KIMBERLEY DIVISION OF GENERAL PRACTICE LTD
(A COMPANY LIMITED BY GUARANTEE)
TRADING AS BOAB HEALTH SERVICES
ABN: 86 105 341 866

GENERAL PURPOSE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2011

ACCRU+ PAGE KIRK & JENNINGS
Chartered Accountants
West Perth

KIMBERLEY DIVISION OF GENERAL PRACTICE LTD
(A COMPANY LIMITED BY GUARANTEE)
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GENERAL PURPOSE

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2011

I N D E X

KIMBERLEY DIVISION OF GENERAL PRACTICE LTD
(A COMPANY LIMITED BY GUARANTEE)
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DIRECTORS' REPORT

Your directors submit their report for the year ended 30 June 2011.

DIRECTORS

The names and details of the company's directors during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Names, Qualifications, Experience and Special Responsibilities

Mr Gary J Davies BSc, Grad.Dip.Paramedical Science
Non-Executive Director

Mr Davies has been treasurer since 2007. He brings non-medical clinician experience to the board, having been employed as a paramedic for 16 years, with 9 years in Broome.

Appointed: 23 May 2006

Dr Christina Herceg MBBS, FRACGP
Non-Executive Director

Dr Herceg is employed at the Broome Regional Aboriginal Medical Service and has been a doctor for 21 years.

Appointed 14 November 2009

Dr Eric Kimaru MBChB, FRACGP, MBA
Non-Executive Director

Dr Kimaru is employed at the Ord Valley Aboriginal Health Service and has been a doctor for 19 years.

Appointed: 27 July 2010

KIMBERLEY DIVISION OF GENERAL PRACTICE LTD
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DIRECTORS' REPORT

Dr Robert L Phair MBBS, BA (University of Melbourne), JCCA
Non-Executive Director

Rob has been working as a Procedural District Medical Officer (Anaesthetics) at Kununurra District Hospital for the past year. Prior to that he was working in rural Victoria, New South Wales, the Northern Territory and Queensland.

Appointed: 7 December 2010

Dr Trevor H Lord MBBS FRACGP
Non-Executive Director

Kimberley Aboriginal Health Services Council
Clinical Lead National eHealth Transition Authority
Medical Practitioner for 34 years.

Appointed: 28 June 2011

Dr Abigail S Harwood MBBS, FRACGP, FARGP, GradDipRural, MPH, DRANZCOG, DCH, GradCertOHSMgt
Non-Executive Director

Dr Harwood is the owner and principal of Kununurra Medical and has been a doctor for 17 years.

Appointed: 28 June 2011

Sudha Coutinho
Non-Executive Director

Sudha has been a Kimberley resident for the past 14 years and has primarily worked in the mental health and social and emotional wellbeing sector. She is currently employed by the community controlled Kimberley Aboriginal Medical Services Council. Her clinical background is as a Psycho-Social Occupational Therapist and holds the Community Board Director position.

Appointed: 13 November 2010

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DIRECTORS' REPORT

Dr Edward A Venables MBBS
Non-Executive Director (Deputy Chair)

Dr Venables is employed at the Wyndham District Hospital and has been a doctor for 37 years.

Appointed: 6 December 2005: Ceased 25 August 2010

Dr Suzanne M E Phillips MBBS, FRACGP, FACRRM, Grad Dip Mgmt
Non-Executive Director (Chair part of year)

Dr Phillips is employed at the Broome Hospital, and has been a doctor for 22 years.

Appointed: 26 August 2008 Ceased: 4 May 2011

Ms Janet E Lewis MA (Development), Post Grad Cert Ed, BSc (Geography)
Non-Executive Director

Ms Lewis is a resident of the Kimberley and has lived in the region for 19 of the past 25 years. She has been appointed to numerous governing committees of community organisations and most recently held the position of Kimberley Regional Co-ordinator for the Australian Government Department of Health and Ageing.

Appointed: 28 April 2009 Ceased: 13 November 2010

Dr Josephus de Jong Artsexamen FRACGP
Non-Executive Director

Dr de Jong is employed at the Broome Regional Aboriginal Medical Service and has been a doctor for 16 years.

Appointed 14 November 2009 Ceased: 26 July 2011

Dr Zoe Smythe MB ChB, FRACGP, DCH, MPH, TM
Non-Executive Director

Dr Smythe is employed at the Derby Aboriginal Health Service and has been a doctor for 11 years.

Appointed 14 November 2009 Ceased: 17 April 2011

KIMBERLEY DIVISION OF GENERAL PRACTICE LTD
(A COMPANY LIMITED BY GUARANTEE)
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DIRECTORS' REPORT

COMPANY SECRETARY

Mr Ian R. Hobson B.Bus FCA ACIS MAICD

Ian Hobson was appointed Company Secretary on 20 October 2009. Ian is a Chartered Accountant and a Chartered Secretary who acts as company secretary and provides corporate accounting services to listed and unlisted public companies and benevolent organisations.

PRINCIPAL ACTIVITIES

The principal activity of the company during the financial year was administration of government grants in the area of health.

OPERATING AND FINANCIAL REVIEW

GROUP OVERVIEW

Kimberley Division of General Practice Ltd was formed in 2003. Prior to that, it had existed as an incorporated association since 1998. The company was granted charitable status exemption from income tax in 2003, Goods and Services Tax and Fringe Benefits Tax concessions in 2005, and has held deductible gift recipient status since 2004. The tax position of the company is reviewed on an annual basis.

