



General Practice Network NT Ltd

Not For Profit Reporting

ABN 61 129 153 724

**General Purpose Financial Report
for the Year Ended
30 June 2009**

GENERAL PRACTICE NETWORK NT LTD.

**INDEX TO GENERAL PURPOSE FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2009**

Contents	Page
Cover Page	-
Index	2
Common Abbreviations	3
Directors Report	4-8
Auditor's Independence Declaration	9
Income Statement	10
Statement of changes in Equity	11
Balance Sheet	12
Cash Flow Statement	13
Notes to the Financial Statements for Year Ended 30 June 2009	14-33
Directors Declaration	34
Independent Audit Report	35-36

GENERAL PRACTICE NETWORK NT LTD.

GENERAL PURPOSE FINANCIAL REPORT COMMON ABBREVIATIONS

TEDGP	Top End Division of General Practice Inc
NTGPE	Northern Territory General Practice Education Limited;
CADPHC	Central Australia Division of Primary Health Care
AGPN	Australian General Practice Network
GPPHCNT	General Practice & Primary Health Care Northern Territory
AMSANT	Aboriginal Medical Services Alliance NT
SARRAH	Services for Australian Rural and Remote Allied Health
APA	Australian Physiotherapy Association

**GENERAL PRACTICE NETWORK NT LTD.
DIRECTOR'S REPORT**



The Directors present their report together with the financial report of General Practice Network NT Ltd (henceforth referred to as GPNNT) for the financial year ended 30 June 2009.

1. Directors

The Directors of the Company at any time during or since the end of the financial year are:

Name, qualifications and sub-committee participation	Experience, special responsibilities and other directorships
<p>Ms Diane Walsh BA; Dip Ed.; GAICD Chairperson 20/7/09 -, Nominated TEDGP Director 9/1/08-3/5/09 Current : Consumer Rep. Director 3/5/09 - <i>Committees:</i> Finance, Audit, Risk and Quality sub-committee; Governance sub-committee</p>	<p>Current: Consumer representative in national health arena including NT Medical Board, National Prescribing Service and Consumer Health Forum; Board member of NT Medical Board Previous: Chair TEDGP</p>
<p>Dr Michael Wilson PhD, MEd, B. App. Sc, RN, MACE, MAICD, MRACGP, MACRRM Independent Chair 9/1/2008- 3/5/09 Current: Primary Health Care Director 3/5/09 - <i>Committees:</i> Governance sub-committee</p>	<p>Current:Executive Director of NTGPE; Associate Professor, School of Nursing and Midwifery at Monash University; Adjunct Professor, Charles Darwin University Previous: Professor, School of Nursing and Midwifery, Royal Melbourne Institute of Technology and Deakin Non-Executive Director, Ronald McDonald House, Clayton,</p>
<p>Dr Karen Stringer MBBS, FRACGP, DRANZCOG; Deputy-Chair 20/07/09; Director 9/1/2008 – Nominated GPPHCNT Director 9/1/08-3/5/09 <i>Committees:</i> Finance, Audit, Risk and Quality sub-committee;</p>	<p>Current: General Practitioner; Northern Territory Director on AGPN Board; GP Liaison Officer, GPNNT and Dept. Health and Families, Darwin; Former Director GPPHCNT, and TEDGP. Previous: Director GPPHCNT and TEDGP</p>
<p>Dr Keith Forrest MBBS, Dip. RACOG; Nominated TEDGP Director 9/1/08-3/5/09 Current : GP (Top End) Director 3/5/09 - <i>Committees:</i> Member Engagement Reference Group</p>	<p>Current: General Practitioner; Previous: Chair TEDGP and General Practice Divisions NT</p>
<p>Dr Christine Lesnikowski BMBS, FRACGP, BSc (Hons); GAICD Nominated CADPHC Director 9/1/08-3/5/09 Current : GP (Central Australia) Director 3/5/09 <i>Committees:</i> Constitution Task Group</p>	<p>Current: General Practitioner; Previous: Chair CADPHC</p>
<p>Ms Elizabeth Scott Nominated Director 21/6/08-3/5/2009 Nominated CADPHC Director 9/1/2008 – 3/5/2009</p>	<p>Experience in consumer health; Board Member of Northern Territory and National Health Former Director CADPHC;</p>
<p>Dr. David Thurley MBBS, MPH</p>	<p>Clinical Advisor GPNNT; Medical Educator; Former Director CADPHC.</p>

**GENERAL PRACTICE NETWORK NT LTD.
DIRECTOR'S REPORT continued**

Name, qualifications and sub-committee participation	Experience, special responsibilities and other directorships
<p>Mr Jeff Warner Appointed Peak Indigenous Organisation Director 15/1/2009 – <i>Committees:</i> Finance, Audit, Risk and Quality sub-committee;</p>	<p>Current: CEO Anyinginyi Health Aboriginal Corporation; Appointed Director, AMSANT.</p>
<p>Dr Diana Symonds MBBS; Dip.Obs; RACOG;FRACGP GP NT-wide Director 3/5/09 – 20/07/09; <i>Committees to July 2009:</i> Constitution Task Group</p>	<p>Current: General Practitioner; Previous: Former Director TEDGP; Chair GPNNT 24/05/09 - 20/07/09 Member Medicare Prof. Services Review Panel;</p>
<p>Dr Ameeta Patel FRACGP; MBBS(Hons); DRACOG; GP (Central Australia) Director 3/5/2009- <i>Committees:</i> Governance sub-committee</p>	<p>Current: General Practitioner; Medical Educator, NTGPE; Previous: Director CADPHC</p>
<p>Ms Anneslie Farthing BAppSc; Grad Dip Arts; Primary Health Care Director 3/5/09 - <i>Committees:</i> Member Engagement Reference Group; Constitution Governance sub-committee</p>	<p>Current: Physiotherapist; Member Services for SARRAH and APA; Former Director CADPHC and GPPHCNT. Chair, Alice Springs Steiner Association Previous: Director CADPHC and GPPHCNT</p>
<p>Dr Peter Spafford MBChB; DCH; FRACGP; Board Appointed Director 14/8/09-</p>	<p>Current: General Practitioner; Medical Advisor and Senior Lecturer; Northern Territory Director on Rural Health Workforce Australia, Board Previous: Secretary TEDGP</p>

2.Directors' meetings

The number of directors' meetings and number of meetings attended by each of the directors of the Company during the 2008/09 financial year were:

