Consolidated Financial Statements Sunbury Community Health Centre Limited

Trading as: -

- ## Sunbury and Cobaw Community Health
- ## Our Village Family Childcare

ABN: 32 084 682 579

- ## Nexus Primary Health (controlled entity)

ABN: 40 685 448 071

Financial Report
For the year ended 30 June 2025

Contents

Directors' Report

Directors present their report of Sunbury Community Health Centre Limited "Parent Entity" for the year ended 30 June 2025, incorporating Nexus Primary Health as a controlled entity effective 13 January 2025 to form the "Consolidated Entity".

Significant Events During the Report Period

On Monday 13 January 2025, Nexus Primary Health transitioned to a governance structure led by Sunbury Community Health Centre Limited. While both organisations remain separate entities, both Sunbury Community Health Centre Limited and Nexus Primary Health are governed by the same Board and Nexus Primary Health's Chief Executive Officer reports to the Sunbury Community Health Centre's Chief Executive Officer. As a result, Nexus Primary Health became controlled by Sunbury and Cobaw Community Health on 13 January 2025, with an effective reporting date of 1 January 2025.

Directors

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

Peter Donlon (Chairperson)
Janelle Parry (Deputy Chairperson)
Mary Rush
Matthew Stewart
Bruce Marshall
Georgina Dougall – Sunbury Community Health only (appointed March 2025)
Berneice Callow – Sunbury Community Health only (appointed April 2025)

Each of the above Directors have been in office since the start of the financial year to the date of this report for Sunbury Community Health Centre Limited and since 13 January 2025 until the date of this report for Nexus Primary Health, with the exception of Georgina Dougall and Berneice Callow who were appointed during the financial year and are not on the Nexus Primary Health Board.

Principal activities

The principal activities of the company during the financial year were to provide health and welfare services to the communities within the Hume, Macedon Ranges, Mitchell, Murrindindi and Strathbogie Shires and surrounding local government areas.

Business Objectives

The company's short-term objectives are to provide high quality and sustainable health and community services to the local community. The company's long-term objectives are to build the social fabric of their communities through programs that help people support themselves and each other.

Review of Operations

The Surplus/(Deficit) of the company from operations for the financial year ended 30 June 2025 was:

Consolidated Entity	Parent Entity
2025	**2024**
$	**$**
12,108,165	1,189,037

The total surplus attributable to members of the Consolidated entity for the year ended 30 June 2025 was $12,108,165.

New and Amended Accounting Standards Adopted by the Company

There were no new or amended Accounting Standards adopted by the company during the year ended 30 June 2025.

Performance Measurement

The company measures its own performance by using quantitative and qualitative objectives. The achievement of objectives are used by the directors to assess the financial and service provision performance of the company and whether the company's short-term and long-term objectives are being achieved.

Events subsequent to the End of the Reporting Period

On Thursday 1 January 2026, Sunbury Community Health Limited and Nexus Primary Health will merge to form one entity. No other matters or circumstances have arisen since the end of the financial year which affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company, in future years.

Environmental Issues

The organisation is not subject to any significant environmental regulation.

Director's Benefits

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest.

Indemnification and insurance of Directors and Officers

The company has indemnified all directors and officers in respect of liabilities to other persons (other than the company or related body corporate) that may arise from their position as directors or officers of the company except where the liability arises out of conduct involving a lack of good faith.

The company has not provided any insurance for an auditor of the company.

Proceedings on behalf of the entity

No person has applied for leave of Court to bring proceedings on behalf of the entity or intervene in any proceedings to which the entity is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.
The entity was not a party to any such proceedings during the year.

Information on Directors

Name:	Peter Donlon
Qualifications:	Bachelor of Science, Associate Diploma of Computing, MAICD
Special responsibilities:	Chairperson, Member of Clinical Governance committee, Member of Finance Committee.
Name:	Janelle Parry
Qualifications:	CPA, Bachelor of Business (Accountancy), registered tax agent
Special responsibilities:	Deputy Chairperson, Member of Finance committee.
Name:	Mary Rush
Qualifications:	Bachelor of Business (Management)
Special responsibilities:	Board Member, Member of Governance and Risk committee.
Name:	Matthew Stewart
Qualifications:	Bachelor of Health Science, Post Graduate Diploma of Nursing Management, Registered Nurse Division 1
Special responsibilities:	Board Member, Chair of the Clinical Governance committee.
Name:	Bruce Marshall
Qualifications:	GAICD, Bachelor of Business (Marketing), Diploma of Management, Graduate Diploma of Education (Secondary)
Special responsibilities:	Board Member, Member of Governance and Risk committee.
Name:	Georgina Dougall
Qualifications:	Master of Public Health, Bachelor of Arts (Recreation), Post Graduate Diploma of Education (Health Education), Graduate Diploma of Education, Diploma of Business Management, Certificate IV Assessment and Workplace Training, Graduate of the Australian Institute of Company Directors (GAICD)
Special responsibilities:	Board Member
Name:	Berneice Callow
Qualifications:	Diploma of Business Administration, Diploma of Vocational and Educational Training, Certificate IV in Training and Assessment, Member of the Institute of Community Directors Australia (MICDA), Member of the Australian Institute of Company Directors (MAICD)
Special responsibilities:	Board Member

Meetings of Directors

During the financial year, 12 meetings of directors (board meetings) were held for Sunbury Community Health Centre Limited The company also had three subcommittees, the Clinical Governance (CG), Finance Committee (FC) and Governance and Risk Committee (GRC). Attendances by each director were as follows:

Director	Board meetings		Committee Meetings		
	Eligible to attend	Attended	Eligible to attend	Attended	Memberships
Peter Donlon (Chairperson)	12	12	7	7	CG, FC
Janelle Parry (Deputy Chairperson)	12	12	3	3	FC
Matthew Stewart	12	11	4	4	CG
Mary Rush	12	12	4	4	GRC
Bruce Marshall	12	10	4	4	GRC
Georgina Dougall	5	4	-	-	Not applicable
Berneice Callow	3	3	-	-	Not applicable

The Sunbury Community Health Centre's Board became the Nexus Primary Health Board on 13 January 2025. Since this date, five meetings of directors (board meetings) were held for Nexus Primary Health. Attendances by each director were as follows:

Director	Board meetings	
	Eligible to attend	Attended
Peter Donlon (Chairperson)	5	5
Janelle Parry (Deputy Chairperson)	5	5
Matthew Stewart	5	5
Mary Rush	5	5
Bruce Marshall	5	3
Georgina Dougall	Not applicable	Not applicable
Berneice Callow	Not applicable	Not applicable

Company Secretary

The position of company secretary for the Parent entity (Sunbury Community Health Centre Limited) is held by Jennifer Hardman, who commenced in the position on 24 September 2024.

