

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 2021.

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 Troy Knox	Resigned November 2020	4	(5)
Mr Brant Doyle	Board member since February 2020	9	(10)
Directors			
Ms Jacinta Russell	Board member since April 2019	9	(10)
Mr Carl Durnin	Board member since September 2020	7	(8)
Ms. Wendy Ross	Board member since September 2020	8	(8)
Ms Lisa Birrell	Board member since March 2021	5	(5)
Mr Gregory James	Board member since March 2021	2	(5)
Mr Shane Boyer	Resigned November 2020	1	(2)
Ms Nerissa Findlay	Resigned June 2021 (6 months leave of absence Jan-Jun 2021)	2	(7)

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 \$134,494.

The operating result of the 2020 financial year was a surplus of \$171,768.

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. At the date of this report, the pandemic continues to affect economic and social conditions across Australia. Subsequent to the end of the financial year the Victorian State Government has enforced three lockdowns in regional Victoria - the latest being due to an outbreak in Shepparton - and travel restrictions to neighbouring states, impacting the delivery of services by the Company.

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 2021.

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 and obligations of the entity. At 30 June 2021 the number of members was 6 (2020: 5).

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.

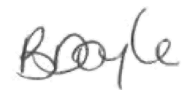
No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

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 10th day of September 2021.

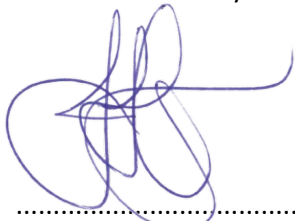
Primary Care Connect

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 2021 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.

CountPro Audit Pty Ltd
CountPro Audit Pty Ltd

A handwritten signature in blue ink, appearing to be "J. Hargreaves", written over a dotted line.

Jason D. Hargreaves
Director

Dated this 9th day of September 2021

20 Lydiard Street South, Ballarat

PRIMARY CARE CONNECT
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
REVENUE			
Revenue	5	10,581,243	7,848,274
EXPENSES			
Employee Benefits	6	6,661,031	5,271,691
Motor Vehicle Expenses	6	66,226	100,607
Sub-Contracted Services	6	680,530	635,455
Depreciation	6	394,437	314,623
Other Expenses	6	2,315,009	1,354,130
Revaluation of Buildings	6	329,515	-
		<u>10,446,749</u>	<u>7,676,506</u>
RESULT FOR THE YEAR		<u>134,494</u>	<u>171,768</u>
OTHER COMPREHENSIVE INCOME			
<i>Items that will not be reclassified to profit or loss</i>			
Revaluation of Land	13	200,000	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>334,494</u>	<u>171,768</u>

PRIMARY CARE CONNECT
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 \$	2020 \$
ASSETS			
Current Assets			
Cash and Cash Equivalents	7	7,170,456	5,498,470
Trade and Other Receivables	8	64,034	257,259
Prepayments		36,003	9,356
Total Current Assets		7,270,493	5,765,085
Non-Current Assets			
Property, Plant and Equipment	9	6,727,562	6,799,095
Total Non-Current Assets		6,727,562	6,799,095
TOTAL ASSETS		13,998,055	12,564,180
LIABILITIES			
Current Liabilities			
Trade and Other Payables	11	1,741,094	1,039,332
Short-Term Provisions	12	828,837	716,775
Lease Liabilities	10	122,776	29,884
Total Current Liabilities		2,692,707	1,785,991
Non-Current Liabilities			
Long-Term Provisions	12	403,543	364,616
Lease Liabilities	10	173,775	20,037
Total Non-Current Liabilities		577,318	384,653
TOTAL LIABILITIES		3,270,025	2,170,644
NET ASSETS		10,728,030	10,393,536
EQUITY			
Reserves	13a	1,837,822	1,881,874
Retained Earnings	13b	8,890,208	8,511,662
TOTAL EQUITY		10,728,030	10,393,536