Director Name	Board Meetings		Constitution Task Group		Finance Audit Risk and Quality Sub-Committee	
	A	B	A	B	A	B
Ms Diane Walsh	9	9			1	1
Dr Michael Wilson	9	9				
Dr Keith Forrest	9	8				
Dr Christine Lesnikowski	9	9	1	1		
Dr Karen Stringer	9	8			1	1
Ms Elizabeth Scott	8	8				
Dr. David Thurley	8	4				
Dr Diana Symonds	1	1	1	1		
Mr Jeff Warner	5	4			1	1
Dr Ameeta Patel	1	1				
Ms Anneslie Farthing	1	1	1	0		
Dr Peter Spafford	0	0				

A - Number meetings eligible to attend B - Number meetings attended

3. Company secretary

Ms Diane Walsh held roles of Deputy Chair and Company Secretary from 20/2/08 – 24/6/09

Ms Alison Faigniez, MBA; Grad.Dip.Phys.(UK); MAICD and Chief Executive Officer of GPNNT was appointed as Company Secretary on 25 June 2009.

4. Role of the Board

The board is responsible for the overall corporate governance of the Company including formulating its strategic direction, approving and monitoring capital expenditure, setting remuneration, appointing, removing and creating succession policies for, directors and senior executives, establishing and monitoring the achievement of management's goals and ensuring the integrity of risk management, internal control, legal compliance and management information systems.

The Board is also responsible for approving and monitoring financial and other reporting requirements. The Board has delegated responsibility for the operation and administration of the Company to the Chief Executive Officer and executive management. Responsibilities are delineated by formal authority delegations.

5. Board processes

To assist in the execution of its responsibilities, the Board has established 4 sub-committees, namely the Finance, Audit, Risk and Quality Sub-Committee; the Governance Sub-Committee, the Member Engagement Reference Group and the Constitution Task Group. These sub-committees have written terms of reference and provide a report to each Board meeting. The Board has established a framework for the management of GPNNT including a system of internal control, a business risk management process and the establishment of appropriate policies and standards.

The Board held 9 meetings during the year, plus strategy meetings and any extraordinary meetings at such other times as may be necessary to address specific significant matters that may arise.

Each director has the right of access to all relevant GPNNT information and to GPNNT's executives and, subject to prior consultation with the Chairperson, may seek independent professional advice from a suitably qualified adviser at GPNNT's expense. The Director must consult with an advisor suitably qualified in the relevant field, and obtain the Chairperson's approval of the fee payable for the advice before proceeding with the consultation. A copy of the advice received by the Director is made available to all other members of the board. No such advice was sought for the reporting period 2008/09.

6. Directors' remuneration

Director's fees paid during the year amounted to \$126,188.

7. Director Training

Directors Lesnikowski, Stringer and Walsh successfully completed the Australian Institute of Company Directors (AICD) course in October 2008 at a cost of \$21,273 (exc.GST).

Director Stringer's attendance fee to AICD was partly reimbursed by AGPN with the value of \$3,874 (exc.GST), while Director Lesnikowski's AICD attendance was partly reimbursed by NTGP with the amount of \$3,556(exc.GST)

8. Principal activity

In January 2008, GPNNT was established through the amalgamation of Top End Division of General Practice Incorporated, Central Australian Division of Primary Health Care Incorporated and General Practice and Primary Health Care NT Incorporated ("Amalgamating Entities"). The business of the Amalgamating Entities was formally ended on 28 February 2008.

GPNNT is a company limited by guarantee, established to lead a united and cohesive primary health care network to improve health service delivery and health outcomes in the Northern Territory. As the peak organisation representing general practice and primary health care across the Northern Territory, GPNNT aims to maintain and build the capacity to respond and deliver quality, equitable and effective primary health care services; broker health solutions; recruit and support General Practitioners and primary health care providers and influence the health care agenda.

9. Objectives

The GPNNT Strategic Plan, 2008-2011 identifies the four objectives of the organisation, each with a number of strategic priorities. The objectives are:

- Position GPNNT as the lead Primary Health Care Organisation in the NT
- Improve primary health care services in the Northern Territory
- Achieve equitable health outcomes
- Organisation effectiveness and governance

10. Operating and financial review

The operating surplus amounted to \$14,141.

11. Events subsequent to reporting date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of GPNNT, to affect significantly the operations of GPNNT, the results of those operations, or the state of affairs of GPNNT, in future financial years.

12. Likely developments

GPNNT expects to maintain the present status and level of operations for the coming year.

GPNNT is monitoring government policy on primary health care and at this time sees itself as well-positioned to continue to play a key role in supporting general practice and delivering primary health care in the NT in the future.

13. Proceedings on behalf of the Company

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

14. Environmental Regulation

The operations of GPNNT are not subject to any environmental regulations under either Commonwealth legislation or State legislation.

15. Indemnification and insurance of officers and auditors

Indemnification

Since the end of the previous financial period, GPNNT has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an officer or auditor of GPNNT.

Insurance premiums

Since the end of the previous financial period GPNNT has paid insurance premiums of \$23,436 for a Australian General Practice Network Insurance Policy which includes coverage for directors' and officers' liability and legal expenses' insurance contracts for directors and officers of GPNNT.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2009 has been received and can be found on page 9 of the directors' report.

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



Ms Diane Walsh

Chair General Practice Network NT and Director

Dated at Darwin this 20th day of October 2009

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



Chartered Accountants
18 Smith Street
Darwin NT 0800

ABN: 30 692 879 009
Telephone; +61 8 8982 9000
Facsimile; +61 8 8941 0238
www.kpmg.com.au

GPO Box 1616
Darwin NT 0801
Australia

To: the directors of General Practice Network NT Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial period ended 30 June 2009 there have been:

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

A handwritten version of the KPMG logo in black ink.

KPMG

A handwritten signature in black ink, appearing to read 'Clive Garland'.

