



EIS HEALTH LIMITED  
ABN 68 603 815 818

Financial Report  
For the Year Ended  
30 June 2016

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# EIS Health Limited

ABN 68 603 815 818

## Directors' Report 30 June 2016

The directors present their report on EIS Health Limited for the financial year ended 30 June 2016.

### 1. General information

#### Directors

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

#### Names

Dr Teresa Anderson  
Ms Trisha Cashmere  
Dr Wayne Cooper  
Prof Mark Harris  
Dr Charlotte Hesper  
Mr Steven Kouris  
Mr Gerry Marr  
Dr Gary Nicholls  
Mr Robert Ramjan  
A/Prof Anthony Schembri  
Dr Tim Smyth  
Mr Chris Tzarimas

#### Appointed/Resigned

Appointed 1 June 2015  
Appointed 1 June 2015  
Appointed 21 January 2015  
Appointed 1 June 2015  
Appointed 21 January 2015  
Appointed 1 June 2015  
Appointed 21 January 2015  
Appointed 1 June 2015

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 Company Secretary at the end of the financial year:

Sally Ho has been the company secretary since 2015. Prior to this role, Sally Ho had performed various roles within finance and management.

Nathalie Hansen became the company secretary on 1 July 2016.

#### Members guarantee

EIS Health Limited is a company limited by guarantee. In the event of and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$10, subject to the provisions of the company's constitution.

At 30 June 2016 the collective liability of members was \$ 70

EIS Health Ltd provides a membership and accounting support services to 6 of the 7 member organisations. During the period ending 30 June 2016, EIS Health Ltd has received revenues to the value of \$18,325 for the provision of these services.

# EIS Health Limited

ABN 68 603 815 818

## Directors' Report 30 June 2016

### 1. General information continued

#### Principal activities

EIS Health Limited operated Central and Eastern Sydney PHN, one of 31 primary health networks established by the Commonwealth Government to drive improvements in the delivery of primary health care. Primary health networks are responsible for improving the health of the local population through coordinating the planning, designing and delivery of effective, equitable and evidence-informed primary health care.

The principal activities of EIS Health Limited during the financial year were;

- a.) supporting, strengthening and shaping an effective person centred primary health care system for the people who live in, work in and/or visit the geographical areas in which the Company operates;
- b.) working in partnership with general practitioners, practice nurses, allied health professionals, local health districts and networks, other health professionals and services;
- c.) working in partnership with consumers, communities and non-government organisations;
- d.) identifying the health needs of the communities served by the Company and working in partnership with others to address those needs;
- e.) providing practice support, continuing professional education and development, e health connectivity, other services, information, tools and resources to general practices, other primary health care providers and organisations;
- f.) providing information, services and support to consumers of primary health care services, their families and carers;
- g.) actively supporting teaching, training, education and research to support and strengthen primary health care;
- h.) commissioning services where appropriate to address identified health needs, service gaps and health issues;
- i.) education and advocacy on primary health care and its needs, priorities and issues;
- j.) networking and benchmarking with other primary health care organisations, health and research centres and institutes in Australia and internationally; and
- k.) doing all such things that are incidental to or conducive to the above activities.

#### Operating results

The surplus from ordinary activities amounted to \$162,039

# EIS Health Limited

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## Directors' Report 30 June 2016

### 2. Other items

#### Significant changes in state of affairs

EIS Health Limited was incorporated on 21 January 2015.

#### After balance date events

In accordance with the PHN Commissioning Framework, PHNs are required to transition from a service delivery to a service commissioning model. The implications have been considered and addressed in the Company's strategic plans and the development of appropriate models is a work in progress.

With effect from 1 July 2016, the Company has engaged with independent service organisations to deliver a number of health services. These include services previously delivered by the Company including the Rockdale Women's Health Clinic, and headspace services at Miranda and Hurstville as well as new services such as the Mental Health Nurse Incentive Program and remaining headspace sites. The total value of commissioned services in 2016/17 is expected to be in the order of \$20 million as the Company transitions to a service commissioning model. The majority of services to be commissioned will be in the areas of mental health, drug and alcohol, after hours and Aboriginal health.

#### Auditors independence declaration

The lead auditor's independence declaration in accordance with subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012* for the year ended 30 June 2016 has been received and can be found on page 11 of the financial report.

