



Financial Statements

firsthealth limited
ABN 15 111 520 168

financial report for the year ended 30 June 2017

FIRSTHEALTH LIMITED

ABN: 15 111 520 168

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

FIRSTHEALTH LIMITED

ABN: 15 111 520 168

CONTENTS

FOR THE YEAR ENDED 30 JUNE 2017

| | Page |
|--|------|
| Financial Statements | |
| Directors Report | 1 |
| Auditor's Independence Declaration | 6 |
| Statement of Profit or Loss and Other Comprehensive Income | 7 |
| Statement of Financial Position | 8 |
| Statement of Changes in Equity | 9 |
| Statement of Cash Flows | 10 |
| Notes to the Financial Statements | 11 |
| Responsible Persons' Declaration | 22 |
| Independent Auditor's Report | 23 |

FIRSTHEALTH LIMITED

ABN: 15 111 520 168

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2017

1. Information on Directors'

Directors

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

| Names | Position | Appointed/Resigned |
|-------------------|--------------------------------------|-----------------------------|
| Max Graffen | Director - Chair | Resigned 9 August 2016 |
| Susan McAlpin | Director - Chair from 10 August 2016 | |
| David Friedlieb | Director - Treasurer | |
| Elizabeth Lyne | Director | Resigned 23 May 2017 |
| Kenneth Mackey | Director | |
| Catherine Maloney | Director | |
| Donna McLean | Director | |
| John Padgett | Director | |
| Carl Cooper | Director | |
| Jodi Culbert | Director | Appointed 27 September 2016 |
| Faye McMilan | Director | Appointed 25 July 2017 |

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

Principal activities

The principal activities of the company during the financial year were:

- Commissioning of primary health services to meet population health needs;
- Operation of Murrumbidgee Primary Health Network under contract with the Australian Government Department of Health;
- Provision of Partners in Recovery Program;
- Workforce education;
- Workforce recruitment & retention;
- Promotion of Immunisation;
- Provide support and development; and
- Provision of After Hours Medical Services.

These activities supported all of the company's strategies and objectives. During the year the company began the process of transitioning itself from a deliverer of services to a commissioner of services. This transition was largely completed by 30 June 2017.

Further to the above, to do all such acts as are incidental and conducive to the furtherance of the above objectives.

FIRSTHEALTH LIMITED

ABN: 15 111 520 168

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2017

Short-term and long-term objectives

Firsthealth Limited has a key role in driving improvement in primary health care and in ensuring services are better tailored to meet the needs of our local communities. Firsthealth limited commenced operation of the Murrumbidgee Primary Health Network on 1st July 2015 under a contract with the Australian Government Department of Health. The Murrumbidgee Primary Health Network is one of thirty one Primary Health Networks established across Australia.

The short and long term principal objectives of the company are to improve health outcomes for individuals and the community across the Murrumbidgee area through a thorough understanding of the health needs of our community and the effective allocation of scarce resources to meet those needs.

The company will:

- Increase the efficiency and effectiveness of medical services for patients, particularly those at risk of poor health outcomes; and
- Improve the coordination of care to ensure patients receive the right care in the right place at the right time.

Strategy for achieving the objectives

The company will achieve these objectives by:

- Understanding the health needs of the community through the provision of a comprehensive health needs assessment;
- Conducting service planning for the region in collaboration with local health service providers including the Local Health District;
- With support from Clinical Council and Community Advisory Committees, developing local strategies to improve the operation of the health care system for patients;
- Facilitating effective primary health care provision to reduce avoidable hospital presentations and admissions;
- Supporting health information management and facilitating the collection and use of clinical data and the adoption of best practice methods to improve the quality of patient care; and
- Assisting practices in the understanding and meaningful use of eHealth systems to streamline the flow of relevant patient information across the local health provider community.

Performance measures

The Company measures its performance by reviewing actions and activities through the Clinical Councils and the Community Advisory Committees, which provide direct input and representation to the Planning and Integration Committee. Service provision (whether directly or through commissioned providers) and Quality are monitored through the Clinical Governance Committee. Financial performance and risk are monitored through the Finance, Audit and Risk Committee. The Board, through these committees, monitors a range of national and local performance indicators. National performance indicators include potentially preventable hospitalisations, childhood immunisation rates, cancer screening rates and mental health treatment rates.

