

**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 2020.

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)	
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Chairperson

Mr Kevin Boote	Resigned November 2019	4	(4)
Mr Troy Knox	Board member since February 2018	6	(6)

Directors

Mr Troy Knox	Board member since February 2018	4	(4)
Mr Shane Boyer	Board member since April 2019	9	(10)
Ms. Jacinta Russell	Board member since April 2019	10	(10)
Ms Nerissa Findlay	Board member since April 2019	8	(10)
Dr Menon Parameswaran	Resigned November 2019	4	(4)
Ms Iris Ambrose	Resigned February 2020 (leave of absence)	0	(6)
Mr Brant Doyle	Board member since February 2020	4	(5)

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 is CEO, Ms Rebecca Lorains.

OPERATING RESULTS

The net result of operations of the Company for the financial year was a surplus of \$171,768
The operating result of the 2019 financial year was a surplus of \$1,277,180.

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

On 11 March 2020, the World Health Organisation (WHO) confirmed the Coronavirus Disease (COVID-19) to be a pandemic. Following the confirmation from the WHO that COVID-19 was considered a pandemic, the Australian Federal Government and Victorian State Government has enforced bans for all non-essential travel and multiple stages of community lockdown. Further, following a second COVID-19 outbreak in the state of Victoria, the Victorian State Government introduced a further community lockdown period for metropolitan Melbourne on 8 July 2020, with a further lockdown period for regional Victoria commencing on 5 August 2020. The financial market reactions and community lockdowns are expected to have significant economic and social consequences, which are likely to significantly impact the operations and future financial results of Primary Care Connect.

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

EVENTS SUBSEQUENT TO BALANCE DATE (continued)

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 2020.

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.

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 and obligations of the entity. At 30 June 2020 the number of members was 5 (2019: 7).

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.

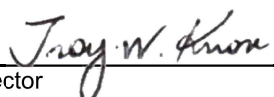
No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

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:



Director

Dated this 28th day of September 2020.

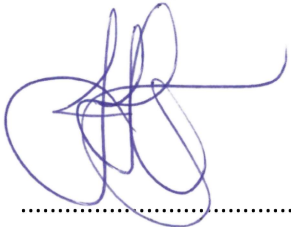
Primary Care Connect

Auditors Independence Declaration to the Board of Primary Care Connect

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

PPT Audit Pty Ltd
PPT Audit Pty Ltd



Jason D. Hargreaves
Director

Dated this 18th September 2020

20 Lydiard Street South, Ballarat

PRIMARY CARE CONNECT
A.B.N. 63 136 509 343

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
REVENUE			
Revenue	5	7,848,274	8,783,389
EXPENSES			
Employee Benefits	6	5,271,691	4,955,353
Motor Vehicle Expenses	6	100,607	144,579
Sub-Contracted Services	6	635,455	618,828
Depreciation	6	314,623	218,576
Other Expenses	6	1,354,130	1,568,873
		<u>7,676,506</u>	<u>7,506,209</u>
RESULT FOR THE YEAR		<u>171,768</u>	<u>1,277,180</u>
OTHER COMPREHENSIVE INCOME			
<i>Items that will not be reclassified to profit or loss</i>			
Gain/(Loss) on Revaluation of Land		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>171,768</u>	<u>1,277,180</u>

The Company has initially applied AASB 15 and AASB 1058 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 111, AASB 118, AASB 1004 and related interpretations.

