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 2012

ACCRU^{+} PAGE KIRK & JENNINGS
Chartered Accountants
West Perth

KIMBERLEY DIVISION OF GENERAL PRACTICE LTD
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FOR THE YEAR ENDED

30 JUNE 2012

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DIRECTORS' REPORT

Your directors submit their report for the year ended 30 June 2012.

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

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 Re-Appointed: 7 May 2012

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

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 was previously employed with 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 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 this 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
A Medical Practitioner for 34 years.

Appointed: 28 June 2011

Mr Anthony Masi B Pharm MPS
Non-Executive Director

Owner Broome Pharmacy and partner In Chinatown Pharmacy.

Appointed: 27 April 2012

Dr Ralph T Chapman MBBS, FRACGP, RANZCOG
Non-Executive Director

District Medical Officer Broome Hospital.

Appointed: 1 May 2012

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DIRECTORS' REPORT

Dr Abigail S Harwood MBBS, FRACGP, FARGP, Grad Dip Rural, MPH, DRANZCOG DCH, Grad Cert OHS Mgt
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 Ceased: 23 April 2012

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 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 Ceased: 26 October 2011

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 Ceased: 26 October 2011

KIMBERLEY DIVISION OF GENERAL PRACTICE LTD
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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 at 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 at 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:
- Promoting Strong Governance;
- Providing 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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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 at 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 (e.g: Current Ratio) and benchmarks (e.g: Working Capital), staff turnover and Company correspondence with stakeholders.

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

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DIRECTORS' REPORT

OPERATING RESULTS FOR THE YEAR

The company's net loss for the year is \$(17,355) (2011: Profit \$5,795). The net loss 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 \$1,482,454 (2011: \$700,200), an increase of 112% (2011: 36% decrease). The unexpended funds balance can be repaid on call, given the cash at bank balance of \$2,018,479 (2011: \$1,461,639).

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 be 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 of financial members x (\$10 + GST).

SUBSEQUENT EVENT

On 25 May 2012 a General Meeting of Members was convened and the following resolutions were passed:

- To change the status of the company from a company limited by guarantee to a proprietary limited company limited by shares.
- To change the name of the company to Boab Health Services Pty Ltd.
- To adopt a new Constitution consistent with the passing of the first two resolutions.

All relevant documentation was lodged with the Australian Securities & Investments Commission (A.S.I.C.) on 6 June 2012. As at 18 September 2012, A.S.I.C. has not processed and confirmed the above changes.

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.

KIMBERLEY DIVISION OF GENERAL PRACTICE LTD
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DIRECTORS' REPORT

DIRECTORS' MEETINGS

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

	Board	
	A	**B**
Dr Suzanne M E Phillips	8	8
Mr Gary J Davies	12	12
Sudha Coutinho	12	7
Dr Robert L Phair	12	10
Dr Trevor H Lord	11	9
Mr Anthony Masi	6	4
Dr Ralph T Chapman	7	5
Dr Abigail S Harwood	11	3
Dr Josephus de Jong	1	1
Dr Christina Herceg	11	4
Dr Eric Kimaru	5	4

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.

S Phillips

DR SUZANNE M E PHILLIPS
Director – Chairperson

Dated: 26/09/2012

KIMBERLEY DIVISION OF GENERAL PRACTICE LTD
(A COMPANY LIMITED BY GUARANTEE)
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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 2012 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.

ACCRU+ PAGE KIRK & JENNINGS
Chartered Accountants

GRAEME ROBERT JENNINGS
Partner

Date: 24th SEPTEMBER, 2012
West Perth, WA

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KIMBERLEY DIVISION OF GENERAL PRACTICE LTD
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DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 13 to 51 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 2012 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.

S. Phillips

DR SUZANNE M E PHILLIPS
Director – Chairperson

Dated: 26/09/2012

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 2012, 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.

