

# **South East Alliance of General Practice (Brisbane) Ltd**

ABN 79 115 089 828

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## **Financial Statements**

**For the Year Ended 30 June 2010**

# South East Alliance of General Practice (Brisbane) Ltd

ABN 79 115 089 828

For the Year Ended 30 June 2010

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# South East Alliance of General Practice (Brisbane) Ltd

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## Directors' Report

For the Year Ended 30 June 2010

Your directors present their report on the company for the financial year ended 30 June 2010.

### 1. General information

#### a Directors

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

<b>Names</b>	<b>Appointed/Resigned</b>
Ian Williams	Appointed 10 July 2005
Eugene McAteer	Appointed 10 July 2005
Sue Scott	Appointed 10 July 2005
Glen Pearse	Appointed 10 July 2005
Wendy Burton	Appointed 10 July 2005
	Resigned 9 October 2009
Russell Hunter	Appointed 20 October 2006
	Resigned 9 October 2009
Jan Mohr	Appointed 1 April 2009
Mike Gilmour	Appointed 1 April 2009
Tore Eivers	Appointed 9 October 2009

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

Ian Williams

Qualifications and experience GP MBBS, FRACGP, MAICD

Special Responsibilities President

Eugene McAteer

Qualifications and Experience Master of Business Administration, Bachelor of Social Sciences (BSSc), Postgraduate Certificate (OCN UK), GAICD

Sue Scott

Qualifications and Experience GP MBBS

Special Responsibilities Member of Governance Committee

Glen Pearse

Qualifications and Experience GP MBBS, FRACGP

Special Responsibilities Chair of Finance Committee

Wendy Burton

Qualifications and Experience GP MBBS

Special Responsibilities Chair Governance Committee

# South East Alliance of General Practice (Brisbane) Ltd

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## Directors' Report

For the Year Ended 30 June 2010

Russell Hunter

Qualifications and Experience GP MBBS

Jan Mohr

Qualifications and Experience BA, GAICD

Special Responsibilities Member of Governance Committee

Mike Gilmour

Qualifications and Experience Dip Accounting, MBA, FCPA, FAICD

Special Responsibilities Chair of Governance Committee / Secretary

Tore Eivers

Qualifications and Experience MBBS, MRCGP, FRACGP

Special Responsibilities Member of Finance Committee

During the financial year, 15 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Finance Committee Meetings		Governance Committee Meetings	
	Eligible to attend	Number attended	Eligible to attend	Number attended	Eligible to attend	Number attended
Ian Williams	5	5	6	6	-	-
Eugene McAteer	5	5	-	-	-	-
Sue Scott	5	5	-	-	4	4
Glen Pearse	5	5	6	6	-	-
Wendy Burton	1	1	-	-	1	1
Russell Hunter	1	1	-	-	-	-
Jan Mohr	5	5	-	-	3	3
Mike Gilmour	5	5	-	-	3	3
Tore Eivers	4	4	4	4	-	-

### b Principal Activities

The principal activity of South East Alliance of General Practice (Brisbane) Ltd during the financial year was providing members with educational programs and primary health care support activities.

## 2. Business review

### a Operating Results

The profit of South East Alliance of General Practice (Brisbane) Ltd amounted to \$74,520 (2009: \$90,015).

### b Review of operations

A review of the operations of South East Alliance of General Practice (Brisbane) Ltd during the financial year

# South East Alliance of General Practice (Brisbane) Ltd

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## Directors' Report

For the Year Ended 30 June 2010

and the results of those operations found that during the year, the company continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

### 3. Other items

#### a Significant Changes in State of Affairs

No significant changes in South East Alliance of General Practice (Brisbane) Ltd's state of affairs occurred during the financial year.

#### b After balance day events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of South East Alliance of General Practice (Brisbane) Ltd, the results of those operations or the state of affairs of the company in future financial years.

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#### c Auditors Independence Declaration

The auditors independence declaration for the year ended 30 June 2010 has been received and can be found on page 5 of the financial report.

#### d Environmental Issues

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

#### e Future developments

The company will continue to engage in its principal activity of providing members with educational programs and primary health care support activities.

