

PRIMARY CARE CONNECT
A.B.N. 63 136 509 343
DIRECTOR'S REPORT

Your Directors present their report on the Company for the financial year ended 30 June 2022.

DIRECTORS

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

Information of Directors	Qualifications/Experience	Board Meetings Attended (eligible in brackets)	
Chairperson			
Mr Brant Doyle	Board member resigned 27th June 2022	5	(9)
Ms Jacinta Russell	Board member appointed 29th April 2019	9	(9)
Directors			
Mr Carl Durnin	Board member appointed 28th September 2020	9	(9)
Ms. Wendy Ross	Board member appointed 28th September 2020	8	(9)
Ms Lisa Birrell	Board member appointed 22nd March 2021	9	(9)
Mr. Kevin Preece	Board member appointed 22nd November 2021	6	(6)
Mr Gregory James	Board member resigned 22nd November 2021	0	(4)

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

Company Secretary

The Company Secretary as at 30th June 2022 was the CEO, Ms Rebecca Lorains. From 15th July 2022 Ms Tricia Quibell is the Interim CEO and Company Secretary.

OPERATING RESULTS

The net result of operations of the Company for the financial year was a surplus of \$2,049,677.

The operating result of the 2021 financial year was a surplus of \$134,494.

REVIEW OF OPERATIONS

There were no significant changes to the Company's state of affairs during the financial year.

OBJECTIVES OF THE COMPANY

The principal objectives of the Company are the provision of primary health care, preventative health care and counselling services.

STRATEGIES FOR ACHIEVING THE OBJECTIVES

A 3 year Strategic Plan has been implemented with 3 strategic goals that guide the operations of the business.

The goals focus on providing better health outcomes for our community, being a leader in developing means to strengthen and empower our community and building a strong organisation in order to achieve our goals.

The goals are part of the planning and reporting mechanisms of the organisation.

EVENTS SUBSEQUENT TO BALANCE DATE

As of 15th July 2022 the CEO Ms. Rebecca Lorains had resigned from Primary Care Connect, Ms Tricia Quibell (Executive Manager Organisational Development) is the Acting Interim CEO until the Board has completed its recruitment process.

Due to low unemployment rates and high demand for Executives it is envisaged that this process may take up to 6 months to complete.

At the date of this report, the Company is of the opinion that there is no effect on the financial position or financial performance of the Company as reported in these financial statements for the year ended 30 June 2022.

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

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DIRECTOR'S REPORT (cont.)

FUTURE DEVELOPMENTS

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

ENVIRONMENTAL REGULATIONS

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

DIVIDENDS

The Company is limited by guarantee and is prohibited by its objects from distributing its surplus to the members. Accordingly no dividend has been paid or declared for the year by the Company since the end of the previous financial year and up to the date of this report.

MEMBERS GUARANTEE

The entity is incorporated under the *Corporations Act 2001* and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity. At 30 June 2022 the number of members was 5 (2021: 6).

INDEMNIFICATION OF OFFICERS OR AUDITORS

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

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* and in accordance with *Division 60 of the Australian Charities and Not-for-profits Commission Act 2012* set out on page 3.

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

DocuSigned by:

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Director

Dated this 5th day of September 2022.



Victorian Auditor-General's Office

Auditor-General's Independence Declaration

To the Board of Directors, Primary Care Connect

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General, an independent officer of parliament, is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised.

Under the *Audit Act 1994*, the Auditor-General is the auditor of each public body and for the purposes of conducting an audit has access to all documents and property, and may report to parliament matters which the Auditor-General considers appropriate.

Independence Declaration

As auditor for Primary Care Connect for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit.
- no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read "Sh.", is positioned above the printed name of the signatory.

Sanchu Chummar

as delegate for the Auditor-General of Victoria

MELBOURNE
3 October 2022

PRIMARY CARE CONNECT
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
REVENUE AND OTHER INCOME			
Revenue from Contracts	5	11,757,287	9,513,929
Other Income	5	1,237,116	1,067,313
TOTAL REVENUE		12,994,403	10,581,243
EXPENSES			
Employee Benefits	6	8,099,156	6,661,032
Motor Vehicle Expenses	6	76,581	66,226
Sub-Contracted Services	6	698,868	680,530
Depreciation	6,10	445,568	394,437
Other Expenses	6	1,624,553	2,315,009
Revaluation of Buildings	6	-	329,515
TOTAL EXPENSES		10,944,726	10,446,749
RESULT FOR THE YEAR		2,049,677	134,494
OTHER COMPREHENSIVE INCOME			
<i>Items that will not be reclassified to profit or loss</i>			
Revaluation of Land	13	234,000	200,000
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,283,677	334,494