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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 2012 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

ACCRU+ PAGE KIRK & JENNINGS
Chartered Accountants

G R JENNINGS
Partner

Date: 28/9/2012

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KIMBERLEY DIVISION OF GENERAL PRACTICE LTD
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 $	2011 $
Revenues From Government and Other Grants	2	4,284,839	4,292,267
Other Revenue	2	210,089	179,429
Employee Benefit Expense		(2,944,206)	(2,869,118)
Depreciation and Amortisation		(100,383)	(106,470)
Rental Expenses		(273,405)	(267,561)
Consultants and Contractors		(324,671)	(275,094)
Travel and Meeting Expenses		(493,003)	(524,872)
Other Expenses		(376,615)	(422,786)
Profit/(Loss) Before Income Tax		(17,355)	5,795
Income Tax Expense		-	-
Profit/(Loss) for the Year		(17,355)	5,795
Other Comprehensive Income		-	-
Total Comprehensive Income/(Loss) for the Year		(17,355)	5,795
Profit/(Loss) Attributable to Members of the Entity		(17,355)	5,795
Total Comprehensive Income/(Loss) Attributable to Members of the Entity		(17,355)	5,795

The accompanying notes form part of these financial statements.

KIMBERLEY DIVISION OF GENERAL PRACTICE LTD
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STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012

	Notes	2012 $	2011 $
CURRENT ASSETS			
Cash and Cash Equivalents	4	2,018,479	1,461,639
Trade and Other Receivables	5	375,208	28,636
Other Current Assets	6	49,246	41,923
TOTAL CURRENT ASSETS		2,442,933	1,532,198
NON-CURRENT ASSETS			
Property, plant and equipment	7	196,109	242,664
TOTAL NON-CURRENT ASSETS		196,109	242,664
TOTAL ASSETS		2,639,042	1,774,862
CURRENT LIABILITIES			
Trade and Other Payables	8	508,567	370,783
Provisions – Unexpended grants	9	1,482,454	700,200
Provisions – Other	9	134,237	153,673
TOTAL CURRENT LIABILITIES		2,125,258	1,224,656
NON-CURRENT LIABILITIES			
Provisions – Other	9	102,875	121,942
TOTAL NON-CURRENT LIABILITIES		102,875	121,942
TOTAL LIABILITIES		2,228,133	1,346,598
NET ASSETS		410,909	428,264

The accompanying notes form part of these financial statements.

KIMBERLEY DIVISION OF GENERAL PRACTICE LTD
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012

	Notes	2012 $	2011 $
EQUITY			
Retained Earnings		255,876	324,675
Reserves	10	155,033	103,589
		410,909	428,264

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 2012

	Retained Earnings $	Funds Reserve $	Total $
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 Retained Earnings	-	47,500	47,500
Balance at 30 June 2011	324,675	103,589	428,264
Balance at 1 July 2011	324,675	103,589	428,264
Profit/(Loss) Attributable to Members	(17,355)	-	(17,355)
Transfer from Retained Earnings	(51,444)	-	(51,444)
Transfer to Reserves:			
- From Unexpended Funds	-	21,763	21,763
- From Retained Earnings	-	29,681	29,681
Balance at 30 June 2012	255,876	155,033	410,909

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 2012

	Notes	2012 $	2011 $
CASH FLOW FROM OPERATING ACTIVITIES			
Government grants received and other income		4,878,059	4,045,137
Interest received		52,551	62,442
Payments to suppliers and employees		(4,319,942)	(4,366,144)
Net Cash Generated/(Used) by Operating Activities	12(b)	610,668	(258,565)
Payments for plant and equipment, and leasehold improvements		(53,828)	(64,766)
Net Cash Applied to Investing Activities		(53,828)	(64,766)
Net (decrease)/increase in cash held		556,840	(323,331)
Cash at beginning of year		1,461,639	1,784,970
Cash at End of Year	12(a)	2,018,479	1,461,639

The accompanying notes form part of these financial statements.

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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

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 2012

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%
Motor Vehicles	20%
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.

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 2012

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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

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 FOR THE YEAR ENDED 30 JUNE 2012

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.

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 Standard 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.

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.

This Standard is not expected to significantly impact the company.

- 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 13: Fair Value Measurement and AASB 2011-8: Amendments to Australian Accounting Standards arising from AASB 13 (applicable for annual reporting periods commencing on or after 1 January 2013).

  AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurement.

  AASB 13 requires:

  - Inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and,

  - Enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) measured at fair value.

