

ANNUAL FINANCIAL REPORT

For the year ended 30 June 2023



Melbourne Primary Care Network Ltd (MPCN) operates North Western Melbourne Primary Health Network (NWMPHN).

North Western Melbourne Primary Health Network

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Disclaimer

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Acknowledgements

Melbourne Primary Care Network and North Western Melbourne Primary Health Network acknowledge the peoples of the Kulin nation as the Traditional Custodians of the land on which our work in the community takes place. We pay our respects to their Elders past and present.

We also recognise, respect and affirm the central role played in our work by people with lived experience, their families and/or carers.




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GENERAL INFORMATION

The financial statements cover Melbourne Primary Care Network Ltd (trading as North Western Melbourne Primary Health Network) ABN: 93 153 323 436. The financial statements are presented in Australian dollars, which is Melbourne Primary Care Network Ltd's functional and presentation currency.

Melbourne Primary Care Network Ltd (The company) is a company limited by guarantee, incorporated and domiciled in Australia. Its key operation details are as follows:

Directors	Associate Professor Ines Rio (Chairperson) Mr Robert Gerrand Dr Catherine Hutton Dr Kathy Alexander Mr Damian Ferrie	Ms Genevieve Overell AM Ms Abiola Akinbiyi Dr Chien Ho Dr Nancy Huang
Company secretary	Mr Christopher Carter (CEO)	
Registered office and principal place of business	Level 1, 369 Royal Parade Parkville, VIC, 3052	
		
Banker	National Australia Bank Limited Level 30, 500 Bourke Street Melbourne, VIC, 3000	
Auditor	William Buck Audit (VIC) Pty Ltd Level 20, 181 William Street Melbourne, VIC, 3000	

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 20 September 2023. The directors have the power to amend and reissue the financial statements.

Dr Sobia Tahir with patient Karen Hook
at the Sunbury Priority Primary Care
Centre – set up within the Goonawarra
Medical Centre.

Photo: Leigh Henningham



DIRECTORS' REPORT

Your directors present this report, together with the financial statements, on the company for the year ended 30 June 2023.

Directors' appointment dates and meetings attended:

Names	Date Appointed	Date of Cessation	A	B
Ines Rio (Chairperson)	20 Sep 2011	–	8	8
Robert Gerrand	01 Jul 2012	–	8	8
Paul Montgomery	01 Jul 2012	29 Nov 2022	4	4
Catherine Hutton	20 Nov 2012	–	6	8
Kathy Alexander	31 Jul 2018	–	8	8
Damian Ferrie	31 Jul 2018	–	8	8
Genevieve Overell AM	29 Jun 2021	–	5	8
Abiola Akinbiyi	26 July 2022	–	8	8
Chien Ho	26 July 2022	–	8	8
Nancy Huang	29 Nov 2022	–	5	5

A – Number of meetings attended

B – Number of meetings held during the time the Director held office during the year



Local market stall holder with fresh produce, Footscray.

Photo: Leigh Henningham

DIRECTORS' REPORT

Directors' qualifications, experience and special responsibilities



Associate Professor Ines Rio

MBBS (Hons), MPH, MHIth & MedLaw, GDip Venereology, DRCOG, FRACGP, FAICD

Responsibilities: Chairperson; Clinical Council Chair

Experience

Associate Professor Ines Rio is a specialist general practitioner with several postgraduate qualifications relevant to the provision of clinical care and the governance and optimisation of health care systems.

Over the past 2 decades, she has combined clinical work with a special interest in the care of marginalised and vulnerable people, as well as medical advisory, health care system governance, reform and leadership roles.

Ines has extensive experience in board and high-level committee work, including membership on the Victorian Human Research Ethics Committee, the Medical Board of Victoria, on non-profit and for-profit boards, and in advisory committees for the Australian and Victorian Government Health Departments.

Other current appointments/memberships:

- **North Richmond Community Health**, general practitioner
- **The Royal Women's Hospital**, senior medical staff
- **Therapeutic Goods Administration Advisory Committee on Vaccines**, member
- **Australian Commission of Quality and Safety in Health Care, Primary Care Committee of Board**, member
- **Australian Department of Health Culturally and Linguistically Diverse Communities Advisory Group**, member
- **Professional Services Review**, consultant
- **University of Melbourne Department of General Practice**, Associate Professor
- **Victorian Cancer Network**, member
- **Melbourne Academic Centre of Health**, member Primary Care Group
- **AMA Victoria**, member of Council

DIRECTORS' REPORT

Directors' qualifications, experience and special responsibilities



Robert Gerrand

BA, FAMI, FAICD

Responsibilities: Director; Finance, Audit and Systems Committee Chair

Experience

Rob Gerrand has extensive governance experience. He is a director of SANE Australia and the Dax Centre, and chair of Director Next. He has served as chair of Parks Victoria, Healthy Parks Healthy People Global and Theatreworks.

