice Ltd ABN 12 061 979 048
## Northern Health Network
### Directors' Declaration

The directors of the company declare that:

1. the financial statements and notes are in accordance with the

   Corporations Act 2001 and:

   (a) comply with Accounting Standards and the Corporation Regulations; and

   (b) give a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the year ended on that date;

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

The directors are responsible for the reliability, accuracy and completeness of the accounting records and the disclosure of all material and relevant information.

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

Dr Richard HEAH
Director

Mr. John MANNING
Director

Dated: 28 August 2017

# Adelaide Northern Division of General Practice Ltd ABN 12 061 979 048
## Northern Health Network
## Statement of Comprehensive Income
### For the year ended 30 June 2017

| | Note | 2017 $ | 2016 $ |
|---|---|---|---|
| Revenues | 2 | 7,537,239 | 5,603,016 |
| Employee Benefits Expense | | (5,272,319) | (4,331,138) |
| Program Delivery Expenses | | (1,029,259) | (465,613) |
| ICT Expense | | (225,472) | (202,948) |
| Occupancy expenses | | (300,749) | (196,400) |
| Other Expenses | | (419,587) | (204,915) |
| **Total Surplus from operations for the year** | | **289,853** | **202,002** |

# Adelaide Northern Division of General Practice Ltd ABN 12 061 979 048
## Northern Health Network
## Statement of Financial Position
### As at 30 June 2017

| | Note | 2017 | 2016 |
|---|---|---|---|
| | | $ | $ |
| **Assets** | | | |
| **Current Assets** | | | |
| Cash assets | 3 | 4,679,995 | 3,221,746 |
| Receivables | 4 | 226,701 | 978,998 |
| Other | 5 | 11,003 | 15,611 |
| **Total Current Assets** | | **4,917,698** | **4,216,356** |
| **Non-Current Assets** | | | |
| Property, plant and equipment | 6 | 22,109 | - |
| **Total Non-Current Assets** | | **22,109** | - |
| **Total Assets** | | **4,939,807** | **4,216,356** |
| **Liabilities** | | | |
| **Current Liabilities** | | | |
| Trade & Accounts Payable | 7 | 1,124,114 | 186,222 |
| Financial borrowings | 8 | 469 | 13,425 |
| Current tax liabilities | 9 | 156,877 | 188,076 |
| Provisions | 10 | 445,602 | 319,076 |
| Other Current Liabilities | 11 | 588,521 | 1,188,459 |
| **Total Current Liabilities** | | **2,315,584** | **1,895,258** |
| **Non-Current Liabilities** | | | |
| Provisions | 10 | 209,569 | 196,297 |
| **Total Non-Current Liabilities** | | **209,569** | **196,297** |
| **Total Liabilities** | | **2,525,153** | **2,091,555** |
| **Net Assets** | | **2,414,654** | **2,124,801** |
| **Equity** | | | |
| Unrestricted Retained Earnings | | 2,114,654 | 2,124,801 |
| Restricted Retained Earnings | | 300,000 | - |
| **Total Equity** | | **2,414,654** | **2,124,801** |

# Adelaide Northern Division of General Practice Ltd ABN 12 061 979 048
## Northern Health Network
## Statement of Changes in Retained Earnings
### As at 30 June 2017

| | Notes | Retained Earnings | Total |
|---|---|---|---|
| **Balance at 1 July 2014** | | **1,937,934** | **1,937,934** |
| Surplus from operations for the year | | (15,135) | (15,135) |
| **Balance at 30 June 2015** | | **1,922,798** | **1,922,798** |
| Surplus from operations for the year | | 202,002 | 202,002 |
| **Balance at 30 June 2016** | | **2,124,801** | **2,124,801** |
| Surplus from operations for the year | | 289,853 | 289,853 |
| **Balance at 30 June 2017** | | **2,414,654** | **2,414,654** |

# Adelaide Northern Division of General Practice Ltd ABN 12 061 979 048
## Northern Health Network
## Statement of Cash Flows
### For the year ended 30 June 2017

| | 2017 $ | 2016 $ |
|---|---|---|
| **Cash Flow from Operating Activities** | | |
| Receipts from customers | 8,210,106 | 4,572,447 |
| Payments to Suppliers and employees | (6,873,713) | (3,342,233) |
| Interest received | 79,431 | 56,871 |
| Income tax paid | | 1,151 |
| Net cash provided by (used in) operating activities (note 2) | 1,505,824 | 1,288,237 |
| **Cash Flow from Investing Activities** | | |
| **Payment for:** | | |
| Other Assets | | (200) |
| Payments for property, plant and equipment | (34,619) | |
| Net cash provided by (used in) investing activities | (34,619) | (200) |
| **Cash Flow from Financing Activities** | | |
| Proceeds of borrowings | | 13,413 |
| Repayment of borrowings | (12,956) | |
| Net cash provided by (used in) financing activities | (12,956) | 13,413 |
| Net increase (decrease) in cash held | 1,458,249 | 1,301,450 |
| Cash at the beginning of the year | 3,221,746 | 1,920,297 |
| Cash at the end of the year (note 1) | **4,679,995** | **3,221,746** |