  These Standards are not expected to significantly impact the company.

  - AASB 2011-9: Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income (applicable for annual reporting periods commencing on or after 1 July 2012).

    The main change arising from this Standard is the requirement for entities to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently.

  This Standard affects presentation only and is therefore not expected to significantly impact the company.

- AASB 119: Employee Benefits (September 2011) and AASB 2011-10: Amendments to Australian Accounting Standards arising from AASB 119 (applicable for annual reporting periods commencing on or after 1 January 2013).

  These Standards include a number of changes to accounting and presentation of defined benefit plans. The company does not have any defined benefit plans and so is not impacted by the amendment.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Policies (Continued)

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

AASB 119 (September 2011) also includes changes to:

(a) Require only those benefits that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service to be classified as short-term employee benefits. All other employee benefits are to be classified as either other long-term benefits, post-employment benefits or termination benefits, as appropriate; and,

(b) The accounting for termination benefits that require an entity to recognise an obligation for such benefits at the earlier of:

(i) Where for an offer that may be withdrawn – when the employee accepts;

(ii) Where for an offer that cannot be withdrawn – when the offer is communicated to affected employees; and,

(iii) Where the termination is associated with a restructuring of activities under AASB 137 and if earlier than the first two conditions – when the related restructuring costs are recognised.

The company has not yet been able to reasonably estimate the impact of these changes to AASB 119.

(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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	2012 $	2011 $
2. REVENUE		
Revenue from Ordinary Activities		
Revenue from Government and Other Grants	4,284,839	4,292,267
Other Revenue		
- Interest Received (Unrelated Parties)	52,551	62,442
- Membership Fees	430	1,320
- Registration Fees	7,990	25,890
- Sundry Income/Reimbursements	149,118	89,777
	210,089	179,429
Total Revenue	4,494,928	4,471,696

3. EXPENDITURE

	2012 $	2011 $
Depreciation	100,383	106,470
Remuneration of Auditor		
- Audit and Review	14,000	15,400
Rental Expense on Operating Leases		
- Minimum Lease Payments	296,821	294,897

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	2012 $	2011 $
4. CASH AND CASH EQUIVALENTS		
Cash at bank	2,018,479	1,461,639

5. TRADE AND OTHER RECEIVABLES

	2012 $	2011 $
Trade Receivables	375,208	13,291
Other Receivables	-	15,345
	375,208	28,636

As of 30 June 2012, the company had trade receivables of $179,256 (2011: $12,760) 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:

	2012 $	2011 $
Less than 1 Month	195,952	531
1 to 2 Months	9,855	229
2 to 3 Months	3,330	-
3 Months +	166,071	12,531

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.

6. OTHER CURRENT ASSETS

	2012 $	2011 $
Prepayments	44,684	37,360
Bond	4,562	4,563
	49,246	41,923

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	20120 $	2011 $
7. PROPERTY, PLANT AND EQUIPMENT		
Office equipment	292,746	272,400
Less: Accumulated depreciation	(204,971)	(144,130)
	87,775	128,270
Leasehold improvements	210,403	209,527
Less: Amortisation	(141,344)	(116,725)
	69,059	92,802
Program Equipment	53,283	49,835
Less: Accumulated depreciation	(40,474)	(32,319)
	12,809	17,516
DOHA Assets	15,266	15,266
Less: Accumulated depreciation	(14,244)	(11,190)
	1,022	4,076
Motor Vehicles	29,157	-
Less: Accumulated depreciation	(3,713)	-
	25,444	-
Total Property, Plant and Equipment	196,109	242,664