Members guarantee

The Company is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. A liability exists on each member under the Company's Constitution in the form of a members' guarantee to contribute to the assets of the company, in the event of winding up, to a maximum of \$1 per member.

2. Operating results

The profit of the Company for the year amounted to \$ 52,946 (2016: deficit \$ 41,543).

FIRSTHEALTH LIMITED

ABN: 15 111 520 168

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2017

3. Other items

Significant changes in state of affairs

There were no significant changes in the state of affairs of the Company which occurred during the financial year.

Events after the reporting date

The organisation has had an external consultant conduct a review of the management structure to ensure that it is fit for purpose. This resulted in a reduction of the executive management team from four members to two members and the appointment of two director positions, being a Chief Operations Officer and Director Clinical Support.

Information on Directors

The following table sets out the qualifications, occupations, experience and special responsibilities of the directors in office at the date of this report:

| | |
|--------------------------|---|
| Kenneth Mackey | Director |
| Qualifications | General Practitioner - Lockhart – MBBS, FACRRM, D Obst RCOG, FAICD |
| Experience | Appointed 25/10/04 |
| Special Responsibilities | Chair - Clinical Governance, Planning and Integration Committees |
| Susan McAlpin | Director |
| Qualifications | Charles Sturt University -Assoc. Professor, Nutrition & Dietetics, PhD, MHSc, APD Fellow, ACHSM |
| Experience | Appointed 16/01/2012 |
| Special Responsibilities | Chair of Board |
| Donna McLean | Director |
| Qualifications | Registered Nurse, Masters in Gerontology |
| Experience | Appointed 17/07/2012 |
| Catherine Maloney | Director |
| Qualifications | Bachelor Applied Science (Physiotherapy), Grad Certificate Adult Education and Training, Master of Science in Medicine (Pain Management), GAICD |
| Experience | Appointed 22/11/2012 |
| John Padgett | Director |
| Qualifications | MBBS, DRANZCOG, DCH, MPHIC, FRACGP, FARGP, MCLinSci (Lifestyle Med) |
| Experience | Appointed 19/02/2013 |

FIRSTHEALTH LIMITED

ABN: 15 111 520 168

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2017

David Friedlieb

Qualifications

Experience

Special Responsibilities

Director

Chartered Accountant, B. Bus

Appointed 3/06/2015

Treasurer

Chair of Finance, Audit & Risk Committee

Carl Cooper

Qualifications

Experience

Director

Pharmacy Lecturer and Practising Pharmacist

BA (MusEd) MEd BPharm AACP

Appointed 08/10/2015

Jodi Culbert

Qualifications

Experience

Special Responsibilities

Director

MBBS (Hons), DipCH, FRACGP

BAppSc Physiotherapy (with Distinction)

Appointed 27/09/2016

Chair of the Planning and Integration Committee

Faye McMilan

Qualifications

Experience

Director

DrHSc, MIndHth, Grad Cert Wiradjuri Language

Grad Cert Ind Governance, BPharm

Appointed 25/7/2017

During the financial year, twelve meetings of directors were held. Attendances by each director during the year were as follows:

| | Number eligible to attend | Number attended |
|-------------------|---------------------------|-----------------|
| Max Graffen | 1 | - |
| Kenneth Mackey | 12 | 10 |
| Susan McAlpin | 12 | 11 |
| Elizabeth Lyne | 11 | 10 |
| Donna McLean | 12 | 12 |
| Catherine Maloney | 12 | 10 |
| John Padgett | 12 | 12 |
| David Friedlieb | 12 | 11 |
| Carl Cooper | 12 | 12 |
| Jodi Culbert | 10 | 10 |
| Faye McMilan | - | - |

FIRSTHEALTH LIMITED

ABN: 15 111 520 168

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2017

Indemnification and insurance of officers

During the financial year the company has paid premiums to insure each of the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the company.