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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note	2022 \$	2021 \$
ASSETS			
Current Assets			
Cash and Cash Equivalents	7	10,419,816	7,170,456
Trade and Other Receivables	8	118,234	64,034
Prepayments		-	36,003
Total Current Assets		10,538,050	7,270,493
Non-Current Assets			
Property, Plant and Equipment	9	6,721,086	6,727,562
Total Non-Current Assets		6,721,086	6,727,562
TOTAL ASSETS		17,259,136	13,998,055
LIABILITIES			
Current Liabilities			
Trade and Other Payables	11	2,316,561	1,455,617
Trust Liability	11	391,307	285,477
Employee Provisions	12	1,019,495	828,837
Lease Liabilities	10	139,110	122,776
Total Current Liabilities		3,866,473	2,692,707
Non-Current Liabilities			
Lease Liabilities	10	69,676	173,775
Long-Term Provisions	12	311,280	403,543
Total Non-Current Liabilities		380,956	577,318
TOTAL LIABILITIES		4,247,429	3,270,025
NET ASSETS		13,011,707	10,728,030
EQUITY			
Funding Reserves	13a	1,466,460	516,822
Asset Revaluation Reserves	13a	1,555,000	1,321,000
Retained Earnings	13b	9,990,247	8,890,208
TOTAL EQUITY		13,011,707	10,728,030

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	Note	Asset Revaluation Reserve \$	Specific Purpose Reserve \$	Retained Earnings \$	Total \$
Balance at 30 June 2020		<u>1,121,000</u>	<u>760,874</u>	<u>8,511,662</u>	<u>10,393,536</u>
Net Result	13b	-	-	134,494	134,494
Transfers to/(from) Reserves	13b	-	(244,052)	244,052	-
Revaluation of Land and Buildings	9	200,000	-	-	200,000
Balance at 30 June 2021		<u>1,321,000</u>	<u>516,822</u>	<u>8,890,208</u>	<u>10,728,030</u>
Net Result	13b	-	-	2,049,677	2,049,677
Transfers to / (from) Reserves	13b	-	949,638	(949,638)	-
Revaluation of Land and Buildings	9	234,000	-	-	234,000
Balance at 30 June 2022		<u>1,555,000</u>	<u>1,466,460</u>	<u>9,990,247</u>	<u>13,011,707</u>

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Receipts from Donations, Grants and Rental Income		13,727,909	10,703,203
Interest Received		19,821	44,618
Payments			
Payments to Suppliers and Employees		(10,178,891)	(8,850,536)
Interest Expense		(26,622)	(19,510)
NET CASH FLOWS FROM OPERATING ACTIVITIES	15a	<u>3,542,217</u>	<u>1,877,775</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for Property, Plant and Equipment		(143,497)	(116,262)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		<u>(143,497)</u>	<u>(116,262)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of Lease Liabilities		(149,360)	(89,527)
NET CASH FLOWS USED IN FINANCING ACTIVITIES		<u>(149,360)</u>	<u>(89,527)</u>
NET INCREASE/(DECREASE) IN CASH HELD		3,249,360	1,671,986
CASH AT BEGINNING OF FINANCIAL YEAR		7,170,456	5,498,470
CASH AT END OF FINANCIAL YEAR	7	<u>10,419,816</u>	<u>7,170,456</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

STATEMENT OF ACCOUNTING POLICIES

The financial report covers PCC ("the Company") as an individual entity. Primary Care Connect is a not-for-profit Company, registered and domiciled in Australia.

The principal activities of the Company for the year ended 30 June 2022 is the provision of primary health care, preventative health care and counselling services.

The functional and presentation currency of Primary Care Connect is Australian Dollars.

The financial report was authorised for issue by those charged with governance on 5th September 2022.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

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

The Company has adopted *Australian Accounting Standards - Simplified Disclosures* at 1 July 2021. Other than the change in disclosure requirements, the adoption of the *Australian Accounting Standards - Simplified Disclosures* has no significant impact on the financial statements as the Company's previous financial statements were prepared in full compliance with Australian Accounting Standards - Reduced Disclosure Requirements.

The financial statements are prepared on a going concern basis.

The financial statements, except for cash flow information, have been prepared using the accrual basis of accounting. Under the accrual basis, items are recognised as assets, liabilities, equity, income or expenses when they satisfy the definitions and recognition criteria for those items, that is, they are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

2 Impact of the COVID-19 Pandemic

In the previous financial year, a global pandemic caused by the COVID-19 Coronavirus (COVID-19) was declared. To contain the spread of COVID-19 and prioritise the health and safety of our community, Primary Care Connect was required to comply with various restrictions announced by the Commonwealth and State Governments, which in turn, has continued to impact the way in which Primary Care Connect operates.

Primary Care Connect introduced a range of measures in both the prior and current year, including:

- introducing restrictions on non-essential visitors
- greater utilisation of telehealth services
- implementing work from home arrangements where appropriate.

3 Summary of Significant Accounting Policies

(a) Rounding

All amounts shown in the Financial Statements are expressed to the nearest dollar.

(b) Income Tax

The Company is income tax exempt.