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Note	Asset Revaluation Reserve \$	Specific Purpose Reserve \$	Retained Earnings \$	Total \$
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/from 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>
Net Result	13	-	-	134,494	134,494
Transfers to/from Reserves	13	-	(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>

**PRIMARY CARE CONNECT
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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Receipts from Donations, Grants and Rental Income		10,703,203	7,669,294
Interest Received		44,618	26,326
Payments			
Payments to Suppliers and Employees		(8,870,046)	(7,090,687)
NET CASH FLOWS FROM OPERATING ACTIVITIES	15a	1,877,775	604,933
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for Property, Plant and Equipment		(116,262)	(832,435)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(116,262)	(832,435)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments for Lease Liabilities		(89,527)	(47,502)
NET CASH FLOWS USED IN FINANCING ACTIVITIES		(89,527)	(47,502)
NET INCREASE/DECREASE IN CASH HELD		1,671,986	(275,004)
CASH AT BEGINNING OF FINANCIAL YEAR		5,498,470	5,701,096
CASH AT END OF FINANCIAL YEAR	15b	7,170,456	5,426,092

PRIMARY CARE CONNECT
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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 2021 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 10 September 2021.

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 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.

Further information in relation to the impact of the COVID-19 pandemic is disclosed at Note 21: Events occurring after reporting date

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 fair value less, where applicable, any accumulated depreciation or amortisation. 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%
Motor Vehicles	Prime Cost	15%
Buildings	Prime Cost	2.5%

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Summary of Significant Accounting Policies (continued)

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.

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 2021

Summary of Significant Accounting Policies (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)

Victorian Responsible Gambling Foundation

- Gamblers Help Program

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 2021

Summary of Significant Accounting Policies (continued)

Murray Primary Health Network

- Chronic Disease Management
- Increasing Access to AOD Services

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.

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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Summary of Significant Accounting Policies (continued)

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.

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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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 2021.

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 valuation.

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.

	2021 \$	2020 \$
NOTE 5: REVENUE		
Revenue from Operating Activities		
<i>Revenue from Contracts with Customers</i>		
Grant Income - State (Operating)	8,999,346	6,719,093
Grant Income - Commonwealth (Operating)	514,583	534,540
Rent	4,354	8,780
	<u>9,518,283</u>	<u>7,262,413</u>
<i>Other Income</i>		
Grant Income - State (Operating)	226,894	189,291
Grant Income - Commonwealth (Operating)	134,692	-
Grant Income - State (Capital)	-	189,013
Donations	5,166	7,917
Other Income	662,012	127,262
Interest	34,196	72,378
	<u>1,062,960</u>	<u>585,861</u>
Total Revenue	<u>10,581,243</u>	<u>7,848,274</u>

PRIMARY CARE CONNECT
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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.

NOTE 6: EXPENDITURE	2021	2020
	\$	\$
Employee Benefits		
Salaries and Wages inc Employee Provisions	6,082,761	4,782,445
Superannuation	535,399	426,032
Workcover	42,872	63,214
	<u>6,661,031</u>	<u>5,271,691</u>
Motor Vehicle Expenses	66,226	100,607
Sub-Contracted Services	680,530	635,455
Depreciation of Non-Current Assets		
Plant & Equipment	169,050	151,947
Buildings	129,301	113,191
Right of Use Assets	96,086	49,485
	<u>394,437</u>	<u>314,623</u>
Other Expenses		
Administration Costs	53,708	44,025
Consultancy Expenses	347,667	43,233
Occupancy Costs	186,598	167,952
Audit Fees	10,325	9,295
Program Resources	926,913	371,725
ICT Expenses	240,544	204,077
Other Expenses	549,254	513,823
	<u>2,315,009</u>	<u>1,354,130</u>
Revaluation of Buildings (Note 12)	329,515	-
Total Expenditure	<u><u>10,446,749</u></u>	<u><u>7,676,506</u></u>