Proceedings on behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

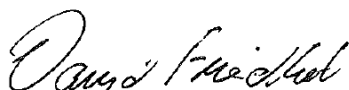
Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* and the *Australian Charities and Not-For-Profits Commission Act 2012*, for the year ended 30 June 2017 has been received and can be found on page 6 of the financial report.

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



Director:



Director:

Dated 17 October 2017

FIRSTHEALTH LIMITED
ABN: 15 111 520 168

AUDITOR'S INDEPENDENCE DECLARATION

FOR THE YEAR ENDED 30 JUNE 2017

We declare that, to the best of our knowledge and belief, during the year ended 30 June 2017, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act* 2001 and the *Australian Charities and Not-For-Profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

National Audits Group Pty Ltd
Authorised Audit Company



Steven J Watson
Managing Director

Dated 17 October 2017

Wagga Wagga

FIRSTHEALTH LIMITED

ABN: 15 111 520 168

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2017

| | 2017 | 2016 |
|---|--------------|-------------|
| Note | \$ | \$ |
| Revenue | 4 16,308,478 | 13,065,697 |
| Advertising expenses | (111,798) | (11,864) |
| Contractors | (8,649,649) | (2,851,444) |
| Depreciation expenses | (35,939) | (84,707) |
| Directors' fees | (166,282) | (176,016) |
| Employee benefits expenses | (5,234,636) | (7,088,287) |
| GP payments | (386,512) | (433,003) |
| Motor vehicle expenses | (132,926) | (213,839) |
| Insurance | (84,266) | (92,210) |
| Rent | (301,905) | (445,976) |
| Travel expenses | (68,403) | (41,932) |
| Other expenses | (1,083,216) | (1,667,962) |
| Profit/(loss) before income tax | 52,946 | (41,543) |
| Income tax expense | 2(a) - | - |
| Profit/(loss) for the year | 52,946 | (41,543) |
| Items that will not be reclassified subsequently to profit or loss | | |
| Revaluation changes for property, plant and equipment | - | 13,249 |
| Other comprehensive income for the year | - | 13,249 |
| Total comprehensive income/(expense) for the year | 52,946 | (28,294) |

The accompanying notes form part of these financial statements.

FIRSTHEALTH LIMITED

ABN: 15 111 520 168

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2017

| | Note | 2017 \$ | 2016 \$ |
|--------------------------------------|------|-------------------------|-------------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 5 | 8,685,985 | 5,388,716 |
| Trade and other receivables | | 337,188 | 315,188 |
| Prepayments | | 125,673 | 24,340 |
| Other assets | 6 | 375,000 | - |
| TOTAL CURRENT ASSETS | | <u>9,523,846</u> | <u>5,728,244</u> |
| NON-CURRENT ASSETS | | | |
| Other assets | 6 | - | 811,768 |
| Property, plant and equipment | 7 | 155,078 | 691,935 |
| TOTAL NON-CURRENT ASSETS | | <u>155,078</u> | <u>1,503,703</u> |
| TOTAL ASSETS | | <u><u>9,678,924</u></u> | <u><u>7,231,947</u></u> |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 8 | 1,793,342 | 901,573 |
| Employee benefits | 10 | 378,223 | 644,936 |
| Other liabilities | 9 | 6,543,709 | 4,763,800 |
| TOTAL CURRENT LIABILITIES | | <u>8,715,274</u> | <u>6,310,309</u> |
| NON-CURRENT LIABILITIES | | | |
| Employee benefits | 10 | 88,393 | 99,325 |
| TOTAL NON-CURRENT LIABILITIES | | <u>88,393</u> | <u>99,325</u> |
| TOTAL LIABILITIES | | <u>8,803,667</u> | <u>6,409,634</u> |
| NET ASSETS | | <u><u>875,257</u></u> | <u><u>822,313</u></u> |
| EQUITY | | | |
| Reserves | 11 | 13,249 | 13,249 |
| Retained earnings | | 862,008 | 809,064 |
| TOTAL EQUITY | | <u><u>875,257</u></u> | <u><u>822,313</u></u> |

The accompanying notes form part of these financial statements.