Former directorships include Alfred Health, the Mental Health Research Institute, the Financial Planning Association of Australia, the Florey Institute of Neuroscience and Mental Health, the Koorie Heritage Trust, and marketing and communications agency Turnbull Fox Phillips. Mr Gerrand is a former general manager of group public affairs at ANZ Bank and a published author.

Other current appointments/memberships:

- **Gerrand & Associates**, principal
- **SANE Australia**, non-executive director
- **The Dax Centre**, non-executive director
- **The Weights Guru**, chair
- **Director Next**, chair
- **Peninsula Quarries Community Engagement Group**, chair

DIRECTORS' REPORT

Directors' qualifications, experience and special responsibilities



Dr Catherine Hutton

MPH, DRCOG, MBBS, FRACGP, GAICD, FAMA

Responsibilities: Director; Commissioning, Quality and Performance Committee Member

Experience

Catherine Hutton has worked as a local GP for over 30 years, mainly in Melbourne's north-west. Her extensive experience includes general family medicine, women's health and antenatal care, chronic disease management, preventative health, and care of marginalised people.

Dr Hutton is an experienced board member specialising in clinical governance, strategy, and GP-hospital integration. She has served as a director of North West Melbourne Division of General Practice, AMA Victoria, and The Royal Women's Hospital. She was also on Peter MacCallum Cancer Centre's board for 5 years, where she was chair of the Community Advisory Committee and the Quality Committee.

Other current appointments/memberships:

- **Western Health**, board director
- **Australian Medical Association**, member
- **Royal Australian College of General Practitioners**, life member

DIRECTORS' REPORT

Directors' qualifications, experience and special responsibilities



Paul Montgomery

LLB, BA, MAICD

Responsibilities: Director; Commissioning, Quality and Performance Committee Member; Nominations Committee Member

Experience

Paul Montgomery resigned from the Board on 29 November 2022. He has helped a number of organisations grow strategically. He was a partner at Freehills, Melbourne for 28 years. Appointed managing partner, he led the firm to prime position in the Melbourne market.

Mr Montgomery was also president of Mental Illness Fellowship Victoria (now Wellways) and chair of its Carer and Consumer Committee, Chair of the Royal District Nursing Service (now Bolton Clarke), and a member of Deakin University Geelong's Clinical Leadership Advisory Board (Medical School).

Other current appointments/memberships:

- **Medisecure Ltd**, chair
- **Mt Ida Investments**, director
- **Malusk Pty Ltd**, director
- **PAM Superannuation Pty Ltd**, director
- **Lorfin Pty Ltd**, director

DIRECTORS' REPORT

Directors' qualifications, experience and special responsibilities



Dr Kathy Alexander

BA (Hons), GDip Public Health, PhD (Public Health Management),
Graduate of the London School of Business Proteus Program, 2012

Responsibilities: Director; Community Council Co-Chair;
Nominations Committee Member

Experience

Dr Kathy Alexander has served as board member and chair of public, private, and non-profit organisations. She has a strong reputation for stakeholder management, community engagement and effective public relations in complex and politically sensitive environments.

Dr Alexander's previous roles have included CEO of the City of Melbourne, CEO of the Women's and Children's Health Service (incorporating the Royal Children's and the Royal Women's Hospitals) and CEO of several health services in South Australia. Past non-executive roles include Chair of Administrators of the City of Greater Geelong,

Chair of Eastern Melbourne Primary Health Network, and member of several advisory boards. She has chaired numerous governance and management reviews for government across health and local government in New South Wales, Victoria, and South Australia.

Other current appointments/memberships:

- **City of Wyndham**, Audit and Risk Management Committee chair
- **Naomi Milgrom Foundation**, chair
- **Glen Eira City Council**, CEO Employment Matters Committee chair

DIRECTORS' REPORT

Directors' qualifications, experience and special responsibilities



Damian Ferrie

Bachelor of Theology, Graduate Diploma in Conflict Resolution, Master of Applied Science (Social Ecology), ANZSOG Executive Fellows Program, Graduate of several leadership programs at Judge Business School Cambridge

Responsibilities: Deputy Chairperson; Commissioning, Quality and Performance Committee Chair; Nominations Committee Chair

Experience

Damian Ferrie has held executive leadership roles in health, housing and urban renewal within the public and non-profit sectors. His career has been focused on tackling social, economic and health equity.

Mr Ferrie leads a newly merged organisation Better Health Network, which brought together 3 community health services in the southeastern region of Melbourne. His work is focused on prevention, harm reduction and primary health. He has initiated many place-based interventions to build community capacity through partnerships with community, government and the for-purpose sector.

