

General Practice Queensland

Financial Report 2009–2010



Notes to the Financial Statements for the year ended 30 June 2010

Directors' Report

Your directors present this report on the entity for the financial year ended 30 June 2010.

Directors

The names of each person who has been a director during the year and to the date of this report are:

Dr John Theodore Kastrissios

Dr Dilip Kumar Dhupelia

Dr Michael Francis Donohue (Retired 31/10/2009)

Dr Ann McBryde

Dr Rebecca Therese Barnes (Retired 31/10/2009)

Dr Eduard Otto Roos (Resigned 05/03/2010)

Dr Kenneth Richard Conolly

Mr Mark Richard Tucker-Evans

Prof Susan Dann

Dr Fiona Margaret McGrath (Appointed 31/10/2009)

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

Company Secretary

The following person held the position of entity secretary at the end of the financial year:

Mr David John Phillips has worked for General Practice Queensland Limited for the past nine years, performing the Business Support Manager role. Mr David John Phillips was appointed Business Support Manager on August 22 2001.

Principal Activities

State based health membership on behalf of the seventeen divisions of general practice in Queensland.

No significant changes in the nature of the entity's activity occurred during the financial year.

Operating Results

The profit of the entity amounted to \$12,948 (2009:\$27,335).

Dividends Paid or Recommended

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

Review of Operations

A review of the operations of the entity during the financial year indicated that changes in government funding led to an increase in revenue by in excess of 3%.

Significant Changes in State of Affairs

No significant changes in the entity's state of affairs occurred during the financial year.

After Balance Date Events

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

Future Developments

The entity expects to maintain the present status and level of operations.

Environmental Issues

The entity's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Options

No options over issued shares or interests in the entity were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Notes to the Financial Statements for the year ended 30 June 2010

Information on Directors

Dr Dilip Kumar Dhupelia Director, appointed 27/10/07

Qualifications: LRCPS (Ire), Dip Obst ACOG FRACGP, FAICD
Experience: Medical Director, Practice Services, Policy, Strategy & Resourcing Division at Queensland Health
Special responsibilities: Board Chair from October 2009; Member of Finance and Governance Committees

Dr Fiona McGrath Director, appointed 31/10/09

Qualifications: MBBS Dip RANZCOG
Experience: General practitioner in Kawana
Special responsibilities: Chair of the Finance Committee

Professor Susan Jean Dann Director, appointed 10/03/08

Qualifications: PhD
Management, MPubAdmin, BA, CPM, MAICD, FAMI
Experience: Marketing consultant
Special responsibilities: Chair of the Governance Committee

Dr Kenneth Richard Conolly Director, appointed 27/10/07

Qualifications: MBBS, FACRRM
Experience: General practitioner in Ravenshoe, Herbeton and Malanda
Special responsibilities: Member of the Governance Committee

Dr John Theodore Kastrissios Director, appointed 27/10/07

Qualifications: MBBS
Experience: General practitioner in Springwood
Special responsibilities: Board Chair to September 2009, Member of Finance Committee

Dr Ann McBryde Director, appointed 11/10/08

Qualifications: MBBS
Experience: General practitioner in Chapel Hill
Special responsibilities: Member of the Governance Committee

Mr Mark Tucker-Evans Director, appointed 27/10/07

Experience: Executive Director – Council on the Ageing Queensland; Chair – Health Consumers Queensland
Special responsibilities: Member of the Governance Committee

Dr Eduard Otto Roos Director, retired 05/03/10

Qualifications: BMedSci, MBChB, FACRRM, FRACGP, FAICD
Experience: General practitioner in Withcott, Toomelah Aboriginal Clinic
Special responsibilities: Member of Finance Committee

Dr Michael Francis Donohue Director, retired 31/10/09

Qualifications: MBBS, FACRRM, Dip RACOG
Experience: General practitioner in Yeppoon
Special responsibilities: Former Chair of Governance Committee

Dr Rebecca Therese Barnes Director, retired 31/10/09

Qualifications: MBBS, FRACGP
Experience: General practitioner in Buderim
Special responsibilities: Former Chair of Finance Committee

Company Secretary Mr David John Phillips

held the position of Company Secretary for the period of 2009–2010. Mr Phillips has worked for General Practice Queensland Limited since his appointment as Business Manager on 22 August 2001.