# EIS Health Limited

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## Directors' Report 30 June 2016

### 3. Director Information

#### Information on directors

Dr Teresa Anderson

Qualifications

B.App Science (Speech Pathology) PhD

Experience

Dr Teresa Anderson has worked in the NSW public health system for more than 30 years. She is Chief Executive of Sydney Local Health District, providing services to more than 600,000 people in Sydney and beyond. Dr Anderson has extensive experience as a clinician, manager and health service leader. She has held positions as the Director, Clinical Operations, Sydney South West Area Health Service, General Manager, Liverpool Hospital and Director of Community and Allied Health Services for the Liverpool Health Service.

She serves on the boards of the Ingham Institute, Centenary Institute, Heart Research Institute, ANZAC Research Institute and Healthshare, and is also the Chair of the Sydney Research Council.

Dr Anderson is focused on supporting collaboration and building partnerships to provide excellent health care. She is widely acknowledged for supporting and mentoring her staff in fostering new ideas to drive efficiencies and best practice.

Special Responsibilities

Finance Committee

Ms Trisha Cashmere

Qualifications

BAppSc (Phty)(Hons), LLB, GAICD

Experience

Trisha Cashmere has practised as a physiotherapist in the public and private sectors, and as a lawyer specialising in Environment and Administrative law at a leading Australian commercial law firm. Trisha is now the Managing Director of a growing health business and in addition to her role with CESP HN is a member of a UNSW ethics committee.

She is a former board member of South Eastern Sydney Medicare Local (SESML) and a former Chair and member of the SESML Finance, Audit and Risk Committee and a former member of the NSW Board of the Psychology Board of Australia. Trisha is a graduate member of the Australian Institute of Company Directors.

Having strong business and financial management skills, as well as being a passionate community advocate, has meant Trisha has contributed very effectively to a number of CESP HN board sub committees, including the Audit and Risk, and Finance committees. Trisha assisted with the establishment of the Central and Eastern Sydney Allied Health Network and is a member of the Parent Advisory Council, Sydney Children's Hospital.

Special Responsibilities

Audit and Risk Committee, Finance Committee

# EIS Health Limited

ABN 68 603 815 818

## Directors' Report 30 June 2016

### 3. Director Information continued

#### Information on directors continued

Dr Wayne Cooper

Qualifications

BMedSc, MBBS(Hons), MAICD

Experience

Wayne Cooper is a full-time general practitioner in Sans Souci, Sydney. He has been serving the Sans Souci community in this role for more than 25 years and was the foundation Medical Director of the Sans Souci Medical Practice, a multi-disciplinary primary care practice.

Wayne was previously a Director of the St George Division of General Practice and was the Chairperson of the St George Division of General Practice in 2011/12. He served on the Board of the South Eastern Sydney Medicare Local as Chairperson from its inception in 2012 to its close in 2015 and was the Foundation Chair of EIS Health Ltd till mid 2015. Wayne is a member of the Australian Institute of Company Directors and the Australian Medical Association.

Prof Mark Harris

Qualifications

MBBS, MD, FRACGP, FAAHMS

Experience

Mark Harris is Foundation Professor of General Practice and Executive Director of the Centre for Primary Health Care and Equity at UNSW. He has a five year NHMRC Senior Professorial Research Fellowship 2011-2015 and was appointed Scientia Professor 2013-18. He is director of COMPaRE-PHC - the Centre for Obesity Management and Prevention Research Excellence in PHC. He has substantial experience in health services research and trials on chronic illness prevention and management in primary health care. He is a member of the NHMRC Academy 2010-2013 and the Prevention and Community Health Committee 2013-2015. He has 311 publications and 2900 citations in peer reviewed journals. He is a life fellow of the Royal Australian College of General Practice in recognition for his work for general practice on diabetes and preventive medicine including editing the RACGP Guidelines for Preventive Activities in General Practice and the SNAP Guide. He received Australian Association for Academic Primary Care "Charles Bridges-Webb Medal" in 2010.