The company has executed grant-funding contracts with the Department of Health and Ageing, which ensures funds are available until June 2012 and beyond. It is expected that similar contracts will be maintained for the foreseeable future.

LONG AND SHORT TERM OBJECTIVES

The object of the company is detailed in the Constitution, available http://www.kdgp.com.au/documents/. Rule 3.1 states "The object for which the Company is established is to improve patient care, health status and health service delivery through General Practice and Primary Care in the Kimberley region of Western Australia".

KIMBERLEY DIVISION OF GENERAL PRACTICE LTD
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DIRECTORS' REPORT

STRATEGY TO ACHIEVE OBJECTIVES

The Company's strategies to achieve the Company's objective are detailed in the Strategic Plan 2011 – 2013, available http://www.boabhealth.com.au/index.php/about-2/

Boab Health's vision is for General Practitioners: leadership in primary care and health service improvement for Kimberley people.

The Mission:

- Promote Strong Governance;
- Provide Effective Leadership;
- Manage Effective Health Programs;
- Building and Maintaining Relationships; and,
- Maintaining Relevant Clinical and Corporate Skills.

The Values:

- **Membership and Stakeholders**
  Actions and programs will be developed and delivered with respect to member expectations, community benefit, stakeholder support and the remaining values.

- **Sustainability**
  Our services and programs will be developed and delivered with a focus on continuity of service delivery in order to bring sustained benefit.

- **Capacity Building**
  Capacity building will be an essential principle in our services and programs.

- **Safety**
  Boab Health Service's administrative and technical services will be delivered safely and we will continue to promote safe clinical service delivery.

- **Quality**
  We promote service quality in program support and clinical service delivery.

- **Efficiency**
  Services will be developed and delivered with respect to equity of access and consideration to optimal cost benefit.

- **Innovation**
  With respect to the above values; our actions, programs and initiatives will be supported by evidence. Notwithstanding this, we will embrace innovation.

KIMBERLEY DIVISION OF GENERAL PRACTICE LTD
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ABN: 86 105 341 866

DIRECTORS' REPORT

COMPANY'S PRINCIPAL ACTIVITIES

The Company trades as Boab Health Services and primarily delivered allied health services, comprising dietetics, diabetes education, podiatry, paediatric nutrition, and mental health. Over 8,800 episodes of care were delivered to over 2,000 individual clients.

The Company also provided support activities to workforce in the region, including on the main part, access to accredited training.

An overview of the Company's operations is detailed in the Operational Plan 2007-10, available http://www.kdgp.com.au/documents/.

The Operational Plan referred to in this report is due for review for the period 2011-14.

THE LINK BETWEEN THE OPERATIONS AND THE COMPANY'S OBJECT

The operations described above are directly linked to the object of the company in that the Company has contributed a substantial level of service delivery to residents of the Kimberley in 2010-11, services that for the most part are otherwise unavailable. These services have alleviated the impact of prevalent chronic diseases, including diabetes.

The Company has also provided valuable support services to members of the health and medical workforce in the region, contributing to a more sustainable workforce delivering a more efficient and effective health service.

PERFORMANCE MANAGEMENT

The Company measures its performance in terms of contract compliance. Indicators agreed to by government, based on collaborative planning mechanisms involving numerous regional stakeholders, are met and reported.

The Directors monitor performance via a dashboard style analysis which includes analysis of contractual compliance, statutory and regulatory compliance, financial ratios (eg Current Ratio) and benchmarks (eg Working Capital), staff turnover, and Company correspondence with stakeholders.

Management and the Board monitor the company's overall performance, from its implementation of the strategic plan through to the performance of the company against operating plans and financial budgets.

KIMBERLEY DIVISION OF GENERAL PRACTICE LTD
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DIRECTORS' REPORT

OPERATING RESULTS FOR THE YEAR

The company's net profit for the year is $5,795 (2010: $32,390) representing a decrease of 82% (2010: decrease 65%). The net profit figure principally represents the movements in the fixed asset account, which can vary depending on the purchase of equipment (which will increase profit) and the rate of depreciation for equipment (which will reduce profit) as well as surplus funds the company can retain.

REVIEW OF FINANCIAL CONDITION

The unexpended funds balance is $700,200 (2010: $1,098,528), a decrease of 36% (2010: 44% increase). The unexpended funds balance can be repaid on call, given the cash at bank balance of $1,461,639 (2010: $1,784,970).

As resolved by the directors, the company continues with its no debt policy.

CESSATION LIABILITY

Should action be taken to wind up the company, the liability due for contribution by each class of membership is $10 + GST. The total amount that members are liable to contribute if the company is wound up is the aggregate total of members' fees, that is: total number of financial members x ($10 + GST).

KIMBERLEY DIVISION OF GENERAL PRACTICE LTD
(A COMPANY LIMITED BY GUARANTEE)
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ABN: 86 105 341 866

DIRECTORS' REPORT

DIRECTORS' MEETINGS

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director were as follows:

	Board	
	A	B
Mr Gary J Davies	10	10
Dr Christina Herceg	10	8
Dr Eric Kimaru	9	9
Dr Robert L Phair	5	2
Dr Trevor H Lord	1	1
Dr Abigail S Harwood	1	1
Sudha Coutinho	6	5
Dr Edward A Venables	1	1
Dr Suzanne M E Phillips	8	8
Ms Janet E Lewis	4	4
Dr Josephus de Jong	10	10
Dr Zoe Smythe	8	5

A Indicates the number of meetings held while the Director was a member of the Board and/or committee

B Indicates the number of meetings attended while the Director was a member of the Board and/or committee

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act 2001 is set out on page 9 of this Financial Report.