#### f Members Liability

The Company has three classes of membership – Ordinary, Premium and Associate. The liability of each member upon winding up the company is \$10. The total liability of members as at 30 June 2010 was \$440.

# South East Alliance of General Practice (Brisbane) Ltd

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## Directors' Report

For the Year Ended 30 June 2010

### g Dividends

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

### h Options

No options over issued shares or interests in the entity were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

## 4. Indemnifying Officers or Auditors

### a Indemnities

During or since the end of the financial year the company has paid insurance premiums to insure each director against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a willful breach of duty in relation to the company. The amount of the premium was \$9,643.

## 5. Proceedings on Behalf of Company

### a No Leave or proceedings

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.

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

Director:



Dated this 29<sup>th</sup> day of September 2010

## South East Alliance of General Practice (Brisbane) Ltd

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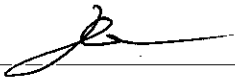
### Auditors Independence Declaration

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2010 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.

*UHY Haines Norton*

UHY Haines Norton  
Chartered Accountants



**Darren Laarhoven**  
Partner  
Brisbane

Dated *29 September 2010*

# South East Alliance of General Practice (Brisbane) Ltd

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## Statement of Comprehensive Income

For the Year Ended 30 June 2010

	Note	2010 \$	2009 \$
Revenue	2	2,537,324	2,618,414
Core Grant expenses		(1,138,135)	(1,159,195)
Project expenses		<u>(1,324,669)</u>	<u>(1,369,204)</u>
<b>Profit attributable to members of the entity</b>		<u>74,520</u>	<u>90,015</u>
<b>Other Comprehensive Income:</b>			
Other comprehensive income for the year		-	-
<b>Total comprehensive income for the year</b>		<u>74,520</u>	<u>90,015</u>

The accompanying notes form part of the financial statements

# South East Alliance of General Practice (Brisbane) Ltd

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## Statement of Financial Position

As At 30 June 2010

	Note	2010 \$	2009 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6	1,747,400	1,615,646
Trade and other receivables	7	62,641	386,178
Other current assets	8	20,055	39,716
<b>Total Current Assets</b>		<u>1,830,096</u>	<u>2,041,540</u>
<b>Non-current Assets</b>			
Property, Plant and Equipment	9	111,303	127,595
<b>Total Non-current Assets</b>		<u>111,303</u>	<u>127,595</u>
<b>TOTAL ASSETS</b>		<u>1,941,399</u>	<u>2,169,135</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	10	1,079,196	1,321,400
Provisions	11	112,701	173,097
<b>Total Current Liabilities</b>		<u>1,191,897</u>	<u>1,494,497</u>
<b>Non-current Liabilities</b>			
Provisions	11	11,131	10,787
<b>Total Non-current Liabilities</b>		<u>11,131</u>	<u>10,787</u>
<b>TOTAL LIABILITIES</b>		<u>1,203,028</u>	<u>1,505,284</u>
<b>NET ASSETS</b>		<u>738,371</u>	<u>663,851</u>
<b>EQUITY</b>			
Retained earnings		738,371	663,851
<b>TOTAL EQUITY</b>		<u>738,371</u>	<u>663,851</u>

The accompanying notes form part of the financial statements

# South East Alliance of General Practice (Brisbane) Ltd

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## Statement of Changes in Equity

For the Year Ended 30 June 2010

	2010	
	Retained Earnings \$	Total \$
Balance at July 1st 2009	663,851	663,851
Profit attributable to members	74,520	74,520
<b>Balance as at June 30th 2010</b>	<b>738,371</b>	<b>738,371</b>
	2009	
	Retained Earnings \$	Total \$
Balance at July 1st 2008	573,837	573,837
Profit attributable to members	90,014	90,014
<b>Balance as at June 30th 2009</b>	<b>663,851</b>	<b>663,851</b>