The position of company secretary for the Controlled entity (Nexus Primary Health) is held by Daniel Ciccosillo, who commenced in position on 13 January 2025.

Members' Guarantee

The entity is incorporated under the Corporations Act 2001 and is a company limited by guarantee. The entity is registered with the Australian Securities and Investments Commission as well as the Australian Charities and Not-for-profits Commission. 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 2025 the number of members was 51 (2024: 51).

Auditor's independence declaration

The lead auditor's independence declaration for the year ended 30 June 2025 has been received and can be found on page 6 of the financial report.

The directors' report is signed in accordance with a resolution of the board of directors.

Peter Donlon
Chairperson

Janelle Parry
Deputy Chairperson

19 November 2025

VAGO
Victorian Auditor-General's Office

Auditor-General's Independence Declaration

To the Directors, Sunbury Community Health Centre Limited and its controlled entity

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General, an independent officer of parliament, is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised.

Under the *Audit Act 1994*, the Auditor-General is the auditor of each public body and for the purposes of conducting an audit has access to all documents and property, and may report to parliament matters which the Auditor-General considers appropriate.

Independence Declaration

As auditor for Sunbury Community Health Centre Limited and its controlled entity for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

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

MELBOURNE
26 November 2025

Sanchu Chummar
as delegate for the Auditor-General of Victoria

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2025

	Note	Consolidated 2025 $	Parent 2024 $
Continuing Operations			
Revenue from contracts with customers	2	27,947,718	19,493,348
Other sources of income	2	5,204,814	3,865,032
Gain on acquisition	15	13,654,524	-
Employee benefits expense	3(a)	(26,909,357)	(17,092,643)
Depreciation and amortization expense	3(b)	(944,666)	(734,682)
Finance expenses	3(c)	(30,889)	(184)
Utility expenses		(349,289)	(226,680)
Motor Vehicle expenses		(159,325)	(78,469)
Audit, accreditation, legal and consultancy fees		(690,646)	(314,612)
Staff training and development expenses		(282,946)	(236,437)
Client support services expenses		(728,841)	(673,184)
General program supplies	3(f)	(2,858,988)	(2,058,713)
External dental providers		(469,043)	(468,106)
Repairs and maintenance		(318,234)	(171,360)
Other expenditure		(1,378,068)	(395,372)
Impairment expense		-	(145,594)
Surplus /(Deficit) for the year		**11,686,764**	**762,344**
Items that will not be classified to net result			
Unrealised gains on investments		421,401	426,693
Total comprehensive surplus/(deficit) attributable to members of the entity		**12,108,165**	**1,189,037**
Total comprehensive income/(deficit) for the year arises from:			
Continuing Operations		12,108,165	1,189,037
		12,108,165	**1,189,037**

The above statement of profit or loss and other comprehensive income should be read in conjunction with accompanying notes, specifically Note 1 Summary of Significant Accounting Policies and Basis of Preparation

Statement of financial position

As at 30 June 2025

	Note	Consolidated 2025 $	Parent 2024 $
Assets			
Current Assets			
Cash and cash equivalents	4	7,985,197	9,730,961
Trade and other receivables	5	1,313,754	895,748
Inventories	6	23,920	26,746
Other assets	7	477,086	133,924
Total Current Assets		9,799,957	10,787,379
Non-Current Assets			
Investments	8	7,168,263	7,360,238
Property, plant and equipment	9	33,772,711	15,991,183
Right-of-use assets	11	552,844	-
Total Non-Current Assets		41,493,818	23,351,421
Total Assets		51,293,775	34,138,800
Liabilities			
Current Liabilities			
Trade and other payables	12	9,599,432	8,126,550
Provisions	13	4,981,336	2,458,113
Lease liabilities	14	120,632	-
Total Current Liabilities		14,701,400	10,584,663
Non-Current Liabilities			
Provisions	13	833,666	444,220
Lease liabilities	14	540,627	-
Total Non-Current Liabilities		1,374,293	444,220
Total Liabilities		16,075,693	11,028,883
Net Assets		35,218,082	23,109,917
Equity			
Retained earnings		32,782,395	20,674,230
Asset Revaluation reserve	21	2,255,687	2,255,687
Asset Replacement reserve		180,000	180,000
Total Equity		35,218,082	23,109,917

The above statement of financial position should be read in conjunction with the accompanying notes, specifically Note 1 Summary of Significant Accounting Policies and Basis of Preparation

Statement of changes in equity

Consolidated Entity

	Retained Earnings	Asset Revaluation Reserve	Asset Replacement Reserve	Total Equity
	$	$	$	$
Balance at 1 July 2023	**19,485,193**	**2,255,687**	**180,000**	**21,920,880**
Surplus for the year	762,344	-	-	762,344
Other comprehensive income for the year:				
Unrealised gain on investments	426,693	-	-	426,693
Total comprehensive income for the year attributable to members of the entity	**1,189,037**	**-**	**-**	**1,189,037**
Balance at 30 June 2024	**20,674,230**	**2,255,687**	**180,000**	**23,109,917**
Surplus for the year	11,686,764	-	-	11,686,764
Other comprehensive income for the year:				
Unrealised gain on investments	421,401	-	-	421,401
Total comprehensive income for the year attributable to members of the entity	**12,108,165**	**-**	**-**	**12,108,165**
Balance at 30 June 2025	**32,782,395**	**2,255,687**	**180,000**	**35,218,082**

The above statement of changes in equity should be read in conjunction with the accompanying notes, specifically Note 1 Summary of Significant Accounting Policies and Basis of Preparation

Statement of cash flows

	Note	Consolidated 2025 $	Parent 2024 $
Cash flows from operating activities			
Continuing operations			
Receipts from clients and government grants		29,214,892	23,332,329
Receipts from donations, reimbursements and rentals		535,199	410,690
Payments to suppliers and employees		(31,378,070)	(19,899,220)
Low-value lease payments		-	(16,685)
Interest received		307,754	219,874
Interest paid		(11,415)	(184)
Dividends received		329,462	326,708
Net cash (used in)/ provided by operating activities		**(1,002,178)**	**4,373,511**
Cash flows from investing activities			
Continuing operations			
Proceeds from sale of property, plant and equipment		13,149	527
Payments for property, plant and equipment		(2,658,854)	(287,756)
Proceeds from sale of investments		2,574,189	349,159
Payments for purchase of investments		(1,822,941)	(551,623)
Net cash used in investment activities		**(1,894,457)**	**(489,694)**
Cash flows from financing activities			
Payment of funds advanced to controlled entity		-	-
Payment of principal elements of lease liabilities		(100,163)	(42,137)
Net cash used in financing activities		**(100,163)**	**(42,137)**
Net increase / (decrease) in cash and cash equivalents		(2,996,798)	3,841,681
Cash and cash equivalents at beginning of the financial year		10,981,995	5,889,281
Cash and cash equivalents at the end of the financial year	4	**7,985,197**	**9,730,961**

The above statement of cash flows should be read in conjunction with the accompanying notes, specifically Note 1 Summary of Significant Accounting Policies and Basis of Preparation

Notes to the financial statements

Note 1. Summary of Significant Accounting Policies

The following explains the significant accounting policies that have been adopted in the preparation of these consolidated financial statements by Sunbury Community Health Centre Limited ("the Parent entity") as an individual entity and the consolidated entity of the Parent and Nexus Primary Health (referred to as "Consolidated entity").