Clive Garland
Partner

Darwin

20 October 2009

**KPMG, an Australian partnership, is part of KPMG international Network.
KPMG International is a Swiss cooperative.**

GENERAL PRACTICE NETWORK NT LTD.
INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 \$	2008 \$
INCOME			
Grant income	2.1	12,914,219	
Non-grant Income	2.1	1,364,644	-
Total Income		14,278,863	-
EXPENDITURE			
Personnel Expenditure	3.1	6,642,687	-
Governance Expenditure	3.2	237,751	-
Occupancy Expenses	3.3	456,187	9,800
Audit Fees	3.4	42,307	-
Depreciation Expenditure	3.5	32,490	-
Amalgamation Expenses	3.6	-	104,720
Administration Expenses	3.7	1,592,578	576
Direct program Expenses	3.8	5,420,951	-
Other Expenses	3.9	15,486	
Total Expenditure		14,440,437	115,096
Financial Income		175,715	3,001
Net Finance Income		175,715	3,001
Operating Surplus/(Deficit)	2.2	14,141	(112,095)

The notes on page 14 to page 33 are an integral part of these financial statements

**GENERAL PRACTICE NETWORK NT LTD.
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2009**

	Note	Accumulated \$
Balance at 1 July 2007		-
Net deficit		(112,095)
Capital Contributions		<u>144,020</u>
Balance at 30 June 2008		31,925
Net surplus		14,141
Capital Contributions		<u>867,007</u>
Balance at 30 June 2009	14	<u><u>913,073</u></u>

The notes on page 14 to page 33 are an integral part of these financial statements

**GENERAL PRACTICE NETWORK NT LTD.
BALANCE SHEET AS AT 30 JUNE 2009**

	Note	2009 \$	2008 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	4,437,131	132,585
Trade and other receivables	5	798,361	4,060
Inventories	6	12,917	-
Other current assets	7	270,021	-
TOTAL CURRENT ASSETS		<u>5,518,430</u>	<u>136,645</u>
NON-CURRENT ASSETS			
Plant and equipment	8	140,658	-
TOTAL NON-CURRENT ASSETS		<u>140,658</u>	<u>-</u>
TOTAL ASSETS		<u>5,659,088</u>	<u>136,645</u>
CURRENT LIABILITIES			
Trade and other payables	9.1	1,618,945	104,720
Short term employee benefits	10	397,028	-
Unexpended Grants	9.2	2,703,395	-
TOTAL CURRENT LIABILITIES		<u>4,719,368</u>	<u>104,720</u>
NON-CURRENT LIABILITIES			
Long term employee benefits	10	26,647	-
TOTAL NON-CURRENT LIABILITIES		<u>26,647</u>	<u>-</u>
TOTAL LIABILITIES		<u>4,746,015</u>	<u>104,720</u>
NET ASSETS		<u>913,073</u>	<u>31,925</u>
EQUITY			
Retained Earnings	11	(97,954)	(112,095)
Capital Contributions	12	1,011,027	144,020
TOTAL EQUITY	14	<u>913,073</u>	<u>31,925</u>

The notes on page 14 to page 33 are an integral part of these financial statements

GENERAL PRACTICE NETWORK NT LTD.
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 \$	2008 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts in the course of operations		19,244,537	-
Cash payments in the course of operations		(15,809,563)	(14,436)
Interest received		175,715	3,001
Net cash provided by/(used in) operating activities	17.2	<u>3,610,689</u>	<u>(11,435)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant & equipment		(173,149)	-
Net cash (used in) / provided by investing activities		<u>(173,149)</u>	<u>-</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Capital Contributions		867,006	144,020
Net cash provided by financing activities		<u>867,006</u>	<u>144,020</u>
Net increase in cash held		4,304,546	132,585
Cash at the beginning of the financial year		132,585	-
Cash at the end of the financial year	17.2	<u><u>4,437,131</u></u>	<u><u>132,585</u></u>

The notes on page 14 to page 33 are an integral part of these financial statements

GENERAL PRACTICE NETWORK NT LTD.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

Note 1: Statement of Significant Accounting Policies

General Practice Network NT Ltd is a company limited by guarantee and domiciled in the Northern Territory, In January 2008, the Company was formed to amalgamate the functions of Top End Division of General

Basis of Preparation

Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

GPNNT has early adopted AASB 8 Operating Segments.

The financial statements were approved by the Board of Directors on **20 October 2009**

Basis of measurement

The financial statements have been prepared on the historical cost basis.

Functional and presentation currency

The financial report is presented in Australian dollars, which is the Company's functional currency.

Accounting Policies

a. Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Grant revenue is recognised in the income statement when GPNNT gains control of the grant revenue. When there are conditions attached to grant revenue relating to the use of those grants for specific purposes, it is recognised in the balance sheet as a liability until such conditions are met or services provided.

Donations and bequests are recognised as revenue when received unless they are designated for a specific purpose, where they are carried forward as prepaid income on the balance sheet.

Finance Income and Expense

Finance income comprises interest income on funds invested (including available-for-sale financial assets), gains on the disposal of available for sale financial assets, changes in the fair value of financial assets at fair value through profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions, changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognised on financial assets. All borrowing costs are recognised in profit or loss using the effective Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. All revenue is stated net of the amount of goods and services tax (GST).

b. Inventories

Inventories are measured at the lower of cost and current replacement cost.

Inventories acquired at no cost, or for nominal consideration are valued at the current replacement cost as at the date of acquisition.

c. Property, Plant and Equipment (PPE)

Property

GPNNT does not own land or buildings.

Plant and Equipment

Plant and equipment are measured on the historical 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 at the fair value of the asset at the date it is acquired.

Decreases that offset previous increases of the same classes of asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

First Time recognition of Acquired Assets

On 1st of July 2008, General Practice Network NT Ltd acquired fixed assets from three amalgamating entities of Top End General Practice, General Practice and Primary Health Care Inc, and Central Australian Division of Primary Health Care. The fixed assets acquisition of General Practice Network NT Ltd was based on the list of assets presented on Schedule 3 of the Amalgamation Deed signed by the three Amalgamating Entities.

Asset Capitalisation Policy

General Practice Network NT Ltd is a Health Promotion Charity receiving Government Grants to deliver services. According to Government Grant contracts and as guided by the Commonwealth of Australia, only approved asset purchases worth \$5,000 (inclusive of GST) and over could be included in Government Acquittal preparations and in their respective Asset registers. In order to sustain a consistent and practical approach, GPNNT have adopted to capitalise assets only \$5,000 (inclusive of GST) and over. The adopted policy is effective as of 3rd of July 2008 and excludes the fixed assets acquired from the three Amalgamating Entities.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the economic 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.