The accompanying notes form part of the financial statements

# South East Alliance of General Practice (Brisbane) Ltd

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## Statement of Cash Flows

For the Year Ended 30 June 2010

	Note	2010 \$	2009 \$
<b>Cash from operating activities</b>			
Receipts from customers		3,037,352	2,860,588
Payments to suppliers		(2,942,867)	(2,710,546)
Interest Received		43,879	56,466
<b>Net cash provided by (used in) operating activities</b>	13	<u>138,364</u>	<u>206,508</u>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	9(a)	<u>(6,610)</u>	<u>(103,820)</u>
<b>Net cash provided by (used in) investing activities</b>		<u>(6,610)</u>	<u>(103,820)</u>
<b>Net increase (decrease) in cash held</b>		131,754	102,688
Cash at beginning of financial year		<u>1,615,646</u>	<u>1,512,958</u>
<b>Cash at end of financial year</b>	6	<u>1,747,400</u>	<u>1,615,646</u>

The accompanying notes form part of the financial statements

# South East Alliance of General Practice (Brisbane) Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2010

## 1 Statement of Significant Accounting Policies

The financial report is for South East Alliance of General Practice (Brisbane) Ltd as an individual entity, incorporated and domiciled in Australia. South East Alliance of General Practice (Brisbane) Ltd is a company limited by guarantee.

### Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

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

### (a) Property, Plant and Equipment

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

#### Plant and equipment

Plant and equipment are measured on the cost basis. Asset acquisitions of greater than \$5,000 are recorded as plant and equipment in line with the reporting requirements of the Department of Health and Aging

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

#### Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a diminishing value basis over their useful lives to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

# South East Alliance of General Practice (Brisbane) Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2010

## 1 Statement of Significant Accounting Policies (continued)

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	
Plant and Equipment	20-33%
Office Equipment	10-25%
Computer Equipment	25-40%
Leasehold improvements	16.66%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

### (b) Financial Instruments

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#### Recognition and Initial Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is the equivalent to the date that the company commits itself to either purchase or sale of the asset (ie 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

Finance instruments are subsequently measured at either of 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. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

*Amortised cost* is calculated as:

- the amount in which the financial asset or financial liability is measured at initial recognition;
- less principal repayments;
- 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
- 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

# South East Alliance of General Practice (Brisbane) Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2010

## 1 Statement of Significant Accounting Policies (continued)

value with a consequential recognition of an income or expense in profit or loss.

The company does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

### (i) *Financial assets at fair value through profit or loss*

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

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### (ii) *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.

### (iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

### (iv) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

### (v) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

## **Fair value**

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

# South East Alliance of General Practice (Brisbane) Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2010

## 1 Statement of Significant Accounting Policies (continued)

### Impairment

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

### (c) 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 balance sheet.

### (d) Leases

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#### i Finance 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 the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

#### ii Operating leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

### (e) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits.

### (f) Income Tax

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

# South East Alliance of General Practice (Brisbane) Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2010

## 1 Statement of Significant Accounting Policies (continued)

### (g) 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 into account the interest rates applicable to the financial assets.

Revenue from the rendering of services 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).

Revenues from grants relating to expense items are recognised as income over the periods necessary to match the grants to the costs they are compensating.

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### (h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. 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.

### (i) Impairment of Assets

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

### (j) New Accounting Standards for Application in Future Periods

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The company has decided against early adoption of these standards. A discussion of those future requirements relevant to the company and their impact on the company is as follows:

- AASB 2009-4: Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2009-5: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139] (applicable for annual reporting periods commencing from 1 January 2010).

# South East Alliance of General Practice (Brisbane) Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2010

## 1 Statement of Significant Accounting Policies (continued)

These standards detail numerous non-urgent but necessary changes to accounting standards arising from IASB's annual improvements project. No changes are expected to materially affect the company.

The company does not anticipate early adoption of any of the above accounting standards and does not expect these requirements to have any material effect on the company'

### (k) Adoption of New and Revised Accounting Standards

During the current year the company adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these standards has impacted the disclosure of certain transactions. The following is an explanation of the impact the adoption of these standards and interpretations has had on the financial statements of South East Alliance of General Practice (Brisbane) Ltd.

