

2024

Financial Report

phn
MURRAY

An Australian Government Initiative



Acknowledgement of Country

Murray PHN acknowledges its catchment crosses over many unceded First Nations Countries following the Dhelkunya Yaluk (Healing River).

We pay our respects and give thanks to the Ancestors, Elders and Young People for their nurturing, protection and caregiving of these sacred lands and waterways, acknowledging their continuation of cultural, spiritual and educational practices.

We are grateful for the sharing of Country and the renewal that Country gives us. We acknowledge and express our sorrow that this sharing has come at a personal, spiritual and cultural cost to the wellbeing of First Nations Peoples.

We commit to addressing the injustices of colonisation across our catchment, and to listening to the wisdom of First Nations communities who hold the knowledge to enable healing.

We extend that respect to all Aboriginal and Torres Strait Islander Peoples.

Our commitment to being an anti-racist company

Murray PHN aspires to be an anti-racist organisation, embedding cultural humility as a daily practice to improve health outcomes and health equity in our communities. We recognise cultural humility as a lifelong commitment to self reflection, personal growth and redressing power imbalances in our society.

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Murray PHN Limited

Directors' Report

Your directors present their report of Murray PHN Limited (referred to herein as Murray PHN) for the year ended 30 June 2024.

Directors

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

Ms L. Burrows OAM (Board Chair)

Dr A. Green (Deputy Board Chair)

Dr M. Fernando

Ms J. Kinder

Mr M. Sharp

Mr R. Cameron

Ms J. Turfrey

Mr A. Baker

Ms E. Cannon (Appointed 22 November 2023)

Mr S. Tinker (Appointed 22 November 2023)

Mr F. Reid (Resigned 22 November 2023)

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

Short and long-term objectives

Murray PHN strengthens primary healthcare through commissioning, coordination and capacity building for the benefit of our region. We use these levers to promote the prevention and control of illness and disease to achieve health improvement in the community by encouraging a coordinated, accessible and responsive primary healthcare system. Working in partnership is the essence of our approach and contribution to strengthening primary healthcare. A well connected, responsive and integrated health system is dependent on the collaboration with many stakeholders and partnerships across health services, health providers, aged care providers and mental health services.

Our long-term vision is for healthy rural and regional communities with timely access to the primary and mental healthcare they need.

Strategy for achieving objectives

Our strategic approach involves understanding the needs of our community and designing interventions which support us to achieve value for the community. Our interventions involve supporting partners, providers and people to improve access to relevant and responsive primary healthcare services to promote the prevention and control of disease in our catchment. We do this through working with partners and through capacity building. We also do this by using best practice models of care and leveraging technologies, such as digital health, that are tailored to the regional context, targeted to local needs and importantly, sustainable. We respect cultural diversity and the wisdom of First Nations Communities to enable health and healing.

Principal activities

The principal activities of Murray PHN during the financial year were consistent with our charitable purpose as a health promotion charity. We continued our activities on a not-for-profit basis, as a Primary Health Network, to promote the prevention and control of illness and disease and improve primary health outcomes within our defined region.

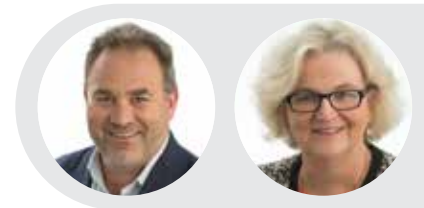
Murray PHN services an expansive area of northern Victoria from Mildura to Woodend and eastward to Wodonga, including Albury (NSW), with a population of approximately 650,000 people spread over almost 100,000 sq. kms. The work and partnerships of Murray PHN take into account the national health priorities identified by the Australian Government, along with local health priorities identified through our health needs assessment process. These include mental health, alcohol and other drugs, aged care, health workforce, First Nations health and healing, children's health, digital health and chronic diseases, which include diabetes, heart disease, chronic obstructive pulmonary disease and cancer.

Performance measures

In the FY24 year, Murray PHN continued to use the PHN Program Performance and Quality Framework (PPQF) as a performance reporting system to inform the Department of Health and Aged Care. The PPQF is the program-wide performance report for PHNs and monitors 53 indicators across five outcomes themes, addressing needs, quality care, improving access, coordinated care and capable organisations. The PHN is transitioning to using the department's new performance reporting framework, the Performance Monitoring Reporting Framework (PMRF), including uploading historical data on a revised set of metrics.

Company secretary

Mr Matt Jones and Mrs Elizabeth Clear held company secretary responsibilities at the end of the financial year.



Name: Mr M. Jones

Qualifications: BA, Masters of Public Health and Tropical Medicine, GAICD.

Experience: Mr Jones is the inaugural CEO of Murray PHN. Previously he was the CEO of Loddon Mallee Murray Medicare Local, the Murray-Plains Division of General Practice and Central Victoria GP Network. Mr Jones has worked in quality management in the Victorian acute health system, as a senior public health policy officer with the Victorian Department of Human Services and in public health management in Western Australia and Aboriginal health management in the Northern Territory and Queensland.

Name: Mrs E. Clear

Qualifications: Bachelor of Commerce, Graduate Diploma in Applied Corporate Governance, CPA, AGIA, ACIS, GAICD.

Experience: Mrs Clear has more than 30 years' experience in governance, organisational development, change management, finance, quality and risk management, with leadership roles in the public, private and not-for-profit sectors.

Significant changes

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

Operating results

Murray PHN recorded a surplus of \$650,214 for the year ended 30 June 2024 (2023: \$689,428).

After balance date events

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

Future developments

Murray PHN's operating budget for 2024/2025 is \$76.2 million. This is a continuation of its health promotion and prevention work across the Commonwealth Department of Health and Aged Care and other funders, approved Activity Work Plans.

Environmental regulations

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



Information on directors



Ms L. Burrows
OAM

Special responsibilities: Board Chair, Governance Committee member.

