

Murray PHN Limited

ABN: 92 156 423 755

Financial Statements

For the year ended

30 June 2018

Murray PHN Limited

30 June 2018

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Murray PHN Limited Directors' Report

For the Year Ended 30 June 2018

Your directors present their report of Murray PHN Limited for the year ended 30 June 2018.

Directors

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

Mr F. Reid Board Chair	Dr C. Atkins Deputy Board Chair
Dr T. Barrett	Mr V. Hamit
Mr T. Rayment	Ms S. Clarke
Prof. H. Swerissen	Ms L. Burrows
Dr A. Green (Appointed 14 November 2017)	Mr K. Boote (Resigned 21 September 2017)
Ms Jane Sullivan (Resigned 14 November 2017)	

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

Company Secretary

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

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 Aboriginal health in the Northern Territory, Queensland and Western Australia.
Mrs. E Clear	
Qualifications:	Bachelor of Commerce, CPA, Graduate Diploma in Applied Corporate Governance
Experience:	Mrs Elizabeth Clear has over 30 years' experience in organisational development, change management, finance, quality and risk management, and governance, with leadership roles in the public, private and not for profit sectors.

Murray PHN Limited

Directors' Report

For the Year Ended 30 June 2018

Principal Activities

The principal activities of the company 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 in human beings and achieve improved primary health outcomes in the community within our defined geographic 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 644,000 people spread over almost 100,000 sq kms. This covers 55 hospital services, 214 general practices and 22 local government areas. Working closely with health services and stakeholders across the region, Murray PHN will continue with health promotion activities and identify ways to improve health outcomes. Our national PHN objectives are to increase the efficiency and effectiveness of health services for patients, particularly those at risk of poor health outcomes and improve the coordination of care to ensure patients receive the right care in the right place at the right time. The work and partnerships of Murray PHN will take into account the national health priorities, identified by the Australian Government. These include chronic diseases, which include diabetes, heart disease, COPD and cancer, Mental health, aged care, health workforce, population health, Aboriginal and Torres Strait Islander health and eHealth.

Significant Changes

In the opinion of the directors, there were no significant changes in the state of affairs of the company that occurred during the financial year under review not otherwise disclosed in this report or the financial statements.

Operating Results

The company recorded a profit of \$774,883 for the year ended 30 June 2018.

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affect or may significantly affect the operations of the company, or the results of those operations.

Future Developments

The company Operating Budget for 2018/2019 is \$47.7million. This is a continuation of its health promotion and prevention work across the Department of Health and other Funders approved activity work plans.

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.

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 date of this report.

Murray PHN Limited

Directors' Report

For the Year Ended 30 June 2018

Information on Directors

Mr F. Reid

Qualifications:	Diploma of Agricultural Science. Trained Primary Teacher's Certificate. Certificate IV Workplace Training and Assessment. Completed the Australian Institute of Company Directors, Corporate Governance course.
Tenure:	Appointed 22 March 2012
Experience:	Mr Reid grew up in regional Victoria and has extensive knowledge of regional Victorian communities. He holds tertiary qualifications in agricultural science and education. He began his professional career in education until he moved into politics as senior advisor to the federal member for Bendigo during the 1980s. He has also been senior adviser to a premier of Victoria before moving into several corporate and consulting roles. For the past seven years, Mr Reid has consulted to organisations such as Haven, VicRoads, City of Greater Bendigo, Federal Member for Bendigo, Regional Development Victoria, Australian Ballet School, Orion Gold, QOD Group, Compass Housing and the Bendigo Business Council. He is a director of Bendigo Access Employment and has served as chair of the Bendigo Regional Advisory Board for La Trobe University, chair of the Goldfields Local Learning and Employment Network, a director of the Golden Dragon Museum, and convenor of the Bendigo-A Thinking Community Reference Group.
Special Responsibilities:	Board Chair

Dr C. Atkins

Qualifications:	MB,BS; MHA; LLB(Hons); GAICD; MRACGP
Tenure:	Appointed 22 March 2012
Experience:	Dr Atkins is a general practitioner and director of the Brooke Street Medical Centre in Woodend. He is involved in all areas of health care including acute and emergency care, paediatrics, aged care, adult health and chronic disease management. As a director, Dr Atkins is involved in overseeing practice management. Dr Atkins is also a qualified lawyer and practices in the area of health law and occasionally tutors medical students at the Monash Rural Medical School in Bendigo. Currently Chair of New Aged Care Pty Ltd, and previous board positions include Chair of the VMO Group, Kyneton Health and Chair of Central Highlands General Practitioner Network.
Special Responsibilities:	Deputy Board Chair (appointed 15/11/2017)

Dr T. Barrett

Qualifications:	B.Med Sci; MBBS; MRCGP; GAICD
Tenure:	Appointed 22 March 2012
Experience:	Dr Barrett is a private general practitioner and GP associate with Eaglehawk Medical Group since 1994. Dr Barrett has 21 years experience as a director, with 14 years as Chair of various boards and committees. Dr Barrett was chair of the Loddon Mallee Medicare Local, the Central Victorian GP Network, Bendigo Division of General Practice, director and chair of Victoria Felix Medical Education. Dr Barrett has also served on various committees of AMA Victoria. During the 29 years of general practice Dr Barrett has also worked in community health, prison health and indigenous health. Dr Barrett is a supervisor of medical students and GP registrars within general practice.
Special Responsibilities:	Deputy Board Chair (resigned on 15/11/2017), Programs and Quality Committee member