Special Responsibilities

Governance Committee

# EIS Health Limited

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## Directors' Report 30 June 2016

### 3. Director Information continued

#### Information on directors continued

Dr Charlotte Hespe

Qualifications

MBBS(Hons), FRACGP, DCH, FAICD, GCUT

Experience

Charlotte Hespe is a GP principal and supervisor in a 12 doctor, patient-centred family medical practice in Glebe, Sydney. She is actively engaged in medical education and quality improvement initiatives at the local and national level and is heading Primary Care Research for University of Notre Dame, Australia (Sydney). Charlotte is currently doing a PhD in the area of "Reducing CV disease: Translating an evidence based quality improvement tool into 'real-world' general practice". Charlotte is Chair, Central and Eastern Sydney PHN, Deputy Chair NSW/ACT Faculty RACGP, Board Director for Asthma Foundation NSW, and a Clinical Chair with Improvement Foundation Australia.

Special Responsibilities

Chair

Mr Steven Kouris

Qualifications

BEC, LLB, LLM

Experience

Steven Kouris is a lawyer and commercial advisor. Steven has extensive corporate governance and leadership, strategic planning and risk management expertise as a non-executive director and board committee member across the health, infrastructure, housing and NFP sector, and augments this with commercial and legal expertise in private, corporate and government practice. He has worked for major national law firms such as King & Wood Mallesons and Allens, advised government departments, and has substantial expertise in major projects, infrastructure and development, building and construction, and property. He also chairs the Central and Eastern Sydney PHN Finance, and Audit and Risk Committees. Steven is a director of Guide Dogs NSW/ACT, where he chairs the Corporate Governance Committee.

Special Responsibilities

Audit and Risk Committee, Finance Committee

# EIS Health Limited

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## Directors' Report 30 June 2016

### 3. Director Information continued

#### Information on directors continued

Mr Gerry Marr

Qualifications

Experience

RN, PhD, OBE

Gerry Marr is Chief Executive of South Eastern Sydney Local Health District, taking on the role in February 2014. Prior to this appointment, Gerry held senior executive roles for 13 years, with the National Health Service (NHS) Tayside. Facing performance challenges when Gerry took up the role of Chief Executive, NHS Tayside is now seen as one of the top performing NHS Boards in Scotland. Prior to this Gerry held senior roles in the areas of system performance and human resources management with the NHS Scotland Department of Health.

With qualifications in nursing and education, Gerry has been a passionate advocate for quality in health care delivery. He has led the implementation of a range of quality programs within the Scottish health system in partnership with The Institute of Healthcare Improvement based in Boston. He was a non-executive Board member, Healthcare Improvement Scotland, and is an international guest speaker on the topic of quality and safety.

Special Responsibilities

Governance Committee

Dr Gary Nicholls

Qualifications

Experience

MBBS, FRACGP, MRCGP, MRCP, MA, BA(Hons)

Dr Gary Nicholls trained in the UK at Cambridge University and St Bartholomews' Hospital Medical School, University of London. He has extensive experience in acute general hospital medicine, community health and general practice in both the UK and Australia. He is especially passionate about developing ways to 'join up' services between primary and community care, and hospital care – aiming to improve the health care of patients whilst improving service efficiency.

He holds positions as a Staff Specialist Physician for NSW Health and as a general practitioner in Sydney. He has special interests in the health care of disadvantaged patients, quality use of medicines, patient safety and medical education. Gary is a Conjoint Lecturer in Medicine at St Vincent's Hospital Clinical School, University of New South Wales.

Special Responsibilities

Governance Committee

# EIS Health Limited

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## Directors' Report 30 June 2016

### 3. Director Information continued

#### Information on directors continued

Mr Robert Ramjan

Qualifications

AM, BA, BSocStuds

Experience

Rob Ramjan is CEO of the Schizophrenia Fellowship of NSW Inc and was the inaugural Executive Director of the Schizophrenia Fellowships Council of Australia Inc. He has worked for the Fellowship for more than 20 years and was made a Member of the Order of Australia in 2007 for services to people with mental illness.

Rob has extensive experience in the provision of mental health services, especially in the non-government sector. His previous roles have included delegate to the Mental Health Council of Australia Inc and member of the NSW Mental Health Priority Task Force and the Guardianship Tribunal.

He is a member of the NSW Mental Health Review Tribunal and the Centre for Cognitive Disorders Advisory Committee, Macquarie University. He is a Trustee of the Psychosis Australia Trust. Rob is the author of a book on mental health residential services and was project director for 'The Schizophrenias: guidelines for an holistic approach to clinical practice guidelines', commissioned by NSW Health.