Qualifications: Tertiary qualifications in Information Science, Business and Local Government Administration. Completed the Graduate requirements of the Australian Institute of Company Directors. Fellow of Local Government Professionals, Fellow of the Institute of Management and Leaders ANZ, and a Graduate Member of the Australian Institute of Company Directors.

Experience and expertise: Leonie Burrows is a management consultant and company director, with 25 years' experience in Local Government. Ms Burrows also has CEO and Board Chair experience in regional development, agriculture, TAFE education, water and strategic planning.

Ms Burrows was previously Chair of Sunraysia Community Health Services, is currently Chair of the Mallee Regional Innovation Centre, Chair of the Loddon Mallee Regional Development Australia and Chair of the One Basin CRC Victorian Hub Committee. She is also a member of the Mallee Regional Partnership.

Tenure: Appointed 15 July 2015.



Dr A. Green

Special responsibilities: Deputy Board Chair, Programs and Quality Committee Chair.

Qualifications: BMed(Sci), MBBS, DRANZCOG, FRACGP.

Experience and expertise: Dr Alison Green has been a GP associate in Wodonga since 1991. She is a GP Obstetrician and has provided maternity services to Albury Wodonga Health for more than 25 years.

Alison has a long history as a GP supervisor, educating medical students, GP registrars and GP obstetric registrars. She has more than 10 years of experience contributing to a number of boards and committees.

Tenure: Appointed 14 November 2017.



Dr M. Fernando

Special responsibilities: Programs and Quality Committee member.

Qualifications: MBBS, DRANZCOG, FRACGP, FARGP, MPH, GCCE, FACRRM, GAICD.

Experience and expertise: Dr Manisha Fernando is a rural GP and holds fellowships in General Practice and Rural General Practice, a Master of Public Health, a Certificate of Clinical Education, a Diploma in Obstetrics and Gynaecology, and is a graduate of the Australian Institute of Company Directors.

Living in the Macedon Ranges for more than 20 years, her professional areas of interest include rural and remote medicine, primary healthcare research, child and adolescent health, women's health and mental health. She also has extensive experience in educating GP trainees and medical students.

Tenure: Appointed 20 November 2019.



Ms J. Kinder

Special responsibilities: Governance Committee member, Programs and Quality Committee member.

Qualifications: Diploma of Management, Graduate of the Fairley Leadership Program, GAICD.

Experience and expertise: Ms Kinder was the former Operations Manager at the University of Melbourne, Shepparton Medical Centre where she gained extensive experience in the strategic planning, management and governance of a primary health service.

With 13 years' experience in the higher education sector, Ms Kinder has held positions as Executive Officer, La Trobe University, Shepparton Campus and Rural Clinical School Manager, University of Melbourne, Department of Rural Health, contributing to the significant growth and expansion of courses, programs and collaborative partnerships across regional Victoria.

Ms Kinder has represented her community as Member, Community Advisory Committee and Primary Care & Population Health Advisory Committee, GV Health and three years as Chair, Goulburn Valley Community Advisory Council for Murray PHN. Through all of these experiences, she has developed a passion for health, education, community engagement, technology, innovation and impact research.

Tenure: Appointed 18 November 2020.



Mr M. Sharp

Special responsibilities: Programs and Quality Committee member.

Qualifications: Bachelor of Nursing (Hons), Post Graduate Diploma Critical Care Nursing, Master of Business (Management).

Experience and expertise: Mr Sharp is the Chief Executive at Goulburn Valley (GV) Health, a position he has held since 2018. During his time with GV Health, Mr Sharp has focused on improving access to health and wellbeing services in the Goulburn Valley region and enhancing capability at GV Health.

Prior to commencing at GV Health, Mr Sharp held the position of Executive Director of Clinical Operations at Eastern Health in Melbourne, was previously the CEO of Rochester and Elmore District Health Service and also held an executive position at Echuca Regional Health.

Having spent most of his life in regional Victoria, Mr Sharp is passionate about public health and takes pride in being able to improve the safety, quality and access to health and wellbeing services, particularly in the regions.

Tenure: Appointed 18 March 2020.



Mr R. Cameron

Special responsibilities: Governance Committee member.

Qualifications: Bachelor of Law, FAICD.

Experience and expertise: Mr Cameron is a lawyer by profession and has a long history of active involvement in government and not-for-profit organisations.

Mr Cameron is a former Victorian State Minister of 11 years, and former Member for Bendigo West. He is the Chair of Coliban Water and the Victorian WorkCover Authority.

Mr Cameron was appointed as interim Chair and sole director of Mildura Base Public Hospital 2019-20 to establish the public entity to take the hospital back into public hands.

Tenure: Appointed 17 November 2021.



Ms J. Turfrey

Special responsibilities: Governance Committee member.

Qualifications: LLB (Hons), GDip EOA and GAICD.

Experience and expertise: Jacki Turfrey is a proud Palawa woman who has lived and worked in Victoria for more than 30 years.

Ms Turfrey is qualified in law, graduating with honours from the University of Melbourne in 1999 and has been admitted to practise law for more than 25 years. She also has a Graduate Diploma in Equal Opportunity Administration.

She is a Barrister and Accredited Mediator at the Victorian Bar and was previously the CEO of Mallee District Aboriginal Services in Mildura.

Ms Turfrey has experience in Executive management and leadership roles with a strong commercial and corporate governance background.

Tenure: Appointed 17 November 2021.



Mr A. Baker

Special responsibilities: Governance Committee member.

Qualifications: Bachelor of Applied Science (Hons), Certification in Production and Inventory Management (APICS), Post Graduate Diploma in Finance (SIA).

Experience and expertise: Andrew Baker is an IT professional with 30 years' experience in leading IT organisations and business change programs. Most recently, he was Chief Information Officer of Australian listed agribusiness GrainCorp.