The Parent entity is Sunbury Community Health Centre Limited, incorporated and domiciled in Australia. Nexus Primary Health transitioned to a governance structure led by Sunbury Community Health Centre Limited on 13 January 2025. While both organisations remain separate legal entities, Sunbury Community Health Centre Limited and Nexus Primary Health are governed by the same Board and Nexus Primary Health's Chief Executive Officer reports to Sunbury Community Health Centre's Chief Executive Officer. As a result, Nexus Primary Health became a controlled entity of Sunbury and Cobaw Community Health on 13 January 2025, with an effective reporting date of 1 January 2025. Refer to Note 15 – Business Combinations.

The financial statements for the year ended 2025 have been prepared in accordance with *AASB 10 Consolidated Financial Statements.*

The financial statements were authorised for issue on 19 November 2025 by the directors of the company.

Basis of preparation

The financial statements are prepared on a going concern basis. Directors have assessed cash requirements for the next twelve months and are satisfied that, based on information known at the time of management providing their assessment, that in the directors' opinion there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

As part of the merger, substantial changes to organisational structure and systems, information technology, arrangements with external contractors are currently occurring and will continue for the foreseeable period. These are expected to significantly streamline operating activities and deliver substantial operating savings.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures issued by the Australian Accounting Standards Board (AASB) to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012.* The Consolidated entity and Parent entity are not-for-profit entities for financial reporting purposes under Australian Accounting Standards. The financial statements for the year ended 30 June 2025 have been prepared in accordance with *AASB 10 Consolidated Financial Statements*, with Nexus Primary Health a controlled entity of Sunbury and Cobaw Community Health on 13 January 2025, with an effective reporting date of 1 January 2025.

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 comply with the recognition and measurement requirements of the Australian Accounting Standards, the presentation requirements in those Standards as modified by the *AASB 1060 General Purpose Financial Statements- Simplified Disclosures for For-Profit and Not-for-profit Tier 2 Entities* (AASB 1060) and disclosures requirements in AASB1060. Accordingly, the financial statements comply with Australian Accounting Standards- Simplified Disclosures.

(a) Revenue

When the consolidated entity receives revenue, it assesses whether the contract is enforceable and sufficiently specific performance obligations in accordance with AASB 15.

When both these conditions are satisfied, the company:

- Identifies each performance obligation relating to the revenue
- Recognises a contract liability for its obligations under the agreement
- Recognises revenue as it satisfies its performance obligation, as services are rendered

Where the contract is not enforceable or does not have the sufficiently specific performance obligations, the company:

- Recognises the asset received in accordance with the recognition requirements of other applicable Accounting Standards (for example AASB 9, AASB 16, AASB 116 and AASB 138)
- Recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer) and
- Recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the consolidated entity recognises income in profit or loss when or as it satisfies its obligations under the contract, unless a contract modification is entered into between all parties. A contract modification may be obtained in writing, by oral agreement or by implied customary business practices.

In contracts with customers, the 'customer' is typically a funding body, who is the party that promises funding in exchange for the consolidated entity's goods or services. The funding bodies often direct that goods or services are to be provided to third-party beneficiaries, including individuals or the community at large on behalf of the funding body. In such instances, the customer remains the funding body that has funded the program or activity, however the delivery of goods or services to third party beneficiaries is a characteristic of the promised good or service being transferred to the funding body.

This policy applies to each of the consolidated entity's revenue streams, with information detailed below relating to the most significant revenue streams. The consolidated entity's funding bodies include both Commonwealth and State Government funding bodies.

Customer	Significant program or activity
Department of Health (Victoria)	Community Health, Home and Community Care Program for Young People
Department of Families, Fairness and Housing	Individual, Child and Family Support. Perpetrators Responses Family Violence, Housing
Department of Health (Commonwealth)	Commonwealth Home Support Programme
Oral Health Victoria	State Funding Oral Health
National Disability Insurance Agency	National Disability Insurance Scheme

The nature and timing of revenue related to each of the above significant programs or activities are disclosed below.

Where the entity has some non-delivery of services, discussions have been held with funders, and the company has received contract modifications that have resulted in the reversal of some contract liabilities for the non-delivery of services where targets have not been met.

Capital grants
The entity received a capital grant of $2,500,000. The capital grant was provided by the Department of Health (State) for the refurbishment of 12-28 Macedon Street Sunbury. The works commenced in 2025 and will be completed during 2026. During 2025, $2,056,971 project expenditure was incurred which has also been recorded as capital grant income. At 30 June 2025, $443,029 remained unspent and was recorded as a deferred capital grant as the construction works related to the refurbishment of 12-28 Macedon Street had not been completed.

Volunteer Services
A not-for-profit entity may, as an accounting policy choice, elect to recognise volunteer services, if the fair value of those services can be measured reliably, whether or not the services would have been purchased if they had not been donated. The company receives volunteer services from members of the community. Whilst the provision of such volunteer services are important to the achievement of the entities objectives, as an accounting policy choice, the consolidated entity has elected not to recognise such volunteer contributions as revenue and expenditure within profit or loss. This election has no impact on the deficit or net assets.

Donations and bequests
Donations and bequests are generally recognised upon receipt as they do not contain sufficiently specific and enforceable performance obligations.

Interest Income
Interest income is recognised using the effective interest method.

Dividend Income
The company recognises dividends in profit or loss only when the company's right to receive payment of the dividend is established. Franking credits are recognised as income when received.

All Revenue is stated net of the amount of goods and services tax.

(b) Expenditure

Expenditure is recognised as it is incurred and is reported in the financial year to which the expense relates. Further information regarding each of the company's significant categories of expenditure which are not disclosed elsewhere within Note 1 to the financial report are detailed below.

Employee benefits expense

Employee benefits expenses include salaries paid to employees (including fringe benefits tax, leave entitlements and termination payments) and on-costs (including superannuation guarantee contributions, leave loading and workers' compensation premiums).

Other operating Expenses

Other operating expenses represent the day to day running costs incurred in normal operations of the company's activity and include costs relating to:

- Utility expenses
- Motor vehicle expenses
- Audit, accreditation, legal and consultancy fees
- Staff training and development expenses
- Client support services expenses
- General program supplies
- External dental provider costs
- External general practitioner costs
- Repairs and maintenance
- Other expenses

(c) Income Tax

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

(d) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 90 days or less, and bank overdrafts.