Meetings of Directors

During the financial year, 20 meetings of directors (including committees of directors) were held. Attendances by each director were as follows:

	Directors' Meetings	Finance Committee	Governance Committee		Number eligible to attend	Number attended
	Number eligible to attend	Number attended	Number eligible to attend	Number attended		
Dr John Kastrissios	11	11	7	7	2	1
Dr Dilip Dhupelia	11	10	7	5	4	3
Dr Michael Donohue	6	6	0	0	2	2
Dr Rebecca Barnes	6	5	3	3	0	0
Dr Fiona McGrath	6	6	4	3	0	0
Dr Ann McBryde	11	11	0	0	6	6
Dr Ken Conolly	11	10	0	0	6	3
Dr Eddie Roos	9	5	5	3	0	0
Prof Susan Dann	11	11	0	0	6	4
Mr Mark Tucker-Evans	11	11	0	0	6	3

Notes to the Financial Statements for the year ended 30 June 2010

Indemnifying Officers or Auditor

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the entity.

Proceedings on Behalf of the Entity

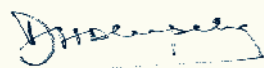
No person has applied for leave of Court to bring proceedings on behalf of the entity or intervene in any proceedings to which the entity is a party for the purpose of taking responsibility on behalf of the entity for all or any part of those proceedings.

The entity was not a party to any such proceedings during the year.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2010 has been received and can be found below. Signed in accordance with a resolution of the Board of Directors.

Director



Dilip Dhupelia
Chair, GPQ
Dated this 11th day of September 2010

Auditor's Independence Declaration under S307C of the Corporations Act 2001 to the Directors of General Practice Queensland Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2010 there have been:

- i. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

BENTLEYS
Brisbane Partnership
Chartered Accountants



Stewart Douglas
Partner, Bentleys
Dated this 11th day of September 2010

Notes to the Financial Statements for the year ended 30 June 2010

Statement of Comprehensive Income for the year ended 30 June 2010

	Note	2010 \$	2009 \$
Revenue from government & other grants	2	10,421,421	9,968,205
Other revenue	2	48,300	111,708
Total revenue		10,469,721	10,079,913
Employee benefits expense	3	2,563,041	2,433,825
Depreciation and amortisation expense	3	180,676	141,591
Audit, legal and consultancy expenses	3	197,368	439,441
Property & Rental expense		423,270	375,828
Meeting, Training and workshop expenses		834,166	1,003,551
Administration expenses		74,021	394,206
Divisional payments		3,086,507	2,442,924
GP & Specialist payments		1,938,422	1,962,964
Computer expenses		414,718	300,984
Other expenses		744,584	557,264
Total expenses		10,456,773	10,052,578
Profit before income tax		12,948	27,335
Income tax expense		0	0
Profit for the year		12,948	27,335
Other comprehensive income for the year		0	0
Total comprehensive income for the year		0	0
Profit attributable to members of the entity		12,948	27,335

The accompanying notes form part of these financial statements.

Notes to the Financial Statements for the year ended 30 June 2010

Statement of Financial Position as at 30 June 2010

	Note	2010 \$	2009 \$
Assets			
Current assets			
Cash and cash equivalents	4	1,774,074	920,823
Trade and other receivables	5	1,240,529	874,414
Other assets	6	32,571	43,200
Total Current Assets		3,047,174	1,838,437
Non-Current Assets			
Property, plant and equipment	7	173,492	192,684
Total Non-Current Assets		173,492	192,684
Total Assets		3,220,666	2,031,121
Liabilities			
Current Liabilities			
Trade and other payables	8	2,757,762	1,580,588
Short-term provisions	9	212,618	213,195
Total Current Liabilities		2,970,380	1,793,783
Total Non-Current Liabilities		0	0
Total Liabilities		2,970,380	1,793,783
Net Assets		250,286	237,338
Equity			
Retained Earnings		250,286	237,338
Reserves		0	0
Total Equity		250,286	237,338

The accompanying notes form part of these financial statements.