Signed in accordance with a Resolution of the Directors.

GDavies

GARY DAVIES
Director – Chairperson

Dated:

KIMBERLEY DIVISION OF GENERAL PRACTICE LTD
(A COMPANY LIMITED BY GUARANTEE)
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ABN: 86 105 341 866

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2011 there have been:

(a) No contraventions of the auditor's independence requirements as set out in the Corporations Act 2001 in relation to the audit; and,

(b) No contraventions of any applicable code of professional conduct in relation to the audit.

Page Kirk · Jennings

ACCRU+ PAGE KIRK & JENNINGS
Chartered Accountants

GRAEME ROBERT JENNINGS
Partner

Date: 22ND SEPTEMBER, 2011
West Perth, WA

KIMBERLEY DIVISION OF GENERAL PRACTICE LTD
(A COMPANY LIMITED BY GUARANTEE)
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ABN: 86 105 341 866

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 13 to 50 are in accordance with the Corporations Act 2001 and:

(a) Comply with Australian Accounting Standards; and,

(b) Give a true and fair view of the financial position as at 30 June 2011 and of its performance for the year ended on that date.

2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

G Davies 27/9/2011

GARY DAVIES
Director – Chairperson

Dated:

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
KIMBERLEY DIVISION OF GENERAL PRACTICE LIMITED
(A COMPANY LIMITED BY GUARANTEE)
TRADING AS BOAB HEALTH SERVICES
ABN: 86 105 341 866

Report on the Financial Report

We have audited the accompanying financial report of Kimberley Division of General Practice Limited, which comprises the Statement of Financial Position as at 30 June 2011, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, Notes comprising a Summary of Significant Accounting Policies and other explanatory information, and the Directors' Declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material mis-statement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material mis-statement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material mis-statement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
KIMBERLEY DIVISION OF GENERAL PRACTICE LIMITED
(A COMPANY LIMITED BY GUARANTEE)
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Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Kimberley Division of General Practice Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion the financial report of Kimberley Division of General Practice Limited is in accordance with the Corporations Act 2001, including:

[i] giving a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the year ended on that date; and,

[ii] complying with Australian Accounting Standards and the Corporations Regulations 2001.

ACCRU⁺ PAGE KIRK & JENNINGS
Chartered Accountants

G R JENNINGS
Partner

Date: ..../........../..........

KIMBERLEY DIVISION OF GENERAL PRACTICE LTD
(A COMPANY LIMITED BY GUARANTEE)
TRADING AS BOAB HEALTH SERVICES
ABN: 86 105 341 866

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 $	2010 $
Revenues From Government and Other Grants	2	4,292,267	3,894,955
Other Revenue	2	179,429	122,872
Employee Benefit Expense		(2,869,118)	(2,359,788)
Depreciation and Amortisation	3	(106,470)	(86,298)
Rental Expenses	3	(267,561)	(217,245)
Consultants and Contractors		(275,094)	(269,477)
Travel and Meeting Expenses		(524,872)	(545,424)
Other Expenses	3	(422,786)	(507,205)
Profit Before Income Tax		5,795	32,390
Income Tax Expense		-	-
Profit for the Year		5,795	32,390
Other Comprehensive Income		-	-
Total Comprehensive Income for the Year		5,795	32,390
Profit Attributable to Members of the Entity		5,795	32,390
Total Comprehensive Income Attributable to Members of the Entity		5,795	32,390

The accompanying notes form part of these financial statements.

KIMBERLEY DIVISION OF GENERAL PRACTICE LTD
(A COMPANY LIMITED BY GUARANTEE)
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011

	Notes	2011 $	2010 $
CURRENT ASSETS			
Cash and Cash Equivalents	4	1,461,639	1,784,970
Trade and Other Receivables	5	28,636	63,019
Other Current Assets	6	41,923	39,690
TOTAL CURRENT ASSETS		1,532,198	1,887,679
NON-CURRENT ASSETS			
Property, plant and equipment	7	242,664	284,540
TOTAL NON-CURRENT ASSETS		242,664	284,540
TOTAL ASSETS		1,774,862	2,172,219
CURRENT LIABILITIES			
Trade and Other Payables	8	370,783	421,331
Provisions – Unexpended grants	9	700,200	1,098,528
Provisions – Other	9	153,673	137,142
TOTAL CURRENT LIABILITIES		1,224,656	1,657,001
NON-CURRENT LIABILITIES			
Provisions – Other	9	121,942	92,749
TOTAL NON-CURRENT LIABILITIES		121,942	92,749
TOTAL LIABILITIES		1,346,598	1,749,750
NET ASSETS		428,264	422,469

The accompanying notes form part of these financial statements.

KIMBERLEY DIVISION OF GENERAL PRACTICE LTD
(A COMPANY LIMITED BY GUARANTEE)
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011

	Notes	2011 $	2010 $
EQUITY			
Retained Earnings		324,675	366,380
Reserves	10	103,589	56,089
		428,264	422,469

The accompanying notes form part of these financial statements.