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NOTES TO THE FINANCIAL STATEMENTS
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7. PROPERTY, PLANT AND EQUIPMENT (Continued)	2012 $	2011 $
Movements in the Carrying Amount for Each Class of Property, Plant and Equipment		
Office Equipment		
Balance at beginning of the year	128,270	143,110
Additions at Cost	20,346	53,248
Disposals/Write-Offs	-	(172)
Depreciation Expense	(60,841)	(67,916)
Balance at the End of the Year	87,775	128,270
Leasehold Improvements		
Balance at beginning of the year	92,802	105,542
Additions at Cost	875	10,428
Disposals/Write-Offs	-	-
Depreciation Expense	(24,618)	(23,168)
Balance at the End of the Year	69,059	92,802
Program Equipment		
Balance at beginning of the year	17,516	28,758
Additions at Cost	3,448	1,090
Disposals/Write-Offs	-	-
Depreciation Expense	(8,155)	(12,332)
Balance at the End of the Year	12,809	17,516
DOHA Assets		
Balance at beginning of the year	4,076	7,130
Additions at Cost	-	-
Disposals/Write-Offs	-	-
Depreciation Expense	(3,054)	(3,054)
Balance at the End of the Year	1,022	4,076

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	2012 $	2011 $
7. PROPERTY, PLANT AND EQUIPMENT (Continued)		
Motor Vehicles		
Balance at beginning of the year	-	-
Additions at Cost	29,157	-
Disposals/Write-Offs	-	-
Depreciation Expense	(3,713)	-
Balance at the End of the Year	25,444	-

8. TRADE AND OTHER PAYABLES

	2012 $	2011 $
Trade Payables	120,211	196,935
Sundry Payables and Accruals	219,925	118,148
GST Payable	168,431	55,700
	508,567	370,783

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NOTES TO THE FINANCIAL STATEMENTS
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9. PROVISIONS

Unexpended Grants

Program		*Balance at 01/07/2011* $	*Released to 30/06/2012* $	*Expended to 30/06/2012* $	*Transfers/ Repayment of Funds* $	*Balance at 30/06/2012* $
AGPN Palliative Care		48,797	-	(48,797)	-	-
BOIMH – Suicide Prevention		-	422,500	(399,557)	77,422	100,365
BOIMH (including SP)		197,396	180,351	(284,426)	(77,422)	15,899
COAG Mental Health		169,217	733,268	(693,487)	-	208,998
DOHA – Capital IT		-	165,000	-	-	165,000
DOHA – Kutjungka Grant		-	80,250	(8)	-	80,242
DOHA – Mobile Health Van		-	274,362	-	-	274,362
Home Meds Review		10,317	-	-	(10,317)	-
MPFA – AOW		23,246	81,372	(72,431)	-	32,187
MPFA - Closing the Gap		43,336	134,000	(151,696)	-	25,640
MPFA – Core		11,947	400,843	(412,790)	-	-
MPFA – Immunisation		-	21,635	(20,180)	-	1,455
MPFA – RPHSP	[i]	8,972	687,462	(518,913)	-	177,521
MPFA – WSRGP		-	55,888	(55,888)	-	-
NPS	[ii]	66,043	35,000	(101,043)	-	-
OATSIH		-	1,475,347	(1,132,542)	-	342,805
WACHS – KAHPF		21,763	25,000	(25,000)	(21,763)	-
WAGPN - Aged Care		21,663	14,887	(36,550)	-	-
WAGPN – Care Co-Ordinator		-	167,676	(167,676)	-	-
WAGPN – CC Supplementary Service		-	30,000	(55,207)	-	(25,207)
WAGPN – LMP		44,872	-	(44,872)	-	-
WAGPN - Nursing in General Practice		17,691	-	(17,691)	-	-
WAGPN – Otis Media		-	89,000	(5,813)	-	83,187
WAPMH - Perinatal		4,592	-	(4,592)	-	-
WAPMH – Perinatal 2		10,348	-	(10,348)	-	-
		700,200	5,073,841	(4,259,507)	(32,080)	1,482,454

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9. PROVISIONS (Continued)

Unexpended Grants (Continued)

	$
[i[MPFA – RPHSP	
2011/12 funding received	411,243
Add: 2011/12 funding receivable at 30/06/2012	137,082
Add: 2012/13 funding receivable at 30/06/2012	139,137
/	
	687,462
[ii] NPS	
2011/12 funding received	17,500
Add: 2011/12 funding receivable at 30/06/2012	17,500
	35,000

	2012 $	2011 $
Other - Current		
Accrued Annual Leave	134,237	153,673
Other – Non-Current		
Accrued Long Service Leave	102,875	121,942

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	Long Term Employee Benefits $	Short Term Employee Benefits $
9. PROVISIONS (Continued)		
Opening balance at 1 July 2011	121,942	153,673
Additional Provisions Raised During the Year	11,679	176,344
Amounts Used	(30,746)	(195,780)
Balance at 30 June 2012	102,875	134,237

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 2012 the number of members was 120 (2011: 104).