Notes to the Financial Statements for the year ended 30 June 2010

Statement of Changes in Equity for the year ended 30 June 2010

	Retained Earnings \$	Revaluation Surplus \$	Financial Assets Reserve \$	Total \$
Balance at 1 July 2008	210,003	0	0	210,003
Profit attributable to the entity	27,335	0	0	27,335
Total other comprehensive income for the year	0	0	0	0
Balance at 30 June 2009	237,338	0	0	237,338
Profit attributable to the entity	12,948	0	0	12,948
Transfer on sale of asset	0	0	0	0
Total other comprehensive income for the year	0	0	0	0
Balance at 30 June 2010	250,286	0	0	250,286

The accompanying notes form part of these financial statements.

Notes to the Financial Statements for the year ended 30 June 2010

Statement of Cash Flows for the year ended 30 June 2010

	Note	2010 \$	2009 \$
Cash Flow from Operating Activities			
Receipt of grants		11,085,093	9,486,588
Other receipts		0	0
Payments to suppliers and employees		(10,121,692)	(10,150,930)
Interest received		48,300	111,708
Dividends received		0	0
Finance costs		0	0
Net cash generated/ (used) from operating activities	15b	1,011,701	(552,634)
Cash Flow from Investing Activities			
Proceeds from sale of property, plant and equipment		0	0
Payment for property, plant and equipment		(161,483)	(63,905)
Proceeds from sale of available-for-sale investments		0	0
Payment for available-for-sale investments		0	0
Payment for financial assets at fair value through profit and loss		0	0
Payment for intangible assets		0	0
Payment for held-to-maturity investments		0	0
Net cash used in investing activities		(161,483)	(63,905)
Cash Flow from Financing Activities			
Repayment of finance lease commitments		0	0
Increase in finance lease commitments		0	0
Net cash used in financing activities		0	0
Net increase in cash held		850,218	(616,539)
Cash and cash equivalents at beginning of the financial year		907,744	1,524,283
Cash and cash equivalents at the end of the financial year	4	1,757,962	907,744

The accompanying notes form part of these financial statements.

Notes to the Financial Statements for the year ended 30 June 2010

The financial statements are for General Practice Queensland Limited as an individual entity, incorporated and domiciled in Australia. General Practice Queensland Limited is a company limited by guarantee.

Note 1: Summary Of Significant Accounting Policies 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 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 and 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. Revenue

- 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.
- If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.
- 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, otherwise the grant is recognised as income on receipt.
- General Practice Queensland Limited receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of comprehensive income.
- Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.
- Revenue from the rendering of a service is recognised upon the delivery of the service to the funder.
- All revenue is stated net of the amount of goods and services tax (GST).

b. Property, Plant and Equipment

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

Property, 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.

Plant and equipment that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

Software

Software is recorded at cost. Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between one and three years. It is assessed annually for impairment.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Property, plant, and equipment	33.33%–50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Asset classes carrying amount is written down immediately to its 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. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Notes to the Financial Statements for the year ended 30 June 2010

c. Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the entity are classified as finance leases.

Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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

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

d. 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 (ie trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions 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

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- i. the amount at which the financial asset or financial liability is measured at initial recognition;
- ii. less principal repayments;
- iii. plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- iv. less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future

cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

(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, or where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(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.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

(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 entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

If during the period the company sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investment would be tainted and reclassified as available-for-sale.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after the end of the reporting period.