Murray PHN Limited

Directors' Report

For the Year Ended 30 June 2018

Information on Directors *(continued)*

Mr V. Hamit

Qualifications:	B.Ec (Acc), LLB, FAICD, CTA
Tenure:	Appointed 22 March 2012
Experience:	Mr Hamit is a lawyer and director of Wentworth Lawyers in Echuca and Melbourne, practicing in commercial and taxation matters. He provides advice to SME's, publicly listed companies and a range of not for profit organisations. Mr Hamit is an experienced company director having previously sat on the boards of SBS Community Board, Rural Ambulance Victoria and the Riverine Herald group. He was a Commissioner for the Shire of Campaspe and is also an experienced company chairman.
Special Responsibilities:	Chair of Governance sub-committee (appointed 21/2/2018)

Mr T. Rayment

Qualifications:	B.Bus, Grad Dip PSEM, FAIM, AFACHSE, GAICD
Tenure:	Appointed 22 March 2012
Experience:	For the past eleven years, Mr Rayment has been the chief executive officer of Swan Hill District Health. He previously worked as director of clinical operations for Greater Southern Area of Health Services in New South Wales, chief executive officer of Royal Hobart Hospital, chief executive officer of Canberra Hospital and various executive roles within the Northern Territory Department of Health and Community Services. Mr Rayment is currently on the boards of Primary Care Partnership and is deputy chair of the Loddon Mallee Rural Health Alliance. He was previously a director of the Health Roundtable and Royal Hobart Hospital Research Foundation. Other leadership roles include president of the Australian Human Resources Institute of Northern Territory and Western Australia.
Special Responsibilities:	Governance sub-committee member

Ms S. Clarke

Qualifications:	GDipSocSci, GDipBus, FAICD, and ANZSOG Fellow.
Tenure:	Appointed 22 March 2012
Experience:	Ms Clarke has held senior positions in health and community services for over 40 years including community health, local government, state government and the private sector. Ms. Clarke's experience extends across primary healthcare, philanthropy, governance and community engagement. She joined the Board of Bendigo Health in 2010 and is Chair of Bendigo Health's Quality Care Council. She is also a Director and Chair of Loddon Mallee Housing Ltd t/a Haven; Home, Safe, a Patron of the Community Foundation for Bendigo and Central Victoria.
Special Responsibilities:	Programs and Quality Committee member

Dr A. Green

Qualifications	BMed(Sci), MBBS, DRANZCOG, FRACGP
Tenure:	Appointed 14 November 2017
Experience:	Dr Alison Green is a GP associate with Central Medical Group Wodonga since 1991. She is a GP Obstetrician and has provided Maternity services to Albury Wodonga Health for over 25 years. Alison has a long history as a GP Supervisor educating medical students, GP registrars and GP Obstetric Registrars. Alison has over 10 years of experience on various boards and is currently the Deputy Chair of Murray Country City Coast regional Training Organisation, as well as contributing to a number of other boards and committees.
Special Responsibilities:	Programs and Quality Committee member

Murray PHN Limited

Directors' Report

For the Year Ended 30 June 2018

Information on Directors *(continued)*

Prof. H. Swerissen

Qualifications	BAppSc, Grad Dip Psych, BA (Hons), MAppPsych, DBA.
Tenure:	Appointed 19 September 2012
Experience:	Professor Swerissen is an expert on health policy and program development. He has an extensive research record in the design and development of primary health and community services. Professor Swerissen is a fellow in the health program at the Grattan Institute and emeritus professor of public health at La Trobe University. Professor Swerissen was previously Pro Vice Chancellor and Executive Dean of Health Sciences at La Trobe University. He has held senior positions with the Commonwealth and Victorian Governments and a number of Board appointments including with Dental Health Services Victoria and Alfred Health. He has published more than 150 books, articles, reports and conference papers on health and community services policy and programs.
Special Responsibilities:	Programs and Quality Committee member, Population Health Advisory Council member

Ms L. Burrows

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, an Associate Fellow of the Australian Institute of Management, a Member of Australian Local Government Managers Association and a Graduate Member of the Australian Institute of Company Directors.
Tenure:	Appointed 15 July 2015
Experience:	Ms Burrows is a Mildura based management consultant. She has 25 years' experience in Local Government, including a number of years as a Council CEO at Mildura Rural City Council. Her background in Local Government has mainly been in the community services and regional economic development areas, although she has managed the traditional technical services area of roads, waste and parks and gardens. In her consulting roles she has also undertaken some Acting CEO roles. This has included roles as CEO of the Australian Tablegrape Growers Association, CEO of the Australian Citrus industry and CEO of Buloke Shire. She has also undertaken 7 months as CEO of the Sunraysia Institute of TAFE. Ms Burrows has facilitated/developed some 38 Strategic Plans for local, regional, state and national groups/organisations. This has included the development of the Loddon Mallee Strategic Plan for the Victorian State Government. Ms Burrows is Chair of Sunraysia Community Health Service and is a member of the Loddon Mallee Regional Development Australia Board. Previous roles include Chair of Sunraysia Institute of TAFE, Chair of the Victorian TAFE Association, Chair of Lower Murray Water Corporation, Chair of the Mildura Transport and Logistics Cluster and involvement in numerous other community organisations. For four years she was also Executive Officer of the Alliance of Councils for Rail Freight Development.
Special Responsibilities:	Governance sub-committee member

Ms Jane Sullivan

Qualifications	Bachelor of Arts with majors in journalism and literature. Completing the NSW Legal Profession Admission Board Diploma of Law course in 2015.
Tenure:	(Resigned 14 November 2017)
Experience:	Ms Jane Sullivan has held senior communication positions in private, public and government owned companies over the past 35 years after studying and working as a newspaper journalist. Jane is a Communications and Marketing professional with extensive knowledge of all the levers necessary for business to communicate with their stakeholders.

