

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

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

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

Northern Health Network

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

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

Operating Result

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

Year ended	Year ended
30 June 2017	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.

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

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.

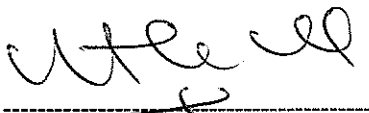
Proceedings on Behalf of Company

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.

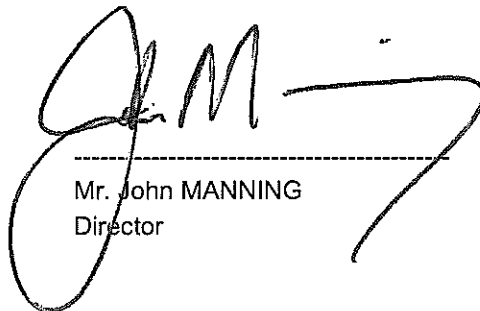
Auditors Independence Declaration

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
Director



Mr. John MANNING
Director

Dated: 28 August 2017

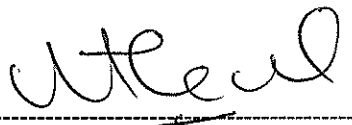
Adelaide Northern Division of General Practice Ltd ABN 12 061 979 048
Northern Health Network
Directors' Declaration

The directors of the company declare that:

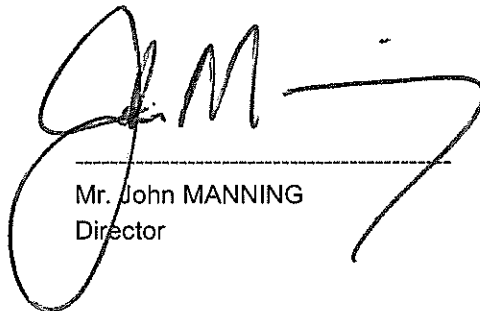
1. the financial statements and notes are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards and the Corporation Regulations; and
 - (b) give a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the year ended on 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	<u>3</u>	4,679,995	3,221,746
Receivables	<u>4</u>	226,701	978,998
Other	<u>5</u>	11,003	15,611
Total Current Assets		4,917,698	4,216,356
Non-Current Assets			
Property, plant and equipment	<u>6</u>	22,109	-
Total Non-Current Assets		22,109	-
Total Assets		4,939,807	4,216,356
Liabilities			
Current Liabilities			
Trade & Accounts Payable	<u>7</u>	1,124,114	186,222
Financial borrowings	<u>8</u>	469	13,425
Current tax liabilities	<u>9</u>	156,877	188,076
Provisions	<u>10</u>	445,602	319,076
Other Current Liabilities	<u>11</u>	588,521	1,188,459
Total Current Liabilities		2,315,584	1,895,258
Non-Current Liabilities			
Provisions	<u>10</u>	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:

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
	<u>4,679,995</u>	<u>3,221,746</u>

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

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	<u>1,505,824</u>	<u>1,288,237</u>

Adelaide Northern Division of General Practice Ltd ABN 12 061 979 048
Northern Health Network
Notes to the Financial Statements
For the year ended 30 June 2017

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.

Adelaide Northern Division of General Practice Ltd ABN 12 061 979 048
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Notes to the Financial Statements
For the year ended 30 June 2017

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
	<u>7,537,239</u>	<u>5,603,01</u>

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
	<u>4,679,995</u>	<u>3,221,746</u>

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
	<u>4,679,995</u>	<u>3,221,746</u>

Northern Health Network
Notes to the Financial Statements
For the year ended 30 June 2017

	2017	2016
	\$	\$

Note 4: Receivables

Current

Trade debtors	226,701	978,998
	<u>226,701</u>	<u>978,998</u>

Note 5: Other Current Assets

Prepayments	10,803	15,411
Other	200	200
	<u>11,003</u>	<u>15,611</u>

Note 6: Property, Plant and Equipment

Motor vehicles:

At cost	34,619	-
Less: Accumulated depreciation	<u>(12,510)</u>	<u>-</u>
	<u>22,109</u>	<u>-</u>

Note 7: Payables

Unsecured:

- Trade creditors	575,801	24,938
- Other creditors	<u>548,313</u>	<u>161,283</u>
	<u>1,124,114</u>	<u>186,222</u>

Note 8: Borrowings

Current

Unsecured:

- Credit Cards	469	13,425
	<u>469</u>	<u>13,425</u>

Northern Health Network
Notes to the Financial Statements
For the year ended 30 June 2017

	2017	2016
	\$	\$
Note 9: Tax Liabilities		
Current		
GST clearing	78,059	147,572
Amounts withheld from salary and wages	78,818	40,504
	<u>156,877</u>	<u>188,076</u>

Note 10: Provisions

Current

Employee entitlements*	445,602	319,076
	<u>445,602</u>	<u>319,076</u>

Non-Current

Employee entitlements*	209,569	196,297
	<u>209,569</u>	<u>196,297</u>

* Aggregate employee entitlements liability	655,172	515,372
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Note 11: Other Liabilities

Current

Grants in Advance	588,521	1,188,459
	<u>588,521</u>	<u>1,188,459</u>

Note 12: Auditors' Remuneration

Remuneration of the auditor of the company for:

Auditing or reviewing the financial report	8,000	8,000
Other services	-	-
	<u>8,000</u>	<u>8,000</u>

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



North Adelaide, SA

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.

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.



Natale Rugari
Registered Company Auditor

10th August 2017

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