Notes to the Financial Statements for the year ended 30 June 2010

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

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 the end of each reporting period, the entity 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 impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability, which is extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

e. Impairment of Assets

At the end of each reporting period, the entity 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 the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an assets class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

f. 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 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 net present value.

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

g. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

h. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where 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 an item of expense. Receivables and payables in the statement of financial position 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.

i. Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

j. Provisions

Provisions are recognised when the entity 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.

k. Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

When an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

Notes to the Financial Statements for the year ended 30 June 2010

l. 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 of recognition of the liability.

m. Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments 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 company.

Key Estimates

Impairment

The entity assesses impairment at each reporting date by evaluating conditions specific to the entity that may lead to impairment of assets. Where 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 assessing recoverable amounts incorporate a number of key estimates.

Key Judgments

Provision for impairment

No provision for impairment has been made as at 30 June 2010.

n. Economic Dependence

General Practice Queensland Limited is dependent on the Australian Government Department of Health and Ageing for the majority of its revenue used to operate the business. At the date of this report the Board of Directors has no reason to believe the Department will not continue to support General Practice Queensland Limited.

o. Adoption of New and Revised Accounting Standards

During the current year the company adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these standards and interpretations has had on the financial statements of General Practice Queensland) Limited.

AASB 101: Presentation of Financial Statements

In September 2007 the Australian Accounting Standards Board revised AASB 101 and as a result, there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the company's financial statements.

Disclosure impact

Terminology changes — The revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

Reporting changes in equity — The revised AASB 101 requires all changes in equity arising from transactions with owners, in their capacity as owners, to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required that owner changes in equity and other comprehensive income be presented in the statement of changes in equity.

Statement of comprehensive income — The revised AASB 101 requires all income and expenses to be presented in either one statement, the statement of comprehensive income, or two statements, a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

The company's financial statements now contain a statement of comprehensive income.

Other comprehensive income — The revised version of AASB 101 introduces the concept of 'other comprehensive income' which comprises of income and expenses that are not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. Entities are required to disclose the income tax relating to each component of other comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

p. 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. The company has decided against early adoption of these standards. The directors have considered the likely impact of these standards to be immaterial.

Notes to the Financial Statements for the year ended 30 June 2010

Note 2: Revenue and Other Income

	2010 \$	2009 \$
Revenue		
<i>Revenue from government grants and other grants</i>		
federal government grants	6,082,117	6,200,374
state government grants	1,691,367	1,705,166
AGPN grants	1,413,726	322,928
other organisations	1,234,211	1,739,737
	10,421,421	9,968,205
<i>Other revenue</i>		
interest received	48,300	111,708
other revenue	0	0
	48,300	111,708
Total Revenue	10,469,721	10,079,913

Note 3: Profit for the Year

	2010 \$	2009 \$
a. Expenses		
<i>Depreciation and Amortisation</i>		
furniture, fittings and equipment	48,907	47,612
computer software & hardware	131,769	93,979
Total Depreciation and Amortisation	180,676	141,591
Interest expense on financial liabilities not at fair value through profit or loss	0	0
Doubtful debts expense	0	0
Employee benefits expense	2,563,041	2,433,825
<i>Audit, legal & consultancy expenses</i>		
audit services	10,850	10,590
other services	0	0
legal & consultancy costs	186,518	428,851
Total Audit, legal & consultancy expenses	197,368	439,441

Notes to the Financial Statements for the year ended 30 June 2010

Note 4: Cash and Cash Equivalents

	2010 \$	2009 \$
Current		
Cash at bank	1,757,162	906,944
Cash on hand	800	800
Credit card debit balance	16,112	13,079
	1,774,074	920,823

Note 5: Trade and other Receivables

	Note	2010 \$	2009 \$
Current			
Trade receivables		1,240,529	874,354
Provision for impairment	5 (i)	0	0
		1,240,529	874,354
Other receivables		0	60
Total current trade and other receivables		1,240,529	874,414

Note 5: Trade and Other Receivables (Cont'd)

(i) Provision for Impairment of Receivables

Current trade receivables are generally on 30-day terms. These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. These amounts have been included in other expense items.