Murray PHN Limited

Directors' Report

For the Year Ended 30 June 2018

Information on Directors *(continued)*

Mr K. Boote

Qualifications	Completed the Dept. of Health - Boards Governance course.
Tenure:	(Resigned 21 September 2017)
Experience:	Mr Boote lived in the Shire of Murrindindi in the township of Alexandra for more than 30 years where he owned and operated a large gymnasium and fitness centre and managed a multi-purpose sport and leisure centre on behalf of the Shire. For the past 8 years he has resided in Shepparton. Mr Boote has been an operations manager for an independently owned group of Supermarkets and Hotels primarily based in regional Victoria for the last 14 years. Mr Boote has previously been a Director of Goulburn Valley Medicare Local and of Ambulance Victoria where he continues to serve on their Community Advisory Committee. He is currently Board Chair of Darlingford Upper Goulburn Nursing Home in Eildon and Primary Care Connect in Shepparton.
Special Responsibilities:	Chair of Governance sub-committee (resigned 21/09/2017)

Directors' Meetings

During the financial year, 10 meetings of directors were held. Attendances by each director were as follows:

	Board of Directors		Governance sub-committee		Programs and Quality Committee	
	<i>Eligible</i>	<i>Attended</i>	<i>Eligible</i>	<i>Attended</i>	<i>Eligible</i>	<i>Attended</i>
Mr F. Reid	10	10	-	-	-	-
Dr C Atkins	10	8	-	2	-	-
Dr T. Barrett	10	9	-	-	2	1
Mr V Hamit	10	10	5	5	-	-
Mr T Rayment	10	9	5	4	-	-
Ms S Clarke	10	10	-	-	2	2
Prof H Swerissen	10	10	-	-	2	2
Ms L Burrows	10	9	5	4	-	-
Dr A Green	6	6	-	-	1	-
Mr K Boote	3	3	2	2	-	-
Ms J Sullivan	4	4	-	-	-	-

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.

Murray PHN Limited

Directors' Report

For the Year Ended 30 June 2018

Members' Guarantee

The entity 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 outstanding obligations of the entity. At 30 June 2018 the collective liability of the 9 members was \$90 (2017: 10 members \$100).

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2018 has been received and can be found on page eight of the Financial Report.

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



Mr F. Reid, Chair

Dated this 3rd day of October 2018

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018 there has been:

- i. no contraventions of the auditor's independence requirements as set out in the *Australian Charities and Not for Profits Commission Act 2012* in relation to the audit
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.



Andrew Frewin Stewart
61 Bull Street, Bendigo, 3550
Dated this 3rd day of October 2018



Adrian Downing
Lead Auditor

Murray PHN Limited

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2018

	Notes	2018 \$	2017 \$
Income			
Revenue	2	35,710,077	35,480,646
Total Income		35,710,077	35,480,646
Expenditure			
Employee benefits expense		8,710,568	8,211,580
Depreciation, amortisation and impairment expenses	3i	127,613	164,634
Rental and occupancy expenses		585,052	630,573
Program expenses		23,831,498	24,129,875
Motor vehicle expenses		173,506	157,196
Administration		1,247,718	1,029,089
Other expenses		259,239	123,612
Total Expenditure		34,935,194	34,446,559
Profit before income tax		774,883	1,034,087
Income tax expense	1i	-	-
Profit for the year		774,883	1,034,087
Other Comprehensive Income for the Year		-	-
Total Comprehensive Income for the Year		774,883	1,034,087

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 2018

	Notes	2018 \$	2017 \$
Current Assets			
Cash and cash equivalents	4	17,656,999	14,981,605
Trade and other receivables	5	92,412	4,663
Other assets	6	336,119	309,146
Intangible assets	7	12,883	25,767
Total Current Assets		18,098,413	15,321,181
Non-Current Assets			
Property, plant and equipment	8	11,182	109,619
Total Non-Current Assets		11,182	109,619
Total Assets		18,109,595	15,430,800
Current Liabilities			
Employee entitlements	9	769,036	623,597
Trade and other payables	11	3,404,212	4,251,743
Interest bearing liabilities	12	4,526	11,248
Grants refundable	14i	503,438	1,018,305
Unearned grants	14ii	9,798,935	6,738,950
Total Current Liabilities		14,480,147	12,643,843
Non-Current Liabilities			
Employee entitlements	9	228,428	160,820
Provisions	10	110,000	110,000
Total Non-Current Liabilities		338,428	270,820
Total Liabilities		14,818,575	12,914,663
Net Assets		3,291,020	2,516,137
Members' Equity			
Retained surplus		3,291,020	2,516,137
Total Members' Equity		3,291,020	2,516,137