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#### AASB 101: Presentation of Financial Statements

In September 2007 the Australian Accounting Standards Board revised AASB 101 and as a result, there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the company's financial statements.

##### *Disclosure impact*

Terminology changes - the revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

Reporting changes in equity - the revised AASB 101 requires all changes in equity arising from transactions with owners in their capacity as owners to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required that owner changes in equity and other comprehensive income be presented in the statement of changes in equity.

Statement of comprehensive income - the revised AASB 101 requires all income and expenses to be presented in either one statement, the statement of comprehensive income, or two statements, a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

The company's financial statements now contain a statement of comprehensive income.

Other comprehensive income - the revised version of AASB 101 introduces the concept of 'other comprehensive income' which comprises of income and expenses that are not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. Entities are required to disclose the income tax relating to each component of other comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

# South East Alliance of General Practice (Brisbane) Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2010

## 1 Statement of Significant Accounting Policies (continued)

### Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and based on current trends and economic data, obtained both externally and within the company.

### Key estimates - Impairment

The company assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

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No impairment has been recognised in respect of assets for the year ended 30 June 2010.

# South East Alliance of General Practice (Brisbane) Ltd

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## Notes to the Financial Statements

For the Year Ended 30 June 2010

### 2 Revenue

	2010	2009
	\$	\$
Operating Activities		
interest received	43,879	56,466
core operating grant	993,408	925,448
other grants	1,464,438	1,543,507
other income	35,598	92,993
Total Revenue	<u>2,537,324</u>	<u>2,618,414</u>

### 3 Profit from Operating Activities

Personnel Expenses		
Wages and salaries (including employee benefits)	1,513,577	1,220,932
Compulsory superannuation	135,965	100,326
Increase/ (decrease) in liability for annual leave	(51,132)	23,149
Increase / (decrease) in liability for long service leave	(8,920)	(9,669)
Total Personnel expenses	<u>1,589,490</u>	<u>1,334,738</u>

Depreciation		
Computer equipment	3,823	6,070
Office Equipment	3,105	2,132
Plant and equipment	357	473
Leasehold improvements	15,617	3,568
Total Depreciation	<u>22,902</u>	<u>12,243</u>

Rental expense on operating leases		
Minimum lease payments	<u>181,265</u>	<u>134,036</u>

### 4 Auditors Remuneration

Remuneration of the auditor of the company for:		
Auditing or reviewing the financial report	10,050	9,020
Other services	4,645	10,290
	<u>14,695</u>	<u>19,310</u>

# South East Alliance of General Practice (Brisbane) Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2010

	2010	2009
	\$	\$
<b>5 Net financing costs</b>		
<b>Financial Income</b>		
Interest received	43,879	56,466
<b>Financial expenses</b>		
Interest expense	787	60
<b>Net financing income</b>	<u>43,092</u>	<u>56,406</u>
<b>6 Cash and Cash Equivalents</b>		
Cash on hand	317	500
Cash at bank	1,177,438	1,537,985
Short term bank deposits	569,645	77,161
	<u>1,747,400</u>	<u>1,615,646</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 and cash equivalents	<u>1,747,400</u>	<u>1,615,646</u>
	<u>1,747,400</u>	<u>1,615,646</u>

	2010	2009
	\$	\$
<b>7 Trade and other Receivables</b>		
Trade receivables	<u>62,641</u>	<u>386,178</u>
	<u>62,641</u>	<u>386,178</u>

### (a) Credit risk - Trade and Other Receivables

The company does not have a material credit risk exposure to any single receivable or group of receivables.

The following table details the company's trade and other receivables exposed to credit risk with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the company and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the company.