(e) Trade and Other Receivables

Trade and other receivables include amounts due from customers for services performed in the ordinary course of business. All receivables are classified as current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for expected credit losses. Refer to Note 1(h) for further disclosures regarding the measurement of the provision for expected credit losses.

(f) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated, less where applicable, any accumulated depreciation and impairment losses. Property, plant and equipment are tangible items that are held for the use in the supply of services, for rental to others and for administrative purposes which the company expects to use during more than one period.

Property

Freehold land and buildings are shown at their fair value based on periodic valuations by external independent valuers, which are conducted at least every three years, less subsequent depreciation for buildings.

Where an independent valuation has not been performed on land and buildings at balance sheet date, the directors perform an assessment to determine whether there has been a material change in fair value since the date of the last independent valuation. Refer to Note 1(o) for further information.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases are recognised in other comprehensive income under the heading of loss on the revaluation of land and buildings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings 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.

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 in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(i) 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, including right-of-use assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The depreciation rates used for each class of depreciable assets are as follows, which are consistent with the previous reporting period:

Class of fixed asset	Depreciation rate
Buildings	2.5% - 5%
Improvements	6.25% - 20%
Plant and equipment	10% - 33%
Motor vehicles	15% - 20%
Furniture and fittings	10% - 20%

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(g) Leases
The consolidated entity as lessee.

The consolidated entity's lease portfolio includes concessionary/peppercorn leases of land and buildings. The lease terms for each type of lease arrangement are:

Class of lease	Lease term
Concessionary/ peppercorn lease of land and buildings	20 – 21 years

At inception of a contract, the consolidated entity assesses if the contract is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the consolidated entity where the consolidated entity is a lessee. However, all contracts that are classified as short-term leases (i.e. a lease with a remaining lease term of 12 months or less) and leases of low-value assets (i.e. fair value less than $10,000) are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at lease commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the consolidated entity uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability, where applicable, are as follows:

- Fixed lease payments less any lease incentives
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date
- The amount expected to be payable by the lessee under residual value guarantees
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options
- Lease payments under extension options, if the lessee is reasonably certain to exercise the options
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The consolidated entity is not exposed to any potential future increases in variable lease payments.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the consolidated entity anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

For leases that have significantly below-market terms and conditions principally to enable the consolidated entity to further its objectives (commonly known as peppercorn/concessionary leases), the consolidated entity has adopted the temporary relief under *AASB 2018-8 Amendments to Australian Accounting Standards - Right-of-Use Assets of Not-for-Profit Entities* and measures the right-of-use assets at cost on initial recognition.

A summary of the peppercorn leases held by the consolidated entity is provided in the table below:

Premises	Lessee/Lessor	Peppercorn Lease details	Peppercorn Lease Value
12-28 Macedon Street, Sunbury	Sunbury Community Health Limited/Department of Health (State)	20-year lease agreement Commenced in June 2012, Expires in June 2032 Only permitted to use the premises to deliver services under its agreement with the Department of Health (State).	$104 (ex GST) per annum
142 Main Street, Romsey	Sunbury Community Health Limited/Macedon Ranges Shire Council	21-year lease agreement Commenced in February 2016, Expires in February 2037. Only permitted to use the premises to delivery community services.	$1 (ex GST) per annum
7 Dairy Lane (formerly 72 Ferguson Street), Broadford	Nexus Primary Health/Department of Health (State)	20-year lease agreement Commenced in April 2017, Expires in April 2037. Only permitted to use the premises to deliver services under its agreement with the Department of Health (State).	$104 (ex GST) per annum

All right-of-use assets and lease liabilities relating to the consolidated entity's peppercorn/concessionary lease arrangements are considered trivial to the financial statements and have therefore not been recognised on the statement of financial position.

Each of the consolidated entity's lease arrangements are for use in the production of supply of goods or services, or for administrative purposes. No lease agreements contain any material obligations that require the company to restore leased premises to their original condition at the end of each respective lease.

The consolidated entity as lessor
The company has no lease agreements under a sub-lease arrangement where it is a lessor.

(h) Financial Instruments

Initial recognition and measurement
Financial assets and financial liabilities are recognised when the consolidated entity becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the consolidated entity commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) 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. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Classification and subsequent measurement

(i) Financial liabilities

Financial liabilities are subsequently measured at amortised cost using the effective interest method. The consolidated entity does not utilise derivative financial instruments and has no financial liabilities designated at fair value through profit or loss.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

A financial liability cannot be reclassified.

(ii) Financial assets

Financial assets are subsequently measured at:

- Amortised cost
- Fair value through with unrealised gains/(losses) through other comprehensive income.

On the basis of the two primary criteria:

- The contractual cash flow characteristics of the financial asset and
- The business model for managing the financial assets.

A financial asset is subsequently measured at amortised cost if it meets the following conditions:

- The financial asset is managed solely to collect contractual cash flows and
- The contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

By default, all other financial assets that do not meet the conditions of amortised cost are subsequently measured at fair value through other comprehensive income.

The initial designation of the financial instruments to measure at fair value through profit and loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised. The company has elected to subsequently measure it's investments at fair value through other comprehensive income to simplify the accounting for such financial assets.

The company measures any financial assets at fair value through other comprehensive income.

Derecognition

(i) Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(ii) Derecognition of financial assets

A financial asset is derecognised when the company's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for derecognition of a financial asset:

- The right to receive cash flows from the asset has expired or been transferred
- All risk and rewards of ownership of the asset have been substantially transferred and
- The entity no longer controls the asset (i.e. no practical ability to make unilateral decision to sell to a third party)

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Impairment

The company recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost. A loss allowance is not recognised for financial assets measured at fair value through profit or loss.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The company uses the simplified approach to impairment, as applicable under AASB 9, which is applicable to trade receivables.

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

In measuring the expected credit loss, a provision matrix for trade receivables is used, taking into consideration various data to get to an expected credit loss, (i.e. diversity of its customer base, appropriate groupings of its historical loss experience etc).

Recognition of expected credit losses in financial statements
At each reporting date, the company recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

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

The provision for expected credit losses is not considered material to the financial statements.

(i) Impairment of assets
At the end of each reporting period, a review of the carrying amount of tangible assets is conducted to determine whether there is any indication that an asset may be impaired. The assessment will include consideration of external sources of information and internal sources of information.

External sources of information include but are not limited to observable indications that an asset's value has declined during the period by significantly more than would be expected as a result of the passage of time or normal use. Another external source may include a property assessment report where an assessment is conducted by specialist external parties. Internal sources of information include but are not limited to evidence of obsolescence or physical damage of an asset and significant changes with an adverse effect on the company which changes the way in which an asset is used or expected to be used.