Other current appointments/memberships:

- **Better Health Network Ltd**, CEO
- **Mental Health Victoria**, chair
- **Victorian Council of Social Services**, chair
- **South East Metro Health Service Partnership**, Governance Council member

DIRECTORS' REPORT

Directors' qualifications, experience and special responsibilities



Genevieve Overell AM

BA, LLB, GardDip Financial Management, FIPAA (Vic),
Hon RAIA, FAICD

Responsibilities: Director; Finance, Audit and Systems
Committee Member

Experience

Genevieve Overell is an independent non-executive director on a portfolio of boards. Her career spans leading executive and non-executive roles in financial services, infrastructure projects, professional services, government, health care, health sector, non-profits and the arts.

As an experienced chair, Ms Overell brings significant commercial, legal, governance and advocacy skills. Previously she has been a Victorian Government deputy secretary and partner at KPMG, advising on infrastructure projects.

Ms Overell is a Fellow of the Australian Institute of Company Directors and Institute of Public Administration of Australia (Victoria). In 2020 she was made a Member of the Order of Australia, in recognition of her service to the community and in 2021, was appointed the Distinguished Alumna of the Faculty of Law by Monash University.

Other current appointments/memberships:

- **Victorian Opera**, chair
- **Global Infrastructure Hub**, non-executive director, and Finance and Risk Committee chair
- **Committee for Melbourne**, non-executive director and Finance, Audit and Risk Committee member
- **Australian British Chamber of Commerce**, deputy national chair
- **State Revenue Office Victoria**, Audit Committee chair
- **Cladding Safety Victoria**, non-executive director and Audit Committee member
- **German-Australian Chamber of Commerce and Industry**, non-executive director and Nominations Committee chair
- **30% Club Australia**, education committee member
- **Frais Capital, Advisory Council**, member

DIRECTORS' REPORT

Directors' qualifications, experience and special responsibilities



Abiola Akinbiyi

BN, BTech. Maths (Hons), GradCert (Mental Health), GradDip (ISM), MIS, MGeront, Cert IV (Training & Assessment) MAICD

Responsibilities: Director; Community Council Co-Chair

Experience

Abiola Akinbiyi is an award-winning health care professional, entrepreneur, and community leader with more than 20 years of experience in Australia's health sector. Her career spans frontline to senior management roles, working with multicultural communities, private and not-for-profit organisations. As a registered nurse, Abiola advocates for improving health outcomes for marginalised populations.

Her work in clinical education and advocacy in health care services emphasises a holistic and person-centred model that prioritises compassion and safe workplaces. Her research and advocacy have played a pivotal role in shaping policies and practices to address the challenges faced by the ageing population and health care workforce.

Ms Akinbiyi sits on several boards promoting inclusive governance. She is the founder of Changepreneurs, a non-profit organisation mentoring female youth from CALD backgrounds.

She is an alumna of Leadership Victoria, winner of 2023 Social Justice Award from the Centre for Migrant and Refugee Health, 2021 Spirit of Victoria University Alumni People's Choice Award, and 2018 Excellence in Business and Entrepreneurship Award by Africa Media Australia.

Other current appointments/memberships:

- **Ethnic Communities Council of Victoria (ECCV)**, non-executive director
- **Victoria Multicultural Commission**, commissioner (community representative)
- **Changepreneurs**, president
- **Africa Day Australia**, executive member
- **Ibadan Progressive Association of Australia**, public relations officer
- **Rotary RCWH**, member and diversity, equity, and inclusion team leader

DIRECTORS' REPORT

Directors' qualifications, experience and special responsibilities



Dr Chien Ho

MBBS (Hons.), FRANZCR, GAICD

Responsibilities: Director; Finance, Audit and Systems Committee Member

Experience

Dr Chien Ho is an experienced board director and radiologist with interests in clinical and corporate governance, strategic planning, equitable health care and digital health. He has been a board member of Integral Diagnostics and a director of Lake Imaging.

He has held senior leadership roles, including chair and member of the group-wide Integral Diagnostics and Lake Imaging clinical committees. As a radiologist for Lake Imaging, he has subspecialty expertise in musculoskeletal imaging, body MRI and cardiac computerised tomography.

Dr Ho is also a member of the Royal Australian and New Zealand College of Radiologists Digital Health Working Group and is involved with the non-profit global charity Radiology Across Borders, where he is co-lead of the Film Bank Project.

