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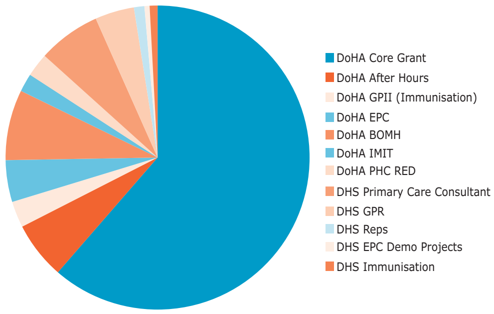
General Practice Divisions - Victoria Ltd

Financial Report
For the year ended 30 June 2006

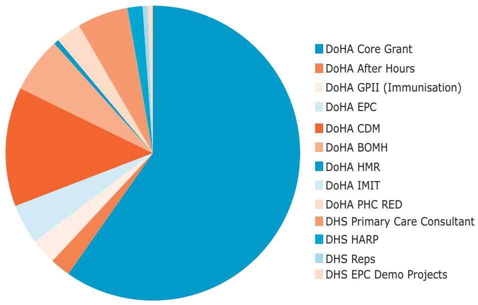
Five-Year Financial Overview

SOURCES OF INCOME

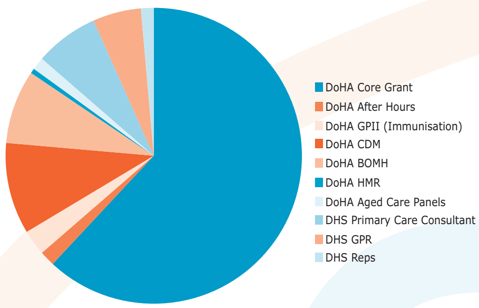
2001-2002



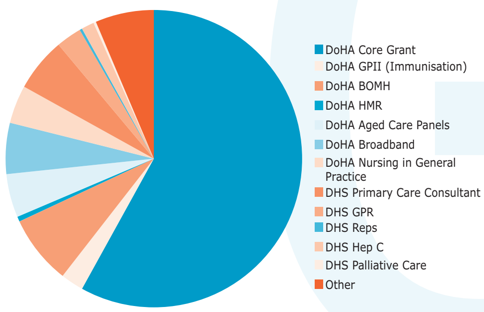
2002-2003



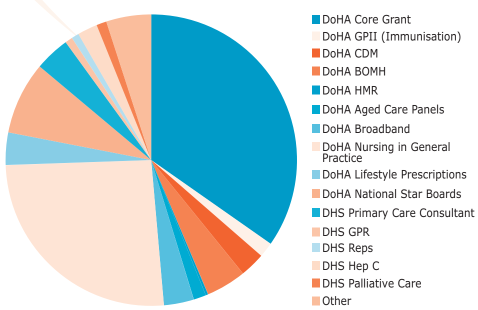
2003-2004



2004-2005

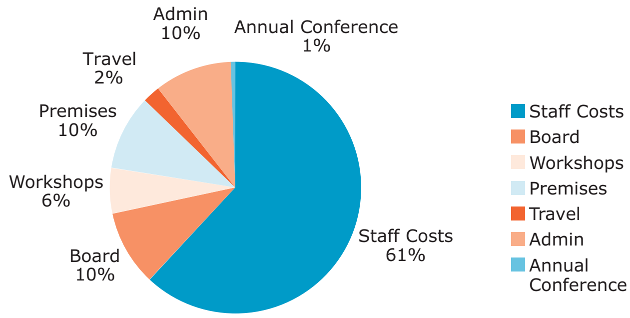


2005-2006

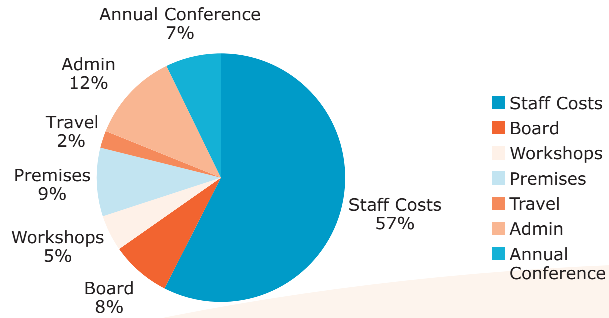


ALLOCATION OF RESOURCES

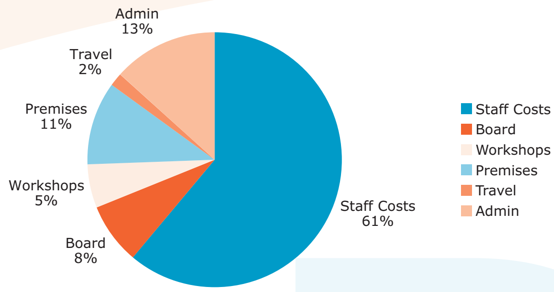
2001-2002



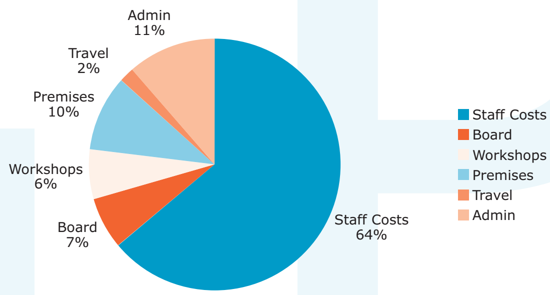
2002-2003



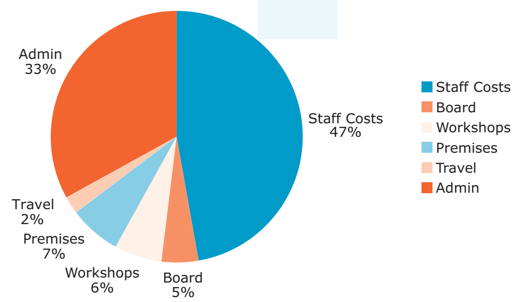
2003-2004



2004-2005



2005-2006



General Practice Divisions - Victoria Ltd

ABN 80 081 371 968

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ABN 80 081 371 968

Directors' Report

Your directors present their report on the company for the financial year ended 30 June 2006.

Directors

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

Wendy Bissinger

Robert Grenfell

Julie Thompson

David Tillett

Nola Maxfield

John McEncroe

John Meaney

Sharon Monagle

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

Operating Results

The profit of the company for the financial year after providing for income tax amounted to $193,223.

Review of Operations

A review of the operations of the company during the financial year and the results of those operations found that during the year, the company continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

Significant Changes in State of Affairs

No significant changes in the state of affairs of the company occurred during the financial year.

Principal Activities

The principal activities of the company during the financial year were to provide a regular forum and advocate for divisions and for general practice in Victoria.

No significant change in the nature of these activities occurred during the year.

After Balance Date Events

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

Likely Developments

The company expects to maintain the present status and level of operations and hence there are no likely developments in the company's operations.

Environmental Issues

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Dividends Paid or Recommended

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

Directors' Report (continued)

Information on Directors

The information on directors is as follows:

Wendy Bissinger	– Director