(ii) Credit Risk – Trade and Other Receivables

The company does not have any material credit risk exposure to any single receivable or group of receivables.

The following table details the company's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the company and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the company.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

Notes to the Financial Statements for the year ended 30 June 2010

Note 5: Trade and Other Receivables

	Gross amount \$	Past due and impaired \$	Past due but not impaired (days overdue)				Within initial trade terms \$
			< 30 \$	31–60 \$	61–90 \$	> 90 \$	
2010							
Trade and term receivables	–	–	–	–	–	–	1,240,529
Other receivables	–	–	–	–	–	–	–
Total	–	–	–	–	–	–	1,240,529
2009							
Trade and term receivables	–	–	–	–	–	–	874,354
Other receivables	–	–	–	–	–	–	–
Total	–	–	–	–	–	–	874,354

The company does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.

There are no balances within trade receivables that contain assets that are not impaired and are past due. It is expected that these balances will be received when due.

Note 6: Other Assets

	2010 \$	2009 \$
Current		
Accrued income	0	0
Prepayments	32,571	43,200
	32,571	43,200

Notes to the Financial Statements for the year ended 30 June 2010

Note 7: Property, Plant and Equipment

	2010 \$	2009 \$
Property, Plant and Equipment		
Property, plant and equipment		
At cost	693,556	532,072
Less accumulated depreciation	(520,064)	(339,388)
	173,492	192,684
Leased motor vehicles	0	0
Capitalised leased vehicles	0	0
Accumulated depreciation	0	0
Total property, plant and equipment	173,492	192,684

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:

	Property, Plant and Equipment \$	Total \$
2009		
Balance at the beginning of the year	270,370	270,370
Additions at cost	63,905	63,905
Additions at fair value	0	0
Disposals	0	0
Revaluation increment	0	0
Depreciation expense	(141,591)	(141,591)
Carrying amount at end of year	192,684	192,684
2010		
Balance at the beginning of the year	192,684	192,684
Additions at cost	161,484	161,484
Additions at fair value	0	0
Disposals	0	0
Depreciation expense	(180,676)	(180,676)
Carrying amount at end of year	173,492	173,492

Notes to the Financial Statements for the year ended 30 June 2010

Note 8: Trade and Other Payables

	Note	2010 \$	2009 \$
Current			
Trade payables		111,245	0
Deferred income		2,566,021	1,536,233
Other current payables		80,496	44,355
		2,757,762	1,580,588

Note 9: Provisions

	Annual Leave \$	Long Service Leave \$	Total \$
Opening balance at 1 July 2009	156,635	56,560	213,195
Additional provisions raised during year	1,292	0	1,292
Amounts used	0	(1,869)	(1,869)
Balance at 30 June 2010	157,927	54,691	212,618

	2010 \$	2009 \$
Analysis of Total Provisions		
Current	212,618	213,195
Non-Current	0	0
	212,618	213,195

Provision for Long-term Employee Benefits

A provision has been recognised for employee entitlements relating to long service leave. 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. The measurement and recognition criteria relating to employee benefits have been included in Note 1 to this report.

Notes to the Financial Statements for the year ended 30 June 2010

Note 10: Capital and Leasing Commitments

	2010 \$	2009 \$
a. Finance Lease Commitments		
Payable – minimum lease payments	0	0
– not later than 12 months	0	0
– later than 12 months but not later than 5 years	0	0
– greater than 5 years	0	0
Minimum lease payments	0	0
Less future finance charges	0	0
Present value of minimum lease payments	0	0
b. Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payable – minimum lease payments		
– not later than 12 months	398,465	372,890
– later than 12 months but not later than 5 years	468,617	793,231
– greater than 5 years	0	0
	867,082	1,166,121

The property lease commitments are non-cancellable operating leases contracted for but not capitalised in the financial statements with a two-year term. Increase in lease commitment occurs in line with the anniversary date at 5% annually.