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		2012 $	2011 $
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	2,018,479	1,461,639

		2012 $	2011 $
12(b)	**RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH PROFIT/ (LOSS) AFTER INCOME TAX**		
	Profit/(Loss) after Income Tax	(17,355)	5,795
	Non cash flows in profit after income tax		
	- Plant and Equipment Depreciation	100,383	106,470
	- Loss on Scrapping of Plant and Equipment	-	172
	Changes in Assets and Liabilities		
	Decrease/(Increase) in Trade and Other Receivables	(346,572)	34,383
	Decrease/(Increase) in Other Assets	(7,323)	(2,233)
	(Decrease)/Increase in Trade and Other Payables	137,784	(50,548)
	(Decrease)/Increase in Unexpended Grants Excluding Transfer to Reserve	782,254	(398,328)
	(Decrease)/Increase in Employee Provisions	(38,503)	45,724
		610,668	(258,565)

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13. COMMITMENTS

Operating Lease Commitments

	2012 $	2011 $
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
Payable – Minimum Lease Payments		
- Not later than 12 months	204,168	187,632
- Between 12 months and 5 years	54,868	136,737
- Greater than 5 years	-	-
	259,036	324,369

The property leases are non-cancellable leases with a three year term commencing 1 April 2007, with rent payable monthly in advance. A three year option to review the lease was exercised with the extended 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 commenced May 2012.

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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, are as follows:

	Note	2012 $	2011 $
Financial Assets			
Cash and Cash Equivalents	4	2,018,479	1,461,639
Receivables	5	375,208	28,636
Total Financial Assets		2,393,687	1,490,275
Financial Liabilities			
Financial liabilities at amortised cost			
- Trade and Other Payables	8	508,567	370,783
Total Financial Liabilities		508,567	370,783

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.

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:

	2012 $	2011 $
Cash and Cash Equivalents		
- AA Rated	2,018,479	1,461,639
	2,018,479	1,461,639

(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.

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	**2012 $**	**2011 $**	**2012 $**	**2011 $**	**2012 $**	**2011 $**	**2012 $**	**2011 $**
Trade and Other Payables	508,567	370,783	-	-	-	-	508,567	370,783
Total Expected Outflows	508,567	370,783	-	-	-	-	508,567	370,783
Financial Assets - Cash Flows Realisable								
Cash and Cash Equivalents	2,018,479	1,461,639	-	-	-	-	2,018,479	1,461,639
Trade and Other Receivables	375,208	28,636	-	-	-	-	375,208	28,636
Total Anticipated Inflows	2,393,687	1,490,275	-	-	-	-	2,393,687	1,490,275
Net Inflow on Financial Instruments	1,885,120	1,119,492	-	-	-	-	1,885,120	1,119,492

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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 $20,184 (2011: $14,616).

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NOTES TO THE FINANCIAL STATEMENTS
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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.

		2012		2011	
		Net Carrying Amount $	Net Fair Value $	Net Carrying Amount $	Net Fair Value $
	Financial Assets				
[i]	Cash and Cash Equivalents	2,018,479	2,018,479	1,461,639	1,461,639
[i]	Trade & Other Receivables	375,208	375,208	28,636	28,636
	Total Financial Assets	2,393,687	2,393,687	1,490,275	1,490,275
	Financial Liabilities				
[i]	Trade and Other Payables	508,567	508,567	370,783	370,783
	Total Financial Liabilities	508,567	508,567	370,783	370,783

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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

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 2012 and 30 June 2011.

16. KEY MANAGEMENT PERSONNEL COMPENSATION

	2012 $	2011 $
Short Term Employee Benefits		
- Salaries, Wages and Fees	202,160	186,893
- Superannuation	20,976	18,002
Total Short Term Employee Benefits	223,136	204,895

Key management personnel is deemed to include the directors (as noted in the Directors' Report) and the Acting Chief Executive Officer (Nadine White).