NOTE 7: CASH AND CASH EQUIVALENTS

Cash at Bank	7,170,256	5,498,270
Cash on Hand	200	200
Total Cash and Cash Equivalents	<u><u>7,170,456</u></u>	<u><u>5,498,470</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.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
NOTE 8: TRADE AND OTHER RECEIVABLES		
Accrued Interest	47	10,469
Receivables	63,987	246,790
Total Trade and Other Receivables	<u>64,034</u>	<u>257,259</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	1,315,452	1,188,620
Less Accumulated Depreciation	<u>(725,899)</u>	<u>(546,279)</u>
	589,553	642,341
Motor Vehicles - at Cost	-	43,496
Less Accumulated Depreciation	<u>-</u>	<u>(43,496)</u>
	-	-
Right of Use Assets	384,086	97,423
Less Accumulated Depreciation	<u>(96,077)</u>	<u>(49,485)</u>
	288,009	47,938
Buildings - at Valuation	4,050,000	4,000,000
Building - at Cost	-	733,008
Less Accumulated Depreciation	<u>-</u>	<u>(224,192)</u>
	4,050,000	4,508,816
Land - at Valuation	1,800,000	1,600,000
Total Property, Plant and Equipment	<u>6,727,562</u>	<u>6,799,095</u>

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

	Land \$	Plant & Equipment \$	Right of Use Assets \$	Buildings \$	Total \$
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 5)	-	(151,947)	(49,485)	(113,191)	(314,623)
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 5)	-	(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

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.

PRIMARY CARE CONNECT
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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	264,599	23,409	288,008
	Motor Vehicles	Plant & Equipment	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	Present value of lease liabilities included in Statement of Financial Position
	\$	\$	\$	\$	\$
2021					
Lease Liabilities	144,960	186,561	-	331,521	296,551
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:

	2021	2020
	\$	\$
Interest expense on lease liabilities	19,510	6,601
Depreciation of right-of-use assets	93,364	49,485
Expenses relating to short-term leases	2,002	45,326
Expenses relating to leases of low-value assets	-	6,226
	114,876	107,638

Operating leases

Minimum lease payments under non-cancellable operating leases:

- not later than one year	-	48,630
- between one year and five years	-	23,373
- later than five years	-	-
	-	72,003

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

Trade Payables	211,193	77,823
Sundry Payables and Accruals	815,206	676,509
Contract Liability	714,695	285,000
Total Trade and Other Payables	1,741,094	1,039,332

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 12: PROVISIONS	2021	2020
	\$	\$
CURRENT		
Annual Leave (i)	428,375	351,558
Long Service Leave (ii)	400,462	365,217
	<u>828,837</u>	<u>716,775</u>
NON-CURRENT		
Long Service Leave (ii)	<u>403,543</u>	<u>364,616</u>
Total Provisions	<u>1,232,380</u>	<u>1,081,391</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	760,874	1,114,990
Transfers to Retained Earnings	(244,052)	(354,116)
Balance at the end of the reporting period	<u>516,822</u>	<u>760,874</u>

Asset Revaluation Reserve

Balance at Beginning of Reporting Period	1,121,000	1,121,000
Revaluation of Land	200,000	-
Balance at the end of the reporting period	<u>1,321,000</u>	<u>1,121,000</u>

Total Reserves	<u>1,837,822</u>	<u>1,881,874</u>
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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 current financial year. At 30 June 2021, cumulative decrements of \$1,156,154 have been booked to profit and loss that can be offset by future increments.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 13: EQUITY AND RESERVES (continued)	2021	2020
	\$	\$
(b) Retained Earnings		
Retained Earnings at the beginning of the reporting period	8,511,662	8,042,687
Net Result for the Year	134,494	171,768
Net Transfers from Reserves	244,052	297,207
Retained Earnings at the end of the reporting period	<u>8,890,208</u>	<u>8,511,662</u>