GENERAL PRACTICE NETWORK NT LTD.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009
Note 1 continued

Subsequent costs (PPE)

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to GPNNT and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, accumulated depreciation and impairment losses. The cost of property, plant & equipment at 1 July 2008, GPNNT's date of amalgamation, was determined by reference to its fair value at that date.

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

Class of Fixed Assets	Depreciation
	Rate
Computer, Training & Video Equipment (exc. Laptop computers)	20%
Motor vehicles	20%
Furniture, Fixture & Office Equipment	5%
ASAP Clinic Equipment	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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 income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

d. Leases

Leases in terms of which GPNNT assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the low of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and, the leased assets are not recognised on GPNNT's balance sheet.

e. Financial Instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if GPNNT becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if GPNNT's contractual rights to the cash flows from the financial assets expire or if GPNNT transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Financial liabilities are derecognised if the GPNNT's obligations specified in the contract expire or are discharged or cancelled.

f. Impairment of Assets

Financial Assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognised in profit and loss.

GENERAL PRACTICE NETWORK NT LTD.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009
Note 1 continued

Non Financial Assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

An impairment loss recognised in prior periods are re-assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Capital Contributions

Capital contributions are classified as equity. The liability of members is limited and every member undertakes to contribute \$1 to the assets of the Company if it is wound up while they are a Member, or within one year afterwards.

g. Employee Benefits

Liabilities for employee benefits arising from services rendered by employees are recognised in the balance sheet. Employee benefits expected to be settled within one year together with benefits arising from wages, salaries and annual leave which may be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on costs. Other 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.

h. 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.

i. 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 balance sheet are shown inclusive of GST.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

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

j. Unexpended Grants

The entity receives grant monies to fund projects either for contracted periods of time or for specific projects irrespective of the period of time required to complete those projects. It is the policy of the entity to treat grant monies as unexpended grants in the balance sheet where the entity is contractually obliged to provide the services in a subsequent financial period to when the grant is received or in the case of specific project grants where the project has not been completed.

k. Contributions

GPNNT receives non-reciprocal contributions from the government and other parties for no or a nominal value. These contributions are recognised at the fair value on the date of acquisition upon which time an asset is taken up in the balance sheet and revenue in the income statement.

GENERAL PRACTICE NETWORK NT LTD.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009
Note 1 continued

l. 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*.

m. 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.

n. Comparative Figures

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

o. Critical Accounting Estimates and Judgments

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in period in which the estimate is revised and in any future periods affected..

Key estimates — Impairment

GPNNT 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.

p. Economic Dependence

General Practice Network NT Ltd, a not for profit company limited by guarantee, is dependent on the Department of Health and Ageing (Department) for the majority of its revenue 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 Network NT Ltd.

q. Prohibition upon distribution of income, profits and assets

Upon winding up of the Company, after payment of all the liabilities of the Company, the surplus assets:

(a) Shall not be divided amongst the Members

(b) Shall, upon special resolution of the members, be paid or transferred to another incorporated or unincorporated organisation, having similar objects to the Company. If the Members are unable to pass a special resolution, then the surplus assets are to be paid or transferred on the direction of the Supreme Court of the Northern Territory, on application of the Company or any Member.

r. New standards and interpretations not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They are available for early adoption at 30 June 2009, but have not been applied preparing this financial report:

-Revised AASB 101 Presentation of Financial Statements (2007) introduces the term total comprehensive income, which represents changes in equity during a period other than those changes resulting from transactions with owners in their capacity as owners. Total comprehensive income may be presented in either a single statement of comprehensive income (effectively combining both the income statement and all non-owner changes in equity in a single statement) or, in an income statement and a separate statement of comprehensive income.

-Revised AASB 101, which becomes mandatory for GPNNT's 30 June 2010 financial statements, is expected to have a significant impact on the presentation of the financial statements. GPNNT plans to provide total comprehensive income in a single statement of comprehensive income for its 2010 financial statements.

s. Financial risk management

GPNNT has minimal exposure to the following risks from their use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about GPNNT's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Risk management policies are set to identify and monitor risks and adherence to limits.

Credit risk

Credit risk is the risk of financial loss to GPNNT if a counterparty to a financial instrument fails to meet its contractual obligation and arises principally from GPNNT's receivables. Cash balances are held by GPNNT's bankers on behalf of GPNNT.

Trade and Other Receivables

GPNNT's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Approximately 90% of GPNNT's revenue is attributable to Government Grants and hence the credit risk is low and trade receivables are deemed to be recoverable. GPNNT's other receivables relate mainly to non-government organisations which are also funded by both the State and the Commonwealth Government and hence the credit risk is low and other trade receivables are deemed to be recoverable.

Liquidity risk

Liquidity risk is the risk that GPNNT will not be able to meet its financial obligations as they fall due. The Directors' policy is to ensure that GPNNT will always have sufficient liquidity to meet its liabilities under both normal and stressed conditions. GPNNT's cash forecast allows management to monitor its liquidity and manage the position accordingly.

Market Risk

Market risk is the risk that changes in market prices will affect the GPNNT's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk.

GPNNT does not enter into derivatives and has no exposure to currency risk and neither is anticipated. Interest rate fluctuations may result in interest income falling below anticipated levels. Management's policy is to review their investment strategy to balance interest returns and liquidity issues.

t. Determination of fair values

Trade and Other Receivables

The fair value of the trade and other receivables, is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principle and interest cash flows, discounted at the market rate of interest at the reporting date.

GENERAL PRACTICE NETWORK NT LTD.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

Note 2.1: Grant & Non-Grant Income

	2009 \$	2008 \$
Current Year Grant Income		
Commonwealth Dept of Health and Ageing	9,650,006	-
NT Dept of Health and Families	2,188,444	-
Australian General Practice Network	238,200	-
Pharmacy Guild	71,114	-
National Prescribing Service Ltd	63,036	-
Improvement Foundation	71,248	-
Other organisation grants	119,720	-
	<u>12,401,768</u>	-
Unexpended Grants		
Unexpended Grants Brought Forward from amalgamating entities	3,472,344	-
RRGPP un-approved brought forward grants	(188,087)	-
Urapanja Services un-approved brought forward grants	(61,849)	-
Unexpended Grants Carried forward	(2,703,395)	-
	<u>519,013</u>	-
Grant Funds Repaid to Funding Bodies		
AGPN - unused funding for Can Do program	(6,562)	-
	<u>(6,562)</u>	-
Non-grant Income		
Program Cost Recoveries	65,266	-
NTPESCI Assessment Fees	1,500	-
Locum Fees Charged	958,440	-
Other Course & Training Fees	22,393	-
Publication & Book Sales	803	-
Sponsorship Income	50,614	-
Sundry Income	35,661	-
Program Administration Income	88,750	-
CPD Conference Sponsorship	62,841	-
CPD Conf. Registration Fees	12,890	-
OTD Placement Fees	61,636	-
Facilities Hireage	3,850	-
	<u>1,364,644</u>	-
	<u>14,278,863</u>	-