Other current appointments/memberships:

- **National Imaging Facility**, board member
- **RANZCR**, Digital Health Committee member
- **Geelong Gallery**, Board (voluntary) non-exec director

DIRECTORS' REPORT

Directors' qualifications, experience and special responsibilities



Dr Nancy Huang

MBBS. DipRACOG. MPH. GAICD

Responsibilities: Director; Commissioning, Quality and Performance Committee Member

Experience

Dr Nancy Huang is an experienced public health clinician and board member who has held senior executive roles in design, implementation, governance, and evaluation of health programs within the commercial, non-profit, academic and government sectors.

Her 35-year career focuses on leading initiatives that use education, behavioural approaches, technology, clinical data, and systems changes to translate evidence into practice and deliver health outcomes that matter.

Dr Huang recently led the clinical governance of the Independent and Assisted Living Platform – a program by Australian Unity with 6,500 staff, 1,000 aged care beds, 20 retirement villages, and 35,000 home care packages, delivering care to more than 100,000 people across four states.

Other current appointments/memberships:

- **Consultants in Health**, director for Strategic Solutions
- **DW Watson**, director
- **Local Guardians Clinical Advisory Group**, chair

DIRECTORS' REPORT

Principal activities and objectives

The principle strategic objectives and all of our activities this year continue to improve health outcomes for everyone in our community, strengthen primary health care and connect services across the system.

Melbourne Primary Care Network Ltd's Strategic Objectives

1. Support the delivery of high-quality, integrated and person-centred primary care services in the north western Melbourne region.
2. Undertake strategic, evidence-based and targeted commissioning for priority populations that improves health outcomes, delivers high-quality, equitable and accessible care, that demonstrates value.
3. Contribute to the development of an interconnected health care system in the north western Melbourne region through our community and stakeholder engagement, research activities and partnerships.
4. Strive for excellence in our organisational capability and culture to deliver impact.

The company achieves this by:

- Identifying and understanding the priority needs in our region.
- Supporting, developing, innovating, coordinating and measuring service responses to address priorities.
- Strengthening and supporting general practice and the system.
- Demonstrating a commitment to quality, safety, efficiency, genuine value and innovation in everything we do.
- Working closely with government (federal, state and local), general practice and other primary health care services providers, local hospital networks, non-government organisations, the private sector and patients, consumers and carers.

Members' guarantee

In accordance with the company's constitution, each member is liable to contribute \$50 in the event that the company is wound up. The total amount members would contribute is \$1,200.

Review of operations

The total comprehensive gain attributable to members of the entity amounted to \$847,894 (30 Jun 2022: loss of \$280,516).

Significant Changes in State of Affairs

There was no significant change in the nature of the company's activities during the financial year.

Environmental regulation

The company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

DIRECTORS' REPORT

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to 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 part of those proceedings.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

Auditor's independence

The auditors' declaration of independence as required under section 60–40 of the Australian Charities and Not-for-profits Commission Act 2012 appears on page 20 and forms part of the Directors' report for the year ended 30 June 2023.

Signed in accordance with a resolution of the directors made pursuant to section 60–15(2) of the Australian Charities and Not-for-profits Regulation 2013.

On behalf of the directors:



Associate Professor Ines Rio, Chairperson
Melbourne, 20 September 2023

Jessica Mitchell, Executive Manager
Workforce Development at Victorian
Aboriginal Community Controlled
Health Organisation (VACCHO)
supporting the Victorian Aboriginal
Health and Wellbeing Workforce
Strategy Implementation Tool.

Photo: Leigh Henningham



AUDITOR'S INDEPENDENCE DECLARATION

WilliamBuck

ACCOUNTANTS & ADVISORS

AUDITOR'S INDEPENDENCE DECLARATION IN ACCORDANCE WITH SECTION 60-40 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012 TO THE DIRECTORS OF MELBOURNE PRIMARY CARE NETWORK LTD

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023 there have been:

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

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

C. L. Sweeney

C. L. Sweeney
Director
Melbourne, 20 September 2023

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2023

	Notes	2023 (\$)	2022 (\$)
Revenue From Operating Activities			
Grants	(3a)	104,805,686	74,644,465
Interest Income	(3a)	2,311,677	166,725
Realised (Loss)/Gain on Investments	(3a)	(9,967)	98,574
Other Income	(3b)	35,523	287,406
Total Operating Revenue		107,142,919	75,197,170
Expenses From Operating Activities			
Program Expenses	(3c)	102,778,129	71,548,545
Depreciation	(3c)	710,341	577,273
Amortisation of Goodwill	(3c)	–	5,000
Accountability and Administration Expense		2,502,981	2,299,037
Other Expense		266,523	394,418
Finance Costs	(3c)	37,051	62,883
Total Operating Expenses		106,295,025	74,887,156
Surplus Before Non-operating Items		847,894	310,014
Non-operating Activities			
Net Gain On Sale of Fixed Assets		–	19,402
Surplus From Non-operating Activities		–	19,402

The attached notes form part of these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2023

	Notes	2023 (\$)	2022 (\$)
Surplus Before Income Tax		847,894	329,416
Income Tax Expense	(1c)	–	–
Surplus After Income Tax		847,894	329,416
Other Comprehensive Income For The Year, Net of Tax			
Other Comprehensive (Loss)/Income for the Year, Net of Tax	(14)	–	(609,932)
Net Other Comprehensive Income/(Loss) for the Year, Net of Tax		–	(609,932)
Total Comprehensive Income/(Loss) Attributable to Members of the Entity		847,894	(280,516)

The attached notes form part of these financial statements.