KIMBERLEY DIVISION OF GENERAL PRACTICE LTD
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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2011

	Retained Earnings $	Funds Reserve $	Total $
Balance at 1 July 2009	368,771	-	368,771
Profit Attributable to Members	32,390	-	32,390
Transfer from Retained Earnings	(34,781)	-	(34,781)
Transfer to Reserves:			
- From Unexpended Funds	-	21,308	21,308
- From Retained Earnings	-	34,781	34,781
Balance at 30 June 2010	366,380	56,089	422,469
Balance at 1 July 2010	366,380	56,089	422,469
Profit Attributable to Members	5,795	-	5,795
Transfer from Retained Earnings	(47,500)	-	(47,500)
Transfer to Reserves:			
- From Unexpended Funds	-	-	-
- From Retained Earnings	-	47,500	47,500
Balance at 30 June 2011	324,675	103,589	428,264

The accompanying notes form part of these financial statements.

KIMBERLEY DIVISION OF GENERAL PRACTICE LTD
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2011 $	2010 $
CASH FLOW FROM OPERATING ACTIVITIES			
Government grants received and other income		4,045,137	3,447,937
Interest received		62,442	71,729
Payments to suppliers and employees		(4,366,144)	(4,077,736)
Net Cash Generated/(Used) by Operating Activities	**12(b)**	(258,565)	(558,070)
Payments for plant and equipment, and leasehold improvements		(64,766)	(83,815)
Net Cash Applied to Investing Activities		(64,766)	(83,815)
Net (decrease)/increase in cash held		(323,331)	(641,885)
Cash at beginning of year		1,784,970	2,426,855
Cash at End of Year	**12(a)**	1,461,639	1,784,970

The accompanying notes form part of these financial statements.

KIMBERLEY DIVISION OF GENERAL PRACTICE LTD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Kimberley Division Of General Practice Ltd is a company limited by guarantee, incorporated and domiciled in Australia.

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board ("AASB") has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below. They have been consistently applied unless otherwise stated.

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

Accounting Policies

(a) Income Tax

The company applied for an exemption from income tax under Section 50-10 of the Income Tax Assessment Act (1997). The organisation has been endorsed as an Income Tax Exempt Charity and has been granted exemption from fringe benefits tax (subject to a grossed-up value of $30,000 per employee) and payroll tax. The company also has deductible gift recipient status effective from 1 July 2005.

(b) Going Concern

The financial statements have been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The ability of the company to continue its normal business activities and realise its assets and settle its liabilities in the normal course of business is dependent upon continued grant funding. At the date of this report, the Board of Directors have no reason to believe that grant funding will not continue.

KIMBERLEY DIVISION OF GENERAL PRACTICE LTD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Policies (Continued)

(c) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except when the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(d) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and bank overdrafts (if applicable). Bank overdrafts (if applicable) are shown within short term borrowings in current liabilities on the Statement of Financial Position.

(e) Property, Plant and Equipment

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

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Policies (Continued)

(e) Property, Plant and Equipment (Continued)

Depreciation

The depreciable amount of all plant and equipment is depreciated on a straight line basis over the asset's estimated useful life. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimates useful lives of the improvements.

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

Class of Asset	Depreciation Rate
Office Equipment	5% - 40%
Leasehold Improvements	10% - 33.3%
Program Equipment	20% - 33.3%
DOHA Assets	20%

The assets' residual values and useful lives are reviewed, and adjusted if applicable, at each reporting period.

The asset's carrying amount is written down immediately to recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the Statement of Comprehensive Income.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Policies (Continued)

(f) Leases

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

No finance leases of fixed assets existed during the year.

(g) Grant Funding

Grant revenue is recognised in the Statement of Comprehensive Income when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the Statement of Financial Position as a liability until the service has been delivered to the contributor.

Amounts unexpended at the close of the period are held in Unexpended Grants and shown as liabilities in the Statement of Financial Position. This is consistent with the conditions of grants.

(h) Provisions

Provisions are recognised when the company has a legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

KIMBERLEY DIVISION OF GENERAL PRACTICE LTD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Policies (Continued)

(i) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. 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.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data.

(j) Revenue

Interest revenue is recognised when received.

Revenue from the provision of a service is recognised upon the delivery of the service.

Membership fees are recognised when the invoice is raised.

Refer to Note 1(g) for revenue recognition related to grants.

All revenue is stated net of the amount of goods and services tax (GST).

(k) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days.

KIMBERLEY DIVISION OF GENERAL PRACTICE LTD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Policies (Continued)

(l) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified at fair value through profit or loss, in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

(i) Financial Assets at Fair Value Through Profit or Loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking. Realised and unrealised gains and losses arising from changes in fair value are included in the Statement of Comprehensive Income in the period in which they arise.

(ii) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

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NOTES TO THE FINANCIAL STATEMENTS
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1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Policies (Continued)

(l) Financial Instruments (Continued)

Classification and Subsequent Measurement (Continued)

(iii) Held to Maturity Investments

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

(iv) Available-for-Sale Financial Assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. Unrealised gains or losses arising from changes in fair value are taken direct to equity.

(v) Financial Liabilities

Non-derivative financial liabilities are subsequently measured at amortised cost comprising original debt less principal payments and amortisation.

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1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Policies (Continued)

(l) Financial Instruments (Continued)

Classification and Subsequent Measurement (Continued)

Fair Value

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

Impairment

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

(m) 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-gathering unit to which the asset belongs.

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1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Policies (Continued)

(n) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements 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 group.