Mr Baker was previously Chief Information Officer at BlueScope Steel, managing the IT function across their global footprint and led Mars Corporation's supply chain systems projects in Asia Pacific.

Tenure: Appointed 17 November 2021.



Ms E. Cannon

Special responsibilities: Governance Committee member.

Qualifications: B.Arts (Hons). B.Laws (Hons).

Experience and expertise: Ella Cannon is a principal of a law firm based in Melbourne and practises commercial and regulatory law, with a particular health sector specialisation.

Ms Cannon advises a broad range of clients, from ASX-listed companies and government departments to software start-ups and has experience advising key stakeholders in the health industry.

Having grown up in Shepparton, Ms Cannon returned to the Goulburn Valley region with her young family in 2021. She is a current Trustee of the GV Health Foundation and has a keen interest in promoting regional opportunities and improving local health outcomes.

Tenure: Appointed 22 November 2023.



Mr S. Tinker

Special responsibilities: Governance Committee member.

Qualifications: Cert IV in Workplace Training, Qualified Telecommunications Technician.

Experience and expertise: Steve Tinker is the Telstra Regional General Manager for northern and western Victoria, having started in that role in December 2013. Mr Tinker is responsible for Telstra's brand and reputation, stakeholder engagement and customer advocacy across the region.

Mr Tinker brings vast experience and strong strategic focus consolidated during a 35-year career in Telstra across a wide range of business units, roles and locations. These roles include managing some of Telstra's technical workforce, managing sales teams, national retail roles and leading Telstra Country Wide in Northern Tasmania and Central Victoria.

Originally from the Wimmera region, Mr Tinker has lived in regional areas for most of his life. He and his wife Kate live on a small hobby farm in Strathfieldsaye, breeding Wiltipoll sheep in their spare time.

Tenure: Appointed 22 November 2023.



Mr F. Reid

Special responsibilities: Board Chair (until 22 November 2023).

Qualifications: Diploma of Agricultural Science. Trained Primary Teacher's Certificate. Certificate IV Workplace Training and Assessment. Completed the Australian Institute of Company Director, Corporate Governance course.

Experience and expertise: Fabian Reid grew up in regional Victoria and began his professional career in education before moving into politics as an advisor in the 1980s, including a senior advisor role with the Premier of Victoria. Mr Reid holds tertiary qualifications in agricultural science and education and has consulted to numerous organisations including Haven Home Safe, VicRoads, City of Greater Bendigo, Australian Ballet School, Orion Gold, QOD Group, Compass Housing and the Bendigo Business Council.

Mr Reid was previously a director of Access Australia Group and has served as Chair of Bendigo Youth Coordination Group, Chair of the Bendigo Regional Advisory Board for La Trobe University, Chair of the Goldfields Local Learning and Employment Network, was Director of the Golden Dragon Museum and convenor of the Bendigo - A Thinking Community Reference Group. Mr Reid has lived in Bendigo since 1972 and has extensive knowledge of regional and rural communities.

Tenure: Appointed 22 March 2012 and resigned 22 November 2023.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2024, and the number of meetings attended by each director were:

	Board of Directors		Governance Committee		Programs and Quality Committee	
	E	A	E	A	E	A
Ms L. Burrows OAM	9	9	8	7	2	-
Dr A. Green	9	9	-	-	5	5
Dr M. Fernando	9	9	-	-	5	5
Mr M. Sharp	9	9	-	-	5	2
Ms J. Kinder	9	9	-	-	5	5
Mr B. Cameron	9	9	8	8	-	-
Ms J. Turfrey	9	9	8	5	-	-
Mr A. Baker	9	8	8	7	-	-
Ms E. Cannon (Appointed 22 November 2023)	5	5	4	3	-	-
Mr S. Tinker (Appointed 22 November 2023)	5	5	8	8	-	-
Mr F. Reid (Resigned 22 November 2023)	4	4	3	3	3	1
Independent member: Mr A. Woods	-	-	8	8	-	-

E - Eligible A - Attended

Proceedings on behalf of Murray PHN

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

Murray PHN was not a party to any such proceedings during the year.

Members' guarantee

Murray PHN is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If Murray PHN is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of Murray PHN. At 30 June 2024, the collective liability of the 10 members was \$100 (2023: 9 members, \$90).

Auditor's independence declaration

The lead auditor's independence declaration for the year ended 30 June 2024 has been received and can be found on page 10 of the financial report.

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



Ms L. Burrows OAM
Board Chair
25 September 2024





Andrew Frewin Stewart
61 Bull Street Bendigo VIC 3550
ABN: 65 684 604 390
afs@afsbendigo.com.au
(03) 5443 0344

Lead auditor's independence declaration under section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* to the Directors of Murray PHN Limited

As lead auditor for the audit of Murray PHN Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

- i) no contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit, and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'Andrew Frewin Stewart', is positioned above the printed name.

Andrew Frewin Stewart
61 Bull Street, Bendigo Vic 3550
Dated this 25th day of September 2024

A handwritten signature in black ink, appearing to read 'Jessica Ritchie', is positioned above the printed name.