# South East Alliance of General Practice (Brisbane) Ltd

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## Notes to the Financial Statements

For the Year Ended 30 June 2010

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	Gross amount \$	Past due and impaired \$	< 30 \$	31-60 \$	61-90 \$	> 90 \$	Within initial trade terms \$
<b>2010</b>							
Trade and other receivables	62,641	-	-	401	440	-	61,800
Total	62,641	-	-	401	440	-	61,800
<b>2009</b>							
Trade and other receivables	386,178	-	-	6,354	16,500	-	363,324
Total	386,178	-	-	6,354	16,500	-	363,324

	2010 \$	2009 \$
<b>8 Other Current Assets</b>		
Deposits	-	2,120
Prepayments	20,055	37,596
	<u>20,055</u>	<u>39,716</u>
<b>9 Property Plant and Equipment</b>		
Plant and Equipment		
At cost	14,325	14,325
Less accumulated depreciation	(13,116)	(12,759)
Total plant and equipment	<u>1,209</u>	<u>1,566</u>
Office equipment		
At cost	56,786	56,785
Less accumulated depreciation	(29,434)	(26,328)
Total office equipment	<u>27,352</u>	<u>30,457</u>
Computer equipment		
At cost	75,827	75,827
Less accumulated depreciation	(69,290)	(65,467)
Total computer equipment	<u>6,537</u>	<u>10,360</u>
Leasehold improvements		
At cost	95,390	88,780
Less accumulated depreciation	(19,185)	(3,568)
Total leasehold improvements	<u>76,205</u>	<u>85,212</u>
<b>Total property, plant and equipment</b>	<u>111,303</u>	<u>127,595</u>

# South East Alliance of General Practice (Brisbane) Ltd

ABN 79 115 089 828

Notes to the Financial Statements

For the Year Ended 30 June 2010

## (a) Movements in Carry Amounts

	Plant and Equipment	Office Equipment	Computer Equipment	Leasehold Improvements	Total
	\$	\$	\$	\$	\$
Balance at beginning of year	1,566	30,457	10,360	85,212	127,595
Additions	-	-	-	6,610	6,610
Depreciation	1,566	30,457	10,360	91,822	134,205
Assets written off (net)	(357)	(3,105)	(3,823)	(15,617)	(22,902)
Carrying amount at end of year	<u>1,209</u>	<u>27,352</u>	<u>6,537</u>	<u>76,205</u>	<u>111,303</u>

	2010	2009
	\$	\$
<b>10 Trade and Other Payables</b>		
CURRENT		
Unsecured liabilities		
Trade payables	53,552	165,270
Unspent grants	954,583	1,062,267
Goods and services tax payable	10,823	60,267
Other payables	60,238	33,596
	<u>1,079,196</u>	<u>1,321,400</u>
<b>11 Provisions</b>		
CURRENT		
Employee benefits	112,701	173,097
	<u>112,701</u>	<u>173,097</u>
NON-CURRENT		
Employee benefits	11,131	10,787
	<u>11,131</u>	<u>10,787</u>

# South East Alliance of General Practice (Brisbane) Ltd

ABN 79 115 089 828

Notes to the Financial Statements

For the Year Ended 30 June 2010

## 12 Key Management Personnel Compensation

### (a) Key Management Personnel

Names and positions held of key management personnel in office at any time during the financial year are:

<b>Key Management Person</b>	<b>Position</b>
Ian Williams	Director
Eugene McAteer	Director
Russell Hunter	Director
Sue Scott	Director
Glen Pearse	Director
Wendy Burton	Director
Jan Mohr	Director
Mike Gilmour	Director
Tore Eivers	Director
<b>Other Key Management Personnel</b>	
Christine Kardash	Executive Officer Resigned 9 April 2010
John Torpy	Executive Officer Appointed 6 April 2010

### (b) Key Management Personnel Compensation 2010

<b>Short-term benefits</b>		<b>Post employment benefits</b>	<b>Total</b>
<b>Cash, salary &amp; commissions</b>	<b>Non-cash benefits</b>	<b>Superannuation</b>	
<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
206,868	116,765	29,129	352,762

2009

<b>Short-term benefits</b>		<b>Post employment benefits</b>	<b>Total</b>
<b>Cash, salary &amp; commissions</b>	<b>Non-cash Benefits</b>	<b>Superannuation</b>	
<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
93,835	101,981	18,071	213,887