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. When an impairment trigger exists, the recoverable amount of the asset is determined. Fair value less costs to sell or current replacement cost calculations performed in assessable recoverable amounts incorporate a number of key estimates.

(o) New Accounting Standards for Application in Future Periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the company has decided not to early adopt. Based on the current financial statements and activities of the company, the following amended Standards and Interpretations may apply to the company. A discussion of those future requirements and their impact on the company is as follows:

- AASB 9: Financial Instruments (December 2010) (applicable for annual reporting periods commencing on or after 1 January 2013).

  This Standards is applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments. The company has not yet determined any potential impact on the financial statements.

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1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Policies (Continued)

(o) New Accounting Standards for Application in Future Periods (Continued)

The key changes made to accounting requirements include:

- Simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value.

- Requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in the other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

- AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052] (applicable for annual reporting periods commencing on or after 1 July 2013).

  AASB 1053 establishes a revised differential financial reporting framework consisting of two tiers of financial reporting requirements for those entities preparing general purpose financial statements:

  - Tier 1: Australian Accounting Standards; and,

  - Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements

  Tier 2 of the framework comprises the recognition, measurement and presentation requirements of Tier 1, but contains significantly fewer disclosure requirements.

  Since the company is a not-for-profit private sector entity, it may qualify for the reduced disclosure requirements for Tier 2 entities.

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1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Policies (Continued)

(o) New Accounting Standards for Application in Future Periods (Continued)

- AASB 2009-12: Amendments to Australian Accounting Standards [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011).

  This Standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRS's by the IASB.

- AASB 2010-4: Further Amendments to Australian Accounting Standards arsing from the Annual Improvements Project [AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13] (applicable for annual reporting periods commencing on or after 1 January 2011).

  This Standard details numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. Key changes include:

  - Clarifying the application of AASB 108 prior to an entity's first Australian-Accounting-Standards financial statements;
  - AASB 7 is amended to add an explicit statement that qualitative disclosures should be made in the context of the quantitative disclosures to better enable users to evaluate an entity's exposure to risks arsing from financial instruments;
  - AASB 101 is amended to clarify that disaggregation of changes in each component of equity arising from transactions recognised in other comprehensive income is required to be presented, but is permitted to be presented in the Statement of Changes in Equity or in the notes;
  - AASB 134 is amended by adding a number of examples to the list of events or transactions that require disclosure under AASB 134; and,
  - Sundry editorial amendments to various Standards and Interpretations.

  This Standard is not expected to impact the company.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Policies (Continued)

(o) New Accounting Standards for Application in Future Periods (Continued)

- AASB 2010-5: Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042] (applicable to annual reporting periods beginning or on after 1 January 2011).

  This Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRS's by the IASB. However, these editorial amendments have no major impact on the requirements of the respective amended pronouncements.

- AASB 2010-7: Amendments to Australian Accounting Standards arsing from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] (applies to periods beginning on or after 1 January 2013).

  This Standard makes amendments to a range of Australian Accounting Standards and Interpretations as a consequence of the issuance of AASB 9: Financial Instruments in December 2010. Accordingly, these amendments will only apply when the entity adopts AASB 9.

  This Standard is not expected to impact the company.

The company does not anticipate early adoption of any of the above reporting requirements and does not expect them to have any material effect on the company's financial statements.

(p) Comparative Figures

When required, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

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NOTES TO THE FINANCIAL STATEMENTS
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	2011 $	2010 $
2. REVENUE		
Revenue from Ordinary Activities		
Revenue from Government and Other Grants	4,292,267	3,894,955
Other Revenue		
- Interest Received (Unrelated Parties)	62,442	71,729
- Membership Fees	1,320	1,655
- Registration Fees	25,890	4,601
- Sundry Income/Reimbursements	89,777	44,887
	179,429	122,872
Total Revenue	4,471,696	4,017,827

	2011 $	2010 $
3. EXPENDITURE		
Depreciation		
- Office Equipment	67,916	52,543
- Leasehold Improvements	23,168	20,067
- Program Equipment	12,332	10,634
- DOHA Assets	3,054	3,054
	106,470	86,298
Remuneration of Auditor		
- Audit and Review	15,400	14,750
- Non-Audit Service – Program Review and Conversion of Financial Statements	-	10,450
Rental Expense on Operating Leases		
- Minimum Lease Payments	294,897	244,581

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	2011 $	2010 $
4. CASH AND CASH EQUIVALENTS		
Cash at bank		
- Operating	817,680	142,982
- MPA	221,208	519,940
- RHS Podiatry	-	44,099
- OATSIH	126,958	203,186
- COAG Mental Health	295,793	874,763
	1,461,639	1,784,970

	2011 $	2010 $
5. TRADE AND OTHER RECEIVABLES		
Trade Receivables	13,291	62,539
Other Receivables	15,345	480
	28,636	63,019

As of 30 June 2011, the company had trade receivables of $12,760 (2010: $22,806) which were past due. Of these receivables, $0 is considered impaired. Based on past experience, the company believes that no impairment of receivables past due is necessary. The ageing analysis of the trade receivables is as follows:

	2011 $	2010 $
Less than 1 Month	531	39,733
1 to 2 Months	229	-
2 to 3 Months	-	-
3 Months +	12,531	22,806

The nature of the debtors is that the significant portion is grant receivables which are receivable from Government and State Departments. Most grant receivables are due from the Commonwealth and usually settled within 30 days.

There are no other significant concentrations of credit risk.