Jessica Ritchie
Lead Auditor

Murray PHN Limited

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2024

	Notes	2024 \$	2023 \$
Revenue and other income			
Revenue and other income	3	72,981,853	68,049,433
Expenses			
Commissioning expenditure		(53,401,905)	(49,355,340)
Employee benefits expense		(15,877,743)	(14,856,191)
Depreciation, amortisation and impairment expenses	4	(431,069)	(471,534)
Finance costs	4	(67,013)	(69,225)
Rental and occupancy expenses	4	(249,769)	(188,572)
Motor vehicle expenses		(99,105)	(48,304)
Administration		(1,585,181)	(1,856,812)
Other expenses		(619,854)	(514,027)
Surplus before income tax expense		650,214	689,428
Income tax expense		-	-
Surplus after income tax expense for the year attributable to the members of Murray PHN Limited		650,214	689,428
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the members of Murray PHN Limited		650,214	689,428

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Murray PHN Limited

Statement of Financial Position

as at 30 June 2024

	Notes	2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents	5	24,669,065	34,212,118
Trade and other receivables	6	290,527	565,358
Other assets	7	1,136,166	2,698,168
Total current assets		26,095,758	37,475,644
Non-current assets			
Right-of-use assets	8	1,396,221	1,115,343
Property, plant and equipment	9	148,291	154,286
Total non-current assets		1,544,512	1,269,629
Total assets		27,640,270	38,745,273
Liabilities			
Current liabilities			
Trade and other payables	10	4,568,102	7,055,170
Grant obligations	11	13,010,290	22,612,406
Lease liability	12	457,248	323,514
Employee entitlements	13	1,818,216	1,565,318
Interest bearing liabilities	14	2,298	7,061
Total current liabilities		19,856,154	31,563,469
Non-current liabilities			
Lease liability	12	927,503	867,556
Employee entitlements	13	378,555	484,710
Provisions	15	168,306	170,000
Total non-current liabilities		1,474,364	1,522,266
Total liabilities		21,330,518	33,085,735
Net assets		6,309,752	5,659,538
Members equity			
Retained surplus		6,309,752	5,659,538
Total members equity		6,309,752	5,659,538

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Murray PHN Limited

Statement of Changes in Equity

For the year ended 30 June 2024

	Retained surplus \$	Total members equity \$
Balance at 1 July 2022	4,970,110	4,970,110
Surplus after income tax expense for the year	689,428	689,428
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	689,428	689,428
Balance at 30 June 2023	5,659,538	5,659,538

	Retained surplus \$	Total members equity \$
Balance at 1 July 2023	5,659,538	5,659,538
Surplus after income tax expense for the year	650,214	650,214
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	650,214	650,214
Balance at 30 June 2024	6,309,752	6,309,752

Murray PHN Limited

Statement of Cash Flows

For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Cash flows from operating activities			
Grants revenue and other receipts		63,058,300	68,384,731
Interest received		1,803,089	1,016,855
Payments to suppliers, employees and directors		(73,723,590)	(66,605,646)
Interest paid on lease liabilities		(67,013)	(69,225)
Short term and low-value lease payments		(96,805)	(85,132)
Net cash from operating activities	23	(9,026,019)	2,641,583
Cash flows from investing activities			
Payments for plant and equipment	9	(112,703)	(160,862)
Net cash used in investing activities		(112,703)	(160,862)
Cash flows from financing activities			
Repayment of borrowings		(4,763)	(7,292)
Repayment of lease commitments		(399,568)	(337,163)
Net cash used in financing activities		(404,331)	(344,455)
Net increase (decrease) in cash and cash equivalents		(9,543,053)	2,136,266
Cash and cash equivalents at the beginning of the financial year		34,212,118	32,075,852
Cash and cash equivalents at the end of the financial year	5	24,669,065	34,212,118

Murray PHN Limited

Notes to the Financial Statements

30 June 2024

Note 1. Material accounting policy information

The financial statements are for Murray PHN Limited (referred to herein as Murray PHN) as an individual entity, incorporated and domiciled in Australia. Murray PHN Limited is a not-for-profit company limited by guarantee and is primarily involved in:

- healthcare systems and redeveloping models of care across the Murray PHN catchment through transparent planning, ongoing engagement, collaboration where and whenever possible, and resource allocation based on strong evaluation and evidence, and
- funding organisations, communities, and partners through good governance practice, regular and accurate reporting, quality staff expertise and by actively building a highly reputable, respected and valued organisation.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures made by the Australian Accounting Standards Board (AASB) and the *Australian Charities and Not-for-profits Commission Act 2012*.

The company does not have 'public accountability' as defined in AASB 1053 *Application of Tiers of Australian Accounting Standards* and is therefore eligible to apply the 'Tier 2' reporting framework under Australian Accounting Standards.

The financial statements comply with the recognition and measurement requirements of Australian Accounting Standards, the presentation requirements in those Standards as modified by AASB 1060: *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (AASB 1060)* and the disclosure requirements in AASB 1060.

Accordingly, the financial statements comply with Australian Accounting Standards – Simplified Disclosures.

The financial statements were authorised for issue on 25 September 2024 by the directors of Murray PHN.

Going concern

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

Functional and presentation currency and rounding

These financial statements are presented in Australian dollars, which is Murray PHN's functional currency. The amounts have been rounded to the nearest dollar.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

Adoption of new and revised accounting standards

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the AASB that are mandatory for the current financial year.

A description of the impact of new or amended Accounting Standards and Interpretations that have had a material impact on the company during the current financial year is outlined below:

AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates* is mandatory for annual reporting periods beginning on or after 1 January 2023 and was adopted by the company in the preparation of the 30 June 2024 financial statements.

AASB 2021-2 includes amendments to AASB 101 *Presentation of Financial Statements*, requiring the company to disclose material accounting policy information in its financial statements rather than

significant accounting policies which was required in previous financial years. Accounting policy information is material if it, when considered with other information, could reasonably be expected to influence decisions of primary users based on the financial statements.

Adoption of AASB 2021-2 has had no impact on the numerical information disclosed in the company's financial statements. Rather, adoption has required the company to remove significant accounting policy information from the notes to the financial statements that is not considered material.

Accounting standards issued but not yet effective

An assessment of accounting standards and interpretations issued by the AASB that are not yet mandatorily applicable to the company has been performed. No new or amended Accounting Standards or Interpretations that are not mandatory have been early adopted, nor are they expected to have a material impact on the company in future financial years.

Impairment of assets

At the end of each reporting period, Murray PHN assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out.

Comparative figures

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

Economic dependence

Murray PHN is dependent on the Australian Government Department of Health and Aged Care for a material amount of its revenue used to operate the business. At the date of this report, the Board of Directors believe the Department of Health and Aged Care will continue to support Murray PHN.