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 to sell 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, unless the asset is carried at a revalued amount.

Where an impairment loss on a revalued asset is identified, this is recognised against the asset revaluation reserve in respect of the same class of asset to the extent that the impairment loss does not exceed the cumulative balance recorded in the asset revaluation reserve for that class of asset.

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.

(j) Employee Benefits

Short-term employee benefits
Provision is made for the consolidated entity'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 salaries, wages, RDOs, annual leave and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required years of service.

Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled. The consolidated entity's obligations for short-term employee benefits such as salaries are recognised as part of current trade and other payables in the statement of financial position.

Long-term employee benefits
The consolidated entity classifies employees' long service leave entitlements as long term employee benefits where employees have not completed the required years of service and 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 consolidated entity's obligation for 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 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 high quality government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

(k) Trade and Other Payables
Trade and other payables represent the liabilities for goods and services received by the consolidated entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 to 60 days of recognition of the liability.

(l) Provisions
Provisions are recognised when the consolidated entity 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 are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(m) 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 Tax 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 are presented as operating cash flows included in receipts from customers or payments to suppliers.

Cash flows are presented in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and 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.

(n) Comparative Figures
Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by accounting standards or as a result of changes in accounting policy.

The 2024 comparative figures are for Sunbury Community Health Limited only. During 2025, Nexus Primary Health transitioned to a governance structure led by Sunbury Community Health Centre Limited on 13 January 2025. As a result, Nexus Primary Health became a controlled entity of Sunbury and Cobaw Community Health with an effective reporting date of 1 January 2025, forming the consolidated entity for 2025.

(o) Material Accounting Estimates and Judgements
The director's evaluate estimates and judgements 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 consolidated entity.

Key Estimates
Impairment
The directors assess impairment at each reporting period by evaluating the conditions and events specific to the consolidated entity that may be indicative of impairment triggers. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing the recoverable amounts incorporate a number of key estimates.

Useful life of property, plant and equipment
The directors review the estimated useful lives and corresponding depreciation rates of property, plant and equipment at the end of each annual reporting period.

Key Judgements
Identifying performance obligations under AASB 15

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

Determination and timing of revenue recognition under AASB 15

For each revenue stream, the company applies significant judgement to determine when a performance obligation has been satisfied and the transaction price that is to be allocated to each performance obligation.

Recognition of contract modifications

A contract modification is a change in the scope or price (or both) of a contract, which may be approved in writing, by oral agreement or implied by customary business practices. Where performance obligations have not been met, the consolidated entity requests written contract modifications from funders. When received, the consolidated entity de-recognises contract liabilities for amounts that are no longer required to be accounted for as a contract liability.

Fair value of non-current assets

The consolidated entity measures it's land and buildings (property, plant and equipment) at fair value. The consolidated entity obtains independent valuations for such non-current assets at least every three years. At the end of each reporting period, the directors update their assessment of the fair value of each non-current asset to ensure the fair values recorded are materially correct.

Where land and buildings have not been independently valued at balance sheet date, the directors estimate the fair value of land and buildings at year-end with reference to the Valuer-General Victoria's land and buildings indexation factors in order to determine whether or not there has been a material change in fair value since the property was last independently valued or acquired/constructed.

A managerial adjustment is recognised if the assessment concludes that the fair value of an item of land or buildings has changed by 10% or more since the last revaluation (whether that be the most recent independent valuation or managerial valuation). An estimated change in fair value of less than 10% is deemed immaterial to the financial statements and no adjustment is recorded.

Land and buildings at 7-11 High Street, Wallan were independently valued by Frank Knight valuers at 30 June 2025.

Lease term and option to extend under AASB 16

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably going to be exercised is a key management judgement that the company will make.

The company determines the likelihood to exercise the options on a lease-by-lease basis, looking at various factors such as which assets are strategic and which are key to future strategy of the company, in addition to the following:

- If there are significant penalties to terminate (or not to extend), the company is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the company is typically reasonably certain to extend (or not terminate).
- Otherwise, the company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

As at 30 June 2025, there are no potential future cash outflows excluded from the measurement of the lease liability as there are no such options to extend included in the company's lease agreements.

Borrowing rate under AASB 16
Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the consolidated entity's leases, the incremental borrowing rate is used, being the rate that the consolidated entity would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.
To determine the incremental borrowing rate, the consolidated entity:

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

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

The consolidated entity assesses the long service leave liability in accordance with the requirements of AASB 119 Employee Benefits and applies probability factors reducing the balance of the liability on employees' balances that have not reached their vesting period i.e. not entitled to be paid out at balance date.

The probability factors are increased as the respective employees' years of service increase and are provided for at 100% probability at vesting period (in accordance with employment conditions). The probability rates have been determined based on past retention data.

Provision for expected credit losses
Current trade receivables are generally on 30-day terms. In measuring the expected credit loss, a provision matrix for trade receivables is used, taking into consideration various data to get to an expected credit loss. The provision for expected credit losses has been recorded in the financial statements.

(p) Economic Dependence
The Consolidated entity is dependent upon the Commonwealth and State Governments, via the Victorian Department of Health and the Victorian Department of Families, Fairness and Housing, the Commonwealth Department of Health, Oral Health Services Victoria and the National Disability Insurance Agency for the receipt of funding used to operate a significant portion of the company's services. At the date of this report the Board of Directors has no reason to believe the consolidated entity's funding bodies will not continue to support the Consolidated entity.

(q) Fair Value of Assets and Liabilities
The consolidated entity measures some of its assets and liabilities at fair value either on a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standards.

"Fair value" is the price the company would sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (i.e. market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to the consolidated entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset and minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the consolidated entity's own equity instrument (if any) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and where significant, are detailed in the respective note to the financial statements.

(r) Inventories
Inventories are measured at the lower of cost and current replacement cost. Inventories acquired at no cost or for nominal consideration are measured at current replacement cost as at the date of acquisition.

Note 2. Revenue and other income

	Note	Consolidated 2025 $	Parent 2024 $
Revenue from contracts with customers	2 (a)	27,947,718	19,493,348
Other sources of Income	2(b)	5,204,814	3,865,032
		33,152,532	23,358,380

(a) Revenue from contracts with customers

Disaggregation of revenue

The company has disaggregated revenue by the nature of revenue and timing of revenue recognition.