FIRSTHEALTH LIMITED ABN: 15 111 520 168

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2017

2017

| | Retained Earnings | Asset Revaluation Reserve | Total |
|---|----------------------|---------------------------------|---------|
| | \$ | \$ | \$ |
| Balance at 1 July 2016 | 809,064 | 13,249 | 822,313 |
| Profit attributable to members of the parent entity | 52,946 | - | 52,946 |
| Balance at 30 June 2017 | 862,008 | 13,249 | 875,257 |

2016

| | Retained Earnings | Asset Revaluation Reserve | Total |
|---|----------------------|---------------------------------|----------|
| | \$ | \$ | \$ |
| Balance at 1 July 2015 | 850,607 | - | 850,607 |
| (Loss) attributable to members of the parent entity | (41,543) | - | (41,543) |
| Revaluation increment | - | 13,249 | 13,249 |
| Balance at 30 June 2016 | 809,064 | 13,249 | 822,313 |

The accompanying notes form part of these financial statements.

FIRSTHEALTH LIMITED

ABN: 15 111 520 168

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2017

| | Note | 2017 \$ | 2016 \$ |
|---|------|-------------------------|-------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Receipt from grants | | 17,095,557 | 15,310,918 |
| Receipts from customers | | 758,820 | 796,968 |
| Payments to suppliers and employees | | (15,730,641) | (12,631,278) |
| Interest received | | 253,003 | 160,655 |
| Net cash provided by operating activities | 12 | <u>2,376,739</u> | <u>3,637,263</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Proceeds from sale of plant and equipment | | 108,762 | 140,170 |
| Purchase of property, plant and equipment | | - | (304,284) |
| Payment for held-to-maturity investments | | - | (811,768) |
| Proceeds from held-to-maturity investments | | <u>811,768</u> | <u>-</u> |
| Net cash provided by/(used by) investing activities | | <u>920,530</u> | <u>(975,882)</u> |
| Net increase in cash and cash equivalents held | | 3,297,269 | 2,661,381 |
| Cash and cash equivalents at beginning of year | | <u>5,388,716</u> | <u>2,727,335</u> |
| Cash and cash equivalents at end of financial year | 5 | <u><u>8,685,985</u></u> | <u><u>5,388,716</u></u> |

The accompanying notes form part of these financial statements.

FIRSTHEALTH LIMITED

ABN: 15 111 520 168

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

The financial report covers Firsthealth Limited as an individual entity. Firsthealth Limited is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Firsthealth Limited is Australian dollars.

The financial report was authorised for issue by the Directors on 17 October 2017.

Comparatives are consistent with prior years, unless otherwise stated.

1 BASIS OF PREPARATION

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements, the *Corporations Act 2001*, *Australian Charities and Not-for-profits Commission Act 2012* and *Australia Charities and Not-for-profits Commission Regulation 2013*.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Income Tax

The Company is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

(b) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

Grant revenue

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are funding. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

Interest revenue

Interest is recognised using the effective interest method.

Subscriptions

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

Other income

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

(c) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

FIRSTHEALTH LIMITED

ABN: 15 111 520 168

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(c) Goods and services tax (GST)

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the ATO is classified as operating cash flows.

(d) Property, plant and equipment

Each class of property, plant and equipment is disclosed at the below measurements:

Land and buildings

Land and buildings are measured using the revaluation model.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

| Fixed asset class | Depreciation rate |
|---------------------|-------------------|
| Plant and Equipment | 20% - 100% |
| Motor Vehicles | 20% |

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(e) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company becomes party to the contractual provisions of the instrument.

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

Financial Assets

Financial assets are divided into the following categories which are described in detail below:

- receivables;
- available-for-sale financial assets; and
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in Note 4 - Interest received.

FIRSTHEALTH LIMITED

ABN: 15 111 520 168

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(e) Financial instruments

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Company's trade and other receivables fall into this category of financial instruments.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Company's management to hold them until maturity.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets or which have been designated in this category. The Company's available-for-sale financial assets comprise properties held.