Florence Howlett is with Ronan Galloghly, psychologist at Dorothy Impey Home in Pascoe Vale South. Photo: Leigh Henningham



STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

Assets	Notes	2023 (\$)	2022 (\$)
Current Assets			
Cash and Cash Equivalents	(4)	4,778,118	4,350,229
Trade and Other Receivables	(5)	3,070,186	2,371,028
Investments – Term Deposit	(6)	51,478,165	49,000,219
Investments at Fair Value	(6)	5,650,517	4,965,966
Other Assets	(7)	151,243	579,239
Total Current Assets		65,128,229	61,266,681
Non Current Assets			
Property, Plant & Equipment	(8)	242,000	330,990
Right-of-Use Assets	(8)	344,184	803,097
Other Assets	(7)	358,978	281,646
Total Non Current Assets		945,162	1,415,733
Total Assets		66,073,391	62,682,414

The attached notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

Liabilities	Notes	2023 (\$)	2022 (\$)
Current Liabilities			
Trade and Other Payables	(9)	13,268,031	16,279,220
Other Liabilities	(10)	41,907,371	36,397,532
Provisions	(11)	2,875,208	2,795,112
Employee Benefits	(12)	1,159,837	1,004,246
Lease Liability	(13)	412,382	508,914
Total Current Liabilities		59,622,829	56,985,024
Non Current Liabilities			
Lease Liability	(13)	–	412,382
Employee Benefits	(12)	205,156	222,708
Total Non Current Liabilities		205,156	635,090
Total Liabilities		59,827,985	57,620,114
Net Assets		6,245,406	5,062,300
Equity			
Reserves	(14)	–	(335,212)
Retained Earnings		5,397,512	5,068,096
Current Year Surplus		847,894	329,416
Total Equity		6,245,406	5,062,300

The attached notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2023

	Notes	Retained Earnings (\$)	Financial Asset Reserve (\$)	Total (\$)
Opening Balance as at 01/07/2022		5,397,512	(335,212)	5,062,300
Total Comprehensive Income for the Year				
Surplus attributable to members		847,894	–	847,894
Total other comprehensive loss			–	–
Total Comprehensive Income for the Year Attributable to Members of the Entity		847,894	–	847,894
Opening balance transferred out of the reserve to the Income Statement	(2)		335,212	335,212
Closing Balance as at 30/06/2023		6,245,406	–	6,245,406
Opening Balance as at 01/07/2021		5,068,096	274,720	5,342,816
Total Comprehensive Income for the Year				
Surplus attributable to members		329,416	–	329,416
Total other comprehensive loss			(609,932)	(609,932)
Total Comprehensive Income/(Loss) for the Year Attributable to Members of the Entity		329,416	(609,932)	(280,516)
Closing Balance as at 30/06/2022		5,397,512	(335,212)	5,062,300

The attached notes form part of these financial statements.



Mahlia Peachey is the practice manager at the Victorian Aboriginal Health Service (VAHS) in St Albans.
Photo: Leigh Henningham

STATEMENT OF CASH FLOWS

For the year ended 30 June 2023

	Notes	2023 (\$)	2022 (\$)
Cash Flows From Operating Activities			
Grants Revenue Receipts		122,747,597	84,995,591
Receipts from Other Operating Activities		98,953	524,252
Interest Receipts		2,306,826	166,611
Receipts from Financial Investments		(9,967)	98,574
Payments to Employees, Directors and Creditors		(121,139,552)	(73,897,093)
Net Cash Provided by Operating Activities		4,003,857	11,887,935
Cash Flows From Investing Activities			
Payments for Office Equipment, Furniture & Fittings		(162,438)	(136,238)
Proceeds from the Sale of Office Equipment, Furniture & Fittings		–	22,727
Payments for investments – term deposit		(2,555,278)	(9,947,023)
Payments for investments at fair value		(349,338)	(360,121)
Net Cash Used in Investing Activities		(3,067,054)	(10,420,655)
Cash Flows From Financing Activities			
Lease payments		(508,914)	(462,084)
Net Cash Used in Financing Activities		(508,914)	(462,084)
Net Increase in Cash Held		427,889	1,005,196
Cash Held At The Beginning Of The Year		4,350,229	3,345,033
Cash Held at the End of the Year	(4)	4,778,118	4,350,229

The attached notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

1. Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

Melbourne Primary Care Network Ltd (The company) has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have significant impact on the financial performance or position of the company.

a. Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB'), the Australian Charities and Not-for-profits Commission Act 2012 and the Corporations Act 2001, as appropriate for not-for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss.