Note 2. Critical accounting judgements, estimates and assumptions

The following are the critical judgements, apart from those involving estimations that the directors have made in the process of applying Murray PHN's accounting policies. These judgements have the most significant effect on the amounts recognised in the financial statements.

Annual leave

For the purpose of measurement, AASB 119: Employee Benefits defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. Murray PHN expects most employees will take their annual leave entitlements within 24 months of the reporting period in which they were earned, but this will not have a material impact on the amounts recognised in respect of obligations for employees' leave entitlements.

Long service leave calculation

Murray PHN assesses the long service leave liability in accordance with the requirements of AASB 119: Employee Benefits and applies probability factors reducing the balance of the liability on employees' balances that have not reached their vesting period i.e. not entitled to be paid out as at 30 June 2024. The probability factors are increased as the respective employees' years of service increase and are provided for at 100 per cent probability at vesting period (in accordance with employment conditions).

Impairment

Murray PHN assesses impairment at each reporting period by evaluating the conditions and events specific to Murray PHN that may be indicative of impairment triggers. Recoverable amount of the relevant assets are reassessed using the value-in-use calculation which incorporates various key assumptions.

Useful lives of property, plant and equipment

Murray PHN reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

Identifying performance obligations under AASB 15

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/-type, cost/-value, quantity and the period of transfer related to the goods or services promised.

Lease term and option to extend under AASB 16

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease start date. Factors considered may include:

- the importance of the asset to the Murray PHN's operations
- comparison of terms and conditions to prevailing market rates

- incurrence of significant penalties
- existence of significant leasehold improvements, and
- the costs and disruption to replace the asset.

Murray PHN reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Borrowing rate under AASB 16

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for Murray PHN's leases, Murray PHN's incremental borrowing rate is used, being the rate Murray PHN would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, Murray PHN:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Note 3. Revenue and other income

	Department of Health and Aged Care	Other Federal	State Government	Other	Total
2024					
Grant revenue	56,624,940	2,497,621	10,692,479	927,226	70,742,266
Other revenue	-	-	-	560,408	560,408
Interest	-	-	-	1,679,179	1,679,179
Total	56,624,940	2,497,621	10,692,479	3,166,813	72,981,853
2023					
Grant revenue	57,827,830	1,320,293	6,303,176	1,276,096	66,727,395
Other services	-	-	-	305,183	305,183
Interest	-	-	-	1,016,855	1,016,855
Total	57,827,830	1,320,293	6,303,176	2,598,134	68,049,433

Note 3. Revenue and other income cont.

Murray PHN's revenue disaggregated by pattern of revenue recognition is as follows:

	Department of Health and Aged Care	Other Federal	State Government	Other	Total
2024					
Goods transferred at a point in time	-	-	-	2,239,587	2,239,587
Services transferred over time	56,624,940	2,497,621	10,692,479	927,226	70,742,266
Total	56,624,940	2,497,621	10,692,479	3,166,813	72,981,853

	Department of Health and Aged Care	Other Federal	State Government	Other	Total
2023					
Goods transferred at a point in time	-	-	-	1,322,038	1,322,038
Services transferred over time	57,827,830	1,320,293	6,303,176	1,276,096	66,727,395
Total	57,827,830	1,320,293	6,303,176	2,598,134	68,049,433

The following aggregated amounts of transaction prices relate to the performance obligations from existing contracts that are unsatisfied or partially unsatisfied as at 30 June 2024:

	2024	2025	2026	Total
Revenue expected to be recognised	10,066,934	-	-	10,066,934

Accounting policy for revenue and other income**Grant revenue**

Revenue arises mainly from the receipt of grants from the Department of Health and Aged Care, Federal Government and State Government.

Murray PHN enters into transactions involving a number of performance obligations. In these cases, the total transaction price for the contract is allocated among the various performance obligations based on their relative stand-alone selling prices, as detailed in the customer approved Activity Work Plan. The transaction price for a contract excludes any amounts collected on behalf of a third party.

Revenue is recognised over time, when (or as) Murray PHN satisfies performance obligations by

transferring the promised goods or services to its customer, as detailed in the customer approved Activity Work Plan.

Murray PHN recognises a contract liability for consideration received in respect of unsatisfied performance obligations and reports these amounts as liabilities in the Statement of Financial Position. Similarly, if Murray PHN satisfies a performance obligation before it receives the consideration, Murray PHN recognises either a contract asset or a receivable in its Statement of Financial Position, depending on whether something other than the passage of time is required before the consideration is due.

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

Note 4. Surplus for the year

Surplus for the year has been determined after:

	2024 \$	2023 \$
Depreciation and amortisation expenses		
Property, plant and equipment		
Furniture, fittings and equipment	12,564	86,931
Leasehold improvements	17,520	19,586
Artwork	1,668	10,800
	31,752	117,317
<i>Right-of-use assets:</i>		
Leased buildings	341,520	268,451
Leased motor vehicles	49,238	77,175
Leased equipment	8,559	8,591
	399,317	354,217
	431,069	471,534

	2024 \$	2023 \$
Finance costs		
Lease interest	67,013	69,225

	2024 \$	2023 \$
Rental expenses		
Rental outgoings	33,468	55,559
Electricity and gas	51,116	31,850
Office cleaning and maintenance	165,185	101,163
Total rental expenses	249,769	188,572

Note 5. Cash and cash equivalents

	2024 \$	2023 \$
Current assets		
Cash at bank	15,002,754	10,505,548
Term deposits	9,666,311	23,706,570
Total cash and cash equivalents	24,669,065	34,212,118

Note 6. Trade and other receivables

	2024 \$	2023 \$
Current assets		
Trade receivables	293,199	570,153
Provision for expected credit losses	(2,672)	(4,795)
Total trade and other receivables	290,527	565,358