The photocopier lease commitments are non-cancellable operating leases contracted for but not capitalised in the financial statements with a three-year term. No capital commitments exist in regards to the lease commitments at year-end. Increase in lease commitment occurs in line with the anniversary date during the term of the lease.

Note 13: Key Management Personnel Compensation

	Short-term Benefits \$	Post-employment Benefits \$	Other Long-term Benefits \$	Total \$
2010				
Total compensation	648,067	82,873	0	730,940
2009				
Total compensation	568,414	88,812	0	657,226

Note 11: Contingent Liabilities and Assets

No contingent liabilities exist or are known to exist for the entity, and therefore no liability has been taken up as at the balance date.

Note 12: Events after the Reporting Period

No events have arisen since the end of the financial year to the date of this report, that have or may significantly affect the activities of the entity, the results of those activities or the state of affairs of the entity in the ensuing or subsequent financial year.

Notes to the Financial Statements for the year ended 30 June 2010

Note 14: Related Party Transactions

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

a. During the year GP payments were made to directors totalling \$20,696.

Note	2010 \$	2009 \$	
Note 15: Cash Flow Information			
a. Reconciliation of Cash			
Cash at bank	4	1,757,162	906,944
Other cash	4	800	800
		1,757,962	907,744
b. Reconciliation of Cashflow from Operations with Profit after Income Tax			
Profit after income tax		12,948	27,335
Non cash flows			
Depreciation and amortisation		180,676	141,591
Charges to provisions		(577)	0
Changes in assets and liabilities			
(Increase)/decrease in receivables – credit card balance		(3,033)	14,577
(Increase)/decrease in receivables and other assets		(355,486)	(327,234)
Increase/(decrease) in trade and other payables		1,177,173	(408,903)
Cash flows provided by operating activities		1,011,701	(552,634)

Note 16: Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, accounts receivable and payable and leases. The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

Note	2010 \$	2009 \$	
Financial Assets			
Cash and cash equivalents	4	1,774,074	920,823
Loans and receivables	5	1,240,529	874,354
Total Financial Assets		3,014,603	1,795,177
Financial Liabilities			
Financial liabilities at amortised cost			
– Trade and other payables	8	2,757,762	1,580,588
Total Financial Liabilities		2,757,762	1,580,588

Notes to the Financial Statements for the year ended 30 June 2010

Note 16: Financial Risk Management

Financial Risk Management Policies

Consisting of senior staff & board members, the finance committee's overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the finance committee on a regular basis. These include credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures 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 and equity price 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 the grants being received from state and federal governments are in accordance with funding agreements which ensure regular funding for a period of 1 to 4 years.

Credit Risk Exposures

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

The company has no significant concentration of credit risk exposure to any single counterparty or group of counterparties. Details with respect to credit risk of Trade and Other Receivables are provided in Note 5.

Credit risk related to balances with banks and other financial institutions is managed by the finance committee in accordance with approved Board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard & Poor's rating of at least AA-. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard & Poor's counterparty credit ratings.

	Note	2010 \$	2009 \$
Cash and cash equivalents			
– AA rated		1,774,074	920,823
	4	1,774,074	920,823

b. Liquidity risk

Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations in relation to financial liabilities. The company manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The tables below reflect an undiscounted contractual maturity analysis for financial 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 reflects the earliest contractual settlement dates.