Qualifications	– MB BS
Robert Grenfell	– Deputy Chairperson
Qualifications	– MB BS, DipRACOG, MPH, FAFPHM
Julie Thompson	– Director
Qualifications	– MB BS
David Tillett	– Director, Treasurer
Qualifications	– MB BS, DRACOG, FRACGP
Nola Maxfield	– Director
Qualifications	– MB BS
John McEncroe	– Director
Qualifications	– MB BS
John Meaney	– Chairperson
Qualifications	– MB BS
Sharon Monagle	– Director
Qualifications	– MB BS, FRACGP, MPH

Meetings of Directors

DIRECTORS	DIRECTORS' MEETINGS	
	Number eligible to attend	Number attended
Wendy Bissinger	9	7
Robert Grenfell	9	7
Julie Thompson	9	9
David Tillett	9	9
Nola Maxfield	9	7
John McEncroe	9	8
John Meaney	9	9
Sharon Monagle	9	7

Options

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

Directors' Report (continued)

Indemnification of Officer or Auditor

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

Proceedings on Behalf of the Company

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

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

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 4.

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

Director John Meaney

Director David Tillett

Dated this 11th day of August 2006

ABN 80 081 371 968

Auditor's Independence Declaration under Section 307c of the Corporations Act 2001 to the directors of General Practice Divisions - Victoria Ltd

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2006 there have been:

i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

ii) no contraventions of any applicable code of professional conduct in relation to the audit.

DANBY BLAND PROVAN & CO.
Chartered Accountants

R A LANE
Partner

11 August 2006

Income Statement
For the year ended 30 June 2006

	Notes	2006 $	2005 $
Revenue from ordinary activities	2	**3,288,331**	1,936,144
Employee benefits expense		**(1,427,092)**	(1,188,783)
Depreciation and amortisation expenses	3	**(57,198)**	(43,061)
Advertising		**(6,672)**	(7,104)
Conference expenses		**(40,852)**	(19,081)
Project contracts		**(607,481)**	(18,000)
Rent		**(150,712)**	(148,442)
Workshop expenses		**(183,741)**	(119,760)
Board costs		**(144,281)**	(124,702)
Travel expenses		**(62,677)**	(38,039)
Consulting fees		**(134,036)**	(7,350)
Other expenses from ordinary activities		**(280,366)**	(176,949)
Profit from ordinary activities		**193,223**	44,873
Total changes in equity other than those resulting from transactions with owners as owners		**193,223**	44,873

The accompanying notes form part of these financial statements.