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 a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

b. Revenue Recognition

The company recognises revenue as follows:

Grants

Department of Health funding

The majority of the company's programs are funded by the Commonwealth Department of Health (DoH) for specific primary health services and activities and these funding agreements are for defined periods that DoH review periodically. DoH also set the funding for each of the 31 PHNs across Australia based on applicable pricing at the time.

The methodology adopted by the company in revenue recognition is as follows:

- Contract identification with a customer or service provider
- Verification of deliverables and performance obligations have been fulfilled
- Set transaction and deliverable pricing
- Allocation of the pricing above to the fulfilment of deliverable and the performance of the obligation.
- Recognition of revenue upon an obligation performed satisfactorily according to the contract.

Revenue is recognised either at a point in time or over time as the company satisfies performance obligations by transferring the contracted goods or services to its customers/ service providers. The company employs an input-based method (E.g. as costs incurred) in order to measure progress towards performance obligations over time.

The company's annual Activity Work Plans approved by DoH set out the performance obligations each year and specific approvals will be required from DoH for any significant variations to the approved plan. The role of the company is to commission primary health services, rather than provide health services.

The company usually receives Commonwealth funding in advance of delivering the Activity Work Plans, and the gap period between the company receiving the funding and the company delivering the activities is expected to be less than twelve months. The company recognises liabilities, "Unexpended Grants" in the statement of financial position, for consideration received in respect of unsatisfied performance obligations.

Unused and uncommitted funds may be recouped by DoH. These funds are recognised as "Unexpended Grants" until such time as the company receives a written notice requiring the return of funds, at which time they are recognised within trade and other payables.

Other government program funding

Other funding consists of other miscellaneous program funding. Apart from certain capital grants, program funding is accounted for under AASB15 where the funding arises from an agreement which is enforceable and contains sufficient specific performance obligations.

Revenue is then recognised when each performance obligation is fulfilled satisfactorily. The performance obligations and payment terms are specific to program and funder. Receipt of cash could be in advance of service delivery for some grants and on other occasion, cash could be on the achievement of certain payment milestones under other agreements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

Each performed obligation is considered so that the recognition of revenue reflects the transfer of control. Within funding agreements, there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract. Where control is transferred over time, the company generally use the input methods, being either costs or time incurred, to be the most appropriate proxy for the transfer of benefits.

Other grants, including certain capital grants, are generally accounted for under AASB 1058.

The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where:

- an asset is received in a transaction, such as by way of grant, bequest or donation;
- there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and
- the intention is to principally enable the entity to further its objectives.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Volunteer services

The company has elected not to recognise volunteer services as either revenue or other form of contribution received. As such, any related consumption or capitalisation of such resources received is also not recognised.

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

c. Income Tax

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

d. Current and Non-current Classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

e. Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within short-term borrowings in current liabilities on the statement of financial position.

f. Trade and Other Receivables

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

g. Investments and Other Financial Assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the company intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

h. Property, Plant and Equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives.

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

Class of Fixed Asset	Depreciation Rate
Plant and equipment	20%–40%
Right-of-Use Assets	2.5%–16.67%
Leasehold Improvements	2.5%–16.67%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus relating to the item disposed of is transferred directly to retained profits.

i. 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, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company 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. Lease payments on these assets are expensed to profit or loss as incurred.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

j. Impairment of Non-financial Assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

k. Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the company during the reporting period that remain unpaid at the end of the reporting period. Due to their short-term nature they are measured at amortised cost and are not discounted. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

l. Lease Liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

m. Finance Costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

n. Provisions

Provisions are recognised when the company has a present (legal or constructive) obligation as a result of a past event, it is probable the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

o. Employee Benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

p. Fair Value Measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market. Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

q. 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).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

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 tax authority, are presented as operating cash flows.

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.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the ATO.

r. Rounding of Amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

s. Economic Dependence

Melbourne Primary Care Network Ltd is dependent on the Department of Health for the majority of its revenue used to operate the business. At the date of this report the Board of Directors has no reason to believe the Department will not continue to support the company.

The Hon. Gabrielle Williams MP visited the Priority Primary Care Centre (PPCC) in Sunbury to mark the occasion of the 100,000 patient milestone.