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Murray PHN Limited

Statement of Changes in Equity

For the Year Ended 30 June 2018

	Retained Earnings \$	Total Equity \$
Balance at 1 July 2016	1,482,050	1,482,050
Profit for the year	1,034,087	1,034,087
Total other comprehensive income for the year	-	-
Balance at 30 June 2017	2,516,137	2,516,137
Balance at 1 July 2017	2,516,137	2,516,137
Profit for the year	774,883	774,883
Total other comprehensive income for the year	-	-
Balance at 30 June 2018	3,291,020	3,291,020

Murray PHN Limited

Statement of Cash Flows

For the Year Ended 30 June 2018

	Notes	2018 \$	2017 \$
Cash Flows from Operating Activities			
Grants revenue and other receipts		36,728,651	36,391,297
Interest received		557,569	507,235
Payments to employees, directors and suppliers		(34,594,534)	(33,241,105)
Net Cash Provided by Operating Activities	13	2,691,686	3,657,427
Cash Flows from Investing Activities			
Payments for plant and equipment		(16,292)	(134,291)
Net Cash Used in Investing Activities		(16,292)	(134,291)
Net increase in cash held		2,675,394	3,523,136
Cash and cash equivalents at the beginning of the financial year		14,981,605	11,458,469
Cash and Cash Equivalents at the End of the Financial Year	4	17,656,999	14,981,605

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Murray PHN Limited

Notes to the Financial Statements

For the Year Ended 30 June 2018

Note 1. Summary of Significant Accounting Policies

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

Basis of preparation

The company applies Australian Accounting Standards - Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards*.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC). The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, 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. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 3 October 2018 by the directors of the company.

Accounting policies

(a) New standards adopted as at 1 July 2017

AASB 15 Revenue from Contracts with Customers

AASB 15 replaces AASB 118 Revenue, AASB 111 Construction Contracts and several revenue-related Interpretations. The new Standard has been early adopted as at 1 July 2017 using the modified retrospective approach. Under this approach, the cumulative effect of initial application is recognised as an adjustment to the opening balance of retained earnings at 1 July 2017 and comparatives are not restated. In accordance with the transition guidance, AASB 15 has only been applied to contracts that are incomplete as at 1 July 2017.

The adoption of AASB 15 has not materially affected the financial statements.

AASB 1058 Income of Not-for-profit Entities

AASB 1058 replaces AASB 118 Revenue, AASB 111 Construction Contracts and several revenue-related Interpretations. The new Standard has been early adopted as at 1 July 2017 using the modified retrospective approach. Under this approach the cumulative effect of initial application is recognised as an adjustment to the opening balance of retained earnings at 1 July 2017 and comparatives are not restated.

The adoption of AASB 1058 has not materially affected the financial statements.

Murray PHN Limited

Notes to the Financial Statements

For the Year Ended 30 June 2018

Note 1. Summary of Significant Accounting Policies *(continued)*

(b) Changes in significant accounting policies

The financial statements have been prepared in accordance with the same accounting policies adopted in the last financial statements for the year ended 30 June 2017, except as described below. Note that the changes in accounting policies specified below only apply to the current period. The accounting policies included in the company's last financial statements for the year ended 30 June 2017 are the relevant policies for the purposes of comparatives.

AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-profit Entities were early adopted, effective from 1 July 2017. Changes to the company's accounting policies arising from these standards are summarised below:

Grant revenue

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

To determine whether to recognise grant revenue, the company follows a five step process:

- 1 Identifying the contract with a customer
- 2 Identifying the performance obligations
- 3 Determining the transaction price
- 4 Allocating the transaction price to the performance obligations
- 5 Recognising revenue when/as performance obligation(s) are satisfied.

The company enters into transactions involving a number of performance obligations. In these cases, the total transaction price for the contract is allocated amongst 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 parties.

Revenue is recognised over time, when (or as) the company satisfies performance obligations by transferring the promised goods or services to its customer, as detailed in the customer approved Activity Work Plan.

The company recognises unearned grants for consideration received in respect of unsatisfied performance obligations and reports these amounts as liabilities in the statement of financial position. Similarly, if the company satisfies a performance obligation before it receives the consideration, the company 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.

Other revenue

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset. The gain or loss on disposal of non-current asset sales are recognised at the date control passes to the buyer, usually when an unconditional contract of sale is signed. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal (including incidental costs).

The early adoption of AASB 15 and AASB 1058 did not have a material impact on the company's financial statements.

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

Murray PHN Limited

Notes to the Financial Statements

For the Year Ended 30 June 2018

Note 1. Summary of Significant Accounting Policies *(continued)*

(c) Intangible assets

Computer software

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

(d) Property, Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(k) for details of impairment).

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

Depreciation

The depreciable amount of all fixed assets is depreciated over the asset's useful life to the entity commencing from the time the asset is held ready for use. Structural improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The assets' residual values 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 or losses are included in the statement of comprehensive income.

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

Class of Fixed Asset	Depreciation Rate
Leasehold Improvements	Based on expiration of lease
Equipment, Furniture and Fittings	20% - 100%

(e) Leases

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

The company has no finance leases.

Murray PHN Limited

Notes to the Financial Statements

For the Year Ended 30 June 2018

Note 1. Summary of Significant Accounting Policies (continued)

(f) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset. Financial instruments are initially measured at fair value plus transaction 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

The company only has financial instruments that are measured at amortised cost using the effective interest rate method or cost. The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in the statement of comprehensive income.

Impairment

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the statement of comprehensive income.

(g) Cash and cash equivalents

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

(h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the statement of financial position are stated inclusive of GST.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

(i) Income tax

No provision for income tax has been raised as the company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997* as a charity registered under the *Australian Charities and Not-for-profits Commission Act 2012*.