Balance Sheet
As at 30 June 2006

	Notes	2006 $	2005 $
CURRENT ASSETS			
Cash and cash equivalents	4	**1,171,497**	1,315,636
Trade and other receivables	5	**326,390**	426,222
Other	6	**8,166**	13,173
TOTAL CURRENT ASSETS		**1,506,053**	1,755,031
NON-CURRENT ASSETS			
Property, plant and equipment	7	**103,993**	93,657
TOTAL NON-CURRENT ASSETS		**103,993**	93,657
TOTAL ASSETS		**1,610,046**	1,848,688
CURRENT LIABILITIES			
Trade and other payables	8	**196,606**	255,929
Provisions	9	**86,324**	64,632
Other	10	**733,788**	1,158,909
TOTAL CURRENT LIABILITIES		**1,016,718**	1,479,470
NON-CURRENT LIABILITIES			
Provisions	9	**135,120**	104,229
TOTAL NON-CURRENT LIABILITIES		**135,120**	104,229
TOTAL LIABILITIES		**1,151,838**	1,583,699
NET ASSETS		**458,208**	264,989
EQUITY	13		
Retained profits		**458,208**	264,985
TOTAL EQUITY		**458,208**	264,985

The accompanying notes form part of these financial statements.

Statement of Changes in Equity
For the year ended 30 June 2006

	Retained Earnings $	Total $
Balance at 1 July 2004	220,112	220,112
Profit attributable to members of the entity	44,873	44,873
Balance at 30 June 2005	264,985	264,985
Profit attributable to members of the entity	193,223	193,223
Balance at 30 June 2006	458,208	458,208

The accompanying notes form part of these financial statements.

Cash Flow Statement
For the year ended 30 June 2006

	Notes	2006 $	2005 $
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		**3,205,791**	2,844,894
Payments to suppliers and employees		**(3,339,462)**	(1,936,096)
Interest received		**57,070**	16,360
Net cash provided by/(used in) operating activities	12(b)	**(76,601)**	925,158
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		**(67,538)**	(31,822)
Net cash used in investing activities		**(67,538)**	(31,822)
Net increase/(decrease) in cash held		**(144,139)**	893,336
Cash at beginning of financial year		**1,315,636**	422,300
Cash at end of financial year	12 (a)	**1,171,497**	1,315,636

The accompanying notes form part of these financial statements.

Notes to the Financial Statements
For the year ended 30 June 2006

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial report preparation requirements of the Corporations Act 2001. The directors have determined that the company is not a reporting entity.

The financial report is for the entity General Practice Divisions - Victoria Ltd as an individual entity. General Practice Divisions - Victoria Ltd is a company limited by guarantee, incorporated and domiciled in Australia.

The financial report has been prepared in accordance with the requirements of the Corporations Act 2001, and the following applicable Accounting Standards:

AASB 101:	Presentation of Financial Statements
AASB 107:	Cash Flow Statements
AASB 108:	Accounting Policies, Changes in Accounting Estimates and Errors
AASB 1048:	Interpretation and Application of Standards

No other applicable Accounting Standards, Urgent Issues Group Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The report is also prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report:

(a) Property, Plant and Equipment

Each class of property plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

Property

Freehold land and buildings are measured on the fair value basis being the amount which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

Plant and equipment

Plant and equipment is measured on the cost basis.

Depreciation

All assets, excluding freehold land and buildings, are depreciated on a straight line basis over their useful lives to the company.

(b) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will 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 present value of the estimated future cash outflows to be made for those benefits.

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

(c) Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months and net of bank overdrafts.

Notes to the Financial Statements
For the year ended 30 June 2006

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Revenue

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

Finance and insurance revenue is recognised when the right to receive finance and insurance revenue has been established.

Other revenue is recognised when the right to receive the revenue has been established.