(c) Receivables

Trade debtors are carried at nominal amounts due and are due for settlement within 30 days from the date of recognition. Collectability of debts is reviewed on an ongoing basis.

(d) Property, Plant and Equipment

Property, plant and equipment are brought to account at cost or at fair value less, where applicable, any accumulated depreciation. The carrying amount of property, plant and equipment is reviewed annually by management 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 which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

Assets with a purchase price of less than \$1,000 have been expensed on acquisition.

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated over their useful lives commencing from the time the asset is held ready for use. A summary of the depreciation method and depreciation rates for each class of attached is as follows:

Class of Asset	Method	Rates
Plant & Equipment	Prime Cost	10% - 33.3%
Buildings	Prime Cost	2.5%

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Summary of Significant Accounting Policies (continued)

Property, Plant and Equipment (continued)

(e) Revaluation

Land and buildings at 393-399 Wyndham Street was independently valued by Opteon, Registered Valuers on the 10th May 2021 and adopted as at the 30th June 2021. These same land and building assets were the subject of a managerial valuation was adopted as at 30th June 2022.

Revaluation increases (increments) arise when an asset's fair value exceeds its carrying amount. In comparison, revaluation decreases (decrements) arise when an asset's fair value is less than its carrying amount. Revaluation increments and revaluation decrements relating to individual assets within an asset class are offset against one another within that class but are not offset in respect of assets in different classes.

Revaluation increments are recognised in 'Other Comprehensive Income' and are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that same class of asset previously recognised as an expense in net result, in which case the increment is recognised as income in the net result.

Revaluation decrements are recognised in 'Other Comprehensive Income' to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of property, plant and equipment. Otherwise, the decrement is recognised as an expense in the net result.

The revaluation reserve included in equity in respect of an item of property, plant and equipment may be transferred directly to retained earnings when the asset is derecognised.

(f) 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 statement of comprehensive income.

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

(g) Payables

These amounts represent liabilities for goods and services provided prior to the end of the financial year and which are unpaid. The normal credit terms are net 30 days.

(h) Goods and Services Tax

Revenues, expenses and assets are recognised net of GST except for receivables and payables which are stated with the amount of GST included and except where the amount of GST incurred is not recoverable, in which case GST is recognised as part of the cost of acquisition of an asset or part of an item of expense or revenue. GST receivable from and payable to the Australian Taxation Office (ATO) is included in the statement of financial position. The GST component of a receipt or payment is recognised on a gross basis in the statement of cash flows.

(i) Leases

At inception of a contract, the Company assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.

The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.

The Company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Summary of Significant Accounting Policies (continued)

(i) Lessee (continued)

Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for both short term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(j) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries, and annual leave that will be settled after 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 the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the Company to employee superannuation funds and are charged as expenses when incurred.

(k) Revenue and Other Income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

Government Grants

Where grant funding arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligations is satisfied.

The performance obligations are varied based on the agreement but may include performance targets such as client outcomes, client meetings/ presentations or department reporting obligations.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

Amounts arising from grants that fall within the scope of AASB 1058 include those where no consideration is provided by the Company and the funds are principally awarded to the Company to further its objectives. Such grants are recognised as income when receipted.

Revenue from the following grant funding has been recognised under AASB 15:

Department of Human Services

- Aboriginal Services and Support
- Community Health Services
- Alcohol and Drug Support
- Refugee Health Services
- Counselling Services
- Family Violence Support
- Family Violence Orange Door Hub
- High Risk Accommodation Response (COVID19)
- Public Intoxication Pilot Program

Victorian Responsible Gambling Foundation

- Gamblers Help Program

Youth Affairs Council Victoria Inc

- AOD Youth, Working for Victoria COVID19

Consumer Affairs Victoria

- Financial Counselling Services

Victorian Foundation House

- Torture and Trauma Services

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Summary of Significant Accounting Policies (continued)

(k) Revenue and other income (continued)

Murray Primary Health Network

- Chronic Disease Management
- Increasing Access to AOD Services
- Integrated Team Care
- Health Navigator Program

La Trobe Community Health

- Pharmacotherapy Area Based Network Coordinator

Health and Ageing

- Supported Accommodation Program

Statement of financial position balances relating to revenue recognition

Contract assets and liabilities

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or the before payment is due, the Company presents the contract as a contract asset, unless the Company's rights to that amount of consideration are unconditional, in which case the Company recognises a receivable (e.g. Accrued Income).

When an amount of consideration is received from a customer prior to the entity transferring a good or service to the customer, the Company presents the contract as a contract liability (e.g. Income received in Advance).

Contract cost assets

The Company recognises assets relating to the costs of obtaining a contract and the costs incurred to fulfil a contract or set up / mobilisation costs that are directly related to the contract provided they will be recovered through performance of the contract.

Costs to obtain a contract

Costs to obtain a contract are only capitalised when they are directly related to a contract and it is probable that they will be recovered in the future. Costs incurred that would have been incurred regardless of whether the contract was won are expensed, unless those costs are explicitly chargeable to the customer in any case (whether or not the contract is won).