Murray PHN Limited

Notes to the Financial Statements

For the Year Ended 30 June 2018

Note 1. Summary of Significant Accounting Policies (continued)

(j) 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. Provisions recognised represent the best estimate of the amounts required to settle the obligation at reporting date.

(k) Impairment of assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(l) Comparative figures

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

(m) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Murray PHN Limited

Notes to the Financial Statements

For the Year Ended 30 June 2018

Note 1. Summary of Significant Accounting Policies (continued)

(n) Employee benefits

Short-term employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligations for short-term employee benefits such as wages and salaries are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

The company classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the company's obligation for other long-term employee benefits, which are 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. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense.

The company's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

(o) Economic dependence

The company is dependent on the Australian Government Department of Health (DoH) for a material amount of its revenue used to operate the business. At the date of this report, the Board of Directors has no reason to believe the DoH will not continue to support the company.

(p) New Accounting Standards for Application in Future Periods

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 16: Leases	1/01/2019	30/06/2020

Murray PHN Limited

Notes to the Financial Statements

For the Year Ended 30 June 2018

Note 2. Revenue

For the year ended 30 June 2018, revenue includes \$6,475,570 included in the unearned grants liability balance at the beginning of the period.

The company's revenue disaggregated by type of customer is as follows:

	Department of Health \$	Federal Government \$	State Government \$	Other \$	Total \$
2018					
Grant revenue	33,576,412	226,626	560,072	383,177	34,746,287
Other services	-	-	383,895	36,508	420,403
Interest	-	-	-	543,387	543,387
Total	33,576,412	226,626	943,967	963,072	35,710,077
2017					
Grant revenue	34,019,592	-	228,235	168,533	34,416,360
Other services	-	-	-	35,354	35,354
Donations	-	-	-	521,697	521,697
Interest	-	-	-	507,235	507,235
Total	34,019,592	-	228,235	1,232,819	35,480,646

The company's revenue disaggregated by pattern of revenue recognition is as follows:

	Department of Health \$	Federal Government \$	State Government \$	Other \$	Total \$
2018					
Goods transferred at a point in time	-	-	383,895	579,895	963,790
Services transferred over time	33,576,412	226,626	560,072	383,177	34,746,287
Total	33,576,412	226,626	943,967	963,072	35,710,077
2017					
Goods transferred at a point in time	-	-	-	542,589	542,589
Donations transferred at a point in time	-	-	-	521,697	521,697
Services transferred over time	34,019,592	-	228,235	168,533	34,416,360
Total	34,019,592	-	228,235	1,232,819	35,480,646

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 2018:

	2019 \$	2020 \$	2021 \$	Total \$
Revenue expected to be recognised	9,798,935	-	-	9,798,935

Murray PHN Limited

Notes to the Financial Statements

For the Year Ended 30 June 2018

	2018	2017
Note 3. Profit/(Loss)	\$	\$
<i>Profit/(Loss) for the year has been determined after:</i>		
<i>(i) Depreciation, amortisation and impairment expenses</i>		
Furniture and equipment	93,476	135,144
Leasehold improvements	21,253	16,607
Computer software	12,884	12,883
Total depreciation, amortisation and impairment	<u>127,613</u>	<u>164,634</u>
<i>(ii) Rental expenses on operating leases</i>		
Occupancy	371,734	333,546
Motor vehicle	112,344	111,562
Hardware	77,567	55,320
Other	16,290	16,290
Total rental expenses on operating leases	<u>577,935</u>	<u>516,718</u>
Note 4. Cash and Cash Equivalents		
Cash at bank	14,518,757	11,927,499
Term deposits	3,137,948	3,054,016
Petty cash	294	90
Total cash and cash equivalents	<u>17,656,999</u>	<u>14,981,605</u>

Murray PHN Limited

Notes to the Financial Statements

For the Year Ended 30 June 2018

Note 5. Trade and Other Receivables	2018 \$	2017 \$
Trade receivables	92,412	4,663
Provision for impairment	-	-
Total trade and other receivables	92,412	4,663

(i) *Provision for impairment of receivables*

Current trade receivables are generally on 30-day terms. These receivables are assessed for recoverability and a provision for impairment is recognised where there is objective evidence that an individual trade receivable is impaired. No impairment is recognised in the current financial year as all trade receivables are considered collectable.

(ii) *Credit risk*

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

	Total \$	Impaired \$	Current \$	< 30 days \$	Past due 31-60 days \$	> 60 days \$
2018						
Trade receivables	92,412	-	66,312	-	24,216	1,884
Total	92,412	-	66,312	-	24,216	1,884
2017						
Trade receivables	4,663	-	3,114	-	500	1,049
Total	4,663	-	3,114	-	500	1,049

Note 6. Other Assets	2018 \$	2017 \$
Accrued income	87,896	101,428
Receivable from the ATO	166,228	149,942
Prepaid expenses	81,995	57,776
Total other current assets	336,119	309,146
(i) <i>Financial assets classified as loans and receivables (note 17)</i>		
Total other assets	336,119	309,146
Receivable from the ATO	(166,228)	(149,942)
Prepaid expenses	(81,995)	(57,776)
Total financial assets classified as loans and receivables	87,896	101,428