	Consolidated 2025 $	Parent 2024 $
Categories of disaggregation		
Commonwealth and State Government funding	22,480,003	14,814,725
National Disability Insurance Scheme funding	1,243,146	1,239,863
Fees for service	3,519,446	1,853,094
Other revenue	705,123	1,585,666
Total disaggregated revenue from contracts with customers with service delivery obligations	27,947,718	19,493,348
Timing of revenue recognition		
Services transferred to customers:		
Transferred at a point in time	9,766,005	4,953,596
Transferred over time	18,181,713	14,539,752
	27,947,718	19,493,348

(b) Other sources of income

	Consolidated 2025 $	Parent 2024 $
Interest received on financial assets	307,754	219,874
Donations and reimbursements	39,664	46,126
Rental Income	495,536	364,564
Dividends received	329,462	326,708
Funding – waivers received	164,443	177,687
Other Government income	1,236,746	1,462,340
Capital Grant	2,056,971	121,275
Realised Gain on investments	137,872	1,098
Funding – derecognition of prior year contract liabilities	436,366	1,145,360
	5,204,814	3,865,032

The consolidated entity was unable to meet a number of performance obligations under its contracts with customers. The consolidated entity recognized contract modifications from some smaller funders. No contract modifications were recognized for major funding bodies like the Victorian Department of Health and the Commonwealth Department of Health.

During the 2024/25 financial year an amount of $436,366 (2024: $1,145,360) was derecognized for contract liabilities that related to prior years. Refer to Note 1(a) for further information on the derecognition of contract liabilities relating to prior years.

Note 3. Material profit or loss items

The consolidated entity has identified a number of items which are material due to the significance of their nature and/or amount. These are listed separately here to provide a better understanding of the consolidated entity's financial performance.

a) Employee benefits expense

	Consolidated	Parent
	2025	**2024**
	$	$
Employment expenses	24,493,637	15,587,408
Contributions to superannuation funds	2,415,720	1,505,235
	26,909,357	17,092,643

b) Depreciation and amortization expense

Property, plant and equipment

	Consolidated	Parent
	2025	**2024**
	$	$
Buildings	368,560	288,845
Improvements	191,397	144,124
Amortisation Leased Properties	32,190	-
Motor Vehicles	134,432	126,208
Plant and equipment	131,013	130,704
Furniture and fittings	58,746	44,801
Software	28,328	-
Total depreciation of non-current assets	944,666	734,682

c) Finance Costs

	Consolidated	Parent
	2025	**2024**
	$	$
Lease liability	30,889	184
	30,889	184

d) **Audit fees**
Audit fees includes remuneration of the external auditors, the Victorian Auditor-General's Office, for:

	Consolidated	Parent
	2025	2024
	$	$
Auditing the financial report	63,250	41,500
	63,250	41,500

e) **Loss on Disposal**
Loss on disposal includes the following expenses:

	Consolidated	Parent
	2025	2024
	$	$
Realised loss on disposal of property, plant and equipment	13,803	1,640
	13,803	1,640

f) **General program supplies**
General program supplies include the following expenses:

	Consolidated	Parent
	2025	2024
	$	$
Program expenses	2,782,216	1,557,435
Consultants	76,772	501,278
	2,858,988	2,058,713

g) **Impairment expense**

Impairment expense concessionary lease ceased

	Consolidated	Parent
	2025	2024
	$	$
Impairment expense on leasehold improvements	-	145,001
Impairment expense on concessionary lease held	-	593
	-	145,594

Note 4. Cash and cash equivalents

	Consolidated 2025 $	Parent 2024 $
Current assets		
Cash on hand	1,695	203
Cash at bank	7,983,502	9,730,758
Total cash and cash equivalents	7,985,197	9,730,961

Note 5. Trade and other receivables

	Consolidated 2025 $	Parent 2024 $
Current assets		
Trade receivables	1,326,188	897,530
Less: Provision for expected credit losses	(12,434)	(1,782)
Total trade and other receivables	1,313,754	895,748

Note 6. Inventories

	Consolidated 2025 $	Parent 2024 $
Current assets		
Inventories at cost	23,920	26,746

Note 7. Other Assets

	Consolidated 2025 $	Parent 2024 $
Current assets		
Prepaid expenses	271,935	133,924
Funds Advanced – Controlled Entity	-	-
Accrued Revenue	205,151	-
	477,086	133,924

Note 8. Investments

	Consolidated 2025 $	Parent 2024 $
Non- Current assets		
Financial assets at fair value through profit or loss:		
Listed shares	6,413,263	6,648,328
Annuities	755,000	712,000
	7,168,263	7,360,238

Movements in carrying amounts for each type of investment between the beginning and the end of the current financial year.

	Listed Shares	Annuities	Total
Balance at 1 July 2024	6,648,238	712,000	**7,360,238**
Additions/transfers	1,522,941	300,000	**1,822,941**
Revaluation increment/gain	559,273	-	**559,273**
Disposals	(2,317,189)	(257,000)	**(2,574,189)**
Balance at 30 June 2025	**6,413,263**	**755,000**	**7,168,263**

Note 9. Property, Plant and Equipment

	Consolidated	Parent
	2025 $	2024 $
Non-Current assets		
Land and buildings		
Freehold land - at fair value	10,820,000	6,595,000
Buildings - at fair value	16,668,830	8,160,000
Less: accumulated depreciation	(2,465,270)	(292,595)
	14,203,560	7,867,405
Total land and buildings	25,023,560	14,462,405
Leasehold improvements - at Cost	7,073,295	1,556,916
Less: Accumulated depreciation	(1,149,151)	(473,712)
	5,924,144	936,757
Work in Progress – Leasehold improvements	2,065,020	8,049
Motor Vehicles - at Cost	694,783	694,783
Less: Accumulated depreciation	(496,171)	(409,529)
	198,612	285,254
Software - at Cost	675,674	-
Less: Accumulated depreciation	(596,735)	-
	78,939	-
Plant and Equipment - at Cost	1,462,852	985,910
Less: Accumulated depreciation	(1,144,511)	(766,574)
	318,341	219,336
Furniture and fittings - at Cost	640,192	259,132
Less: Accumulated depreciation	(476,097)	(179,749)
	164,095	79,383
Total property, plant and equipment	33,772,711	15,991,183

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

Consolidated Entity

	Land	Buildings	Leasehold Improvements	Motor Vehicles	Plant and Equipment	Software	Furniture and Fittings	Work in Progress	Total
Balance at 1 July 2024	6,595,000	7,867,405	936,757	285,254	219,336	-	79,383	8,049	**15,991,184**
Additions on acquisition of controlled entity	4,225,000	6,173,930	4,749,620	-	66,126	107,267	668,778	-	**15,990,721**
Additions/transfers	-	760,288	443,196	-	150,205	-	5,465	2,065,020	**3,424,174**
Accumulated Depreciation on disposal	-	123,104	25,835	-	227,742	-	1,521		**378,202**
Disposals	-	(352,607)	(39,866)	-	(214,054)	-	(532,306)	(8,049)	**(1,146,882)**
Depreciation expense	-	(368,560)	(191,397)	(86,642)	(131,015)	(28,328)	(58,746)	-	**(864,688)**
Balance at 30 June 2025	**10,820,000**	**14,203,560**	**5,924,145**	**198,612**	**318,340**	**78,939**	**164,095**	**2,065,020**	**33,772,711**

Land and buildings held by the Parent Entity were independently valued during the year ended 30 June 2023 by Knight Frank Valuations Services Pty Limited. These valuations were based on the fair value less cost to sell based in an active market. The critical assumptions adopted in determining the valuation included the locations of the land and buildings, the current demand for land and buildings in the area and recent sales data for similar properties.