The capitalised costs are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates.

Set-up / mobilisation costs

Costs required to set up the contract, including mobilisation costs, are capitalised provided that it is probable that they will be recovered in the future and that they do not include expenses that would normally have been incurred by the Company if the contract had not been obtained. They are recognised as an expense on the basis of the proportion of actual output to estimated output under each contract. If the above conditions are not met, these costs are taken directly to profit and loss as incurred.

Costs to fulfil a contract

Where costs are incurred to fulfil a contract, they are accounted for under the relevant accounting standard (if appropriate), otherwise if the costs relate directly to a contract, the costs generate or enhance resources of the Company that will be used to satisfy performance obligations in the future and the costs are expected to be recovered then they are capitalised as contract costs assets and released to the profit or loss on an systematic basis consistent with the transfer to the customer of the goods or services to which the asset relates.

Gain on disposal of non-current assets

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

Interest income

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

Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

(j) Financial Instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Summary of Significant Accounting Policies (continued)

Classification

On initial recognition, the Company classifies its financial assets at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised Cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

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

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, gain and losses on derecognition and impairment are recognised in profit or loss.

Impairment of Financial Assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at cost.

When determining whether the credit risk of a financial assets has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade Receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non payment of the receivable and multiplied this by the amount of the expected loss arising from default. The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

In some circumstances, the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flow are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial Liabilities

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

(m) 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 twelve months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(n) Comparative Information

Where necessary the previous year's figures have been reclassified to facilitate comparisons.

(o) Adoption of new and revised accounting standards

Other than the adoption of AASB 1060 to comply with the *Australian Accounting Standards - Simplified Disclosures* (see Note 1), the Company has not adopted any other standard, interpretation or amendment that has been issued but not yet effective.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

4 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 are 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. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

No impairment has been recognised for the year ended 30 June 2022.

Key Estimates — Incremental Borrowing Rate

Due to the absence of any specified interest rates in the lease contracts that have been brought to account for the first time under AASB 16, the Company has applied its incremental borrowing rate to leases relating to right-to-use assets.

The Company has determined the incremental borrowing rate based on a quoted loan rate obtained from the Company's banker. This rate will be reviewed at the commencement of each future lease to which AASB 16 applies.

Key Estimates - Provisions

The Company believes that obligations for annual leave entitlements satisfy the definition of short-term employee benefits and, therefore, can be measured at the undiscounted amounts expected to be paid to employees when the obligations are settled. Long service leave entitlements are separated into short and long term portions for application of the relevant measurement approaches, whereby the short term portion are measured at the undiscounted amounts expected to be paid and the long term portion are measured at the present value of the expected future payments to be made to the employees

Key Estimates - Property Held at Fair Value

The Company carries its land and buildings at fair value. Independent valuations are obtained at least triennially and at the end of each reporting period, the directors update their assessment of the fair value of each property, taking into account the most recent valuations and movements in the market.

Note 18 provides information on inputs and techniques to determine fair value.

Key Estimates - Useful Life of Property, Plant and Equipment

The Company review the estimated useful lives and corresponding depreciation rates of property, plant and equipment at the end of each annual reporting period.

Key Judgement - Determination and Timing of Revenue under AASB 15

Primary Care Connect applies significant judgement to determine when a performance obligation has been satisfied and the transaction price that is to be allocated to each performance obligation. A performance obligation is either satisfied at a point in time or over time.

	2022 \$	2021 \$
NOTE 5: REVENUE		
Revenue from Operating Activities		
<i>Revenue from Contracts with Customers</i>		
Grant Revenue - State (Operating)	11,134,785	8,999,346
Grant Revenue - Commonwealth (Operating)	622,502	514,583
	<u>11,757,287</u>	<u>9,513,929</u>
<i>Other Income</i>		
Grant Income - State (Operating)	1,150,137	226,894
Grant Income - Commonwealth (Operating)	13,782	134,692
Donations	6,686	5,166
Other Income	43,973	662,012
Rent	1,119	4,354
Interest	21,419	34,196
	<u>1,237,116</u>	<u>1,067,313</u>
Total Revenue and Other Income	<u>12,994,403</u>	<u>10,581,243</u>

PRIMARY CARE CONNECT
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 5: REVENUE (Continued)

Government Grants

To recognise revenue, Primary Care Connect assesses whether there is a contract that is enforceable and has sufficiently specific performance obligations in accordance with AASB 15: *Revenue from Contracts with Customers*.

When both these conditions are satisfied, the Company:

- Identifies each performance obligation relating to the revenue
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfied its performance obligations, at the time or over time when services are rendered.