Lifetime expected credit loss: credit impaired

The following table shows the movement in lifetime expected credit loss that has been recognised for accounts receivable and other debtors in accordance with the simplified approach set out in AASB 9:

	2024 \$	2023 \$
Balance at beginning of year	(4,795)	(7,336)
- Net measurement of loss allowance	2,123	2,541
Balance at year end	(2,672)	(4,795)

Accounting policy for trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

Provision for expected credit losses

Murray PHN recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Note 7. Other assets

	2024 \$	2023 \$
Current assets		
Accrued income	152,932	276,842
Receivable from the ATO	297,725	508,056
Prepaid expenses	685,509	1,913,270
Total other assets	1,136,166	2,698,168

Financial assets classified as other assets

	Note	2024 \$	2023 \$
Total other assets		1,136,166	2,698,168
Receivable from ATO		(297,725)	(508,056)
Prepaid expenses		(685,509)	(1,913,270)
Total financial assets classified as other assets	16	152,932	276,842

Note 8. Right-of-use assets

	2024 \$	2023 \$
Non-current assets		
Leased buildings	2,369,842	1,904,556
Less accumulated depreciation	(1,223,096)	(846,006)
	1,146,746	1,058,550
Leased motor vehicles	316,701	306,892
Less accumulated depreciation	(82,170)	(273,726)
	234,531	33,166
Leased equipment	43,030	42,957
Less accumulated depreciation	(28,086)	(19,330)
	14,944	23,627
Total right-of-use assets	1,396,221	1,115,343

Note 8. Right-of-use assets cont.

Movements in carrying amounts

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

	Leased buildings \$	Leased motor vehicles \$	Leased equipment \$	Total \$
Balance at 1 July 2023	1,058,550	33,166	23,627	1,115,343
Additions	-	246,512	-	246,512
Remeasurement adjustments	342,770	4,091	(124)	346,737
Transfers in/(out)	86,946	-	-	86,946
Depreciation expense	(341,520)	(49,238)	(8,559)	(399,317)
Balance at 30 June 2024	1,146,746	234,531	14,944	1,396,221

Accounting policy for right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost.

Murray PHN has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets (new assets where the underlying asset value is \$10,000 or less). Lease payments on these assets are expensed to profit or loss as incurred.

Note 9. Property, plant and equipment

	2024 \$	2023 \$
Non-current assets		
Leasehold improvements - at cost	295,410	182,707
Less accumulated depreciation	(155,379)	(137,859)
	140,031	44,848
Furniture, fittings and equipment - at cost	198,959	312,119
Less accumulated depreciation	(193,197)	(206,847)
	5,762	105,272
Artwork - at cost	19,132	19,132
Less accumulated depreciation	(16,634)	(14,966)
	2,498	4,166
Total property, plant and equipment	148,291	154,286

Note 9. Property, plant and equipment cont.**Movements in carrying amounts between the beginning and the end of the financial year**

	Leasehold improvements \$	Furniture, fittings and equipment \$	Artwork \$	Total \$
Balance at 1 July 2023	44,848	105,272	4,166	154,286
Additions at cost	112,703	-	-	112,703
Disposals at written down value	-	(86,946)	-	(86,946)
Depreciation expense	(17,520)	(12,564)	(1,668)	(31,752)
Balance at 30 June 2024	140,031	5,762	2,498	148,291

Note 10. Trade and other payables

	2024 \$	2023 \$
Current liabilities		
Accounts payable	208,256	113,053
Other accrued expenses	4,359,846	6,942,117
Total trade and other payables	4,568,102	7,055,170

Note 11. Unearned grants

	2024 \$	2023 \$
Current liabilities		
Contract liabilities	2,943,356	2,718,084
Unearned grants	10,066,934	19,894,322
	13,010,290	22,612,406

Note 11. Unearned grants cont.

Disaggregation of contract liability and grants refundable are as follows:

	Unearned grants 2024	Contract liabilities 2024	Unearned grants 2023	Contract liabilities 2023
Department of Health and Aged Care				
Core - Corporate Governance	300,014	-	300,000	-
Core - Flexible funds	222,966	-	211,127	-
Core - Health Systems Improvement	868,638	-	521,215	500,000
Core - COVID-19 (Pandemic Response)	126,789	-	988,634	-
After Hours	311,411	-	1,327,246	-
Integrated Team Care	77,918	-	116,782	-
Primary Mental Health	2,024,127	2,678,476	1,465,853	1,688,164
Primary Mental Health	-	-	2,024,403	-
Primary Mental Health - Indigenous	-	-	11,338	-
Drug & Alcohol Treatment Services	520,885	-	476,552	-
Aged Care	208,326	-	199,095	-
CPS Commonwealth Psychosocial Support	437,263	-	2,058,175	-
PHN Pilots and Targeted Program	755,633	-	2,129,088	-
Bushfire Relief	4	-	12,828	100,000
National Mental Health and Suicide	775,185	-	1,216,598	-
Medicare Urgent Care Clinics	30,350	123,770	730,380	-
Total Department of Health and Aged Care	6,659,509	2,802,246	13,789,314	2,288,164
Victorian State Department of Health				
Covid Infection Control Support	94,066	-	136,715	-
Suicide Prevention	103,302	-	180,167	-
Pandemic Preparedness	123,750	-	81,283	-
Joint Needs Assessment Project	-	-	240,000	-
GP Respiratory Clinics	1,419,159	-	1,621,258	130,256
Eye Health	252,737	-	236,485	-
Priority Primary Care Clinics	407,295	-	2,944,118	-
Community Led Cancer Screening	25,286	-	93,798	-
Total Victorian State Department of Health	2,425,595	-	5,533,824	130,256

Note 11. Unearned grants cont.