Murray PHN Limited

Notes to the Financial Statements

For the Year Ended 30 June 2018

	2018	2017
Note 7. Intangible assets	\$	\$
Computer software	38,650	38,650
Less amortisation expense	(25,767)	(12,883)
Total intangible assets	12,883	25,767

Movements in carrying amounts between the beginning and the end of the financial year

	Computer software	Total
	\$	\$
2018		
Balance at 30 June 2017	25,767	25,767
Additions	-	-
Less Disposals	-	-
Less amortisation expense	(12,884)	(12,884)
Carrying amount at 30 June 2018	12,883	12,883

	2018	2017
Note 8. Property, Plant and Equipment	\$	\$
Leasehold improvements at cost	42,456	34,963
Less accumulated depreciation	(39,456)	(18,203)
	3,000	16,760
Furniture, fittings and equipment at cost	347,040	338,241
Less accumulated depreciation	(338,858)	(245,382)
	8,182	92,859
Total property, plant and equipment	11,182	109,619

Murray PHN Limited

Notes to the Financial Statements

For the Year Ended 30 June 2018

Note 8. Property, Plant and Equipment (continued)

Movements in carrying amounts between the beginning and the end of the financial year

	Furniture, fittings & equipment	Leasehold improvements	Total
	\$	\$	\$
2017			
Balance at 1 July 2016	116,736	10,342	127,078
Additions	111,267	23,025	134,292
Less disposals	-	-	-
Less depreciation expense	(135,144)	(16,607)	(151,751)
Less asset Impairment	-	-	-
Carrying amount at 30 June 2017	92,859	16,760	109,619
2018			
Balance at 1 July 2017	92,859	16,760	109,619
Additions	8,799	7,493	16,292
Less disposals	-	-	-
Less depreciation expense	(93,476)	(21,253)	(114,729)
Less asset Impairment	-	-	-
Carrying amount at 30 June 2018	8,182	3,000	11,182

	2018	2017
	\$	\$
Note 9. Employee Entitlements		
<i>Current</i>		
Provision for annual leave	540,779	457,400
Provision for long service leave	176,488	142,861
Provision for personal leave	51,769	21,291
Provision for parental leave	-	2,045
Total current employee entitlements	769,036	623,597
<i>Non-current</i>		
Provision for long service leave	228,428	160,820
Total non-current employee entitlements	228,428	160,820
Total employee entitlements	997,464	784,417

Murray PHN Limited

Notes to the Financial Statements

For the Year Ended 30 June 2018

Note 9. Employee Entitlements (Continued)

Provisions for employee benefits represents amounts accrued for annual, personal, parental and long service leave.

The current portion for this provision includes the total amount accrued for annual, personal and parental leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlements.

The non-current portion for this provision includes the total amount accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 1(n).

Note 10. Provisions	2018 \$	2017 \$
Provision for 'make good' lease	110,000	110,000
Total provisions	110,000	110,000
<i>Reconciliation of movement in provisions</i>		
Opening balance at 1 July 2017	110,000	-
Additional provisions raised during the year	-	110,000
Amounts used	-	-
Total provisions	110,000	110,000

Provision for 'make good' lease

There are make good provisions within leases entered into by Murray PHN. The provision for make good is based on the estimated cost to make good each leased site to the standard required under the lease agreement. Estimates are based on past experience and quotations are obtained and provided for when a lease nears its end of term.

Murray PHN Limited

Notes to the Financial Statements

For the Year Ended 30 June 2018

	2018	2017
Note 11. Trade and Other Payables	\$	\$
Accounts payable	553,305	1,713,887
Payable to the ATO	114,258	95,976
Other accrued expenses	2,736,649	2,441,880
Total trade and other payables	3,404,212	4,251,743
<i>(i) Financial liabilities classified as trade and other payables (note 17)</i>		
Total trade and other payables	3,404,212	4,251,743
Payable to the ATO	(114,258)	(95,976)
Total financial liabilities classified as trade and other payables	3,289,954	4,155,767
Note 12. Interest bearing liabilities		
Credit cards	4,526	11,248
Total interest bearing liabilities	4,526	11,248
Note 13. Cashflow information		
Reconciliation of profit to net cash provided by operating activities		
Profit	774,883	1,034,087
Non cash items:		
- Depreciation, amortisation and impairment expenses	127,613	164,634
Changes in assets and liabilities		
- (Increase)/decrease in trade and other receivables	(87,749)	155,372
- Increase in other assets	(26,973)	(141,380)
- Increase/(decrease) in trade and other payables	(854,253)	744,030
- Decrease in grants refundable	(514,867)	(24,901)
- Increase in unearned grants	3,059,985	1,428,795
- Increase in employee entitlements	213,047	186,790
- Increase in provisions	-	110,000
Net cashflows provided by operating activities	2,691,686	3,657,427