Note 2.2: Reconciliation of Operational Statements

	2009 \$	2008 \$
Government & Other Organisation Grant Statements		
Divisions of General Practice Program	-	-
National Primary Mental Health Care Network	3,300	-
GP Practice Immunisation Incentives Scheme	27,306	-
Nursing in GP Program	21,056	-
ABHI Primary Care Incentive Program	48,603	-
Divisions Network eHealth Project	14,699	-
More Allied Health Services Program (MAHS)	54,564	-
Workforce Support For Rural General Practicioners	-	-
Australian Mental Health Care Worker Program	112,351	-
Mental Health GP Clinics	10,529	-
Better Access in Mental Health Care - ATAPS - ex CADPHC	35,269	-
Better Access in Mental Health Care - ATAPS - ex TEDGP	166,206	-
Promoting Better Mental Health - Head Space ex CADPHC	133,119	-
Promoting Better Mental Health - Head Space ex TEDGP	123,517	-
Mental Health Services Rural & Remote - ex CADPHC	194,758	-
Mental Health Services Rural & Remote - ex TEDGP	174,070	-
Rural Palliative Care Project	-	-
Sub total	<u>1,122,829</u>	-

GENERAL PRACTICE NETWORK NT LTD.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009
Note 2.2 continued

	2009	2008
	\$	\$
Government & Other Organisation Grant Statements (contd)		
Sub total from previous page	1,122,829	-
Urapanja Health Service	4,869	-
Collaboratives Program	20,198	-
Impl. of Nationally Coord. Programs for Quality Use of Medicines	48,269	-
Home Medicine Review Program	47,969	-
AGPN MMR Facilitators Program	-	-
Better Access	10,318	-
After Hours Primary Medical Care Program	41,055	-
National Suicide Prevention Strategy - Comm. Based Project	-	-
Aged care Panels Access - Allied Health Component	-	-
Can Do Program [08/09]	-	-
Local Pall Care Grants	15,405	-
Mental Health Services Rural & Remote Stage 2	296,280	-
Diabetes Prevention	17,107	-
[07/08] Can Do	3,835	-
Health Checks	49,024	-
NT Refugee Health Program	64,292	-
Daly River Project	46,549	-
Chronic Disease Self Management	-	-
National Breast & Ovarian Cancer Program	110	-
Barkly RHS	11,639	-
PHC Comorbidity Network	8,208	-
Medicare Healthy Kids Check	22,273	-
Australian General Practice Network PPE Support/ACCHS	28,109	-
Utopia Homelands Healthy Living Banner	7	-
eHealth NT Project	724,784	-
Overseas Trained Doctors Program [C'Wealth]	-	-
Rural Remote General Practice Program	98,815	-
Top End Health Club (TEHC)	5,019	-
Regional Clinical Adviser	-	-
Overseas Trained Doctors Scheme	16,432	-
Rural Locum Relief Program	(25)	-
Aged Care Panels Initiative [07/08] B/F	(269)	-
Royal Darwin Hospital - GP Liaison	(5,633)	-
Unfunded Operations	1,758	-
CPD Rural	(3,006)	-
Active NT MBF Healthy Life Styles Program	(3,382)	-
CPD Urban	39,151	-
Contract Based OTD Placements	61,636	-
DGP Core Grant Business Overheads	-	-
RRGPP Grant Business Overheads	(18,745)	-
All Other Program Overheads	(57,344)	-
Unexpended Grants Taken to Liability	(2,703,395)	-
	14,141	-

GENERAL PRACTICE NETWORK NT LTD.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

Notes	2009 \$	2008 \$
3.1 Personnel Expenses		
Salaries & Wages	4,845,218	-
Superannuation	404,879	-
Entitlement Expenses	(26,337)	-
Payroll Tax	300,641	-
Recruitment Expenses	236,186	-
Training Expenses	114,545	-
Staff Work Health Insurance	40,662	-
Travel & Accomodation	726,893	-
	6,642,687	-
3.2 Governance expenses		
Director Stipends	126,188	-
Director meetings, travel & training	111,563	-
	237,751	-
3.3 Occupancy expenses		
Property Rent	337,776	9,800
Property Maintenance, Cleaning, Security	73,440	-
Electricity	44,971	-
	456,187	9,800
3.4 Auditors' Remuneration		
Audit Services		
Auditors of GPNNT		
<i>KPMG Australia:</i>		
Audit and review of financial statement	20,945	-
Other Services		
<i>KPMG Australia:</i>		
Other assurance services	21,362	-
	42,307	-
3.5 Depreciation		
- motor vehicles	4,411	-
- computer, video and training equipment	26,479	-
- furniture, fixtures and office equipment	1,520	-
- ASAP Clinic equipment	80	-
	32,490	-
3.6 Amalgamation Expenses	-	104,720
3.7 Administration Expenses		
General Administration Expenses		
Bank Fees	9,466	44
Company Registration	-	532
Accreditation Fees & Expenses	5,687	-
Company Advertisement & PR Exp	54,916	-
Business Contractors & Consultants	494,716	-
Legal Fees & Expenses	20,190	-
Katherine Regional Aboriginal Health and Related Services (KRAHRS) Management Fees	40,000	-
Licensing & Membership Expenses	9,593	-
Stationary, Office Supplies, Printing & Photocopying	141,793	-
Postage & Couriers	29,185	-
Staff Meetings	3,126	-

GENERAL PRACTICE NETWORK NT LTD.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009
Note 3.8 continued

Storage & Archiving Expenses	3,689	-
Parking Fees	2,163	-
Equipment Hire	1,094	-
Sundry Expenses	8,400	-
Other Administration Expenses	14,115	-
	<u>866,431</u>	<u>576</u>

Insurance

Australian General Practice Network Policy	23,436	-
Other Business Insurance	16,868	-
	<u>40,304</u>	<u>-</u>