The Company has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

PRIMARY CARE CONNECT
A.B.N. 63 136 509 343

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
ASSETS			
Current Assets			
Cash and Cash Equivalents	7	5,498,470	5,701,096
Trade and Other Receivables	8	266,615	186,339
Total Current Assets		<u>5,765,085</u>	<u>5,887,435</u>
Non-Current Assets			
Property, Plant and Equipment	9	6,799,095	6,205,475
Total Non-Current Assets		<u>6,799,095</u>	<u>6,205,475</u>
TOTAL ASSETS		<u>12,564,180</u>	<u>12,092,910</u>
LIABILITIES			
Current Liabilities			
Trade and Other Payables	11	1,039,332	936,346
Short-Term Provisions	12	716,775	528,512
Lease Liabilities	10	29,884	-
Total Current Liabilities		<u>1,785,991</u>	<u>1,464,858</u>
Non-Current Liabilities			
Long-Term Provisions	12	364,616	349,375
Lease Liabilities	10	20,037	-
Total Non-Current Liabilities		<u>384,653</u>	<u>349,375</u>
TOTAL LIABILITIES		<u>2,170,644</u>	<u>1,814,233</u>
NET ASSETS		<u>10,393,536</u>	<u>10,278,677</u>
EQUITY			
Reserves	13a	1,881,874	2,235,990
Retained Earnings	13b	8,511,662	8,042,687
TOTAL EQUITY		<u>10,393,536</u>	<u>10,278,677</u>

The Company has initially applied AASB 15 and AASB 1058 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 111, AASB 118, AASB 1004 and related interpretations.

The Company has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

PRIMARY CARE CONNECT
A.B.N. 63 136 509 343

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Notes	Asset Revaluation Reserve \$	Specific Purpose Reserve \$	Retained Earnings \$	Total \$
Balance at 1 July 2018		<u>1,121,000</u>	<u>1,001,136</u>	<u>6,879,361</u>	<u>9,001,497</u>
Net Result	13	-	-	1,277,180	1,277,180
Transfers to Reserves	13	-	113,854	(113,854)	-
Balance at 30 June 2019		<u>1,121,000</u>	<u>1,114,990</u>	<u>8,042,687</u>	<u>10,278,677</u>
Net Result	13	-	-	171,768	171,768
Transfers to Reserves	13	-	(354,116)	297,207	(56,909)
Balance at 30 June 2020		<u>1,121,000</u>	<u>760,874</u>	<u>8,511,662</u>	<u>10,393,536</u>

The Company has initially applied AASB 15 and AASB 1058 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 111, AASB 118, AASB 1004 and related interpretations.

The Company has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

PRIMARY CARE CONNECT
A.B.N. 63 136 509 343

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Receipts from Donations, Grants and Rental Income		7,669,294	8,624,830
Interest Received		98,704	89,077
Payments			
Payments to Suppliers and Employees		(7,090,687)	(6,984,376)
NET CASH FLOWS FROM OPERATING ACTIVITIES	15a	677,311	1,729,531
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for Property, Plant and Equipment		(832,435)	(406,455)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(832,435)	(406,455)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments for Lease Liabilities		(47,502)	-
NET CASH FLOWS USED IN FINANCING ACTIVITIES		(47,502)	-
NET INCREASE/DECREASE IN CASH HELD		(202,626)	1,323,076
CASH AT BEGINNING OF FINANCIAL YEAR		5,701,096	4,378,020
CASH AT END OF FINANCIAL YEAR	15b	5,498,470	5,701,096

The Company has initially applied AASB 15 and AASB 1058 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 111, AASB 118, AASB 1004 and related interpretations.

The Company has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

PRIMARY CARE CONNECT
A.B.N. 63 136 509 343

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

STATEMENT OF ACCOUNTING POLICIES

The financial report covers Primary Care Connect 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 2020 were 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 28 September 2020.

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 - Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Act 2012.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

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 Change in Accounting Policy

Revenue from Contracts with Customers - Adoption of AASB 15

The Company has adopted AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities for the first time in the current year with a date of initial application of 1 July 2019.

The Company has applied AASB 15 and AASB 1058 using the cumulative effect method which means the comparative information has not been restated and continues to be reported under AASB 111, AASB 118, AASB 1004 and related interpretations. All adjustments on adoption of AASB 15 and AASB 1058 have been taken to retained earnings at 1 July 2019.

The Company has assessed the impact of the adoption of AASB 15 and AASB 1058 and determined that the accounting treatment applied under AASB 15 / AASB 1058 is not materially different to the revenue recognition accounting treatment applied under the previous revenue standards.

The key changes to the Association's accounting policies and the impact on these financial statements from applying AASB 15 and AASB 1058 are described below.