# South East Alliance of General Practice (Brisbane) Ltd

ABN 79 115 089 828

Notes to the Financial Statements

For the Year Ended 30 June 2010

## 13 Cash Flow Information

### (a) Reconciliation of Cash Flow from Operations with Profit after Income Tax

	2010 \$	2009 \$
<b>13 Cash Flow Information</b>		
Net income for the period	74,520	90,014
Non-cash flows in profit		
Depreciation	22,902	12,243
Loss on disposal of fixed assets	-	4,692
Changes in assets and liabilities		
(increase) / decrease in trade and other receivables	323,537	(153,011)
(increase) / decrease in other current assets	19,661	(2,908)
(increase) / decrease in property, plant and equipment		
Increase / (decrease) in trade and other payables	(242,204)	241,999
Increase / (decrease) in provisions	(60,052)	13,479
	<u>138,364</u>	<u>206,508</u>

### (b) Non-cash Financing and Investing Activities

During the 2010 and 2009 financial year there were no acquisitions of plant and equipment by means of finance leases.

### (c) Credit Standby Arrangements with Banks

The major facilities are summarised as follows:

As at 30 June 2010 and 2009, no credit standby arrangements and loan facilities exist.

# South East Alliance of General Practice (Brisbane) Ltd

ABN 79 115 089 828

Notes to the Financial Statements

For the Year Ended 30 June 2010

## 14 Members' Guarantee

The company is limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of \$10 each towards any outstanding obligations of the company. The total number of members of the company as at 30 June 2010 was eight (8)

## 15 Capital and Leasing Commitments

### Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements

	2010	2009
	\$	\$
Payable - minimum lease payments		
- not later than 12 months	200,249	166,725
- between 12 months and 5 years	155,402	289,793
	355,651	456,518

Operating leases comprise:

Two motor vehicle lease exists as at 30 June 2010 – a Toyota Corolla with Qfleet and a Toyota Corolla with Fleet Partners. The leases are payable monthly in advance at a set rate of \$620.21 and \$574.39 respectively. These payments are set for the 36 month term of the leases. The property lease for the Capalaba office is for three years commencing 1 April 2009 at \$185,914 per annum (including \$18,591 per annum of outgoings) indexed to CPI (Brisbane All indices). SEAGP has a three year option to be exercised at its discretion. The rent is paid in advance on a month by month basis. SEAGP can terminate the lease at any time should its grant funding be insufficient to maintain the lease provided that it gives six months notice or payment in lieu. A Bank Guarantee for six months rent has been provided in favor of the lessor.

## 16 Economic Dependence

The company is economically dependent on the Department of Health and Ageing for funding its ongoing infrastructure costs.

# South East Alliance of General Practice (Brisbane) Ltd

ABN 79 115 089 828

## Notes to the Financial Statements

For the Year Ended 30 June 2010

### 17 Financial Instruments

The company's financial instruments consist mainly of deposits with banks and accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2010 \$	2008 \$
<b>Financial Assets</b>			
Cash and cash equivalents	6	1,747,400	1,615,646
Loans and receivables	7	62,641	386,178
		<u>1,810,041</u>	<u>2,001,824</u>
<b>Financial Liabilities</b>			
Financial liabilities at amortised cost			
- Trade and other payables	10	1,079,196	1,321,400
		<u>1,079,196</u>	<u>1,321,400</u>

### Financial Risk Management Policies

Consisting of the President, a Board member, an external accountant, the Chief Executive Officer, the finance committee's overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimizing potential adverse effects on financial performance. Risk management policies are reviewed by the finance committee on a regular basis with recommendations submitted to the full Board for consideration. These include credit risk policies and future cash flow requirements. The Board, as part of its overall risk management duties, carried out an annual review of all financial risks.

### Specific Financial Risk Exposures and Management

The main risks the company is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

#### (a) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognized at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

At 30 June 2009 and 2010 the company was not exposed to any interest rate risks on financial liabilities. The directors do not believe that a change in interest rates will materially affect future cashflow of financial assets.