All available-for-sale financial assets are measured at fair value, with subsequent changes in value recognised in other comprehensive income.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired.

The Company's financial liabilities include trade and other payables (including funding received in advance), which are measured at amortised cost using the effective interest rate method.

(f) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is any evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(g) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

FIRSTHEALTH LIMITED

ABN: 15 111 520 168

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(g) Cash and cash equivalents

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

(h) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Changes in the measurement of the liability are recognised in profit or loss.

(i) Economic dependence

Firsthealth Limited is dependent on the Department of Health for the majority of its revenue used to operate the business. At the date of this report the directors have no reason to believe the Department of Health will not continue to support Firsthealth Limited.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information becomes known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key estimates - fair value of financial instruments

The Company has certain financial assets and liabilities which are measured at fair value. Where fair value has not able to be determined based on quoted price, a valuation model has been used. The inputs to these models are observable, where possible, however these techniques involve significant estimates and therefore fair value of the instruments could be affected by changes in these assumptions and inputs.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

FIRSTHEALTH LIMITED

ABN: 15 111 520 168

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

| | 2017 | 2016 |
|---|-------------------|-------------------|
| | \$ | \$ |
| 4 REVENUE AND OTHER INCOME | | |
| Interest received | 253,003 | 160,655 |
| Client Fees & Services | 732,191 | 789,544 |
| Gain on disposal of assets | 12,731 | 76,759 |
| Government grants | 15,285,763 | 11,999,111 |
| Membership fees | 16,600 | 19,000 |
| Rent | 8,190 | 20,628 |
| Total Revenue | <u>16,308,478</u> | <u>13,065,697</u> |
| 5 CASH AND CASH EQUIVALENTS | | |
| Cash at bank and in hand | 4,618,941 | 4,574,560 |
| Short-term deposits | 4,067,044 | 814,156 |
| Total cash and cash equivalents | <u>8,685,985</u> | <u>5,388,716</u> |
| 6 OTHER ASSETS | | |
| | 2017 | 2016 |
| | \$ | \$ |
| CURRENT | | |
| Asset held for sale | 375,000 | - |
| Total current other assets | <u>375,000</u> | <u>-</u> |
| The property located at 7 Bethany Place, Cootamundra, NSW has been listed for sale during the financial year. | | |
| NON-CURRENT | | |
| Term deposits | - | 811,768 |
| Total non-current other assets | <u>-</u> | <u>811,768</u> |

FIRSTHEALTH LIMITED

ABN: 15 111 520 168

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

| | 2017 | 2016 |
|--|-----------|-----------|
| | \$ | \$ |
| 7 PROPERTY, PLANT AND EQUIPMENT | | |
| Land and Buildings | | |
| At fair value | - | 375,000 |
| Total property | - | 375,000 |
| Plant and equipment | | |
| At cost | 234,548 | 234,548 |
| Accumulated depreciation | (231,532) | (229,959) |
| Total plant and equipment | 3,016 | 4,589 |
| Motor vehicles | | |
| At cost | 204,722 | 378,832 |
| Accumulated depreciation | (52,660) | (66,486) |
| Total motor vehicles | 152,062 | 312,346 |
| Total property, plant and equipment | 155,078 | 691,935 |

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

| | Land and Buildings | Plant and Equipment | Motor Vehicles | Total |
|---------------------------------------|--------------------|---------------------|----------------|-----------|
| | \$ | \$ | \$ | \$ |
| Year ended 30 June 2017 | | | | |
| Opening balance | 375,000 | 4,589 | 312,346 | 691,935 |
| Disposals - written down value | - | - | (97,487) | (97,487) |
| Transfer to asset held for sale | (375,000) | - | - | (375,000) |
| Depreciation expense | - | (1,573) | (34,366) | (35,939) |
| Transfer to DOH funded cars liability | - | - | (28,431) | (28,431) |
| Balance at the end of the year | - | 3,016 | 152,062 | 155,078 |