Grants - Operating

Under AASB 1058 & AASB 15, where an agreement is enforceable and contains sufficiently performance obligations, the revenue is either recognised over the time as the work is performed or recognised at the point in time that the control of the services pass to the customer.

Grants - Capital

Under AASB 1058, where the Company has received assets (including cash) to acquire or construct a non-financial asset, the asset is to be controlled by the Company and there is refund liability if the terms and conditions of the grant are not met then the asset is recognised as a contract liability on receipt and recorded as revenue as the performance obligation to acquire or construct the asset is completed.

The Company currently holds no contract for capital grants

Leases - Adoption of AASB 16

The Company has adopted AASB 16 Leases using the modified retrospective (cumulative catch-up) method from 1 July 2019 and therefore the comparative information for the year ended 30 June 2019 has not been restated and has been prepared in accordance with AASB 117 Leases and associated Accounting Interpretations.

Impact of adoption of AASB 16

The impact of adopting AASB 16 is described below:

**PRIMARY CARE CONNECT
A.B.N. 63 136 509 343**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Change in Accounting Policy (continued)

Company as a lessee

Under AASB 117, the Company assessed whether leases were operating or finance leases based on its assessment of whether the significant risks and rewards of ownership had been transferred to the Company or remained with the lessor. Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the statement of financial position (except for short-term leases and leases of low value assets).

The Company has elected to use the exception to lease accounting for short-term leases and leases of low value assets, and the lease expense relating to these leases are recognised in the statement of profit or loss on a straight line basis.

Practical expedients used on transition

AASB 16 includes a number of practical expedients which can be used on transition, the Company has used the following expedients:

- contracts which had previously been assessed as not containing leases under AASB 117 were not re-assessed on transition to AASB
- lease liabilities have been discounted using the Company's incremental borrowing rate at 1 July 2019;
- right-of-use assets at 1 July 2019 have been measured at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments;
- a single discount rate was applied to all leases with similar characteristics;
- the right-of-use asset was adjusted by the existing onerous lease provision (where relevant) at 30 June 2019 rather than perform impairment testing of the right-of-use asset;
- excluded leases with an expiry date prior to 30 June 2020 from the statement of financial position and lease expenses for these leases have been recorded on a straight-line basis over the remaining term;
- used hindsight when determining the lease term if the contract contains options to extend or terminate the lease;
- for leases which were classified as finance leases under AASB 117, the carrying amount of the right-of-use asset and the lease liability at 1 July 2019 are the same value as the leased asset and liability on 30 June 2019.

Financial statement impact of adoption of AASB 16

The Company has recognised right-of-use assets of \$97,422.50 and lease liabilities of \$97,422.50 at 1 July 2019, for leases previously classified as operating leases.

The weighted average lessee's incremental borrowing rate applied to lease liabilities at 1 July 2019 was 9.5%. This incremental borrowing rate is based on a quoted loan rate obtained from the Company's banker.

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 entity 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. A provision for doubtful debts is raised where doubt as to collection exists.

(d) Inventories

Inventories are measured at the lower of cost or net realisable value.

(e) Property, Plant and Equipment

Property, plant and equipment are brought to account at cost or at independent or committee valuation less, where applicable, any accumulated depreciation or amortisation. The carrying amount of property, plant and equipment is reviewed annually by the committee 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%
Motor Vehicles	Prime Cost	15%
Buildings	Prime Cost	2.5%

PRIMARY CARE CONNECT
A.B.N. 63 136 509 343

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Summary of Significant Accounting Policies (continued)

Land and buildings at 393-399 Wyndham Street was independently valued by Opteon, Registered Valuers on the 7th May 2018 and adopted as at the 30th June 2018.

(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 income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

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

For comparative year

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

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

For current year

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.

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.

PRIMARY CARE CONNECT
A.B.N. 63 136 509 343

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Summary of Significant Accounting Policies (continued)

(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

For current year

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

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

Specific revenue streams

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

Department of Human Services

- Aboriginal Services and Support
- Community Health Services
- Alcohol and Drug Support
- Refugee Health Services
- Counselling Services
- Family Violence Support

Victorian Responsible Gamblers Foundation

- Gamblers Help Program

Consumer Affairs Victoria

- Financial Counselling Services

Victorian Foundation House

- Torture and Trauma Services

Murray Primary Health Network

- Chronic Disease Management

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.