The policy is that a managerial adjustment is recognised if the assessment concludes that the fair value of an item of land or buildings has changed by 10% or more since the last revaluation (whether that be the most recent independent valuation or managerial valuation). An estimated change in fair value of less than 10% is deemed immaterial to the financial statements and no adjustment is recorded. There was no adjustment required at 30 June 2025.

Land and buildings held by the Nexus Primary Health ("Controlled Entity') revalued at 30 June 2025 by Knight Frank Valuations Services Pty Limited. These valuations were based on the fair value less cost to sell based in an active market. The critical assumptions adopted in determining the valuation included the locations of the land and buildings, the current demand for land and buildings in the area and recent sales data for similar properties. This revaluation was completed as part of the acquisition process required by AASB 3 to ensure that the assets and liabilities of the controlled entity were taken up at their fair values at acquisition date.

Note 10. Other comprehensive income

Items that will not be reclassified to profit or loss:

	Consolidated	Parent
	2025	2024
	$	$
Unrealised gain on investments	421,401	426,693
Total items that will not be classified to net result	421,401	426,693
Total comprehensive gain	421,401	426,693

Note 11. Right-of-Use Assets

	Consolidated	Parent
	2025	2024
Non-current assets	$	$
Leased property - at fair value	599,034	-
Less - Accumulated depreciation	(46,190)	-
	552,844	-
Total right-of-use assets	552,844	-
AASB 16 related amounts recognised in profit or loss		
Depreciation charge related to right-of-use assets	79,978	42,137
Interest expense on lease liabilities	30,889	184
Low-value lease expense	-	16,685
	110,867	59,006

Movements in carrying amounts:

Consolidated Entity

	Leased Property	Leased Motor Vehicles	Total
	$	$	$
Balance at 1 July 2024	-	-	-
Additions on acquisition of controlled entity	585,034	34,548	**619,582**
Additions	-	18,902	**18,902**
Disposals	-	(5,662)	**(5,662)**
Depreciation	(32,190)	(47,788)	**(79,978)**
Balance at 30 June 2025	**552,844**	-	**552,844**

Options to extend or terminate
There are no extension or termination options included in the consolidated entity's lease arrangements which the consolidated entity is reasonably certain to exercise.

Concessionary/peppercorn lease

A summary of the peppercorn leases held by the consolidated entity is provided in Note 1 (g) Leases.

These concessionary leases are measured at cost in accordance with the consolidated entity's accounting policy as outlined in Note 1(g). The right-of-use asset and lease liability relating to these leases is considered trivial to the financial statements. As such, a right-of-use asset and lease liability has not been recognised on the statement of financial position. The consolidated entity is dependent on these lease arrangements to further its objectives. Without these concessionary leases, the consolidated entity's service delivery to the community would be impacted. More information on the concessionary leases are available as described in Note 1(g).

Note 12. Trade and other payables

	Consolidated	Parent
	2025	2024
	$	$
Current liabilities		
Accounts payable	1,528,828	1,757,708
Contract liability	4,684,993	2,154,593
Unspent capital grants	443,029	2,500,000
Client subsidies payable (Home Care Package)	211,164	401,699
Accrued salaries	1,322,307	602,054
Other payables	525,497	203,066
Payable to the ATO	883,614	507,430
Total trade and other payables	9,599,432	8,126,550

Financial liabilities at amortised cost classified as trade and other payables

	Consolidated	Parent
	2025	2024
	$	$
Trade and other payables		
Total current	9,599,432	8,126,550
Less: amounts payable to the ATO	(883,614)	(507,430)
Less: contract liability	(4,684,993)	(2,154,593)
Total financial liabilities classified as trade and other payables	4,030,825	5,464,528

Note 13. Provisions

	Consolidated	Parent
	2025	2024
	$	$
Current		
Provision for annual leave	1,955,286	984,072
Provision for time in lieu (TIL) and rostered days off (RDO's)	39,157	36,099
Provision for long service leave	2,986,893	1,437,942
	4,981,336	2,458,113
Non-Current		
Provision for long service leave	833,666	444,220
Total Provisions	5,815,002	2,902,333

Provisions represent amounts accrued for annual leave, RDO, TIL and long service leave.

The current portion for this provision includes the total amount accrued for employee 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 consolidated entity does not expect the full amount of employee entitlements or long service leave balances classified as current liabilities to be settled within the next 12 months. These amounts, however, must be classified as current liabilities since the consolidated entity does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts 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 rates have been determined based on historical employee retention data. The measurement and recognition criteria for employee benefits have been discussed in Note 1(j).

Note 14. Lease liabilities

	Consolidated	Parent
Current liabilities	2025	2024
	$	$
Lease liability	121,995	-
Unexpired interest	(1,363)	-
Total lease liabilities	120,632	-

	Consolidated	Parent
Non-Current liabilities	2025	2024
	$	$
Lease liability	613,214	-
Unexpired interest	(72,587)	-
Total lease liabilities	540,627	-

Note 15. Business Combinations

Details of acquisition

On 1 January 2025, Sunbury Cobaw Community Health obtained control of Nexus Primary Health via constitutional amendments that resulted in Sunbury Cobaw Community Health becoming the sole member with the ability to appoint and remove Nexus Primary Health's directors. As a result, Nexus has been consolidated into the Group financial statements from that date.

Assets acquired and liabilities assumed at 1 January 2025	**Nexus Primary Health**
	$
Cash and cash equivalents	1,251,033
Trade and other receivables	517,849
Property, plant and equipment	12,889,439
Right of use assets	619,582
Trade and other payables	(1,999,836)
Lease liabilities	(721,622)
Employee entitlements	(2,003,733)
Total identifiable assets assumed at 1 January 2025	**10,552,712**

Revaluation of land and buildings as part of acquisition	**Nexus Primary Health**
	$
Gain on revaluation of land	2,571,330
Gain on revaluation of buildings	530,482
Total revaluation of land and buildings as part of acquisition	**3,101,812**
Total fair value of identifiable assets assumed at 1 January 2025	**13,654,524**

No consideration was transferred, and a bargain purchase gain on the revaluation of land and buildings of $13,654,524 has been recognised in consolidated profit or loss in accordance with AASB 3. All identifiable assets and liabilities of Nexus have been recognised at their acquisition-date fair values.

The entities continue to operate separately pending a full legal merger and rebranding, planned to take effect on 1 January 2026.