Where the contract is not enforceable and/or does not have sufficiently specific performance obligations, the Company:

- recognises the asset received in accordance with the recognition requirements of other applicable Accounting Standards (for example, AASB 9, AASB 16, AASB 116 and AASB 138)
- recognises related amounts (being contributions by owners, lease liabilities, financial instruments, provisions, revenue or contract liabilities from a contract with a customer), and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

Performance Obligations

The types of government grants recognised under AASB 15 Revenue from Contracts with Customers includes:

- activity based funding
- other one-off grants if funding conditions contain enforceable and sufficiently specific performance obligations.

The performance obligations for Primary Care Connect for Activity Based Funding are the agreed activity levels agreed with the Department of Health and Human services and other government entities. The performance obligations have been selected as they align with funding conditions set out in the policy and funding guidelines issues by the Department of Health and Human Services and other government entities.

	2022 \$	2021 \$
NOTE 6: EXPENDITURE		
Employee Benefits		
Salaries and Wages inc Employee Provisions	7,333,523	6,082,761
Superannuation	701,783	535,399
Workcover	63,850	42,872
	<u>8,099,156</u>	<u>6,661,032</u>
Motor Vehicle Expenses	76,581	66,226
Sub-Contracted Services	698,868	680,530
Depreciation of Non-Current Assets		
Plant & Equipment	186,044	169,050
Buildings	101,250	129,301
Right of Use Assets	158,274	96,086
	<u>445,568</u>	<u>394,437</u>
Other Expenses		
Administration Costs	37,010	53,708
Consultancy Expenses	76,181	347,667
Occupancy Costs	166,541	186,598
Audit and Accounting Fees	32,280	10,325
Program Resources	517,484	926,913
ICT Expenses	214,558	240,544
Other Expenses	580,499	549,254
	<u>1,624,553</u>	<u>2,315,009</u>
Revaluation of Buildings (Note 9)	-	329,515
Total Expenditure	<u>10,944,726</u>	<u>10,446,749</u>

NOTE 7: CASH AND CASH EQUIVALENTS

Cash at Bank	2,417,972	3,122,690
Cash on Deposit	8,001,644	4,047,566
Cash on Hand	200	200
Total Cash and Cash Equivalents	<u>10,419,816</u>	<u>7,170,456</u>

For the purposes of the Cash Flow Statement, cash includes cash on hand and in banks, and short-term deposits which are readily convertible to cash on hand, and are subject to insignificant risk of change in value, net of outstanding overdrafts.

PRIMARY CARE CONNECT
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2022 \$	2021 \$
NOTE 8: TRADE AND OTHER RECEIVABLES		
Accrued Interest	1,645	47
Receivables	116,589	63,987
Total Trade and Other Receivables	<u>118,234</u>	<u>64,034</u>

Trade debtors are carried at nominal amounts due and are due for settlement within 30 days from the date of recognition.

Primary Care Connect is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Based on historical information about customer default rates, management consider the credit quality of trade receivables that are not past due or impaired to be good.

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

Plant and Equipment - at Cost	1,458,949	1,315,452
Less Accumulated Depreciation	<u>(911,943)</u>	<u>(725,899)</u>
	547,006	589,553
Right of Use Assets - Motor Vehicles	349,604	384,086
Less Accumulated Depreciation	<u>(158,274)</u>	<u>(96,077)</u>
	191,330	288,009
Buildings - at Valuation	4,050,000	4,050,000
Less Accumulated Depreciation	<u>(101,250)</u>	<u>-</u>
	3,948,750	4,050,000
Land - at Valuation	2,034,000	1,800,000
Total Property, Plant and Equipment	<u>6,721,086</u>	<u>6,727,562</u>

Reconciliation of the carrying amounts of each class of property, plant & equipment and right of use assets is set out below.

	Land \$	Plant & Equipment \$	ROUA - Motor Vehicles \$	Buildings \$	Total \$
Balance at 30 June 2020	1,600,000	642,341	47,938	4,508,816	6,799,095
Additions	-	116,262	336,157	-	452,419
Disposals at WDV	-	-	-	-	-
Revaluation Increment/(decrement)	200,000	-	-	(329,515)	(129,515)
Depreciation Expense (note 6)	-	(169,050)	(96,086)	(129,301)	(394,437)
Balance at 30 June 2021	1,800,000	589,553	288,009	4,050,000	6,727,562
Additions	-	143,497	61,595	-	205,092
Disposals at WDV	-	-	-	-	-
Revaluation Increment/(decrement)	234,000	-	-	-	234,000
Depreciation Expense (note 6)	-	(186,044)	(158,274)	(101,250)	(445,568)
Balance at 30 June 2022	2,034,000	547,006	191,330	3,948,750	6,721,086

Land and Buildings and Carried at Valuation

Opteon, Registered Valuers, undertook an independent valuation of all of Primary Care Connect land and buildings to determine their fair value. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The valuation was based on independent assessments. The effective date of the valuation was 30 June 2021. The valuation report provides commentary on the impact of the COVID-19 pandemic, specifically noting that the values within the report may change significantly and unexpectedly over a relatively short period of time as a result of factors that the valuer could not have reasonably known at the date of valuation.