Computer & IT expenses

IT Equipment Purchases <\$5000	75,699	-
Software Purchases	12,041	-
IT Subcontractors	152,504	-
Internet/Network Connection Expenses	23,350	-
Database & Website Expenses	19,581	-
	<u>283,175</u>	<u>-</u>

Communication Expenses

Landlines & Mobile Phones	154,318	-
Mobile Data Devices & Communications	26,360	-
Teleconferencing Expenses	12,781	-
	<u>193,459</u>	<u>-</u>

Motor vehicle Expenses

Operational Lease Expenses	113,144	-
Fuel & Oil	40,467	-
Repairs & Maintenance	33,669	-
Registration Expenses	1,891	-
	<u>189,171</u>	<u>-</u>

Bad Debts Expenditure

Written-Off Debtors - TEDGP	14,425	-
Written-Off Debtors - GPPHCNT	4,820	-
Written-Off Debtors - CADPHC	793	-
	<u>20,038</u>	<u>-</u>
	<u>1,592,578</u>	<u>576</u>

3.8 Direct Program Expenses

Program resource development	60,637	-
Program events & meetings	366,815	-
Program contractors & consultants	3,134,204	-
Program subsidy & grants	814,671	-
eHealth IT Development & Implementation	541,377	-
Other direct program expenses	503,247	-
	<u>5,420,951</u>	<u>-</u>

3.9 Other Expenses

Unrecoverable Government Grants (ASAP Clinic)	<u>15,486</u>	<u>-</u>
---	---------------	----------

GENERAL PRACTICE NETWORK NT LTD.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

Note 4: Cash and Cash Equivalents

	2009	2008
	\$	\$
Cash at bank	4,435,631	132,585
Cash on hand	1,500	-
	<u>4,437,131</u>	<u>132,585</u>

Note 5: Trade and Other Receivables

	2009	2008
	\$	\$
Trade receivables	833,885	4,060
<i>Less:</i>		
Impairment of receivables	(35,524)	-
	<u>798,361</u>	<u>4,060</u>

Note 6: Inventories

	2009	2008
	\$	\$
At cost stock	12,917	-
	<u>12,917</u>	<u>-</u>

Note 7: Other Assets

	2009	2008
	\$	\$
Deposits and bonds paid	3,080	-
Accrued income	6,174	-
Prepayments	260,767	-
	<u>270,021</u>	<u>-</u>

GENERAL PRACTICE NETWORK NT LTD.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

Note 8: Property, Plant and Equipment

	2009 \$	2008 \$
Computer Training & Video Equipment		
At cost	241,761	-
Less accumulated depreciation	147,944	-
Total Computer Training & Video Equipment	93,817	-
Motor Vehicles		
At cost	23,470	-
Less accumulated depreciation	5,826	-
Total Motor Vehicles	17,644	-
Furnitures, Fixtures & office Equipment		
At cost	58,158	-
Less accumulated depreciation	29,284	-
Total Furnitures, Fixtures & office Equipment	28,874	-
ASAP Clinic Equipment		
At cost	44,894	-
Less accumulated depreciation	44,571	-
Total ASAP Clinic Equipment	323	-
Total plant and equipment	140,658	-

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:

	Computer, Training & Video Equipment \$	Motor Vehicles \$	Furniture, Fixture & Office Equip. \$	ASAP Clinic Equip. \$	Total \$
2008					
Balance at the beginning of the year	-	-	-	-	-
Additions at cost	-	-	-	-	-
Additions at fair value	-	-	-	-	-
Revaluation increment	-	-	-	-	-
Depreciation expense	-	-	-	-	-
Carrying amount at end of year 2008	-	-	-	-	-
2009					
Balance at the beginning of the year	-	-	-	-	-
Additions at cost	24,667	-	-	-	24,667
Additions at fair value	128,866	22,055	30,394	3,035	184,350
Revaluation increment	16,515	-	-	-	16,515
Impairment	(49,752)	-	-	(2,632)	(52,384)
Depreciation expense	(26,479)	(4,411)	(1,520)	(80)	(32,490)
Carrying amount at end of the year	93,817	17,644	28,874	323	140,658

GENERAL PRACTICE NETWORK NT LTD.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

The cost of the property, plant and equipment contributed into GPNNT from the Amalgamating Entities based on Schedule 3 of the Amalgamation Deed was first brought in to GPNNT books at cost value on 1st of July 2008 and adjustments were made on 2nd of July 2008 to recognise the fair value of all assets.

In order to determine the fair value of each item on the list, GPNNT conducted an Internet search on popular auction websites and identified approximate fair values of each acquired asset. As a result of this assessment, the aggregated fair value of acquired assets showed a decline in total value of assets compared to the aggregated value of assets in each Amalgamating Entity as of 30th of June 2008. A total amount of \$35,862, being the difference between the asset impairment loss of \$52,386 and asset revaluation of \$16,515, was written-off against the capital contributions of the Amalgamating Entities to recognise the fair value of contributed assets.

Whilst recognising the fair value of each asset, GPNNT also made the following assumption; All assets acquired were considered to be the assets to continue GPNNT's operations into the future, and it is probable that the future economic benefits of these items shall flow to the organisation. The established useful lives for the group of assets are as follows; Computers and Telecommunication Systems 5 Years, while laptop computers 2 years and Furniture, Fixture and Fittings 20 Years.

GENERAL PRACTICE NETWORK NT LTD.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

Note 9.1: Trade and Other Payables

	2009	2008
	\$	\$
CURRENT		
Trade payables	744,637	104,720
Other current payables	347,183	-
ATO GST Payables	79,044	-
PAYG Payables	92,899	-
NT Payroll Tax Payables	44,014	-
Employee benefits	115,500	-
	<u>1,423,277</u>	<u>104,720</u>
Deferred income/grants received in advance:		
- DOHA Nauiyu Mental Health Program	92,000	-
- AGPN PMHC Assessment Workshops	1,500	-
- AGPN Comorbidity Grants	31,977	-
- NTG Tamaid and NT Clinics	70,191	-
	<u>1,618,945</u>	<u>104,720</u>