Notes to the Financial Statements for the year ended 30 June 2010

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2010 \$	2009 \$	2010 \$	2009 \$	2010 \$	2009 \$	2010 \$	2009 \$
Financial liabilities due for payment								
Trade and other payables (excluding estimated annual leave and deferred income)	2,757,762	1,580,588	0	0	0	0	2,757,762	1,580,588
Total expected outflows	2,757,762	1,580,588	0	0	0	0	2,757,762	1,580,588
Financial Assets – cash flows realisable								
Cash and cash equivalents	1,774,074	920,823	0	0	0	0	1,774,074	920,823
Trade, term and loans receivables	1,240,529	874,354	0	0	0	0	1,240,529	874,354
Total anticipated inflows	3,014,603	1,795,177	0	0	0	0	3,014,603	1,795,177
Net (outflow) /inflow on financial instruments	256,841	214,589	0	0	0	0	256,841	214,589

c. Market Risk

i. Interest rate risk

- Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The company is also exposed to earnings volatility on floating rate instruments. As at 30 June 2010 the company has no debt commitments.

ii. Price risk

- Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities held.
- As at 30 June 2010 the company has no market linked or trading investments.

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 judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying values of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the company. Most of these instruments which are carried at amortised cost (i.e. trade receivables, loan liabilities) are to be held until maturity and therefore the net fair value figures calculated bear little relevance to the company.

Notes to the Financial Statements for the year ended 30 June 2010

Note	2010		2009	
	Net Carrying Value \$	Net Fair Value \$	Net Carrying Value \$	Net Fair Value \$
Financial assets				
Cash and cash equivalents	(i) 1,774,074	1,774,074	920,823	920,823
Trade and other receivables	(i) 1,240,529	1,240,529	874,354	874,354
Total financial assets	3,014,603	3,014,603	1,795,177	1,795,177
Financial liabilities				
Trade and other payables	(i) 2,757,762	2,757,762	1,580,588	1,580,588
Total financial liabilities	2,757,762	2,757,762	1,580,588	1,580,588

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

(i) Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for annual leave, which is not considered a financial instrument.

Note 17: Capital Management

Management controls the capital of the entity to ensure that adequate cash flows are generated to fund its mentoring programs and that returns from investments are maximised. The finance committee ensures that the overall risk management strategy is in line with this objective.

The finance committee operates under policies approved by the Board of Directors. 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 liabilities, supported by financial assets.

As at 30 June 2010, the entity has no issued capital as it is a company limited by guarantee. The capital management of the entity is monitored by cash flow forecasts which in turn monitored by regular meetings of the Finance Committee.

Note 18: Entity Details

The registered office of the entity is:
General Practice Queensland Limited
Level 5 410 Queen Street.
Brisbane Queensland 4000

The principal place of business is:
General Practice Queensland Limited
Level 5 410 Queen Street.
Brisbane Queensland 4000

Note 19: Members' Guarantee

The entity is incorporated under the *Corporations Act 2001* and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstandings and obligations of the entity. At 30 June 2010 the number of members was 17.

Note 20: Contingent Liabilities

The entity has been included in a litigation commenced by Primary Health Care Limited, who are claiming the use of "Primary Health Care" by divisions across Australia is disadvantaging Primary Health Care Limited. Any potential costs will be met by the company's professional indemnity insurance.

Directors' Declaration

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 5 to 25 are in accordance with the *Corporations Act 2001*:

- comply with Australian Accounting Standards; and
- give a true and fair view of the financial position as at 30 June 2010 and of the performance for the year ended on that date of the entity.

2. In the directors' opinion there are reasonable grounds to believe that the entity 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.

Director



Dilip Dhupelia

Dated this 11th day of September 2010

Independent Auditor's Report to the Members of General Practice Queensland Limited

Report on the Financial Report

We have audited the accompanying financial report of General Practice Queensland Limited, which comprises the statement of financial position as at 30 June 2010 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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 judgment, including the assessment of the risks of material misstatement 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 and fair presentation of the financial report 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.

Independence


In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In our opinion, the financial report of General Practice Queensland Limited 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 2010 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

BENTLEYS
Brisbane Partnership
Chartered Accountants



Stewart Douglas
Partner
Brisbane
11 September 2010



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