As at 30th June 2022, management has applied fair value assessment using the VGV land and building indices by postcode. An adjustment to the land valuation of 1.13 has been applied of \$234,000. It has been noted that no adjustment to buildings has been made at the 1.04 indexation. This will be taken into consideration in the coming financial year based on accumulated movement.

PRIMARY CARE CONNECT
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 10: LEASES

Company as a lessee

The Company has leases over a range of assets including vehicles and photocopiers.

Information relating to the leases in place and associated balances and transactions are provided below.

Right-of-use assets	Motor Vehicles \$	Plant & Equipment \$	Total \$
Year ended 30 June 2021			
Balance at beginning of year	47,938	-	47,938
Additions	310,026	26,131	336,157
Depreciation charge	(93,364)	(2,722)	(96,086)
Balance at end of year	264,600	23,409	288,009
Year ended 30 June 2022			
Balance at beginning of year	264,600	23,409	288,009
Additions	61,595	-	61,595
Depreciation charge	(151,741)	(6,533)	(158,274)
Balance at end of year	174,454	16,876	191,330
Lease liabilities			

The maturity analysis of lease liabilities for right-of-use assets based on contractual undiscounted cash flows is shown in the table below:

	< 1 year	1 - 5 years	> 5 years	Total undiscounted lease liabilities	Present value of lease liabilities included in Statement of Financial Position
	\$	\$	\$	\$	\$
2022					
Lease Liabilities	150,834	73,903	-	224,737	208,786
2021					
Lease Liabilities	144,960	186,561	-	331,521	296,551

Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Company is a lessee are shown below:

	2022 \$	2021 \$
Interest expense on lease liabilities	26,622	19,510
Depreciation of right-of-use assets	158,274	93,364
Expenses relating to short-term leases	-	2,002
Expenses relating to leases of low-value assets	-	-
	184,896	114,876

Statement of Cash outflows

Total cash outflows for leases (including interest on lease liabilities)	175,984	109,664
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The Company has applied the practical expedient to all COVID-19 related rent concessions that meet the following conditions:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2022 (for example, a rent concession would meet this condition if it results in reduced lease payments on or before 30 June 2022 and increased lease payments that extend beyond 30 June 2022); and
- there is no substantive change to other terms and conditions of the lease.

The practical expedient allows changes in lease payments resulting from the rent concession to be treated as a variable lease payment through the statement of profit or loss and other comprehensive income, rather than as a lease modification.

	2022 \$	2021 \$
Amount recognised in profit or loss to reflect changes in lease payments arising from COVID-19 rent concessions	-	-

PRIMARY CARE CONNECT
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2022 \$	2021 \$
NOTE 11: TRADE AND OTHER PAYABLES		
Trade Payables	77,764	211,193
Sundry Payables and Accruals	290,764	312,707
GST Payable	425,811	217,022
Trust Liability	391,307	285,477
Contract Liability	1,522,222	714,695
Total Trade and Other Payables	2,707,868	1,741,094

Trust Liability

Trust liability refers to Auspice Agreements with the Aboriginal Family Violence Services Dhelk Dja with the Department of Families, Fairness and Housing and the Principal Strategic Advisory Program with the Department of Human Services. Primary Care Connect acts as the funding holder receipting income and dispersing expenditure on behalf of the agencies.

NOTE 12: PROVISIONS

CURRENT		
Annual Leave (i)	535,367	428,375
Long Service Leave (ii)	420,968	400,462
Other Provision	63,160	-
	1,019,495	828,837
NON-CURRENT		
Long Service Leave (ii)	311,280	403,543
Total Provisions	1,330,775	1,232,380

- i) The amounts disclosed are nominal amounts.
- ii) The amounts disclosed are discounted to present values.

Employee Benefit Recognition

Provision is made for benefits accruing to employees in respect of annual leave and long service leave for services rendered to the reporting date as an expense during the period the services are delivered.

Provisions

Provisions are recognised when Primary Care Connect has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a liability is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

Annual Leave

Liabilities for annual leave are recognised in the provision for employee benefits as 'current liabilities' because Primary Care Connect does not have an unconditional right to defer settlements of these liabilities.

Depending on the expectation of the timing of settlement, liabilities for annual leave and accrued days off are measured at:

- Nominal value – if Primary Care Connect expects to wholly settle within 12 months; or
- Present value – if Primary Care Connect does not expect to wholly settle within 12 months.

Long Service Leave

The liability for long service leave (LSL) is recognised in the provision for employee benefits.

Unconditional LSL is disclosed in the notes to the financial statements as a current liability even where Primary Care Connect does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months. An unconditional right arises after a qualifying period.