# Adelaide Northern Division of General Practice Ltd ABN 12 061 979 048
## Northern Health Network
## Statement of Cash Flows
### For the year ended 30 June 2017

| | 2017 | 2016 |
|---|---|---|

## Note 1. Reconciliation Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

| | 2017 | 2016 |
|---|---|---|
| Cash At Bank | 4,281 | 3,642 |
| CBA Term Deposit Bank Guarantee | 100,000 | 100,000 |
| Business Online acc - 8905 | | |
| NAB Cheque | 65,144 | 52,640 |
| NAB Savings | 2,086,286 | 713,866 |
| NAB Staff Liability a/c | 503,465 | 500,109 |
| NAB Term Deposits | 1,920,245 | 1,850,745 |
| Petty Cash | 574 | 745 |
| | **4,679,995** | **3,221,746** |

## Note 2. Reconciliation Of Net Cash Provided By/Used In Operating Activities To Net Profit

| | 2017 | 2016 |
|---|---|---|
| Operating profit (loss) after tax | 289,853 | 202,002 |
| Depreciation | 12,510 | |
| Increase/(decrease) in provision for income tax | | 1,151 |
| Changes in assets and liabilities net of effects of purchases and disposals of controlled entities: | | |
| (Increase) decrease in trade and term debtors | 752,297 | (973,698) |
| (Increase) decrease in prepayments | 4,609 | (15,411) |
| Increase (decrease) in trade creditors and accruals | 550,863 | 21,438 |
| Increase (decrease) in other creditors | (212,909) | 1,349,743 |
| Increase (decrease) in employee entitlements | 139,800 | 515,372 |
| Increase (decrease) in sundry provisions | (31,199) | 187,639 |
| **Net cash provided by operating activities** | **1,505,824** | **1,288,237** |

## Note 1: Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers Adelaide Northern Division of General Practice Ltd as an individual entity. Adelaide Northern Division of General Practice Ltd is a public company limited by guarantee, incorporated and domiciled in Australia.

The financial report of Adelaide Northern Division of General Practice Ltd and the controlled entity and Adelaide Northern Division of General Practice Ltd as an individual parent entity comply with all Australian equivalents to International Financial Reporting Standards (IFRS) in their entirety

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

### (a) Basis of Preparation

The accounting policies set out below have been consistently applied to all years presented unless stated otherwise.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

### (b) Accounting Policies

#### Income tax

The Association is exempt in accordance with the Terms of Section 50-5 of the Income Tax Assessment Act 1997 as amended.

#### Employee Benefits

Provision is made for the liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements have been measured at the amount expected to be paid when the liability is settled

#### Provisions

Provision are recognised when Adelaide Northern Division of General Practice Ltd has a legal or constructive obligation, as a result of past events, for which it is probable that the outflow of economic benefit will result and that the outflow can be measured reliably.

#### Cash and Cash Equivalents

Cash and Cash Equivalents includes cash on hand, deposits held at call with banks or financial institutions, 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 balance sheet.

### Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.
Interest revenue is recognised on a proportional basis taking in to account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. All revenue is stated net of the amount of goods and services tax (GST).

### Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use of sale.

All other borrowing costs are recognised in income in the period in which they are incurred

### Goods and Service Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

### Comparative Figures

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

| | 2017 | 2016 |
|---|---|---|
| | $ | $ |

## Note 2: Revenue and Other Income

### Revenue:

| | | |
|---|---|---|
| Grant Funding Income | 7,054,049 | 5,146,85 |
| IT Services Income | 244,918 | 228,03 |
| Interest Income | 79,431 | 56,87 |
| Other Income | 158,841 | 171,25 |
| | **7,537,239** | **5,603,01** |

### Note 3: Cash assets

| | | |
|---|---|---|
| Bank accounts: | | |
| Cash At Bank | 4,281 | 3,642 |
| CBA Term Deposit Bank Guarantee | 100,000 | 100,000 |
| Business Online acc - 8905 | | |
| NAB Cheque | 65,144 | 52,640 |
| NAB Savings | 2,086,286 | 713,866 |
| NAB Staff Liability a/c | 503,465 | 500,109 |
| NAB Term Deposits | 1,920,245 | 1,850,745 |
| Other cash items: | | |
| Petty Cash | 574 | 745 |
| | **4,679,995** | **3,221,746** |

### Reconciliation of Cash:

| | | |
|---|---|---|
| Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows: | | |
| - Cash | 4,679,995 | 3,221,746 |
| | **4,679,995** | **3,221,746** |

| | 2017 | 2016 |
|---|---|---|
| | $ | $ |

## Note 4: Receivables

| | 2017 $ | 2016 $ |
|---|---|---|
| **Current** | | |
| Trade debtors | 226,701 | 978,998 |
| | **226,701** | **978,998** |