8 TRADE AND OTHER PAYABLES

CURRENT

| | | |
|--------------------------------------|-----------|---------|
| Trade payables | 1,647,346 | 550,043 |
| GST payable | - | 214,023 |
| Sundry payables and accrued expenses | 145,996 | 137,507 |
| Total trade and other payables | 1,793,342 | 901,573 |

FIRSTHEALTH LIMITED

ABN: 15 111 520 168

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

| | 2017 | 2016 |
|---|------------------|------------------|
| | \$ | \$ |
| 9 OTHER LIABILITIES | | |
| CURRENT | | |
| Amounts received in advance | 6,543,709 | 4,763,800 |
| Total other liabilities | 6,543,709 | 4,763,800 |
| 10 EMPLOYEE BENEFITS | | |
| CURRENT | | |
| Long service leave | 78,206 | 228,472 |
| Annual leave | 300,017 | 416,464 |
| Total current employee benefits | 378,223 | 644,936 |
| NON-CURRENT | | |
| Long service leave | 88,393 | 99,325 |
| Total non-current employee benefits | 88,393 | 99,325 |
| 11 RESERVES | | |
| <i>(a) Asset revaluation reserve</i> | | |
| The asset revaluation reserve records fair value movements in assets held for sale under the revaluation model. | | |
| Revaluation reserve | | |
| Asset held for sale | 13,249 | 13,249 |
| | 13,249 | 13,249 |

FIRSTHEALTH LIMITED

ABN: 15 111 520 168

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

| | 2017 | 2016 |
|--|------------------|------------------|
| | \$ | \$ |
| 12 CASH FLOW INFORMATION | | |
| Reconciliation of net profit to net cash provided by operating activities: | | |
| Net profit/(loss) attributable to the company | 52,946 | (41,543) |
| Cash flows excluded from profit attributable to operating activities | | |
| Non-cash flows in profit: | | |
| - depreciation | 35,939 | 84,707 |
| - net gain on disposal of property, plant and equipment | (12,731) | (76,759) |
| Changes in assets and liabilities: | | |
| - (increase)/decrease in trade and other receivables | 90,441 | (93,489) |
| - (increase)/decrease in other assets | (101,333) | (15,474) |
| - increase/(decrease) in other liabilities | 1,809,794 | 3,311,807 |
| - increase/(decrease) in trade and other payables | 779,328 | 378,354 |
| - increase/(decrease) in employee benefits | (277,645) | 89,660 |
| Cashflow from operations | <u>2,376,739</u> | <u>3,637,263</u> |
| 13 CAPITAL AND LEASING COMMITMENTS | | |
| Minimum lease payments under non-cancellable operating leases: | | |
| - not later than one year | 215,175 | 260,220 |
| - between one year and five years | - | 232,876 |
| | <u>215,175</u> | <u>493,096</u> |

Operating leases have been taken out for for a photocopier and two (2) commercial properties. Lease payments are increased on an annual basis in line with the underlying contracts. These amounts represent non-cancellable operating leases contracted for but not separately recognised in the financial statements.

FIRSTHEALTH LIMITED

ABN: 15 111 520 168

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

14 KEY MANAGEMENT PERSONNEL DISCLOSURES

For the year ending 30 June 2017, the following individuals were considered to be key management personnel:

| Name | Position | Name | Position |
|--------------|----------------|----------------|-------------------------|
| Dr M Graffen | Director | Dr J Padgett | Director |
| Dr S McAlpin | Director/Chair | Mr D Friedlieb | Director/Treasurer |
| Dr K Mackey | Director | Mr C Cooper | Director |
| Ms E Lyne | Director | Mr J Lamerton | Chief Executive Officer |
| Ms C Maloney | Director | Ms D McLean | Director |
| Dr J Culbert | Director | | |

Other key management personnel transactions

For details of other transactions with key management personnel, refer to Note 15: Related Party Transactions.

The Directors review the remuneration packages of all key management personnel on an annual basis.

The Directors also assesses the appropriateness of the nature and amount of emolument of such officers on a periodical basis by reference to current market rates. Such officers are given the opportunity to receive their base emolument in a variety of forms including cash and fringe benefits. It is intended that the manner of payment will be optimal for the recipient without creating undue cost for the company.