The components of this current LSL liability are measured at:

- Nominal value – if Primary Care Connect expects to wholly settle within 12 months; or
- Present value – if Primary Care Connect does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as a non-current liability. Any gain or loss followed revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in estimations e.g. bond rate movements, inflation rate movements and changes in probability factors which are then recognised as other economic flows.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 13: EQUITY AND RESERVES

	2022 \$	2021 \$
(a) Reserves		
Specific Purpose Reserve		
Balance at Beginning of Reporting Period	516,822	760,874
Transfers to Retained Earnings	949,638	(244,052)
Balance at the end of the reporting period	<u>1,466,460</u>	<u>516,822</u>
Asset Revaluation Reserve		
Balance at Beginning of Reporting Period	1,321,000	1,121,000
Revaluation of Land	234,000	200,000
Balance at the end of the reporting period	<u>1,555,000</u>	<u>1,321,000</u>
Total Reserves	<u>3,021,460</u>	<u>1,837,822</u>

Specific Purpose Reserve

Funds received for a specific purpose which are yet to be expended are recorded in the Specific Purpose Reserve.

Asset Revaluation Reserve

The asset revaluation reserve is made up of revaluations made to land. The revaluation of buildings in 2013 resulted in a decrement in value being recorded through profit and loss. A subsequent revaluation in May 2018 resulted in an increment being recorded through to profit and loss, with another decrement of \$329,515 being recorded through profit and loss in the 2021 financial year. At 30 June 2022, cumulative decrements of \$1,156,154 have been booked to profit and loss that can be offset by future increments.

(b) Retained Earnings

Retained Earnings at the beginning of the reporting period	8,890,208	8,511,662
Net Result for the Year	2,049,677	134,494
Net Transfers from Reserves	(949,638)	244,052
Retained Earnings at the end of the reporting period	<u>9,990,247</u>	<u>8,890,208</u>

NOTE 14: FINANCIAL RISK MANAGEMENT

The principal categories of financial instrument used by the Company are:

- Trade receivables
- Cash at bank
- Trade and other payables

Financial Assets

Cash and Cash Equivalents - At Amortised Cost	10,419,816	7,170,456
Trade and Other Receivables - At Amortised Cost	118,234	64,034
Total Financial Assets	<u>10,538,050</u>	<u>7,234,490</u>

Financial Liabilities

Trade and Other Payables - At Amortised Cost	368,528	523,900
Total Financial Liabilities	<u>368,528</u>	<u>523,900</u>

NOTE 15: RECONCILIATION OF NET RESULT FOR THE YEAR TO NET CASH FLOWS FROM OPERATING ACTIVITIES

a) Reconciliation of Net Cash used in Net Result

Net Result	2,049,677	134,494
Non-Cash Movements		
Depreciation and Amortisation	445,568	394,437
Revaluation of Buildings	-	329,515
Movements in assets and liabilities		
Increase/(Decrease) in Trade and Other Payables	966,774	701,762
Increase/(Decrease) in Provisions	98,395	150,989
Decrease/(Increase) in Trade and Other Receivables	(54,200)	193,225
Decrease/(Increase) in Prepayments	36,003	(26,647)
Net Cash From/(Used in) Operating Activities	<u>3,542,217</u>	<u>1,877,775</u>

b) Reconciliation of cash

Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

Cash at Bank	10,419,816	7,170,456
	<u>10,419,816</u>	<u>7,170,456</u>

NOTE 16: CONTRACTED COMMITMENTS

The Company has no significant contracted commitments outstanding at 30 June 2022 not provided for in the financial statements (2021: Nil).

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 17: KEY MANAGEMENT PERSONNEL REMUNERATION

The total remuneration paid to key management personnel (KMP) of the Company was:

	2022	2021
	\$	\$
Short term employee benefits	998,257	752,804
Long term employee benefits	14,128	7,481
Post-employment benefits	83,677	62,899
Termination Benefits	4,802	0
	<u>1,100,864</u>	<u>823,184</u>

NOTE 18: FAIR VALUE MEASUREMENT

The Company measures the following assets and liabilities at fair value on a recurring basis:

- Land
- Buildings

Asset/Liability
Buildings

Basis of determining value

The fair value of the Company's land and buildings is determined by an independent, qualified valuer on a triennial basis who have experience in the valuation of properties in a similar location and of a similar nature. The Directors review the valuation reports and discuss significant movements with the valuer.

The Company's land and buildings were revalued with effect to 30 June 2021 by David McKenzie, Certified Practising Valuer, of Opteon. The valuation was conducted on a fair value basis to reflect the highest and best use of the property.

Assumptions

Estimated Rental Value: \$488,880
Capitalisation rate: 8.35%

Land

As at 30th June 2022, management has applied fair value assessment using the VGV land and building indices by postcode. An adjustment to the land valuation of 1.13 has been applied of \$234,000. It has been noted that no adjustment to buildings has been made at the 1.04 indexation. This will be taken into consideration in the coming financial year based on accumulated movement.