17. ECONOMIC DEPENDENCE

The company is reliant on the ongoing grant funding provided by the Commonwealth Department of Health and Ageing 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.

The company is also reliant on funding provided by the North West Health Alliance Limited trading as Kimberley-Pilbara Medicare Local (KPML). The company has a Heads of Agreement with KPML that guarantees funding for specific programs for the years ended 30 June 2013 and 30 June 2014.

18. EVENTS SUBSEQUENT TO BALANCE DATE

On 25 May 2012 a General Meeting of Members was convened and the following resolutions were passed:

- To change the status of the company from a company limited by guarantee to a proprietary limited company limited by shares.
- To change the name of the company to Boab Health Services Pty Ltd.
- To adopt a new Constitution consistent with the passing of the first two resolutions.

All relevant documentation was lodged with the Australian Securities & Investments Commission (A.S.I.C.) on 6 June 2012. As at 18 September 2012, A.S.I.C. has not processed and confirmed the above changes.

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 26 September 2012 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 2012.

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.

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DETAILED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 30 JUNE 2012

	2012 $	2011 $
INCOME		
Grant funds	4,284,839	4,292,267
Other income		
- Membership fees	430	1,320
- Registration fees	7,990	25,890
- Interest	52,551	62,442
- Sundry income/reimbursements	149,118	89,777
TOTAL INCOME	4,494,928	4,471,696
EXPENSES		
Other Personnel		
- Wages and salaries	2,488,985	2,340,474
- Annual leave expenses	(20,551)	16,531
- Superannuation	250,201	225,525
- Long service leave expense	(19,067)	29,193
- Staff professional development registration expenses	36,596	72,419
- Uniforms	1,549	3,604
- Directors' board attendance	37,732	55,966
- Recruitment	31,110	5,889
- Staff professional compliance	5,289	6,765
- Directors' professional development	75	12,151
- Director representation	-	901
- Other employment expenses	1,055	-
Carried Forward:	2,812,974	2,769,418

The accompanying notes form part of these financial statements.

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DETAILED PROFIT AND LOSS STATEMENT
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	2012 $	2011 $
EXPENSES (Continued)		
Brought Forward:	2,812,974	2,769,418
Administration expenses		
- Accounting/audit/bookkeeping	51,093	46,244
- Advertising	7,606	15,259
- Bad debts	-	3,930
- Bank/Government charges	1,023	1,441
- Catering (meetings/functions)	12,556	10,077
- Computer, software and internet	45,547	44,224
- Depreciation	100,383	106,470
- Insurance	33,151	32,655
- Lease motor vehicles and costs	127,493	131,201
- Legal expenses and company registration	18,497	36
- Meeting expenses (room hire, etc)	23,488	50,766
- Motor vehicle costs (company)	1,392	-
- Office consumables/stationery	36,367	43,474
- Postage/courier	5,366	5,620
- Rent (office)	273,405	267,561
- Repairs and maintenance (office)	20,634	20,500
- Subscriptions and memberships	1,610	2,574
- Telephone	84,526	98,461
- Travel (including accommodation and meals)	329,466	332,828
- Utilities (electricity)	13,330	12,883
Carried Forward:	3,999,907	3,995,622

The accompanying notes form part of these financial statements.

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DETAILED PROFIT AND LOSS STATEMENT
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	2012 $	2011 $
EXPENSES (Continued)		
Brought Forward:	3,999,907	3,995,622
Other Expenses		
- Consultant/contract payments	324,671	275,094
- Program consumables	32,257	20,724
- GP member travel and like expenses	-	18,202
- Other expenses	998	6,053
- Staff professional development travel	49,993	90,742
- Accreditation	3,972	5,679
- Relocation and set-up costs	81,239	12,959
- GP program involvement	-	6,146
- Program equipment	12,403	26,688
- GP Representation	-	1,490
- GP Board Attendance	-	909
- GP Member Assistance	6,843	5,421
- Loss on Scrapping of Equipment	-	172
TOTAL EXPENSES	4,512,283	4,465,901
NET PROFIT/(LOSS)	(17,355)	5,795

The accompanying notes form part of these financial statements.