Special Responsibilities

Governance Committee

A/Prof Anthony Schembri

Qualifications

BSocStud(Hons), GDPA, MPP, FCHSM

Experience

Anthony Schembri is the CEO of the St Vincent's Health Network Sydney. Anthony holds appointment as Board Director for the Garvan Institute of Medical Research, Board Director of the St Vincent's Curran Foundation and Co-Chair of Australian Catholic University/St Vincent's Nursing Research Institute. Anthony is an Adjunct Professor in Health Sciences at the Australian Catholic University and Associate Professor of the St Vincent's Clinical School of the Faculty of Medicine at the University of New South Wales. Prior to this Anthony was employed in General Manager roles at Liverpool Hospital, Bankstown-Lidcombe Hospital and Fairfield Hospital. Anthony has also held the role of Clinical Director for Allied Health and hospital social work roles.

Special Responsibilities

Audit and Risk Committee

# EIS Health Limited

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## Directors' Report 30 June 2016

### 3. Director Information continued

#### Information on directors continued

Dr Tim Smyth

Qualifications

Experience

MBBS, LLB, MBA, FCHSM

Dr Tim Smyth is well known in the Australian health sector. With degrees in Medicine, Law and Business Administration, Tim has extensive experience at operational and senior executive levels, including as Deputy Director General with NSW Health. Tim provides management consulting services to a range of clients in the health and government sectors and is a part time Special Counsel in corporate and commercial law with Holman Webb Lawyers. Tim was appointed Chair of the Eastern Sydney Medicare Local in 2012 and he is also a Director of the Black Dog Institute and the Australasian College of Health Service Management.

Mr Chris Tzarimas

Qualifications

Experience

MSc(Ex. Rehab.), BSc(HMS), FAAESS, MBA

As the director of the Lifestyle Clinic (a local health service operating as a division of the Faculty of Medicine, University of NSW), Chris Tzarimas is an accredited exercise physiologist with extensive experience in providing exercise therapy and lifestyle programs for people with conditions including cancer, diabetes, cardiovascular disease, musculoskeletal disorders and HIV+/AIDS. Chris has been involved in numerous federal, state and local health initiatives and serves on the Executive Committee of the NSW Cancer Survivors Centre, is a primary care representative to the Australian Commission on Safety and Quality in Health Care (ACSQHC) and is the Chair of Exercise Is Medicine (Australia). His primary interest is translating research into health policy targeting primary and secondary prevention through integrated healthcare and community outreach.

# EIS Health Limited

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## Directors' Report

30 June 2016

### 3. Director Information continued

#### Meetings of directors

During the financial year, 22 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Audit and Risk Committee		Finance Committee		Governance Committee	
	Number eligible to attend	Number attended						
Dr Teresa Anderson	11	10	-	-	5	1	-	-
Ms Trisha Cashmere	11	10	3	3	5	5	-	-
Dr Wayne Cooper	11	10	-	-	-	-	-	-
Prof Mark Harris	11	9	-	-	-	-	3	3
Dr Charlotte Hespe*	11	10	-	-	-	1	-	-
Mr Steven Kouris	11	10	3	3	5	4	-	-
Mr Gerry Marr	11	4	-	-	-	-	3	3
Dr Gary Nicholls	11	8	-	-	-	-	3	3
Mr Robert Ramjan	11	10	-	-	-	-	3	3
A/Prof Anthony Schembri	11	7	3	-	-	-	-	-
Dr Tim Smyth	11	10	-	-	-	-	-	-
Mr Chris Tzarimas	11	9	-	-	-	-	-	-

\* As chair, Charlotte Hespe is eligible to attend all meetings.

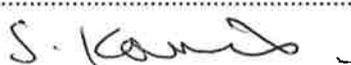
### 4. Indemnification and insurance of officers

The company has paid premiums to insure each of the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the Company. The amount of the premium is not disclosed due to the terms of the insurance contracts and to protect commercially sensitive information of the Company.

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

Director:  .....

Director:  .....