PRIMARY CARE CONNECT
A.B.N. 63 136 509 343

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Summary of Significant Accounting Policies (continued)

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.

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.

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, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is 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 significant 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.

PRIMARY CARE CONNECT
A.B.N. 63 136 509 343

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Summary of Significant Accounting Policies (continued)

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

(n) Comparative Information

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

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 2020.

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 with changes in the fair value recognised in the revaluation reserve. 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 valuation.

PRIMARY CARE CONNECT
A.B.N. 63 136 509 343

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 5: REVENUE	2020	2019
	\$	\$
Revenue from Operating Activities		
Grant Income - State (Operating)	6,908,384	7,178,885
Grant Income - Commonwealth (Operating)	534,540	492,818
Grant Income - State (Capital)	189,013	882,596
Rent	8,780	10,017
Donations	7,917	12,598
Other Income	127,262	117,398
Interest	72,378	89,077
Total Revenue	<u>7,848,274</u>	<u>8,783,389</u>

Government Grants

Income from grants that are enforceable and with sufficiently specific performance obligations are accounted for under AASB 15 as revenue from contracts with customers, with revenue recognised as these performance obligations are met.

Income from grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised when Primary Care Connect has an unconditional right to receive the cash which usually coincides with receipt of cash. On initial recognition of the asset, Primary Care Connect recognises any related contributions by owners, increases in liabilities, decreases in assets, and revenue ('related amounts') in accordance with other Australian Accounting Standards. Related amounts may take the form of:

- a) contributions by owners, in accordance with AASB 1004;
- b) revenue or a contract liability arising from a contract with a customer, in accordance with AASB 15;
- c) a lease liability in accordance with AASB 16;
- d) a financial instrument, in accordance with AASB 9; or
- e) a provision, in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets.

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.

PRIMARY CARE CONNECT
A.B.N. 63 136 509 343

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
NOTE 6: EXPENDITURE		
Employee Benefits		
Salaries and Wages inc Employee Provisions	4,782,445	4,504,529
Superannuation	426,032	402,090
Workcover	63,214	48,734
	<u>5,271,691</u>	<u>4,955,353</u>
Motor Vehicle Expenses	100,607	144,579
Sub-Contracted Services	635,455	618,828
Depreciation of Non-Current Assets		
Plant & Equipment	151,947	103,370
Motor Vehicles	-	4,225
Buildings	113,191	110,981
Right of Use Assets	49,485	-
	<u>314,623</u>	<u>218,576</u>
Other Expenses		
Administration Costs	44,025	56,634
Consultancy Expenses	43,233	65,967
Occupancy Costs	167,952	160,798
Audit Fees	9,295	9,010
Other Expenses	1,089,625	1,276,463
	<u>1,354,130</u>	<u>1,568,873</u>
Total Expenditure	<u><u>7,676,506</u></u>	<u><u>7,506,209</u></u>

NOTE 7: CASH AND CASH EQUIVALENTS

Cash at Bank	5,498,270	5,700,896
Cash on Hand	200	200
Total Cash and Cash Equivalents	<u><u>5,498,470</u></u>	<u><u>5,701,096</u></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.

NOTE 8: TRADE AND OTHER RECEIVABLES

Accrued Interest	10,469	36,795
Prepayments	9,356	10,354
Receivables	246,790	139,190
Total Trade and Other Receivables	<u><u>266,615</u></u>	<u><u>186,339</u></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.