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

	Note	2006 $	2005 $
NOTE 2: REVENUE			
Operating activities			
- interest	2(a)	**57,070**	16,360
- rent		**18,066**	17,937
- workshop fees		**3,782**	19,416
- government grants		**3,137,153**	1,844,471
- other revenue		**72,260**	37,960
		3,288,331	1,936,144
(a) Interest from:			
- financial institutions		**57,070**	16,360
NOTE 3: PROFIT FROM ORDINARY ACTIVITIES			
Profit (losses) from ordinary activities has been determined after:			
(a) Expenses			
Depreciation of property, plant and equipment		**57,198**	43,061
Remuneration of the auditors for			
- audit or review services		**8,750**	6,521
(b) Revenue and Net Gains			
Net gain on disposal of non-current assets			
- property, plant and equipment		**2,317**	-
NOTE 4: CASH ASSETS			
Cash on hand		**156**	325
Cash at bank		**1,171,341**	1,315,311
		1,171,497	1,315,636

Notes to the Financial Statements
For the year ended 30 June 2006

	Note	2006 $	2005 $
NOTE 5: TRADE AND OTHER RECEIVABLES			
CURRENT			
Trade receivables		**326,390**	426,222
NOTE 6: OTHER ASSETS			
CURRENT			
Prepayments		**8,166**	13,173
NOTE 7: PROPERTY, PLANT AND EQUIPMENT			
PLANT AND EQUIPMENT			
(a) Motor vehicles			
At cost		**42,949**	42,949
Less accumulated depreciation		**(17,203)**	(8,613)
		25,746	34,336
(b) Office equipment			
At cost		**89,067**	78,293
Less accumulated depreciation		**(78,394)**	(64,878)
		10,673	13,415
(c) Computer equipment			
At cost		**230,379**	194,904
Less accumulated depreciation		**(192,522)**	(175,479)
		37,857	19,425
(d) Furniture, fixtures and fittings			
At cost		**110,291**	101,953
Less accumulated depreciation		**(80,574)**	(75,472)
		29,717	26,481
Total property, plant and equipment		**103,993**	93,657
NOTE 8: TRADE AND OTHER PAYABLES			
CURRENT			
Unsecured liabilities			
Trade creditors		**21,446**	12,001
Sundry creditors and accruals		**175,160**	243,928
		196,606	255,929

Notes to the Financial Statements
For the year ended 30 June 2006

	Note	2006 $	2005 $
NOTE 9: PROVISIONS			
CURRENT			
Employee benefits	9(a)	**86,324**	64,632
NON-CURRENT			
Employee benefits	9(a)	**135,120**	104,229
(a) Aggregate employee benefits liability		**221,444**	168,861
NOTE 10: OTHER LIABILITIES			
CURRENT			
Grants received in advance		**733,788**	1,158,909
		733,788	1,158,909
NOTE 11: CAPITAL AND LEASING COMMITMENTS			
(a) Operating lease commitments			
Non-cancellable operating leases contracted for but not capitalised in the financial statements:			
Payable - minimum lease payments			
- not longer than one year		**126,948**	115,878
- longer than one year but not longer than two years		**56,402**	157,895
		183,350	273,773

Notes to the Financial Statements
For the year ended 30 June 2006

	Note	2006 $	2005 $
NOTE 12: CASH FLOW INFORMATION			
(a) Reconciliation of cash			
Cash at the end of the financial year as shown in the statement of Cash Flows is reconciled to the related items in the balance sheet as follows:			
Cash on hand		**156**	325
Cash at bank		**1,171,341**	1,315,311
		1,171,497	1,315,636
(b) Reconciliation of cash flow from operations with profit from ordinary activities after income tax			
Profit from ordinary activities after income tax		**193,223**	44,873
Non-cash flows in profit from ordinary activities			
Depreciation		**57,198**	43,061
Changes in assets and liabilities			
(Increase)/decrease in receivables		**99,832**	(400,862)
Decrease in other assets		**5,007**	23,456
Increase/(decrease) in grants received in advance		**(425,122)**	1,039,635
Increase/(decrease) in payables		**(59,322)**	135,237
Increase in provisions		**52,583**	39,758
Cash flows from operations		**(76,601)**	925,158

NOTE 13: MEMBERS' GUARANTEE

The company is limited by guarantee. If the company is wound up, the articles of association state that each member is required to contribute a maximum of $10 each towards meeting any outstanding obligations of the company. At 30 June 2006 the number of members was 30 (2005: 30).

Directors' Declaration

The directors have determined that the company is not a reporting entity. The directors have determined that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 13 are in accordance with the Corporations Act 2001:

   (a) comply with Accounting Standards as described in Note 1 to the financial statements and the Corporations Regulations 2001; and

   (b) give a true and fair view of the financial position as at 30 June 2006 and of the performance for the financial year ended on that date of the company in accordance with the accounting policies described in Note 1 to the financial statements.