Dated 21 September 2016

# EIS Health Limited

ABN 68 603 815 818

## Auditors Independence Declaration

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2016 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Cutcher & Neale Assurance PLU

Cutcher & Neale Assurance Pty Ltd  
(An authorised audit company)



M.J. O'Connor  
Director

7 September 2016

NEWCASTLE

# EIS Health Limited

ABN 68 603 815 818

## Independent Audit Report to the members of EIS Health Limited

### Report on the Financial Report

We have audited the accompanying financial report of EIS Health Limited, which comprises the statement of financial position as at 30 June 2016, the statement of surplus or deficit and other comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

### Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material 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 Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 *Australian Charities and Not-for-profits Commission Act 2012*. We confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the directors of EIS Health Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

# EIS Health Limited

ABN 68 603 815 818

## Independent Audit Report to the members of EIS Health Limited

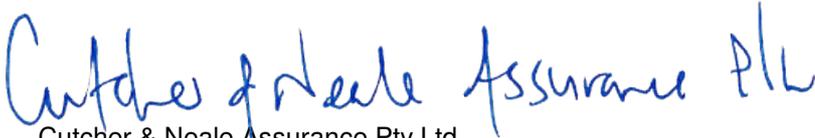
### Audit Opinion

In our opinion the financial report of EIS Health Limited is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Regulations 2013*.

### Emphasis of Matter

As discussed in Note 1(b) to the financial report EIS Health Limited was incorporated on 21 January 2015. The registration of the Company has meant no comparatives have been stated within the financial report.



Cutcher & Neale Assurance Pty Ltd  
(An authorised audit company)



M.J. O'Connor  
Director

NEWCASTLE

22 September 2016

# EIS Health Limited

ABN 68 603 815 818

## Directors' Declaration

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 15 to 26, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
  - (a) comply with Australian Accounting Standards; and
  - (b) give a true and fair view of the financial position as at 30 June 2016 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 ..... 

Director .....   
S. Keen

Dated 21 September 2016

# EIS Health Limited

ABN 68 603 815 818

## Statement of Surplus or Deficit and Other Comprehensive Income For the Year Ended 30 June 2016

		2016
	Note	\$
Revenue	2	23,459,974
Other income	2	554,435
Employee benefits expense		(12,478,694)
Depreciation and amortisation expense		(32,468)
Occupancy expense		(1,330,651)
Program delivery expenses		(8,428,460)
Management and administration expense		(1,582,097)
<b>Surplus / (deficit) before income tax</b>		<b>162,039</b>
Income tax expense	1(e)	-
<b>Surplus / (deficit) after income tax</b>		<b>162,039</b>
Other comprehensive income		-
<b>Total comprehensive income</b>		<b>162,039</b>

The accompanying notes form part of these financial statements.

# EIS Health Limited

ABN 68 603 815 818

## Statement of Financial Position As at 30 June 2016

	Note	2016 \$
<b>ASSETS</b>		
CURRENT ASSETS		
Cash and cash equivalents	4	10,456,291
Trade and other receivables	5	611,509
Prepayments		173,251
TOTAL CURRENT ASSETS		<u>11,241,051</u>
NON-CURRENT ASSETS		
Property, plant and equipment	6	567,767
TOTAL NON-CURRENT ASSETS		<u>567,767</u>
TOTAL ASSETS		<u>11,808,818</u>
<b>LIABILITIES</b>		
CURRENT LIABILITIES		
Trade and other payables	7	2,392,842
Other liabilities	8	8,266,328
Employee benefits	9	555,745
TOTAL CURRENT LIABILITIES		<u>11,214,914</u>
NON-CURRENT LIABILITIES		
Employee benefits	9	310,532
Provision for make good of premises		121,333
TOTAL NON-CURRENT LIABILITIES		<u>431,865</u>
TOTAL LIABILITIES		<u>11,646,779</u>
NET ASSETS		<u>162,039</u>
<b>FUNDS</b>		
Accumulated Funds		<u>162,039</u>
TOTAL FUNDS		<u>162,039</u>

The accompanying notes form part of these financial statements.

# EIS Health Limited

ABN 68 603 815 818

## Statement of Changes in Funds For the Year Ended 30 June 2016

	<b>Accumulated Funds</b>
	\$
<b>Balance at 1 July 2015</b>	-
Total comprehensive income	<u>162,039</u>
<b>Balance at 30 June 2016</b>	<u><u>162,039</u></u>

The accompanying notes form part of these financial statements.