The total remuneration paid to key management personnel of the Company is \$ 372,057 (2016: \$ 500,924).

FIRSTHEALTH LIMITED

ABN: 15 111 520 168

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

15 RELATED PARTIES

(a) The Company's main related parties are as follows:

(i) Key management personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

For details of remuneration disclosures relating to key management personnel, refer to Note 14: Key Management Personnel Disclosures.

Other transactions with KMP and their related entities are shown below.

- Max Graffen, a Director of Firsthealth Limited was a sub-contractor to the Blamey Street Surgery and a doctor who was rostered as part of the Wagga GP After Hours Service (WGPAHS), and a part time specialist geriatrician with the Murrumbidgee Local Health District (MLHD) during the financial year:
 - Firsthealth Limited paid Dr Graffen for contracted services provided to the WGPAHS. The value of these services totalled \$4,444; and;
 - Firsthealth Limited provides various services to and purchases services from the MLHD. The value of these services totalled \$108,815.
- Catherine Maloney, a Director of Firsthealth Limited is the current Director of Allied Health, Sub-acute and Aged Care at the Murrumbidgee Local Health District (MLHD):
 - Firsthealth Limited provides various services to and purchases services from the MLHD. The value of these services totalled \$108,815.
- John Padgett, a Director of Firsthealth Limited was a doctor working with Riverina Medical & Dental Aboriginal Corporation (RivMed) and a part time GP obstetrician with the MLHD during the financial year:
 - Firsthealth Limited provides various services to and purchases services from RivMed. The value of these services totalled \$480,334; and
 - Firsthealth Limited provides various services to and purchases services from the MLHD. The value of these services totalled \$108,815.
- Carl Cooper, a Director of Firsthealth Limited was a member of the Board of the Murrumbidgee Local Health District (MLHD) during the financial year:
 - Firsthealth Limited provides various services to and purchases services from the MLHD. The value of these services totalled \$108,815.
- Jodie Culbert, a Director of Firsthealth Limited was a doctor who was rostered as part of the Wagga GP after Hours Service(WGPAHS) during the financial year:
 - Firsthealth Limited paid Dr Culbert for contracted services provided to the WGPAHS. The value of these services totalled \$7,511.

(b) Transactions with related parties

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

FIRSTHEALTH LIMITED

ABN: 15 111 520 168

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

16 CONTINGENCIES

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2017 (30 June 2016:None).

17 EVENTS OCCURRING AFTER THE REPORTING DATE

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

18 COMPANY DETAILS

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

Firsthealth Limited

1/185 Morgan St

Wagga Wagga

New South Wales, 2650

FIRSTHEALTH LIMITED

ABN: 15 111 520 168

RESPONSIBLE PERSONS' DECLARATION

FOR THE YEAR ENDED 30 JUNE 2017

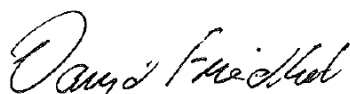
The responsible persons declare that in the responsible persons' opinion:

1. There are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable;
2. The financial statements and notes comply with the Australian Accounting Standards - Reduced Disclosure requirements and satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013*.



Responsible person



Responsible person

Dated 17 October 2017

FIRSTHEALTH LIMITED

ABN: 15 111 520 168

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 30 JUNE 2017

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Firsthealth Limited (the Company), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible persons' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance for the year ended; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements, the *Corporations Regulations 2001* and *Division 60 of the Australian Charties and Not-For-Profits Commission Regulation 2013*

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Responsibilities of Directors 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 - Reduced Disclosure Requirements 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

FIRSTHEALTH LIMITED

ABN: 15 111 520 168

INDEPENDENT AUDITOR'S REPORT**FOR THE YEAR ENDED 30 JUNE 2017****Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

National Audits Group Pty Ltd
Authorised Audit Company



Steven J Watson
Managing Director

Dated 17 October 2017

Wagga Wagga

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Australian Government

phn
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