#### (b) Liquidity risk

Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The company manages risk through the following mechanisms:

- preparing and monitoring budgets in relation to its operational, investing and financial activities

# **South East Alliance of General Practice (Brisbane) Ltd**

ABN 79 115 089 828

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2010**

- obtaining funding from a variety of sources
  - managing credit risk related to financial assets
  - investing only in surplus cash with major financial institutions
  - comparing the maturity profile of financial liabilities with the realisation profile of financial assets
-

# South East Alliance of General Practice (Brisbane) Ltd

ABN 79 115 089 828

Notes to the Financial Statements

For the Year Ended 30 June 2010

## 17 Financial Instruments (continued)

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities. Financial guarantee liabilities are treated as payable on demand since the company has no control over the timing of any potential settlement of the liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

### Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total Contractual Cash Flow	
	2010 \$	2009 \$	2010 \$	2009 \$	2010 \$	2009 \$	2010 \$	2009 \$
<b>Financial liabilities due for payment</b>								
Trade and other payables (excluding estimated annual leave)	1,079,196	1,321,400	-	-	-	-	1,079,196	1,321,400
Financial guarantees	75,000	75,000	-	-	-	-	75,000	75,000
Total contractual outflows	1,154,196	1,396,400	-	-	-	-	1,154,196	1,396,400
Total expected outflows	1,154,196	1,396,400	-	-	-	-	1,154,196	1,396,400
<b>Financial assets - cash flows realisable</b>								
Cash and cash equivalents	1,747,400	1,615,646	-	-	-	-	1,747,400	1,615,646
Trade, term and loans receivables	62,641	386,178	-	-	-	-	62,641	386,178
Total anticipated inflows	1,810,041	2,001,824	-	-	-	-	1,810,041	2,001,824
Net (outflow)/inflow on financial instruments	655,845	605,424	-	-	-	-	655,845	605,424

# South East Alliance of General Practice (Brisbane) Ltd

ABN 79 115 089 828

Notes to the Financial Statements

For the Year Ended 30 June 2010

## 17 Financial Instruments (continued)

### (c) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counter parties of contract obligations that could lead to a financial loss to the company.

Risk is minimised through investing surplus funds in financial institutions that maintain a high credit rating.

#### *Credit Risk Exposures*

The maximum exposure to credit risk by class of recognised financial assets at balance date, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the balance sheet.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 7.

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The company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the company. Customers are not assessed for credit worthiness as the majority of income is received from government organisations.

### Net Fair Values

Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The aggregate net fair values approximate the carrying amounts of financial assets and financial liabilities, as disclosed in the balance sheet and in the notes to the financial statements.

### Sensitivity Analysis

The company has performed a sensitivity analysis relating to its exposure to interest rate risk. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

#### Interest Rate Risk Sensitivity Analysis

At 30 June 2010, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	2010	2009
	\$	\$
Change in profit		
+/- 2% change in interest rates	+/-34,941	+/- 31,286
Change in equity		
+/- 2% change in interest rates	+/- 34,941	+/- 31,286

# South East Alliance of General Practice (Brisbane) Ltd

ABN 79 115 089 828

## Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 5 to 27, are in accordance with the Corporations Act 2001 and:
  - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
  - (b) give a true and fair view of the financial position as at 30 June 2010 and of the performance for the year ended on that date of the company ;
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.

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

Director 

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Dated 29<sup>th</sup> September 2010

## South East Alliance of General Practice (Brisbane) Ltd

ABN 79 115 089 828

### Independent Audit Report to the members of South East Alliance of General Practice (Brisbane) Ltd

#### Report on the Financial Report

We have audited the accompanying financial statements of South East Alliance of General Practice (Brisbane) Ltd, which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

#### Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### 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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 and fair presentation of the financial report 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 entity'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.

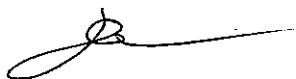
#### Auditor's Opinion

In our opinion the financial report of South East Alliance of General Practice (Brisbane) 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 2010 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

*UHY Haines Norton*

UHY Haines Norton  
Chartered Accountants



**Darren Laarhoven**  
Partner  
Brisbane

Dated *29 September 2010*

UHY Haines Norton – Brisbane – ABN 76 898 082 094 QLD BN 19 561 945

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