# EIS Health Limited

ABN 68 603 815 818

## Statement of Cash Flows For the Year Ended 30 June 2016

	2016
Note	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from government grants and services	31,876,538
Payments to suppliers and employees	(20,996,137)
Interest received	<u>176,125</u>
Net cash provided by (used in) operating activities	<u>11,056,526</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Purchase of property, plant and equipment	<u>(600,235)</u>
Net cash used by investing activities	<u>(600,235)</u>
Net increase (decrease) in cash and cash equivalents held	10,456,291
Cash and cash equivalents at beginning of year	<u>-</u>
Cash and cash equivalents at end of financial year	4 <u><u>10,456,291</u></u>

The accompanying notes form part of these financial statements.

# EIS Health Limited

ABN 68 603 815 818

## Notes to the Financial Statements For the Year Ended 30 June 2016

### 1 Summary of Significant Accounting Policies

#### (a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements (including Australian Accounting Interpretations), other authoritative pronouncements of the Australian Accounting Standards Board and the *Australian Charities and Not-for-profits Commission Act 2012*.

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.

#### (b) Company Incorporation

EIS Health Ltd was incorporated on 21 January 2015. Because the company commenced operation in the current reporting period, no comparatives have been stated in the financial report.

#### (c) Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial report 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 of plant and equipment**

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

#### (d) Economic dependence

EIS Health Limited operates Central and Eastern PHN, one of 31 primary health networks established by the Commonwealth Government to drive improvements in the delivery of primary health care. Primary health networks are responsible for improving the health of the local population through coordinating the planning, designing and delivery of effective, equitable and evidence-informed primary health care.

EIS Health Limited is dependent on the Department of Health for the majority of its revenue. At the date of this report the directors have no reason to believe the Department of Health will not continue to support EIS Health Limited. EIS Health Limited's core funding contract is scheduled to end on 30 June 2018.

#### (e) Income Tax

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

# EIS Health Limited

ABN 68 603 815 818

## Notes to the Financial Statements For the Year Ended 30 June 2016

### 1 Summary of Significant Accounting Policies continued

#### (f) Revenue and other income

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefit will flow to the Company and specific criteria have been met for each of the activities as discussed below.

##### Grant Revenue

When grant revenue is received whereby the Company 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.

##### Donations

Donations and bequests are recognised as revenue when received.

##### Interest revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

##### Provision of services

Revenue relating to the provision of services is recognised on delivery of service to the customer.

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

#### (g) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

#### (h) Property, Plant and Equipment

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

Items of property, plant and equipment that have been donated or acquired at nominal cost, are recognised at fair value of the asset at the date the company obtains control of the asset.

Where grant funds are spent on acquiring fixed assets the entity remains liable to the funder for the net value of the assets. The liability for fixed assets is recognised in the accounts at the gross acquisition costs less the cumulative depreciation charge. Refer to notes 6(a) and 8.

# EIS Health Limited

ABN 68 603 815 818

## Notes to the Financial Statements For the Year Ended 30 June 2016

### 1 Summary of Significant Accounting Policies continued

#### (h) Property, Plant and Equipment continued

##### Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the Company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

<b>Class of Fixed Asset</b>	<b>Depreciation rate</b>
Plant and Equipment	33% Prime Cost
Leasehold improvements	33% Prime Cost

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's 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 and losses are included in the statement of surplus or deficit and other comprehensive income.

#### (i) Financial instruments

##### Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is the equivalent to the date that the Company commits itself to either the purchase or sale of the asset (i.e. 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 amortised cost using the effective interest rate method, or at cost.

##### Impairment

Objective evidence that a financial asset is impaired includes default by a debtor, or evidence that the debtor is likely to enter bankruptcy. At the end of the reporting period the company assesses whether there is any objective evidence that a financial asset has been impaired through the occurrence of a loss event.

Impairment losses are recognised through an allowance account for loans and receivables in the

# EIS Health Limited

ABN 68 603 815 818

## Notes to the Financial Statements For the Year Ended 30 June 2016

### 1 Summary of Significant Accounting Policies continued

#### (i) Financial instruments continued

##### Impairment continued

statement of surplus or deficit and other comprehensive income.

Where a subsequent event causes the amount of the impairment loss to decrease, the reduction in the allowance account (provision for impairment of receivables) is taken through profit and loss.

#### (j) 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.

#### (k) Unexpended Grants

The liability represents the unused amounts of grants received on the condition that specified services are delivered or conditions are fulfilled in a future period.