NOTE 19: CONTINGENT ASSETS AND CONTINGENT LIABILITIES

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

NOTE 20: RELATED PARTIES

KMPs are those people with the authority and responsibility for planning, directing and controlling the activities of the Primary Care Connect.

The Board of Directors, Chief Executive Officers and senior management of Primary Care Connect are deemed to be KMPs.

Key management personnel of Primary Care Connect

KMP	Position Title
Mr Brant Doyle	Chair of the Board (Resigned June 2022)
Ms Jacinta Russell	Chair of the Board
Ms Lisa Birrell	Board Member
Mr Carl Durnin	Board Member
Ms. Wendy Ross	Board Member
Ms Rebecca Lorains	Chief Executive Officer (Resigned July 2022)
Ms Hannah Dolling	Executive Manager of Health Services (Resigned May 2022)
Mr Leigh Stanbrook	Executive Manager of Health Services
Ms Tricia Quibell	Executive Manager of Organisational Development
Ms Megan Lorains	Executive Manager of Research and Development
Ms Broni Paine	Executive Manager of Community Services
Ms Simone Wilson	Executive Manager of Business and Infrastructure
Ms. Christine McInnes	Executive Manager of Family Violence

Related parties of the health service include:

- All key management personnel (KMP) and their close family members;

Transactions with KMPs and Other Related Parties

Outside of normal citizen type transactions with the Primary Care Connect, there were no related party transactions that involved key management personnel, their close family members and their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

There were no related party transactions required to be disclosed for Primary Care Connect Board of Directors, Chief Executive Officer or senior management.

Key Management Personnel remuneration - refer to Note 17

PRIMARY CARE CONNECT
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 21: EVENTS OCCURRING AFTER REPORTING DATE

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

As of 15th July 2022 the CEO Ms. Rebecca Lorains had resigned from Primary Care Connect, Ms Tricia Quibell (Executive Manager Organisational Development) is the Acting Interim CEO until the Board has completed its recruitment process. Due to low unemployment rates and high demand for Executives it is envisaged that this process may take up to 6 months to complete.

At the date of this report, the Company is of the opinion that there is no effect on the financial position or financial performance of the Company as reported in these financial statements for the year ended 30 June 2022.

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

NOTE 22: ECONOMIC DEPENDENCY

Primary Care Connect is dependent on the Department of Health for the majority of its revenue used to fund operations. At the date of this report, the Board of Directors has no reason to believe the Department of Health will not continue to support Primary Care Connect.

NOTE 23: AUDITORS REMUNERATION

	2022	2021
	\$	\$
Remuneration of the auditor, VAGO, for:		
- auditing and reviewing the financial statements	20,300	6,250
	<u>20,300</u>	<u>6,250</u>
Remuneration of the previous auditor, CountPro Audit Pty Ltd, for:		
- auditing and reviewing the financial statements	-	12,450
- auditing funding acquittals	-	630
	<u>-</u>	<u>13,080</u>
Total Auditor's Remuneration	<u>20,300</u>	<u>19,330</u>

NOTE 24: ENTITY DETAILS

The Principal Place of Business and registered office of the Company is:
 399 Wyndham Street, Shepparton
 Victoria 3630

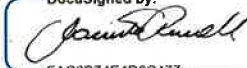
**PRIMARY CARE CONNECT
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DECLARATION BY DIRECTORS

In the opinion of the Board of Directors:

1. The financial report as set out on pages 4 to 20 presents a true and fair view of the financial position of Primary Care Connect as at 30 June 2022 and its performance and cash flows for the year ended on that date in accordance with *Australian Accounting Standards - Simplified Disclosures* of the Australian Accounting Standards Board and the requirements of the Australian Charities and Not-for-Profits Commission Act 2012.
2. at the date of this statement, there are reasonable grounds to believe that Primary Care Connect will be able to pay its debts as and when they fall due.

This statement is made in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013 and a resolution of the Board of Directors.

DocuSigned by:

FAC6B74E4D0C477
Director

Dated this 5th day of September 2022.

Independent Auditor's Report

To the Directors of Primary Care Connect

Opinion

I have audited the financial report of Primary Care Connect (the company) which comprises the:

- statement of financial position as at 30 June 2022
- statement of comprehensive income for the year then ended
- statement of changes in equity for the year then ended
- statement of cash flows for the year then ended
- notes to the financial statements, including significant accounting policies
- declaration by directors.

In my opinion the financial report is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- giving a true and fair view of the financial position of the company as at 30 June 2022 and of its financial performance and its cash flows for the year then ended
- complying with Australian Accounting Standards – Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2013*.

Basis for Opinion

I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

My independence is established by the *Constitution Act 1975*. My staff and I are independent of the company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Directors' responsibilities 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 – Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act 2012*, and for such internal control as the Directors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

**Auditor's
responsibilities
for the audit of
the financial
report**

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors
- conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the Directors with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

MELBOURNE
3 October 2022



Santhu Chummar

as delegate for the Auditor-General of Victoria