2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

Director	Director
John Meaney	David Tillett

Dated this 11th day of August 2006

Independent Audit Report to the members of
General Practice Divisions - Victoria Ltd

Scope

We have audited the financial report, being a special purpose financial report of General Practice Divisions - Victoria Ltd for the financial year ended 30 June 2006 comprising the Directors' Declaration, Income Statement, Balance Sheet and notes to the financial statements.

The company's directors are responsible for the financial report and have determined that the accounting policies used and described in Note 1 to the financial statements which form part of the financial report are appropriate to meet the requirements of the Corporations Act 2001 and are appropriate to meet the needs of the members. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the company. No opinion is expressed as to whether the accounting policies used, and described in Note 1, are appropriate to the needs of the members.

The financial report has been prepared for distribution to the members for the purpose of fulfilling the directors' financial reporting requirements under the Corporations Act 2001. We disclaim any assumption of responsibility for any reliance on this audit report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the accounting policies described in Note 1 to the financial statements so as to present a view which is consistent with our understanding of the company's financial position, and performance as represented by the results of its operations and its cash flows. These policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements in Australia.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial report of General Practice Divisions - Victoria Ltd is in accordance with:

(a) the Corporations Act 2001, including:

(i) giving a true and fair view of the company's financial position as at 30 June 2006 and of its performance for the financial year ended on that date in accordance with the accounting policies described in Note 1; and

(ii) complying with Accounting Standards in Australia to the extent described in Note 1 and the Corporations Regulations 2001; and

(b) other mandatory professional reporting requirements to the extent described in Note 1.

DANBY BLAND PROVAN & CO
Chartered Accountants
123 Camberwell Road
HAWTHORN EAST 3123

R A LANE — 11 August 2006

Partner

ABN 80 081 371 968

Disclaimer to the members of
General Practice Divisions - Victoria Ltd

The additional financial data presented on pages 17 - 18 is in accordance with the books and records of the company which have been subjected to the auditing procedures applied in our statutory audit of the company for the financial year ended 30 June 2006. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than General Practice Divisions - Victoria Ltd) in respect of such data, including any errors of omissions therein however caused.

DANBY BLAND PROVAN & CO
Chartered Accountants
123 Camberwell Road
HAWTHORN EAST 3123

R A LANE — 11 August 2006

Partner

Private Information for the directors on the 2006 Financial Statements

Detailed Profit and Loss
For the year ended 30 June 2006

	2006 $	2005 $
INCOME		
Interest	**57,070**	16,360
Rental income	**18,066**	17,937
Government Grants	**3,137,153**	1,844,471
Workshop fees	**3,782**	19,416
Other income	**74,577**	37,960
TOTAL INCOME	**3,290,648**	1,936,144
LESS EXPENSES		
Accounting fees	**3,579**	2,500
Advertising	**6,672**	7,104
Accreditation	**5,147**	5,022
Audit fees	**8,750**	6,521
Bank charges	**2,519**	2,735
Board Costs	**144,288**	124,702
Cleaning	**6,895**	7,768
Computer expenses	**26,437**	24,666
Conference/Seminar costs	**40,582**	19,081
Consultancy fees	**134,036**	7,350
Depreciation	**57,198**	43,061
Electricity	**8,157**	6,375
GP representatives	**23,507**	3,010
Holiday pay	**21,692**	(10,328)
Insurance	**11,700**	10,554
Legal costs	**6,473**	40
Long service leave	**30,891**	50,086
Motor vehicle expenses	**9,304**	8,462
Payroll tax	**26,892**	19,951
Postage	**11,008**	4,552
Printing and stationery	**45,874**	29,907
Project Contracts	**607,481**	18,000
Recruitment costs	**36,448**	16,117
Reference materials	**4,047**	2,640
Rent	**150,712**	148,442
Reference Groups	**5,524**	13,421
Repairs and maintenance	**39,792**	15,131
Salaries and wages	**1,225,670**	1,017,563
Staff training and welfare	**5,046**	13,085
Expenses carried forward	**-**	-

These financial statements should be read in conjunction with the attached Disclaimer.

Private Information for the directors on the 2006 Financial Statements

Detailed Profit and Loss
For the year ended 30 June 2006

	2006 $	2005 $
Expenses brought forward	**-**	-
Subscriptions	**2,136**	445
Superannuation	**116,900**	98,426
Telephone	**24,307**	19,429
Travelling expenses	**56,648**	30,509
Workcare/WorkCover/Workers Compensation	**7,372**	5,184
Workshop expenses	**183,741**	119,760
TOTAL EXPENSES	**3,097,425**	1,891,271
OPERATING PROFIT/(LOSS)	**193,223**	44,873

These financial statements should be read in conjunction with the attached Disclaimer.