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	20110 $	2010 $
6. OTHER CURRENT ASSETS		
Prepayments	37,360	35,127
Bond	4,563	4,563
	41,923	39,690
7. PROPERTY, PLANT AND EQUIPMENT		
Office equipment	272,400	300,015
Less: Accumulated depreciation	(144,130)	(156,905)
	128,270	143,110
Leasehold improvements	209,527	199,099
Less: Amortisation	(116,725)	(93,557)
	92,802	105,542
Program Equipment	49,835	48,745
Less: Accumulated depreciation	(32,319)	(19,987)
	17,516	28,758
DOHA Assets	15,266	15,266
Less: Accumulated depreciation	(11,190)	(8,136)
	4,076	7,130
Total Property, Plant and Equipment	242,664	284,540

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7. PROPERTY, PLANT AND EQUIPMENT (Continued)	2011 $	2010 $
Movements in the Carrying Amount for Each Class of Property, Plant and Equipment		
Office Equipment		
Balance at beginning of the year	143,110	141,084
Additions at Cost	53,248	54,569
Disposals/Write-Offs	(172)	-
Depreciation Expense	(67,916)	(52,543)
Balance at the End of the Year	128,270	143,110
Leasehold Improvements		
Balance at beginning of the year	105,542	113,196
Additions at Cost	10,428	12,413
Disposals/Write-Offs	-	-
Depreciation Expense	(23,168)	(20,067)
Balance at the End of the Year	92,802	105,542
Program Equipment		
Balance at beginning of the year	28,758	22,559
Additions at Cost	1,090	16,833
Disposals/Write-Offs	-	-
Depreciation Expense	(12,332)	(10,634)
Balance at the End of the Year	17,516	28,758
DOHA Assets		
Balance at beginning of the year	7,130	10,184
Additions at Cost	-	-
Disposals/Write-Offs	-	-
Depreciation Expense	(3,054)	(3,054)
Balance at the End of the Year	4,076	7,130

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8. TRADE AND OTHER PAYABLES

	2011 $	2010 $
Trade Payables	196,935	189,295
Sundry Payables and Accruals	118,148	187,289
GST Payable	55,700	44,747
	370,783	421,331

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NOTES TO THE FINANCIAL STATEMENTS
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9. PROVISIONS

Unexpended Grants

Program	*Balance at 01/07/2010* $	*Released to 30/06/2011* $	*Expended to 30/06/2011* $	*Transfers/ Repayment of Funds* $	*Balance at 30/06/2011* $
AGPN Palliative Care	124,365	40,000	115,568	-	48,797
BOIMH (including SP)	78,183	363,642	244,429	-	197,396
COAG Mental Health	477,050	716,244	1,024,077	-	169,217
Home Meds Review	10,317	-	-	-	10,317
KDC – Snap Game	2,792	-	2,792	-	-
MPFA – ABHI	47,812	-	-	(47,812)	-
MPFA – AOW	-	80,170	56,924	-	23,246
MPFA - Closing the Gap	38,716	132,000	127,380	-	43,336
MPFA – Core	35,298	394,143	417,494	-	11,947
MPFA – Immunisation	-	21,750	21,750	-	-
MPFA – RPHSP	22,537	540,221	553,786	-	8,972
MPFA – WSRGP	5,271	54,959	60,230	-	-
NPS	67,177	35,750	36,884	-	66,043
OATSIH	49,506	1,446,419	1,495,925	-	-
Payday Comic	49,516	-	49,516	-	-
RHS	43,990	-	-	(43,990)	-
WACHS – KAHPF	-	25,000	3,237	-	21,763
WAGPN - Aged Care	14,811	20,429	13,577	-	21,663
WAGPN - Diabetes	9,258	-	9,258	-	-
WAGPN – LMP	-	71,610	26,738	-	44,872
WAGPN - Nursing in General Practice	21,929	14,479	18,717	-	17,691
WAPMH - Perinatal	-	12,756	8,164	-	4,592
WAPMH – Perinatal 2	-	16,170	5,822	-	10,348
	1,098,528	3,985,742	4,292,268	(91,802)	700,200

	2011 $	2010 $
9. PROVISIONS (Continued)		
Other – Current		
Accrued Annual Leave	153,673	137,142
Other – Non-Current		
Accrued Long Service Leave	121,942	92,749

	Long Term Employee Benefits $	Short Term Employee Benefits $
Opening balance at 1 July 2010	92,749	137,142
Additional Provisions Raised During the Year	43,967	196,637
Amounts Used	(14,774)	(180,106)
Balance at 30 June 2011	121,942	153,673

10. RESERVES

Funds Reserve

The funds reserve records income in excess of expenditure that has been generated from sources where these funds may be retained by the company. The balance of the reserve is to be used in future years to assist the company in achieving its goals and objectives.

11. MEMBERS' GUARANTEE

The company is limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of $10 each towards meeting any outstanding obligations of the company.

At 30 June 2011 the number of members was 104 (2010: 111).