PRIMARY CARE CONNECT
A.B.N. 63 136 509 343

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 9: PROPERTY, PLANT AND EQUIPMENT	2020 \$	2019 \$
Plant and Equipment - at Cost	1,188,620	1,122,182
Less Accumulated Depreciation	<u>(546,279)</u>	<u>(480,149)</u>
	642,341	642,033
Motor Vehicles - at Cost	43,496	43,496
Less Accumulated Depreciation	<u>(43,496)</u>	<u>(43,496)</u>
	-	-
Right of Use Assets - at Initial Recognition	97,423	-
Less Accumulated Depreciation	<u>(49,485)</u>	<u>-</u>
	47,938	-
Buildings - at Valuation	4,000,000	4,000,000
Building - at Cost	733,008	74,443
Less Accumulated Depreciation	<u>(224,192)</u>	<u>(111,001)</u>
	4,508,816	3,963,442
Land - at Valuation	1,600,000	1,600,000
Total Property, Plant and Equipment	<u>6,799,095</u>	<u>6,205,475</u>

Land and Buildings at 393-399 Wyndham Street were independently valued by Opteon, Registered Valuers on the 7th May 2018 with values adopted at the 30th June 2018.

Reconciliations of the carrying amounts of each class of property, plant & equipment at the beginning and end of the current financial year is set out below.

	Land	Plant & Equipment	Motor Vehicles	Right of Use Assets	Buildings	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2018	1,600,000	414,172	4,225	-	3,999,980	6,018,377
Additions	-	332,012	-	-	74,443	406,455
Disposals at WDV	-	(780)	-	-	-	(780)
Depreciation Expense (note 6)	-	(103,370)	(4,225)	-	(110,981)	(218,576)
Balance at 30 June 2019	1,600,000	642,033	-	-	3,963,442	6,205,475
Initial Recognition on adoption of AASB 16	-	-	-	97,423	-	97,423
Adjusted balance at 1 July 2019	1,600,000	642,033	-	97,423	3,963,442	6,302,898
Additions	-	173,870	-	-	658,565	832,436
Disposals at WDV	-	(21,615)	-	-	-	(21,615)
Depreciation Expense (note 6)	-	(151,947)	-	(49,485)	(113,191)	(314,623)
Balance at 30 June 2020	3,200,000	1,284,373	-	145,361	8,472,258	6,799,095

The Company has applied AASB 16 using the modified retrospective (cumulative catch-up) method and therefore the comparative information has not been restated and continues to be reported under AASB 117 and related Interpretations.

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 2018.

In compliance with FRD 103H, in the year ended 30 June 2020, Primary Care Connect's management conducted an annual assessment of the fair value of land and buildings. To facilitate this, management obtained from the Department of Treasury and Finance the Valuer General Victoria indices for the financial year ended 30 June 2020.

The fair value of the land and buildings had been adjusted by an independent assessment in 2018. The latest indices did not identify that a further revaluation was required in 2020.

There was no material financial impact on change in fair value of buildings.

PRIMARY CARE CONNECT
A.B.N. 63 136 509 343

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 10: LEASES

Company as a lessee

The Company has leases over a range of assets including vehicles and equipment.
Information relating to the leases in place and associated balances and transactions are provided below.
Motor Vehicles - GM Fleet Management

Right-of-use assets	Motor Vehicles \$	Total \$
Year ended 30 June 2020		
Balance at beginning of year	97,423	97,423
Depreciation charge	(49,485)	(49,485)
Balance at end of year	47,938	47,938

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	Lease liabilities include in this Statement of Financial Position
	\$	\$	\$	\$	\$
2020					
Lease Liabilities	32,965	21,246	-	54,211	49,921

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:

	2020 \$	2019 \$
Interest expense on lease liabilities	6,601	-
Depreciation of right-of-use assets	49,485	-
Expenses relating to short-term leases	45,326	-
Expenses relating to leases of low-value assets	6,226	-
	107,638	

Operating leases

Minimum lease payments under non-cancellable operating leases:

- not later than one year	48,630	96,231
- between one year and five years	23,373	15,406
- later than five years	-	-
	72,003	111,637

Operating leases are in place for motor vehicles and office equipment and normally have a term between 1 and 3 years.