Note 9.2: Unexpended Grants

	2009	2008
	\$	\$
Divisions of General Practice Program	-	-
National Primary Mental Health Care Network	3,300	-
GP Practice Immunisation Incentives Scheme	27,306	-
Nursing in GP Program	21,056	-
ABHI Primary Care Incentive Program	48,603	-
Divisions Network eHealth Project	14,699	-
More Allied Health Services Program (MAHS)	54,564	-
Workforce Support For Rural General Practitioners	-	-
Australian Mental Health Care Worker Program	112,351	-
Mental Health GP Clinics	10,529	-
Primary Health Care Services at Tamarind Centre	3,482	-
Better Access in Mental Health Care - ATAPS - ex CADPHC	35,269	-
Better Access in Mental Health Care - ATAPS - ex TEDGP	166,206	-
Promoting Better Mental Health - Head Space ex CADPHC	133,119	-
Promoting Better Mental Health - Head Space ex TEDGP	123,517	-
Mental Health Services Rural & Remote - ex CADPHC	194,758	-
Mental Health Services Rural & Remote - ex TEDGP	174,070	-
Rural Palliative Care Project	-	-
Urapanja Health Service	4,869	-
Collaboratives Program	20,198	-
Implementation of Nationally Coord. Programs for Quality Use of Medicines	48,269	-
Home Medicine Review Program	47,969	-
Australian General Practice Network MMR Facilitators Program	-	-
Better Access	10,318	-
After Hours Primary Medical Care Program	41,055	-
National Suicide Prevention Strategy - Comm. Based Project	-	-
Aged care Panels Access - Allied Health Component	-	-
Can Do Program [08/09]	-	-
Local Pall Care Grants	15,405	-
Mental Health Services Rural & Remote Stage 2	296,280	-
Diabetes Prevention	17,107	-
Health Checks	49,024	-
NT Refugee Health Program	64,292	-
Daly River Project	46,549	-
Chronic Disease Self Management	-	-
National Breast & Ovarian Cancer Program	110	-
Barkly Remote Health Service	11,639	-
PHC Comorbidity Network	8,208	-
Sub total	<u>1,807,956</u>	<u>-</u>

GENERAL PRACTICE NETWORK NT LTD.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009
Note 9.2 continued

	2009	2008
	\$	\$
Unexpended Grants (contd)		
Sub total from previous page	1,807,956	-
Medicare Healthy Kids Check	22,273	-
Australian General Practice Network PPE Support	28,109	-
Utopia Homelands Healthy Living Banner	7	-
eHealth NT Project	724,784	-
Overseas Trained Doctors Program (Commonwealth)	-	-
Rural Remote General Practice Program	98,815	-
Top End Health Club (TEHC)	5,019	-
Regional Clinical Adviser Program	-	-
Overseas Trained Doctors Rural Health Workforce Australia	16,432	-
	<u><u>2,703,395</u></u>	<u><u>-</u></u>

Note 10: Employee Benefits

	Long Term Employee Benefits	
	\$	
Opening balance at 1 July 2008	-	
Additional provisions raised during year	26,647	
Balance at 30 June 2009	<u><u>26,647</u></u>	
	2009	2008
	\$	\$
Analysis of Total Provisions		
Current	397,028	-
Non-Current	-	-
	<u><u>397,028</u></u>	<u><u>-</u></u>

Provision for Long-term Employee Benefits

GPNNNT's obligation in respect of long service leave entitlements is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs; that benefit is discounted to determine its present value with a probable CPI wage increase and probability of on-going employment. The discount rate is the yield at the reporting date on Government bonds that have maturity dates approximating the terms of GPNNNT obligations. The CPI is as per Australian Bureau of Statistics annual average. The probability of on-going employment is as per GPNNNT's estimated probability rate for years of service. Expenses and accruals are recognised in the profit or loss are recognised in the income statement in the period in which they arise.

Note 11: Retained Earnings

	2009	2008
	\$	\$
Opening balance at 1 July	(112,095)	-
Surplus/(Deficit) for the year	14,141	(112,095)
Closing balance at 30 June	<u><u>(97,954)</u></u>	<u><u>(112,095)</u></u>

GENERAL PRACTICE NETWORK NT LTD.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

Note 12: Capital Contributions

	2009	2008
	\$	\$
Opening balance at 1 July	144,020	-
Contributions for the year	867,007	144,020
Closing balance at 30 June	<u>1,011,027</u>	<u>144,020</u>

Note 13: Capital and leasing commitments

Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements are as follows:

	2009	2008
	\$	\$
Payable — minimum lease payments		
—not later than 12 months	436,832	-
—later than 12 months but not later than 5 years	708,418	-
—greater than 5 years	-	-
	<u>1,145,250</u>	<u>-</u>

The property lease commitments are non-cancellable operating leases contracted for but not capitalised in the financial statements with a five-year term. No capital commitments exist in regards to the operating lease commitments at year-end. Increase in lease commitments in future years may occur in line with CPI.

The motor vehicle lease commitments are non-cancellable operating leases contracted for but not capitalised in the financial statements with a two or three-year term. No capital commitments exist in regards to the lease commitments at year-end. Increase in lease commitments in future years may occur in line with CPI.

		Darwin office	Alice Springs office	Motor vehicles	Total
Minimum lease payments	not later than 12 months	331,800	44,818	60,214	436,832
	later than 12 months but not later than 5 years	663,600	44,818	-	708,418
	greater than 5 years	-	-	-	-
	Total	<u>995,400</u>	<u>89,636</u>	<u>60,214</u>	<u>1,145,250</u>
	current forward lease length	3 yrs	2 yrs	6 mths	

GENERAL PRACTICE NETWORK NT LTD.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

Note 15: Financial Commitments

	2009	2008
	\$	\$
Estimates of the financial commitments that shall become	45,481	-
Potential Liabilities	\$	Related Operational
Territory Uniforms - Polo Shirts	1,351	MAHS - Darwin
Darwin Directory Psychological Services	4,939	Better Access
Suicide Prevention Resources	4,572	Better Access
Chubb Security Alarm	2,640	Business Overheads
Area 9 Server & equipment	6,323	Business Overheads
Area 9 Server & equipment	6,273	Business Overheads
Area 9 Server & equipment	19,382	Business Overheads
	<u>45,481</u>	

All commitments are subject to approval of carry forward grants.

Note 16: 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.

During the year there were transactions between Northern Territory General Practice Education limited, a company managed by Mr. Michael Wilson, a director of GPNNT. These transactions amounted to \$59,972.

During the year Karen Stringer, a director of GPNNT, was employed by GPNNT to deliver services to Royal Darwin Hospital (RDH) as the GP Hospital Liaison Officer.