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	2011 $	2010 $
12(a) RECONCILIATION OF CASH		
Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:		
Cash at bank		
- Operating	817,680	142,982
- MPA	221,208	519,940
- RHS Podiatry	-	44,099
- OATSIH	126,958	203,186
- COAG Mental Health	295,793	874,763
	1,461,639	1,784,970

	2011 $	2010 $
12(b) RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH PROFIT AFTER INCOME TAX		
Profit after Income Tax	5,795	32,390
Non cash flows in profit after income tax		
- Plant and Equipment Depreciation	106,470	86,298
- Loss on Scrapping of Plant and Equipment	172	-
Changes in Assets and Liabilities		
Decrease/(Increase) in Trade and Other Receivables	34,383	356,400
Decrease/(Increase) in Other Assets	(2,233)	(12,846)
(Decrease)/Increase in Trade and Other Payables	(50,548)	(211,379)
(Decrease)/Increase in Unexpended Grants Excluding Transfer to Reserve	(398,328)	(854,561)
(Decrease)/Increase in Employee Provisions	45,724	45,628
	(258,565)	(558,070)

13. COMMITMENTS

Operating Lease Commitments

	2011 $	2010 $
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
Payable – Minimum Lease Payments		
- Not later than 12 months	187,632	217,488
- Between 12 months and 5 years	136,737	328,926
- Greater than 5 years	-	-
	324,369	546,414

The property leases are non-cancellable leases with a three year term commencing 1 April 2007, with rent payable monthly in advance. An option exists to renew the lease at the end of the three year term for an additional term of three years. This option has been exercised with the new lease term commencing 1 April 2010.

The operating leases on two motor vehicles are non-cancellable, each with a 3 year term. The lease agreements were signed prior to 30 June 2008 with the first lease payments made in July 2008. These agreements have been extended by an additional 6 months.

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14. FINANCIAL RISK MANAGEMENT

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

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

	Note	2011 $	2010 $
Financial Assets			
Cash and Cash Equivalents	4	1,461,639	1,784,970
Receivables	5	28,636	63,019
Total Financial Assets		1,490,275	1,847,989
Financial Liabilities			
Financial liabilities at amortised cost			
- Trade and Other Payables	8	370,783	421,331
Total Financial Liabilities		370,783	421,331

Financial Risk Management Policies

The financial assets of the company are monitored and managed by the Board of Directors with assistance of key management personnel.

14. FINANCIAL RISK MANAGEMENT (Continued)

Specific Financial Risk Exposure and Management

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

(a) Credit Risk

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

The company does not have any material credit risk exposure as its major source of revenue is the receipt of grants. Credit risk is further mitigated as over 90% of the grants being received from State and Federal Governments are in accordance with funding agreements which ensure regular funding for various periods.

Credit Risk Exposure

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the Statement of Financial Position.

Trade receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed in Note 5.

Most grant receivables are due from the Commonwealth Government. Other than this, the company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the company.

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14. FINANCIAL RISK MANAGEMENT (Continued)

Specific Financial Risk Exposure and Management (Continued)

(a) Credit Risk (Continued)

Credit Risk Exposure (Continued)

Credit risk related to balances with banks and other financial institutions is managed by the finance committee. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard & Poor's counterparty credit ratings:

	2011 $	2010 $
Cash and Cash Equivalents		
- AAA Rated	1,461,639	1,784,970
	1,461,639	1,784,970

(b) Liquidity Risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due.

The company holds sufficient funds at call to ensure the day to day operational requirements of the company can be met.

Liquidity risk is managed by monitoring forecast cash flows on a regular basis and ensuring adequate cash reserves are maintained.

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14. FINANCIAL RISK MANAGEMENT Continued)

Specific Financial Risk Exposure and Management (Continued)

(b) Liquidity Risk (Continued)

The tables below reflect an undiscounted contractual maturity analysis for finance liabilities. Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities, reflect the earliest contractual settlement dates.

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
Financial Liabilities Due for Payment	**2011 $**	**2010 $**	**2011 $**	**2010 $**	**2011 $**	**2010 $**	**2011 $**	**2010 $**
Trade and Other Payables	370,783	421,331	-	-	-	-	370,783	421,331
Total Expected Outflows	370,783	421,331	-	-	-	-	370,783	421,331
Financial Assets - Cash Flows Realisable								
Cash and Cash Equivalents	1,461,639	1,784,970	-	-	-	-	1,461,639	1,784,970
Trade and Other Receivables	28,636	63,019	-	-	-	-	28,636	63,019
Total Anticipated Inflows	1,490,275	1,847,989	-	-	-	-	1,490,275	1,847,989
Net Inflow on Financial Instruments	1,119,492	1,426,658	-	-	-	-	1,119,492	1,426,658

14. FINANCIAL RISK MANAGEMENT (Continued)

(c) Market Risk

Interest Rate Risk

Interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates.

Funds necessary for the day to day operations of the company are at call and therefore have variable interest rates.

To demonstrate the company's sensitivity to changes in interest rates, a movement in rates of plus or minus 1% at the reporting date would have increased/decreased net profit by approximately $14,616 (2010: $17,850).

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14. FINANCIAL RISK MANAGEMENT (Continued)

(d) Net Fair Values

Fair Value Estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the Statement of Financial Position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties, in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgement, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below.

		2011		2010	
		Net Carrying Amount $	Net Fair Value $	Net Carrying Amount $	Net Fair Value $
	Financial Assets				
[i]	Cash and Cash Equivalents	1,461,639	1,461,639	1,784,970	1,784,970
[i]	Trade & Other Receivables	28,636	28,636	63,019	63,019
	Total Financial Assets	1,490,275	1,490,275	1,847,989	1,847,989
	Financial Liabilities				
[i]	Trade and Other Payables	370,783	370,783	421,331	421,331
	Total Financial Liabilities	370,783	370,783	421,331	421,331

The fair values disclosed in the above table have been determined based on the following methodology:

[i] Cash and cash equivalents, trade receivables and trade and other payables are short-term instruments in nature whose carrying value is equivalent to fair value.