NOTE 11: TRADE AND OTHER PAYABLES

CURRENT

Trade Payables	77,823	68,539
Sundry Payables and Accruals	676,509	584,371
Deferred Grant Revenue	285,000	283,436
Total Trade and Other Payables	1,039,332	936,346

PRIMARY CARE CONNECT
A.B.N. 63 136 509 343

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 12: PROVISIONS	2020	2019
	\$	\$
CURRENT		
Annual Leave (i)	351,558	212,530
Long Service Leave (ii)	365,217	315,982
	<u>716,775</u>	<u>528,512</u>
NON-CURRENT		
Long Service Leave (ii)	364,616	349,375
	<u>364,616</u>	<u>349,375</u>
Total Provisions	<u>1,081,391</u>	<u>877,887</u>

- 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.

NOTE 13: EQUITY AND RESERVES

(a) Reserves

Specific Purpose Reserve

Balance at Beginning of Reporting Period	1,114,990	1,001,136
Net movement in reserve	(354,116)	113,854
Balance at the end of the reporting period	<u>760,874</u>	<u>1,114,990</u>

Asset Revaluation Reserve

Balance at Beginning of Reporting Period	1,121,000	1,121,000
Net movement in reserve	-	-
Balance at the end of the reporting period	<u>1,121,000</u>	<u>1,121,000</u>

Total Reserves

	<u>1,881,874</u>	<u>2,235,990</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 and a subsequent revaluation in May 2018 resulted in an increment being recorded through to the profit and loss. At 30th June 2018, a further \$826,639 of decrements booked to the profit and loss can be offset by future increments.

PRIMARY CARE CONNECT
A.B.N. 63 136 509 343

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 13: EQUITY AND RESERVES (continued)	2020	2019
	\$	\$
(b) Retained Earnings		
Retained Earnings at the beginning of the reporting period	8,042,687	6,879,361
Net Result for the Year	171,768	1,277,180
Net Transfers from/(to) Reserves	297,207	(113,854)
Retained Earnings at the end of the reporting period	<u>8,511,662</u>	<u>8,042,687</u>

NOTE 14: FINANCIAL RISK MANAGEMENT

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

- Trade receivables
- Cash at bank
- Bank overdraft
- Investments in listed shares
- Trade and other payables
- Lease liabilities
- Floating rate bank loans
- Bills of exchange
- Forward currency contracts

Financial Assets

Cash and Cash Equivalents - At Amortised Cost	5,498,470	5,701,096
Trade and Other Receivables - At Amortised Cost	266,615	186,339
Total Financial Assets	<u>5,765,085</u>	<u>5,887,435</u>

Financial Liabilities

Trade and Other Payables - At Amortised Cost	1,039,332	936,346
Total Financial Liabilities	<u>1,039,332</u>	<u>936,346</u>

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

a) Reconciliation of Net Cash used in Operating Result

Profit from Ordinary Activities	171,768	1,277,180
<i>Non-Cash Movements</i>		
Depreciation and Amortisation	314,623	218,576
Loss on sale of fixed assets	21,615	780
Building Revaluation Decrement	-	-
<i>Movements in assets and liabilities</i>		
Increase/(Decrease) in Payables	44,513	13,299
Increase/(Decrease) in Other Current Liabilities	-	-
Increase/(Decrease) in Provisions	203,504	289,176
Increase/(Decrease) in Assets	-	-
Decrease/(Increase) in Receivables	(80,276)	(69,480)
Net Cash From / (Used in) Operating Activities	<u>675,747</u>	<u>1,729,531</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	5,498,470	5,701,096
	<u>5,498,470</u>	<u>5,701,096</u>

NOTE 16: CAPITAL COMMITMENTS

The Company has no significant capital commitments outstanding at 30 June 2020 not provided for in the financial statements. The Company had \$550,410 of capital commitments outstanding as at 30 June 2019, these funds were to complete the reception/foyer and ground floor bathroom amenities upgrade of the 399 Wyndham Street site. These works have been completed in the 2020 Financial Year.

NOTE 17: KEY MANAGEMENT PERSONNEL REMUNERATION

The total remuneration paid to key management personnel of the Company was \$660,844 (2019: \$505,601).