Photo: Leigh Henningham



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

2. Critical Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Investments and other financial assets

The entity has changed its accounting policy and now recognises fair value movements on investments through the profit and loss, as such the accumulated unrealised losses have been transferred out of the reserve to the Income Statement.

Lease term

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 commencement date. Factors considered may include the importance of the asset to the company'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. The company 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.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

3. Revenue, Other Income and Expenses

a. Revenue

	Notes	2023 (\$)	2022 (\$)
Grants		104,805,686	74,644,465
Interest income		2,311,677	166,725
Realised (loss)/gain on investments		(9,967)	98,574
Total Revenue		107,107,396	74,909,764

b. Other Income

	Notes	2023 (\$)	2022 (\$)
Sponsorships/advertising/misc income		35,523	287,406
Total Other Income		35,523	287,406
Total Revenue and Other Income		107,142,919	75,197,170

The city view from Quarry Park in Footscray. Photo: Leigh Henningham



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

c. Expenses

	Notes	2023 (\$)	2022 (\$)
Program Expenditure			
Funds to programs		11,101,988	9,693,019
Funds to other implementing agencies		89,008,924	59,661,341
Program support costs		2,667,217	2,194,185
Total Program Expenditure		102,778,129	71,548,545
Depreciation – plant and equipment		710,341	577,273
Amortisation of goodwill		–	5,000
Total		710,341	582,273
Finance costs			
Interest and finance charges paid/payable on lease liabilities		37,051	62,883
Total Finance costs expensed		37,051	62,883
Auditor remuneration			
– Incurred for audit services		50,600	44,500
Total audit remuneration		50,600	44,500

4. Cash and Cash Equivalents

	Notes	2023 (\$)	2022 (\$)
Current			
Cash on hand		240	300
Cash at bank		4,777,878	4,349,929
Total cash and cash equivalents	(19)	4,778,118	4,350,229

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

5. Trade and Other Receivables

	Notes	2023 (\$)	2022 (\$)
Trade Receivables		595,395	1,989,378
Sundry Debtors		370,747	381,650
GST Receivable		2,104,044	–
Total Receivables	(19)	3,070,186	2,371,028

6. Financial Assets

	Notes	2023 (\$)	2022 (\$)
Current			
Investments – Term Deposit		51,478,165	49,000,219
Investments – Financial Assets at Fair Value		5,650,517	4,965,966
Total Assets at Fair Value	(19)	57,128,682	53,966,185

7. Other Assets

	Notes	2023 (\$)	2022 (\$)
Current			
Prepaid Expenses		146,027	578,874
Accrued Income		5,216	365
Total Current		151,243	579,239
Non-current			
Security Deposit – Level 1 & Part Level 5 / 369 Royal Parade		358,978	281,646
Total Non-current		358,978	281,646

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

8. Property, Plant & Equipment and Right-of-use Assets

	Notes	2023 (\$)	2022 (\$)	
Plant and Equipment – at Cost		1,258,191	1,095,753	
Less Accumulated Depreciation		(1,175,178)	(929,310)	
Total		83,013	166,443	
Right-of-Use Assets		2,179,834	2,179,834	
Less Accumulated Depreciation		(1,835,650)	(1,376,737)	
Total		344,184	803,097	
Leasehold Improvements – at Cost		624,387	624,387	
Less Accumulated Depreciation		(465,400)	(459,840)	
Total		158,987	164,547	
Total Written Down Value		586,184	1,134,087	
Movements In Property, Plant & Equipment, Right-Of-Use Assets And Intangible Assets	Plant & Equipment	Right-of-Use Assets	Leasehold Improvements	Total
Written down value at start of year	166,443	803,097	164,547	1,134,087
Additions	162,438	–	–	162,438
Disposals	–	–	–	–
Depreciation and amortisation charge for the year	(245,868)	(458,913)	(5,560)	(710,341)
Written down value at end of year	83,013	344,184	158,987	586,184

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

9. Trade and Other Payables

	Notes	2023 (\$)	2022 (\$)
Current			
Trade and Sundry Creditors		8,288,795	8,487,372
Accrued Expenses		4,979,236	7,791,848
Total Payables	(19)	13,268,031	16,279,220

10. Other Liabilities

	Notes	2023 (\$)	2022 (\$)
Current			
Unexpended Grants		41,907,371	36,397,532

11. Provisions

Outstanding psychologist sessions	Notes	2023 (\$)	2022 (\$)
Opening Balance as at 1 July		2,795,112	2,623,302
Additional Provisions Raised During Year		2,875,208	2,795,112
Amount Used		(2,795,112)	(2,623,302)
Balance as at 30 June		2,875,208	2,795,112