Note 16. Capital and Leasing Commitments

(a) Short-Term and Low-Value Lease Commitments
The consolidated entity has no material short-term or low-value lease commitments contracted for but not capitalised in the financial statements.

(b) Capital Expenditure Commitments
During the year, the consolidated entity entered into an agreement to refurbish 12-28 Macedon Street, Sunbury. The contract value was $2,408,007. At 30 June 2025, the outstanding capital commitment was $372,918 (2024: $80,488).

Note 17. Contingent Liabilities and Contingent Assets

Contingent liabilities

There are no contingent liabilities as at 30 June 2025 for the consolidated entity (2024: Nil).

Contingent Assets

There are no contingent assets as at 30 June 2025 for the consolidated entity (2024: Nil).

Note 18. Events after the Reporting Period

In January 2025 it was confirmed that Sunbury Community Health Centre Limited will be working towards merging with Nexus Primary Health. The effective date for the merger is Thursday 1st January 2026. The new trading name for the merged organisation will be Omnia Community Health. A number of milestone events have occurred since the end of June 2025 to prepare for the merger and to align the two entity's systems, reporting frameworks, governance and policies. The merged entity's organisational structure was confirmed on the 10th October 2025.

Actual economic events and conditions in the future may be different from those estimated by Sunbury Community Health Centre Limited at the reporting date due to poor economic conditions and excessive shortages of service delivery staff. Management recognises that it is difficult to reliably estimate with any degree of certainty the potential impact of the poor economic conditions that we are currently facing together with staff shortages and how long this is likely to be the case.

Note 19. Key management personnel and related party disclosures

Total remuneration paid to the KMP of the Consolidated entity are as follows:

Remuneration of executive officers

	Consolidated	Parent
	2025 $	2024 $
Short-term employee benefits	1,215,480	754,432
Post-employment benefits	122,096	91,214
Other long-term benefits	43,052	17,196
Termination benefits	145,848	73,983
Total Remuneration	1,526,476	936,825

The company's KMP for 2025 include:

- Board of Directors
- Chief Executive Officer – Parent entity
- Chief Executive Officer – Controlled entity
- Chief Operating Officer
- Chief People and Capability Officer
- Chief Partnerships Officer
- Chief Financial Officer
- Executive Manager of Corporate Services

Key management personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the consolidated entity. Outside of normal citizen type transactions with the consolidated entity, there were no related party transactions that involved KMP, their close family members and/or their personal business interests. The Board of Directors of the consolidated entity are volunteers and are not remunerated.

Note 20. Financial Risk Management

The consolidated entity's financial instruments consist mainly of deposits with banks, local money market instruments, accounts receivable, listed shares, managed funds, annuities, accounts payable and lease liabilities. The carrying amounts for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

		Consolidated	Parent
Financial Assets		2025 $	2024 $
Financial assets at amortized cost:			
Cash and cash equivalents	4	7,985,197	9,730,961
Trade and other receivables	5	1,313,754	895,748
Financial assets at fair value through other comprehensive income:			
Investments	8	7,168,263	7,360,238
Total financial assets		16,467,214	17,986,947
Financial liabilities			
Financial liabilities at amortized cost:			
Trade and other payables	12	4,030,825	5,464,528
Lease liabilities	14	661,259	-
Total financial liabilities		4,692,084	5,464,528

Note 21. Reserves

Asset revaluation reserve

The asset revaluation reserve records the revaluation of land and buildings. A reconciliation of movements to/(from) the asset revaluation reserve via other comprehensive income is disclosed as follows for the consolidated entity. Refer to note 1(o).

Consolidated

	Land	Buildings	Total
Balance at 1 July 2024	2,255,687	-	**2,255,687**
Revaluation decrement	-	-	-
Revaluation increment	-	-	-
Balance at 30 June 2025	2,255,687	-	**2,255,687**

If the carrying amount of a class of assets is increased or decreased as a result of a revaluation, the net revaluation increase, or decrease is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve.
Revaluation increases and decreases relating to individual assets within a class of property, plant and equipment are offset against one another within that class but are not offset in respect of assets in different classes.

Asset replacement reserve

The asset replacement reserve records retained earnings allocated to the future replacement of assets. There were no movements in the asset replacement reserve for the year ended 30 June 2025 (2024: nil).

Note 22. Registered office/principal place of business

The registered office and principle place of business of the consolidated entity is:

Sunbury Community Health Centre Limited
12-28 Macedon Street
Sunbury, VIC, 3429

Sunbury Community Health Centre Limited
Directors' Declaration

In accordance with a resolution of the directors of Sunbury Community Health Centre Limited, the directors of the entity declare that:

1. The financial statements and notes, as set out on pages 1 to 31, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and:
   a. comply with Australian Accounting Standards-Simplified Disclosure Requirements; and
   b. give a true and fair view of the consolidated entity's financial position as at 30 June 2025 and of its performance and cash flows for the year ended on that date.

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

This declaration is signed in accordance with subs 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulations 2022.*

Peter Donlon
Chairperson

Janelle Parry
Deputy Chairperson

19 November 2025

Independent Auditor's Report

VAGO
Victorian Auditor-General's Office

To the Directors of Sunbury Community Health Centre Limited

Opinion	I have audited the consolidated financial report of Sunbury Community Health Centre Limited (the company) and its controlled entity (together the consolidated entity) which comprises the: • consolidated entity's statement of financial position as at 30 June 2025 • consolidated entity's statement of profit or loss and other comprehensive income for the year then ended • consolidated entity's statement of changes in equity for the year then ended • consolidated entity's statement of cash flows for the year then ended • notes to the financial statements, including material accounting policy information • directors' declaration. In my opinion the financial report is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012,* including: • giving a true and fair view of the financial position of the consolidated entity as at 30 June 2025 and of its financial performance and its cash flows for the year then ended • complying with Australian Accounting Standards – Simplified Disclosures and Division 60 of the Australian Charities and Not-for-profits Commission Regulations 2022.
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. My independence is established by the *Constitution Act 1975*. My staff and I are independent of the company and the consolidated entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Directors' responsibilities for the financial report	The Directors of the company are responsible for the preparation of a financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures 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 a 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 company's and the consolidated entity'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 it is inappropriate to do so.

Level 31 / 35 Collins Street, Melbourne Vic 3000
T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

Auditor's responsibilities for the audit of the financial report	As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit 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 my 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.

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's and the consolidated entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors
- conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the consolidated entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the company and the consolidated entity to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the company and the consolidated entity to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the audit of the company and the consolidated entity. I remain solely responsible for my audit opinion.

Auditor's responsibilities for the audit of the financial report (continued)	I communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit. I also provide the Directors with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

MELBOURNE
26 November 2025

Sanchu Chummar
as delegate for the Auditor-General of Victoria