PRIMARY CARE CONNECT
A.B.N. 63 136 509 343

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 18: FAIR VALUE MEASUREMENT

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

- Land
- Buildings

Fair Value Hierarchy

AASB 13 *Fair Value Measurement* requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

- | | |
|---------|--|
| Level 1 | Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the |
| Level 2 | Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either |
| Level 3 | Unobservable inputs for the asset or liability. |

The table below shows the assigned level for each asset and liability held at fair value by the company:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
30 June 2020				
Land	-	1,600,000	-	1,600,000
Buildings	-	4,000,000	-	4,000,000
30 June 2019				
Land	-	1,600,000	-	1,600,000
Buildings	-	4,000,000	-	4,000,000

Level 2 measurements

The Company's land and building were revalued on 7th May 2018 by Opteon and was adopted as at 30th June 2018. The valuation was made on the basis of freehold going concern market value (highest and best use).

Highest and best use

The current use of each asset measured at fair value is considered to be its highest and best use.

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 2020 (30 June 2019: 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 Kevin Boote	Chair of the Board (until November 2019)
Mr Troy Knox	Chair of the Board (since November 2019)
Mr Shane Boyer	Board Member
Ms Jacinta Russell	Board Member
Ms Nerissa Findlay	Board Member
Dr Menon Parameswaran	Board Member
Ms Iris Ambrose	Board Member
Mr Brant Doyle	Board Member
Ms Rebecca Lorains	Chief Executive Officer
Ms Hannah Dolling	Executive Manager of Health Services
Ms Tricia Quibell	Executive Manager of Research and 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

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
A.B.N. 63 136 509 343

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 21: EVENTS OCCURRING AFTER REPORTING DATE

The financial report was authorised for issue on 21 September 2020 by those charged with governance.

On 11 March 2020, the World Health Organisation (WHO) confirmed the Coronavirus Disease (COVID-19) to be a pandemic. Following the confirmation from the WHO that COVID-19 was considered a pandemic, the Australian Federal Government and Victorian State Government has enforced bans for all non-essential travel and multiple stages of community lockdown. Further, following a second COVID-19 outbreak in the state of Victoria, the Victorian State Government introduced a further community lockdown period for metropolitan Melbourne on 8 July 2020, with a further lockdown period for regional Victoria commencing on 5 August 2020. The financial market reactions and community lockdowns are expected to have significant economic and social consequences, which are likely to significantly impact the operations and future financial results of Primary Care Connect.

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 2020.

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: ENTITY DETAILS

The Registered Office of the Entity is:
399 Wyndham Street, Shepparton
Victoria 3630

The Principal Place of Business is:
399 Wyndham Street, Shepparton
Victoria 3630

PRIMARY CARE CONNECT

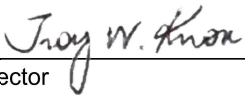
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DECLARATION BY DIRECTORS

In the opinion of the Board of Directors:

1. The financial report as set out on pages 4 to 21 presents a true and fair view of the financial position of Primary Care Connect as at 30 June 2020 and its performance for the year ended on that date in accordance with Australian Accounting Standards - Reduced Disclosure Requirements 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.



Director

Dated this 28th day of September 2020

PRIMARY CARE CONNECT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRIMARY CARE CONNECT

Opinion

We have audited the accompanying financial report of Primary Care Connect, which comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors Declaration.

In our opinion, the accompanying financial report presents fairly, in all material respects, including:

- giving a true and fair view of the financial position of Primary Care Connect as at 30 June 2020 and of its financial performance for the year ended,
- complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis of Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of Primary Care Connect in accordance with the auditor independence requirements of *Division 60 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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of Management and the Directors for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with *Division 60 of the Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as management determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing Primary Care Connect's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the financial report.

PRIMARY CARE CONNECT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRIMARY CARE CONNECT

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

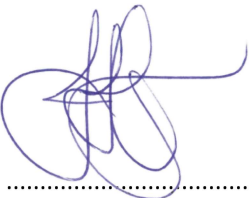
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a 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 management.
- Conclude on the appropriateness of management's 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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.

We 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 we identify during our audit.

We also provide the Directors with a statement that we 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 our independence, and where applicable, related safeguards.

PPT Audit Pty Ltd

PPT Audit Pty Ltd



Jason D. Hargreaves
Director

Dated 2nd October 2020

20 Lydiard Street South, Ballarat