This service was according to a service delivery contract between RDH and GPNNT. The total contract transaction amounted to \$42,350 for the financial year.

Key Management personnel and director transactions

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of these entities. A number of these entities transacted with GPNNT in the reporting period. The terms and conditions of transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

GENERAL PRACTICE NETWORK NT LTD.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009
Note 17 Continued

Note 17: Notes to the statement of cash flows

	2009	2008
	\$	\$
17.1 Reconciliation of Cash		
<i>Cash at the end of the financial period as shown in the statement of cash flows is reconciled to the related items in balance sheet position as:</i>		
Cash at bank	<u>4,437,131</u>	<u>132,585</u>
Balance per statement of cash flows	<u>4,437,131</u>	<u>132,585</u>
17.2 Reconciliation of operating Surplus / Loss to net cash used in operating activities		
Operating Surplus/(Deficit)	14,141	(112,095)
Depreciation and amortisation	32,490	-
Employee Entitlements	423,675	-
Bad Debts written-off	35,524	-
Net Cash Provided by operating activities before changes in assets and liabilities	<u>505,830</u>	<u>(112,095)</u>
<i>Changes in assets and liabilities</i>		
Change in prepayments/Other Current Assets	(279,857)	-
Change in accounts payable	4,217,621	104,720
Changes in debtors	(832,905)	(4,060)
Cash flows provided by / (used in) operating activities	<u><u>3,610,689</u></u>	<u><u>(11,435)</u></u>

**GENERAL PRACTICE
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE**

Note 18: Financial Instruments

a. **Financial Risk**

The entity's financial instruments consist mainly of deposits with banks, short-term investments, The entity does not have any derivative instruments at 30 June 2009.

i. Treasury Risk Management

The entity is not exposed to any material Treasury Risk.

ii Financial Risks

Interest rate risk

The entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities.

Foreign currency risk

The entity is not exposed to any material foreign currency risk.

Liquidity risk

The entity manages liquidity risk by monitoring bank balance and monitoring grant payments as per grant schedules, by ensuring the grant payments are made on time and there is sufficient bank balance. The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying Amounts	Contractual cash flows	6 months or less
Non-derivative financial liabilities			
Trade and other payables	744,637	(744,637)	(744,637)
Other current payables	347,183	(347,183)	(347,183)
ATO GST payables	79,044	(79,044)	(79,044)
PAYG payables	92,899	(92,899)	(92,899)
NT Payroll Tax payables	44,014	(44,014)	(44,014)
	<u>1,307,777</u>	<u>(1,307,777)</u>	<u>(1,307,777)</u>

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. The entity does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the entity as most of its receivables are due from Government departments.

Price risk

The entity is not exposed to any material commodity price risk.

GENERAL PRACTICE NETWORK NT LTD.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

Note 19: Impairment Losses

The ageing of GPNNT's receivables at the reporting date was:

	Gross 2009	Impairment 2009	Gross 2008	Impairment 2008
Past due 0-30 days	256,505	-	-	-
Past due 31-60 days	138,659	-	-	-
Past due 61-90 days	278,776	-	-	-
Past due 91 days to one year	124,421	-	-	-
More than one year	35,524	35,524	-	-
	833,885	35,524	-	-

GPNNT's maximum exposure to credit risk for receivables at the reporting date by type of counterparty was:

	2009	2008
	\$	\$
State and Commonwealth Government receivables	571,183	-
Other Australian receivables	262,702	-
	833,885	-

The movement in the allowance for impairment in respect of receivables during the year was as follows:

	2009	2008
	\$	\$
Balance at 1 July	-	-
Impairment loss recognised	35,524	-
	35,524	-

At 30 June 2009 an impairment loss of \$35,524 relates to trade receivables acquired from the Amalgamating Entities. GPNNT does not have any specific recourse on these trade receivables.

Note 20: Entity Details

The registered office of the entity is:

General Practice Network NT
 Stuart House, 5 Shepherd St
 Darwin NT 0801

The principal place of business is:

General Practice Network NT
 Stuart House, 5 Shepherd St
 Darwin NT 0801

Note 21: 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 \$1 each towards meeting any outstandings obligations of the entity. At 30 June 2009 the number of members was 579.

Note 22: Business Overheads Recovery Elimination (Administration Charges)

In order to meet the business overheads expenditure; during the year, GPNNT charged a total of \$3,055,733 business overheads recovery expenditure against the grant income, which was eliminated during reconciliation against the operational statements.

**GENERAL PRACTICE NETWORK NT LTD.
DIRECTOR'S DECLARATION**

In the opinion of the directors of General Practice Network NT Ltd (the "Company"):

- (a) The financial statements and notes, as set out on pages 10 to 33, are in accordance with the Corporations Act 2001, including :
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2009 and of its performance, for the financial period ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretation) and the Corporations Regulations 2001;
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Sign in accordance with a resolution of the directors:

Dated at Darwin this 20th day of October 2009



Diane Walsh
Chair General Practice Network NT and Director



Chartered Accountants
18 Smith Street
Darwin NT 0800

GPO Box 1616
Darwin NT 0801
Australia

ABN: 30 692 879 009
Telephone; +61 8 8982 9000
Facsimile; +61 8 8941 0238
www.kpmg.com.au

Independent auditor's report to the members of General Practice Network NT Ltd

Report on the financial report

We have audited the accompanying financial report of General Practice Network NT Ltd (the Company), which comprises the balance sheet as at 30 June 2009, and the income statement, statement of recognised income and expense and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration set out on pages 10 to 34.

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 judgement, 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 performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001 and Australian Accounting Standards (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the Company's financial position and of its performance.

KPMG, an Australian partnership, and a member firm of the KPMG network of independent member firms affiliated with KPMG International, a Swiss cooperative.

Liability limited by a scheme approved under Professional Standards Legislation.

**GENERAL PRACTICE NETWORK NT LTD.
INDEPENDENT AUDIT REPORT**



Independent auditor's report to the members of General Practice Network NT Ltd

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

Auditor's opinion on the financial report

In our opinion the financial report of General Practice Network NT Ltd is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2009 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

A handwritten signature in black ink that reads 'KPMG'.

KPMG

A handwritten signature in black ink that reads 'Clive Garland'.

Clive Garland
Partner

Darwin

20 October 2009