NOTE 14: FINANCIAL RISK MANAGEMENT

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

- Trade receivables
- Cash at bank
- Bank overdraft
- Trade and other payables
- Lease liabilities

Financial Assets

Cash and Cash Equivalents - At Amortised Cost	7,170,456	5,498,470
Trade and Other Receivables - At Amortised Cost	64,034	257,259
Total Financial Assets	<u>7,234,490</u>	<u>5,755,729</u>

Financial Liabilities

Trade and Other Payables - At Amortised Cost	1,026,399	754,332
Lease Liabilities	296,551	49,921
Total Financial Liabilities	<u>1,322,950</u>	<u>804,253</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 from Ordinary Activities	134,494	171,768
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Non-Cash Movements

Depreciation and Amortisation	394,437	314,623
Loss on Sale of Fixed Assets	-	21,615
Revaluation of Buildings	329,515	-

Movements in assets and liabilities

Increase/(Decrease) in Trade and Other Payables	701,762	44,513
Increase/(Decrease) in Provisions	150,989	203,504
Decrease/(Increase) in Trade and Other Receivables	193,225	(81,275)
Decrease/(Increase) in Prepayments	(26,647)	999
Net Cash From / (Used in) Operating Activities	<u>1,904,422</u>	<u>675,747</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	7,170,456	5,498,470
	<u>7,170,456</u>	<u>5,498,470</u>

NOTE 16: CAPITAL COMMITMENTS

The Company has no significant capital commitments outstanding at 30 June 2021 not provided for in the financial statements (2020: Nil).

NOTE 17: KEY MANAGEMENT PERSONNEL REMUNERATION

The total remuneration paid to key management personnel of the Company was \$724,995 (2020: \$660,844).

PRIMARY CARE CONNECT
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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 directly or indirectly. |
| 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 2021				
Land	-	1,800,000	-	1,800,000
Buildings	-	4,050,000	-	4,050,000
30 June 2020				
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 10th May 2021 by Opteon and was adopted as at 30th June 2021. 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 2021 (30 June 2020: 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 Troy Knox	Chair of the Board (until November 2020)
Mr Brant Doyle	Chair of the Board (since November 2020)
Mr Shane Boyer	Board Member (resigned November 2020)
Ms Jacinta Russell	Board Member
Ms Nerissa Findlay	Board Member (resigned June 2021, leave of absence 6 months Jan-Jun 21)
Ms Lisa Birrell	Board Member
Mr Gregory James	Board Member
Mr Carl Durnin	Board Member
Ms. Wendy Ross	Board Member
Ms Rebecca Lorains	Chief Executive Officer
Ms Hannah Dolling	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

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 2021

NOTE 21: EVENTS OCCURRING AFTER REPORTING DATE

The financial report was authorised for issue on 10th September 2021 by those charged with governance.

On 11 March 2020, the World Health Organisation (WHO) confirmed the Coronavirus Disease (COVID 19) to be a pandemic. At the date of this report, the pandemic continues to affect economic and social conditions across Australia. Subsequent to the end of the financial year the Victorian State Government has enforced three lockdowns in regional Victoria - the latest being due to an outbreak in Shepparton - and travel restrictions to neighbouring states, impacting the delivery of services by the Company.

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 2021.

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: 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 20 presents a true and fair view of the financial position of Primary Care Connect as at 30 June 2021 and its performance and cash flows 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 10th day of September 2021.

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 2021, 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 2021 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:

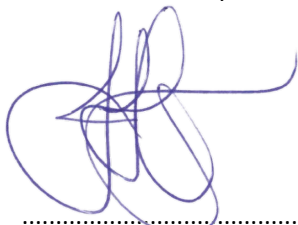
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a 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.

CountPro Audit Pty Ltd

CountPro Audit Pty Ltd



Jason D. Hargreaves
Director

Dated 10th September 2021

20 Lydiard Street South, Ballarat