	Unearned grants 2024	Contract liabilities 2024	Unearned grants 2023	Contract liabilities 2023
Other funders				
Australian Digital Health Agency - My Health Records	51,239	-	41,147	-
Department of Health and Aged Care - Workforce Planning and Prioritisation	708,861	-	227,832	-
Department of Education - General Practice in Schools	5,468	-	(23,211)	-
Melbourne Primary Care Network - Acute Specialist Clinics	121,246	-	-	-
Melbourne Primary Care Network - Enhancing Mental Health Supports in Secondary Schools	29,554	-	-	-
Western Victoria PHN - Maximising Cancer Screening	7,993	-	7,253	-
Murray Exchange Income	1,664	55,000	-	201,664
Victoria Tasmania PHN Alliance	16,006	-	208,163	98,000
VTPHNA - Emergency Response Planning	39,799	-	105,000	-
VTPHNA - Mental Health	-	86,110	-	-
Eastern Melbourne PHN - Heart Failure Project	-	-	5,000	-
Total other funders	981,830	141,110	571,184	299,664
Total grant obligations	10,066,934	2,943,356	19,894,322	2,718,084

Accounting policy for grant obligations

Grant obligations represent Murray PHN's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when Murray PHN recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before Murray PHN has transferred the goods or services to the customer, or when Murray PHN is required to refund the funding back to the funding body.

Note 12. Lease liability

	2024 \$	2023 \$
Current liabilities		
Lease liability	457,248	323,514
Non-current liabilities		
Lease liability	927,503	867,556
Total present value of lease liability	1,384,751	1,191,070

Note 12. Lease liability cont.

Accounting policy for lease liabilities

Murray PHN's lease portfolio includes leased properties, motor vehicles and equipment. The lease terms for each type of lease arrangement are:

Class of lease

Leased properties	4 - 8 years
Leased motor vehicles	3 years
Leased equipment	5 years

Note 13. Employee entitlements

	2024 \$	2023 \$
Current liabilities		
Annual leave	974,641	940,946
Long service leave	838,412	618,289
Parental leave	3,531	3,737
Other payroll deductions	1,632	2,346
	1,818,216	1,565,318
Non-current liabilities		
Long service leave	378,555	484,710
Total employee entitlements	2,196,771	2,050,028

Accounting policy for employee benefits

Provision for annual leave

A provision has been recognised for employee entitlements relating to annual leave. Based on past experience, the company expects the full annual leave to be settled within the next 24 months.

Provision for long service leave

A provision has been recognised for employee entitlements relating to long service leave.

Long service leave is measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations.

Note 14. Provisions

	2024 \$	2023 \$
Current liabilities		
Credit cards	2,298	7,061

Note 15. Provisions

	2024 \$	2023 \$
Non-current liabilities		
Provision for 'make good' lease	168,306	170,000

Movements in provisions

Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

	2024 \$	2023 \$
Opening balance	170,000	108,000
Additional provisions recognised	18,620	62,000
Remeasurement adjustments	(27,683)	-
Unwinding of discount	7,369	-
Closing balance	168,306	170,000

Note 16. Financial risk management

Murray PHN's financial instruments consist mainly of deposits with banks, term deposits, accounts receivable and payables, grants refundable and lease liabilities. Murray PHN does not have any derivative instruments at 30 June 2024.

The totals for each category of financial instruments are as follows:

	Note	2024 \$	2023 \$
Financial assets			
Cash and cash equivalents	5	24,669,065	34,212,118
Trade and other receivables	6	290,527	565,358
Other assets	7	152,932	276,842
Total financial assets at amortised cost		25,112,524	35,054,318
Financial liabilities			
Trade and other payables	10	4,568,102	7,055,170
Lease liabilities	12	1,384,751	1,191,070
Interest bearing liabilities	14	2,298	7,061
Total financial liabilities at amortised cost		5,955,151	8,253,301

Note 16. Financial risk management cont.

Accounting policy for financial assets and liabilities

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Subsequent measurement

Financial assets of Murray PHN are classified at amortised cost.

Murray PHN's financial assets at amortised cost includes cash and cash equivalents, trade and other receivables, and other assets.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from Murray PHN's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- Murray PHN has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) Murray PHN has transferred substantially all the risks and rewards of the asset, or (b) Murray PHN has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

Subsequent measurement

Trade and other payables are subsequently measured at amortised cost.

Murray PHN's financial liabilities include trade and other payables, grants refundable, lease liabilities and interest bearing liabilities.

Note 17. Key management personnel compensation

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

KMPs	Position Title
Jones, Matthew	Chief Executive Officer
Phillips, Jacque	Chief Operations Officer
Clear, Elizabeth	Chief Corporate Officer
Bolam, Bruce	Chief of Strategy & Performance
Berry, Aileen	Executive Director of Communications
Radrekusa, Janice	Director of Operations/Acting Chief Operations Officer
Andrews, Frances	Director Finance and Reporting
Johansen, Ian	Director Mental Health and Wellbeing
Escall, Aida	Director Strategy & Business Innovation
Lees, Christopher	Director ICT
Robertson, Rebecca	Director Corporate Projects

Note 17. Key management personnel compensation cont.