Analysis of Total Provisions	Notes	2023 (\$)	2022 (\$)
Current Provision			
Outstanding Psychologist and Mental Health Nurse Sessions		2,875,208	2,795,112
Total Current Provisions		2,875,208	2,795,112

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

12. Employee Benefits

	Notes	2023 (\$)	2022 (\$)
Current			
Provision for Annual Leave		747,530	746,996
Provision for Long Service Leave		412,307	257,250
Total – Current Employee Benefits		1,159,837	1,004,246
Non-current			
Provision for Long Service Leave		205,156	222,708
Total – Non-current Employee Benefits		205,156	222,708
Total Employee Benefits		1,364,993	1,226,954

13. Lease Liability

	Notes	2023 (\$)	2022 (\$)
Current			
Current Lease Liability		412,382	508,914
Non-current			
Non-current Lease Liability		–	412,382
Total Lease Liability		412,382	921,296

The Right of Use assets and lease liability relate to the property lease for Level 1 & part Level 5 / 369 Royal Parade Parkville VIC 3052. The lease expires on 31 March 2024.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

14. Reserves

	Notes	2023 (\$)	2022 (\$)
Financial Asset Revaluation Reserve			
Balance at Beginning of the Financial Year		(335,212)	274,720
Investment Revaluations – at Fair Value	(1g)	–	(609,932)
Total Reserves		(335,212)	(335,212)

This reserve is used to recognise increments and decrements in the fair value of financial assets at fair value through other comprehensive income. In the current reporting period, the entity has changed its accounting policy and now recognises fair value movements on investments through the profit and loss, as such the accumulated unrealised losses have been transferred out of the reserve to the Income Statement.

15. Events After the Reporting Period

The directors are not aware of any significant events since the end of the reporting period.

16. Key Management Personnel Compensation

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any directors (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:

	Notes	2023 (\$)	2022 (\$)
Key Management Personnel Compensation		1,552,924	1,444,451

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

17. Related Party Transactions

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.

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

There were no related party transactions during the financial year ended 30 June, 2023.

18. Contingent Liabilities and Contingent Assets

A contingent liability exists in the form of a bank guarantee held by Riverlee Corporation Pty Ltd of \$358,978 in relation to the property lease.



Lena Van Hale, from Vixen is co-facilitator of the 'Working with sex workers: health and wellbeing under decriminalisation' education for VHHITAL.

Photo: Leigh Henningham

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

19. Financial Risk Management

The entity's financial instruments consist mainly of deposits with banks, accounts receivable and payables. The entity does not have any derivative instruments at 30 June 2023.

The carrying amounts of each category of financial instruments, measured in accordance with AASB9 as detailed in the account policies to these financial statement, are as follows:

Financial risk management policies

The organisation's overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Finance, Audit and Systems Committee on a regular basis. These include credit risk policies and future cash flow requirements.

	Notes	2022 (\$)	2021 (\$)
Financial Assets			
Cash and Cash Equivalents	(4)	4,778,118	4,350,229
Receivables	(5)	3,070,186	2,371,028
Financial Assets at Fair Values	(6)	57,128,682	53,966,185
Total		64,976,986	60,687,442
Financial Liabilities			
Financial Liabilities at Amortised Cost – Trade and Other Payables	(9)	13,268,031	16,279,220
Total		13,268,031	16,279,220

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Melbourne Primary Care Network Ltd, the directors of the company declare that:

1. The financial statements and notes, as set out on pages 21–47 are in accordance with the *Australian Charities and Not-for-profit Commission Act 2012* and:
 - a. comply with Australian Accounting Standards – Simplified Disclosures; and
 - b. give a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date of the company.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the directors



Associate Professor Ines Rio (Chairperson)

Dated this 20th day of September 2023

Kathy Adams receives physical therapy with Karan Kaur at Fronditha Care in St Albans, as part of a program to reduce the risk of falls for people in residential aged care homes.

Photo: Leigh Henningham



INDEPENDENT AUDIT REPORT

WilliamBuck
ACCOUNTANTS & ADVISORS

Melbourne Primary Care Network Ltd Independent auditor's report to members

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Melbourne Primary Care Network Ltd (the Company), which comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Company, is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the Company's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards - Simplified Disclosures and the *Corporations Regulations 2001*.

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 *Corporations Act 2001* 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 opinion.

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INDEPENDENT AUDIT REPORT

WilliamBuck
ACCOUNTANTS & ADVISORS

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2023 but does not include the financial report and the auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information 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, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors 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 Disclosures and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company 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 to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities 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. Misstatements can arise from fraud or error and are considered material if, individually or in the 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 these financial statements is located at the Auditing and Assurance Standards Board website at:
http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our independent auditor's report.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

C. L. Sweeney

C. L. Sweeney
Director
Melbourne, 20 September 2023