Murray PHN Limited

Notes to the Financial Statements

For the Year Ended 30 June 2018

Note 14. Grant obligations

Note reference	Grants refundable	Unearned grants	Grants refundable	Unearned grants
	(i) 2018 (\$)	(ii) 2018 (\$)	(i) 2017 (\$)	(ii) 2017 (\$)
DOH Primary Health Network Funding Schedule				
Operating & Flexible funds 16/17	-	1,385,430	-	1,160,701
After Hours 16/17	-	614,745	-	1,494,400
Innovation 16/17	-	170,945	-	415,296
Drug & Alcohol Planning 16/17	-	-	-	467,036
Drug & Alcohol Planning 17/18	-	1,229,245	-	212,020
Integrated Team Care 16/17	-	650,170	-	280,422
Partners In Recovery 16/17 (LMM)	-	-	-	38,854
Partners In Recovery 16/17 (HUME)	-	-	-	39,265
Partners In Recovery 17/18	-	174,137	-	374,172
Mental Health 15/16 ATAPS	-	106,560	318,087	-
Mental Health 16/17	503,438	-	574,116	60,000
Mental Health 17/18	-	2,530,749	-	1,753,007
Headspace - Swan Hill District Health 15-16	-	-	126,102	-
National Psychosocial Support	-	200,000	-	-
Total Primary Health Network Funding Schedule	503,438	7,061,981	1,018,305	6,295,173
Other grants				
BDHS - Cancer Survivorship 15/16	-	1,478	-	-
BHCG - eReferral Project BH 16/17	-	-	-	20,524
BHCG - HP Intell Disability 17/18	-	-	-	2,604
BHCG - Telehealth Clinics 17/18	-	-	-	42,500
DET - GP in schools 16/17	-	124,702	-	73,534
DHHS - Bowel Cancer 15/16	-	-	-	-
DHHS - Looking After Children 17/18	-	19,733	-	50,000
DHHS - Out of Home Care 16/17	-	-	-	56,820
DHHS - Suicide Prev 16/17	-	200,665	-	141,100
MCPN - Hep C 16/17	-	-	-	16,510
MCPN - Optimal Care Pathways 16/17	-	22,045	-	28,777
Stigma 16/17	-	-	-	11,408
BallCHS - Orticare Liaison Position	-	25,509	-	-
BallCHS - Orticare Nurse Led	-	30,000	-	-
MPCN - STI Pathway	-	9,850	-	-
WVIC PHN RTPM	-	16,125	-	-
ADHA MHR	-	298,198	-	-
DHHS - Community Led Cancer	-	181,313	-	-
Murray Exchange Income	-	50,000	-	-
DHHS Pandemic Preparedness	-	75,000	-	-
Quarantined 1617 Carry Forward	-	1,682,336	-	-
Total other grants	-	2,736,954	-	443,777
Total grant obligations	503,438	9,798,935	1,018,305	6,738,950

Murray PHN Limited

Notes to the Financial Statements

For the Year Ended 30 June 2018

Note 15. Contingent assets and contingent liabilities

Contingent assets

The company is not aware of any contingent assets as at 30 June 2018.

Contingent liabilities

The company is not aware of any contingent liabilities at 30 June 2018.

Note 16. Capital and Leasing Commitments	2018 \$	2017 \$
Significant operating lease commitments		
Operating lease commitments payable		
- not later than 12 months	998,192	1,042,500
- later than 12 months but not later than 5 years	653,132	237,661
- greater than 5 years	-	-
Total minimum lease payments	1,651,324	1,280,161

As at 30 June 2018 the company was committed to the following operating leases:

- a) A non-cancellable operating lease contract with Monash University for the rental of 37 Rowan St premises. This term is to December 2018.
- b) A non-cancellable operating lease contract with Jenham Nominees Pty Ltd for the rental of Hovell St Albury premises. This term is to September 2018 with a 3 year option.
- c) A non-cancellable operating lease contract with PP Spirit Pty Ltd for the rental of Pine Street Mildura premises. This term is to November 2018 with a 3 plus 3 year option.
- d) A non-cancellable operating lease contract with Avalon Warehouse Pty Ltd for the rental of 100 High Street Shepparton premises. This term is to November 2018 with a 3 year option.
- e) A non-cancellable operating lease contract with D & C Cutri Land Holdings Pty Ltd for the rental of View Point Bendigo premises. This term is to August 2018 with a 3 year option.
- f) Fifteen non-cancellable operating lease contracts with Weblease for the use of motor vehicles. Each lease has different end dates with the last expiry date being July 2021.
- g) A non-cancellable operating lease contract with BOQ Finance for lease of computers. Each lease has different end dates with the last expiry date being July 2021.
- h) A non-cancellable operating lease contract with Fuji Xerox for lease of six photocopiers. Five of the contracts expire in February 2021 and one contract expires in August 2021.
- i) Eighty non-cancellable operating lease contracts with Telstra for the use of mobile phones, iPads etc. Each lease has different end dates with the last expiry date being May 2020.

Significant finance lease commitments

The company does not have any capital lease commitments.

Murray PHN Limited

Notes to the Financial Statements

For the Year Ended 30 June 2018

Note 17. Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, term deposits, accounts receivable and payables. The entity does not have any derivative instruments at 30 June 2018.

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

	Notes	2018 \$	2017 \$
Financial assets			
Cash and cash equivalents	4	17,656,999	14,981,605
Trade and other receivables	5	92,412	4,663
Other assets	6i	87,896	101,428
Total financial assets		<u>17,837,307</u>	<u>15,087,696</u>
Financial liabilities			
Trade and other payables	11(i)	3,289,954	4,155,767
Interest bearing liabilities	12	4,526	11,248
Grants refundable	14(i)	503,438	1,018,305
Total financial liabilities		<u>3,797,918</u>	<u>5,185,320</u>

Note 18. Key Management Personnel Compensation

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) is considered key management personnel. The total of compensation for Key Management Personnel is shown below.