## Note 5: Other Current Assets

| | 2017 $ | 2016 $ |
|---|---|---|
| Prepayments | 10,803 | 15,411 |
| Other | 200 | 200 |
| | **11,003** | **15,611** |

## Note 6: Property, Plant and Equipment

| | 2017 $ | 2016 $ |
|---|---|---|
| Motor vehicles: | | |
| At cost | 34,619 | - |
| Less: Accumulated depreciation | (12,510) | - |
| | 22,109 | - |

## Note 7: Payables

| | 2017 $ | 2016 $ |
|---|---|---|
| Unsecured: | | |
| - Trade creditors | 575,801 | 24,938 |
| - Other creditors | 548,313 | 161,283 |
| | **1,124,114** | **186,222** |

## Note 8: Borrowings

| | 2017 $ | 2016 $ |
|---|---|---|
| **Current** | | |
| Unsecured: | | |
| - Credit Cards | 469 | 13,425 |
| | **469** | **13,425** |

| | 2017 | 2016 |
|---|---|---|
| | $ | $ |

## Note 9: Tax Liabilities

| | 2017 $ | 2016 $ |
|---|---|---|
| **Current** | | |
| GST clearing | 78,059 | 147,572 |
| Amounts withheld from salary and wages | 78,818 | 40,504 |
| | **156,877** | **188,076** |

## Note 10: Provisions

| | 2017 $ | 2016 $ |
|---|---|---|
| **Current** | | |
| Employee entitlements* | 445,602 | 319,076 |
| | **445,602** | **319,076** |
| **Non-Current** | | |
| Employee entitlements* | 209,569 | 196,297 |
| | **209,569** | **196,297** |
| * Aggregate employee entitlements liability | **655,172** | **515,372** |

## Note 11: Other Liabilities

| | 2017 $ | 2016 $ |
|---|---|---|
| **Current** | | |
| Grants in Advance | 588,521 | 1,188,459 |
| | **588,521** | **1,188,459** |

## Note 12: Auditors' Remuneration

| | 2017 $ | 2016 $ |
|---|---|---|
| Remuneration of the auditor of the company for: | | |
| Auditing or reviewing the financial report | 8,000 | 8,000 |
| Other services | - | - |
| | **8,000** | **8,000** |

## Note 13: Events Subsequent to Reporting Date

Since the end of the financial year there have been no events that would give rise to an adjustment to the accounts for the year ended 30 June 2017.

## Adelaide Northern Division of General Practice Ltd ABN 12 061 979 048
## Northern Health Network

## Auditor's Independence Declaration

### UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

### To THE DIRECTORS OF: Adelaide Northern Division of General Practice Ltd

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017 there have been:

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

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

Ascensio Accountants
Natale Rugari,
Suite 12, 116 Melbourne Street,
North Adelaide SA 5006

N. Rugari

North Adelaide, SA

ASCENSIO
ACCOUNTANTS

- Taxation
- Audit
- Valuations
- Business Advisory

ABN 73 505 227 015

Suite 12 / 116 Melbourne Street, North Adelaide SA 5006

# INDEPENDENT AUDITOR'S REPORT

## Adelaide Northern Division of General Practice Ltd

### *Opinion*

I have audited the accompanying financial report of Adelaide Northern Division of General Practice Ltd, which comprises the statement of financial position as at 30 June 2017, the statement of 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 responsible entities' declaration.

In my opinion, the financial report of Adelaide Northern Division of General Practice Ltd has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act* 2012, including:

a) giving a true and fair view of the registered entity's financial position as at 30 June 2017 and of its financial performance and cash flows for the year ended on that date; and

b) complying with Australian Accounting Standards and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

### *Basis for opinion*

I conducted our audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. I am independent of the registered entity in accordance with the auditor independence requirements of the *Corporations Act* 2001 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.

I confirm that the independence declaration required by the *Corporations Act* 2001, which has been given to the directors of the responsible entities, would be in the same terms if given to the directors as at the time of this auditor's report.

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

### *Responsible entities' responsibility for the financial report*

The responsible entities of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act* 2012 (ACNC Act) 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 responsible entities are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so.

CPA

Liability limited by a scheme approved under Professional Standards Legislation.

Natale Rugari BA(Acc) CPA Principal
Registered Tax Agent, Company Auditor, SMSF Auditor

Paul Rugari BEc(Acc) CPA Associate
Registered BAS Agent

Telephone: (08) 8267 4800 Fax: (08) 8239 0728
Email: admin@ascensio.com.au Website: www.ascensio.com.au

COVER OF EXCELLENCE

## *Auditor's responsibility for the audit of the financial report*

My objectives are to obtain reasonable assurance about whether the financial report as a whole, is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/Home.aspx. This description forms part of our auditor's report.

N. Rugari

Natale Rugari
Registered Company Auditor

10th August 2017

**Ascensio Accountants**
12, 116-120 Melbourne St
North Adelaide SA 5006