KIMBERLEY DIVISION OF GENERAL PRACTICE LTD

(A COMPANY LIMITED BY GUARANTEE)

TRADING AS BOAB HEALTH SERVICES

ABN: 86 105 341 866

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

15. CAPITAL MANAGEMENT

Management controls the capital of the entity to ensure that adequate cash flows are generated to fund the objectives of the company and that returns from investments are maximised. The Board of Directors ensures that the overall risk management strategy is in line with this objective. Risk management policies are approved and reviewed by the Board on a regular basis. These include credit risk policies and future cash flow requirements.

The entity's capital consists of financial assets only.

Management effectively manages the entity's capital by assessing the entity's financial risks and responding to changes in these risks and in the market. These responses may include the consideration of debt levels.

There have been no changes to the strategy adopted by management to control the capital of the entity since the previous year. The strategy of the entity is to maintain a gearing ratio of nil. There has been no gearing for the years ending 30 June 2011 and 30 June 2010.

16. KEY MANAGEMENT PERSONNEL COMPENSATION

	2011	2010
	$	$
Short Term Employee Benefits		
- Salaries, Wages and Fees	186,893	164,780
- Superannuation	18,002	17,009
Total Short Term Employee Benefits	204,895	181,789

Key management personnel is deemed to include the directors (as noted in the Directors' Report) and the Chief Executive Officer to May 2011 (Matthew Burrows).

17. ECONOMIC DEPENDENCE

The company is reliant on the ongoing grant funding provided by the Commonwealth Department of Health and Aged Care for the majority of its programs. At the date of signing the financial statements, there is no reason to believe the Department will not continue to provide financial support to the company.

18. EVENTS SUBSEQUENT TO BALANCE DATE

Since the end of the financial year, the directors are not aware of any matter or circumstances that may significantly affect the operation of the company, the results of those operations or the state of affairs of the company in subsequent financial years.

The financial report was authorised for issue on 27 September 2011 by the Board of Directors.

19. RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions, no more favourable than those available to other parties, unless stated.

There have been no transactions with related parties for the year ended 30 June 2011.

20. COMPANY DETAILS

The registered office and principal place of business of the company is:

Unit 5
20 Hamersley Street
Broome WA 6725

The principal activities of the company were administration of Government Grants in the area of health.

KIMBERLEY DIVISION OF GENERAL PRACTICE LTD
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DETAILED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 30 JUNE 2011

	2011 $	2010 $
INCOME		
Grant funds	4,292,267	3,894,955
Other income		
- Membership fees	1,320	1,655
- Registration fees	25,890	4,601
- Interest	62,442	71,729
- Sundry income/reimbursements	89,777	44,887
TOTAL INCOME	4,471,696	4,017,827
EXPENSES		
Other Personnel		
- Wages and salaries	2,340,474	1,927,093
- Annual leave expenses	16,531	19,173
- Superannuation	225,525	194,496
- Long service leave expense	29,193	31,655
- Staff professional development registration expenses	72,419	65,608
- Uniforms	3,604	2,865
- Directors' board attendance	55,966	42,893
- Recruitment	5,889	26,417
- Staff professional compliance	6,765	8,106
- Directors' professional development	12,151	679
- Director representation	901	1,447
Carried Forward:	2,769,418	2,320,432

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DETAILED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 30 JUNE 2011

	2011 $	2010 $
EXPENSES (Continued)		
Brought Forward:	2,769,418	2,320,432
Administration expenses		
- Accounting/audit/bookkeeping	46,244	85,422
- Advertising	15,259	9,180
- Bad debts	3,930	-
- Bank/Government charges	1,441	886
- Catering (meetings/functions)	10,077	17,540
- Computer, software and internet	44,224	32,893
- Depreciation	106,470	86,298
- Insurance	32,655	28,580
- Lease motor vehicles and costs	131,201	54,039
- Legal expenses and company registration	36	3,574
- Meeting expenses (room hire, etc)	50,766	7,796
- Office consumables/stationery	43,474	35,829
- Postage/courier	5,620	6,046
- Rent (office)	267,561	217,245
- Repairs and maintenance (office)	20,500	17,377
- Subscriptions and memberships	2,574	10,750
- Telephone	98,461	74,068
- Travel (including accommodation and meals)	332,828	466,049
- Utilities (electricity)	12,883	8,282
Carried Forward:	3,995,622	3,482,286

The accompanying notes form part of these financial statements.

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DETAILED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 30 JUNE 2011

	2011 $	2010 $
EXPENSES (Continued)		
Brought Forward:	3,995,622	3,482,286
Other Expenses		
- Consultant/contract payments	275,094	269,477
- Program consumables	20,724	44,067
- GP member travel and like expenses	18,202	7,528
- Other expenses	6,053	48,498
- Staff professional development travel	90,742	5,254
- Accreditation	5,679	950
- Relocation and set-up costs	12,959	33,590
- GP program involvement	6,146	38,090
- Program equipment	26,688	55,697
- GP Representation	1,490	-
- GP Board Attendance	909	-
- GP Member Assistance	5,421	-
- Loss on Scrapping of Equipment	172	-
TOTAL EXPENSES	4,465,901	3,985,437
NET PROFIT	5,795	32,390