	2018 \$	2017 \$
Compensation paid and payable	<u>1,391,120</u>	<u>1,300,335</u>

Note 19. Auditor's remuneration

Audit services	18,000	21,000
Audit services of acquittals	8,450	8,050
Other services (GST advice)	-	1,675
Total auditor's remuneration	<u>26,450</u>	<u>30,725</u>

Murray PHN Limited

Notes to the Financial Statements

For the Year Ended 30 June 2018

Note 20. 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 year ended 30 June 2018 is as follows:

Board Member , Dr. Chris Atkins is associated with the Brooke Street Medical Centre . Brooke Street Medical Centre received payments from the company for a contractual relationship involved with the provision of Psychological Therapy services and the Mental Health Nurse Incentive Program during the 2017-18 year. The total value of these transactions is \$103,128.

Board Member , Mr Kevin Boote (resigned 21/09/2017) is Chair of Primary Care Connect. Primary Care Connect received payments from the company for a contractual relationship involved with the provision of services for Indigenous Health - Integrated Team Facility as well as Chronic Disease Commissioning for the 2017-18 year. The total value of these transactions is \$320,335.

Board Member , Ms Leonie Burrows is Chair of the Sunraysia Community Health Services. Sunraysia Community Health Services received payments from the company for a contractual relationship involving the provision of GP in School services, Pain Management Services, Psychological Therapy Services, Alcohol and Other Drug services and Allied Health Services during the 2017-18 year. The total value of these transactions is \$537,897.

Board Member, Ms Sue Clarke is a Director of the Board with Bendigo Health. Bendigo Health received payments from the company for a contractual relationship involved with the provision training sessions for GP practices in the NW region, Chronic Disease Commissioning, implementing and evaluating a trial of a new innovative approach to reduce potentially avoidable hospitalisations, After Hours services, and Diabetes services during the 2017-18 financial year. The total value of these transactions is \$432,779.

Board Member , Mr Victor Hamit is associated with Echuca Regional Health Service. Echuca Regional Health Service received payments from the company for room hire for a practice manager meeting, a Cancer Survivorship Incentive Grant, the provision of Psychological Therapy services and After Hours services in relation to reducing emergency department presentations during the 2017-18 financial year. The total value of these transactions is \$97,619.

Board Member, Mr Ted Rayment is the Chief Executive Officer of Swan Hill District Health. Swan Hill District Health received payments from the company for contractual relationships involved with the provision of services related to Headspace and Primary Health services, a Cancer Survivorship grant, the GP in Schools project, Suicide Prevention services, Psychological Therapy services as well as Chronic Disease Commissioning during the 2017-18 financial year. The total value of these transactions is \$1,268,861.

Board Member, Dr Alison Green is associated with Albury Wodonga Health. Albury Wodonga Health received payments from the company relating to the provision of Psychological Therapy services, provision of the Mental Health Nurse Incentive Program and services relating to Avoidable Hospitalisations during the 2017-18 financial year. The total value of these transactions is \$771,747.

Board Member, Dr Alison Green is associated with Royal Australian College of General Practitioners. Royal Australian College of General Practitioners received payments from the company relating to upload fees to register GP attendance at CPD events during the 2017-18 financial year. The total value of these transactions is \$656.

Board Chair, Mr Fabian Reid is a Director of Access Australia Group. Access Australia Group received payments from the company for car cleaning and catering during the 2017-18 financial year. The total value of these transactions is \$4,185.

Murray PHN Limited

Notes to the Financial Statements

For the Year Ended 30 June 2018

Note 20. Related party transactions (continued)

Regional Manager, Ms Janice Radrekusa is associated with St Anthony's Medical Practice. St Anthony's Medical Practice received payments from the company for contractual relationships involved with the provision of services related to After Hours services as well as the Cancer Survivorship grants during the 2017-18 financial year. The total value of these transactions is \$35,290.

Note 21. Events after the reporting period

There has been no matter or circumstance that has arisen since the end of the financial year that has significantly affected or may significantly affect the operations of the company.

Note 22. Registered Office/Principal Place of Business

The registered office of the association is:
37 Rowan Street
Bendigo Vic 3550

The principal place of business is:
37 Rowan Street
Bendigo Vic 3550

Murray PHN Limited Directors' Declaration

For the Year Ended 30 June 2018

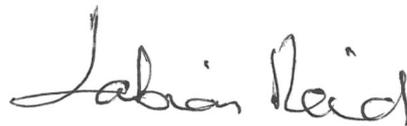
The directors of the company declare that the financial statements on pages 1 to 30 are in accordance with the *Australian Charities and Not-for-profit Commission Act 2012* and:

- (a) comply with Australian Accounting Standards (Reduced Disclosure Requirements); and
- (b) give a true and fair view of the financial position as at 30 June 2018 and the financial performance for the year ended on that date.

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 Board of Directors.

Mr F. Reid
Board Chair



Dated this 3rd day of October 2018

Independent auditor's report to the members of Murray PHN Limited

Report on the audit of the financial statements

Our opinion

In our opinion, the financial report of Murray PHN Limited 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 2018 and of its performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulations 2013*.

What we have audited

Murray PHN Limited's (the company) financial report comprises the:

- ✓ Statement of financial position as at 30 June 2018
- ✓ 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 entity.

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 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*.

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 - Reduced 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/home.aspx>. This description forms part of our auditor's report.



Andrew Frewin Stewart
61 Bull Street, Bendigo, 3550
Dated this 3rd day of October 2018



Adrian Downing
Lead Auditor

Taxation

Business Services

Community Banking

Audit

Share Registry

Your partners
in success



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