KMPs	Position Title
Batchelor, Catherine	Director of Integrated Projects & Partnerships
Buck, Tania	Director Evaluation & Data Analytics
Sutherland, Beverley	Director People & Culture
Harradine, Emma	Acting Director of Operations
Wilson, Susan	Acting Director Evaluation and Data
Hyett, Nerida	Acting Director Integrated Projects
Burrows OAM, Leonie	Chair of the Board
Green, Alison	Deputy Chair of the Board
Fernando, Manisha	Board Member
Sharp, Matthew	Board Member
Kinder, Joanne	Board Member
Cannon, Ella	Board Member
Baker, Andrew	Board Member
Cameron, Robert	Board Member
Turfrey, Jacquelyn	Board Member
Tinker, Stephen	Board Member
Woods, Adam	Independent
Reid, Fabian	Chair

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel. The totals of remuneration paid to key management personnel of the company during the year are as follows:

	2024	2023
	\$	\$
Compensation paid and payable	3,305,272	2,938,011

Note 18. Auditor's remuneration

During the financial year, the following fees were paid or payable for services provided by Andrew Frewin Stewart, the auditor of the company:

	2024	2023
	\$	\$
Audit services	22,530	22,000
Audit services of acquittals	27,950	24,990
Other services	8,225	1,575
Total auditor's remuneration	58,705	48,565

Note 19. Contingent assets and contingent liabilities

Contingent Assets

The company is not aware of any other contingent assets as at 30 June 2024. (2023: Nil)

Contingent Liabilities

The company is not aware of any other contingent liabilities at 30 June 2024. (2023: Nil)

Note 20. Capital and leasing commitments

Murray PHN's lease commitments which relate to lease arrangements which meet the low value lease exemption criteria of AASB 16 include:

	2024 \$	2023 \$
Low value leases contracted for but not capitalised in the financial statements:		
Not later than 12 months	70,219	85,714
Between 12 months and 5 years	29,771	73,405
Total commitment	99,990	159,119
Less: Future finance charges	-	-
Net commitment recognised as liabilities	99,990	159,119

Low value operating lease commitments

As at 30 June 2024, the company was committed to the following operating leases that meet the criteria low value lease exemption for AASB 16:

a) A non-cancellable operating lease contracts with BOQ Finance and Navman Wireless for lease of computers. Each lease has different end dates with the last expiry date being June 2026.

Capital expenditure commitments

No capital expenditure commitments were contracted for at year end (2023: Nil).

Note 21. Related party transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons. The details of each related party transaction during the financial year is as follows:

Board Member, Matt Sharp is the Chief Executive Officer of Goulburn Valley Health. Goulburn Valley Health received payments from the company for contractual relationships involving the provision of headspace and mental health services during the FY24. The total value of these transactions is \$1,633,867.

Board Member, Dr Alison Green is associated with Albury Wodonga Health. Albury Wodonga Health received payments from the company relating to the provision of mental health services during the FY24. The total value of these transactions is \$8,000.

Note 21. Related party transactions cont.

Board member and Chair of the Governance Committee, Bob Cameron is a Board Member (Chair) of Coliban Water, which received \$2,410 during FY24 for water rates at CV Office, and the Chair of Victorian Workcover Authority (Worksafe) which received \$263,752 in insurance premiums during FY24 for Victorian Workers Compensation.

Board member, Stephen Tinker is an employee and shareholder of Telstra Corporation Limited which received payments from the company for communication and technology services during the FY24. The total value of these transactions is \$82,497.

All Board meeting minutes have been reviewed for conflict-of-interest declarations.

Note 22. Events after the reporting period

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Note 23. Cash flow Information

Reconciliation of surplus to net cash provided by operating activities.

	2024 \$	2023 \$
Surplus after income tax expense for the year	650,214	689,428
Adjustments for:		
Depreciation, amortisation and impairment expenses	431,069	471,534
Changes in assets and liabilities		
Decrease in trade and other receivables	274,831	510,217
Increase/(decrease) in trade and other payables	(2,487,068)	1,621,885
Increase/(decrease) in unearned grants	(9,602,116)	1,530,445
Increase in employee benefits	146,743	280,806
Increase/(decrease) in other provisions	(1,694)	62,000
Decrease in other assets	1,562,002	(2,524,732)
Net cash from operating activities	(9,026,019)	2,641,583

Note 24. Registered office/principal place of business

The registered office of the company and principal place of business is 3-5 View Point, Bendigo, Victoria, 3550.

The directors of Murray PHN declare that the financial statements on pages 10 to 29 are in accordance with the *Australian Charities and Not-for-profit Commission Act 2012* and:

- comply with Australian Accounting Standards – Simplified Disclosures, and
- give a true and fair view of the financial position as at 30 June 2024 and the financial performance for the year ended on that date.

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

This declaration is signed in accordance with subs 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013*.



Ms L. Burrows OAM

Board Chair

25 September 2024



Andrew Frewin Stewart
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Independent auditor's report to the Directors of Murray PHN Limited

Report on the audit of the financial statements

Opinion

We have audited the financial report of Murray PHN Limited (the company), which comprises:

- Statement of financial position as at 30 June 2024
- Statement of profit or loss and other comprehensive income for the year then ended
- Statement of changes in equity for the year then ended
- Statement of cash flows for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory notes
- The directors' declaration of the company.

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

- i. giving a true and fair view of the company's financial position as at 30 June 2024 and of its financial performance for the year ended on that date, and
- ii. complying with Australian Accounting Standards – Simplified Disclosure Requirements and the Australian Charities and Not-for-profits Commission Regulations 2013.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report.

We are independent of the company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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



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Other information

The company may prepare an annual report that may include the financial statements, director's report and declaration and our audit report (the financial report). The annual report may also include "other information" on the entity's operations and financial results and financial position as set out in the financial report, typically in a Chairperson's report and reports covering governance and other matters.

The directors are responsible for the other information. An annual report has not been made available to us as of the date of this auditor's report.

Our opinion on the financial report does not cover the other information and accordingly we will not express any form of assurance conclusion thereon.

Our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If we identify that a material inconsistency appears to exist when we read the annual report (or become aware that the other information appears to be materially misstated), we will discuss the matter with the directors and where we believe that a material misstatement of the other information exists, we will request management to correct the other information.

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 – Simplified Disclosure Requirements 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 is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibility for the audit of the financial report

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



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As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink, appearing to read 'Andrew Frewin Stewart', written in a cursive style.

Andrew Frewin Stewart
61 Bull Street, Bendigo, 3550
Dated this 25th day of September 2024

A handwritten signature in black ink, appearing to read 'Jessica Ritchie', written in a cursive style.

Jessica Ritchie
Lead Auditor

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