Grant funds received in advance represents funding received for service delivery to be performed in a future period.

#### (l) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Referrals under the ATAPS vouchers have a 6 month expiry term from the date of issue. Provision has been raised for all unexpired referrals under the ATAPS program at balance date.

#### (m) Employee benefits

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

Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Long service leave is accrued in respect of all employees of the company. Contributions are made by the Company to an employee superannuation fund and are charged as expenses when incurred.

#### (n) Operating Leases

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

# EIS Health Limited

ABN 68 603 815 818

## Notes to the Financial Statements For the Year Ended 30 June 2016

### 1 Summary of Significant Accounting Policies continued

#### (o) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In those circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the 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.

#### (p) Authorisation of financial statements

The financial statements were approved and authorised for issue by the Board of Directors on 21 September 2016. The directors have the power to amend the financial report at any time.

### 2 Revenue and Other Income

	2016
	\$
Revenue from ordinary operations	
- Operating grants	22,186,685
- Program partner contributions	452,660
- Services revenue	820,630
	<u>23,459,974</u>
Other income	
- Sponsorship income	46,256
- Donations and fundraising income	146,380
- Interest revenue	176,125
- Other income	184,310
- Gain on sale of fixed assets	1,364
	<u>554,435</u>
Total revenue & other income	<u>24,014,409</u>

# EIS Health Limited

ABN 68 603 815 818

## Notes to the Financial Statements For the Year Ended 30 June 2016

### 3 Related party transactions

#### (a) Key management personnel

The totals of remuneration paid to the key management personnel of EIS Health Limited during the year are as follows:

	2016
	\$
Total employee benefits	873,967
Total director benefits	208,243
	<u>1,082,210</u>

#### (b) Other related parties

EIS Health Limited provides membership and accounting support services to 6 of the 7 member organisations. During the period ending 30 June 2016, EIS Limited has received revenues to the value of \$18,325 for the provision of these services.

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

### 4 Cash and cash equivalents

Cash at bank	10,266,935
Property security deposits (a)	189,356
	<u>10,456,291</u>

#### (a) Property Security Deposits

The company provides security deposit guarantees in relation to office leases. At reporting date, the entity is not likely to default on the leases.

### 5 Trade and other receivables

CURRENT	
Trade receivables	176,883
Accrued income	434,626
	<u>611,509</u>

# EIS Health Limited

ABN 68 603 815 818

## Notes to the Financial Statements For the Year Ended 30 June 2016

### 6 Property, plant and equipment

	2016 \$
Computer equipment	
At cost	498,681
Accumulated depreciation	<u>(27,250)</u>
Total computer equipment	<u>471,431</u>
Improvements	
At cost	101,555
Accumulated depreciation	<u>(5,219)</u>
Total improvements	<u>96,336</u>
<b>Total property, plant and equipment</b>	<b><u><u>567,767</u></u></b>

#### (a) Movements in carrying amounts of property, plant and equipment

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

	Plant and Equipment \$
Balance at the beginning of the year	-
Additions	600,235
Depreciation expense	<u>(32,468)</u>
<b>Balance at the end of the year</b>	<b><u><u>567,767</u></u></b>

### 7 Trade and other payables

#### CURRENT

Unsecured liabilities	
Trade payables	796,821
Accrued expenses	981,443
ATO liabilities	239,592
Accrued employee benefits	<u>374,986</u>
	<b><u><u>2,392,842</u></u></b>

# EIS Health Limited

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## Notes to the Financial Statements For the Year Ended 30 June 2016

### 8 Other Liabilities

	2016 \$
CURRENT	
Unexpended government grants	4,465,997
Grant funds received in advance	3,232,564
Capital grant liability	567,767
	<u>8,266,328</u>

### 9 Employee Benefits

CURRENT	
Annual leave and time in lieu	419,739
Long service leave	136,006
	<u>555,745</u>
NON-CURRENT	
Long service leave	310,532
	<u>310,532</u>

### 10 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 10 each towards meeting any outstandings and obligations of the Company. At 30 June 2016 the number of members was 7.

### 11 Capital and Leasing commitments

#### (a) Operating lease commitments

Payable - minimum lease payments:

- not later than 1 year	703,686
- between 1 year and 2 years	673,517
	<u>1,377,203</u>

The company leases various offices under non-cancelable operating leases. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are re-negotiated.