CAPITAL HEALTH NETWORK LIMITED

ABN 82 098 499 471

FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

CAPITAL HEALTH NETWORK LIMITED

ABN 82 098 499 471

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General information

The financial statements cover Capital Health Network Limited (CHN) as an individual entity. The financial statements are presented in Australian dollars, which is Capital Health Network Limited's functional and presentation currency.

Capital Health Network Limited is a not-for-profit unlisted public company limited by guarantee.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 18 September 2025. The directors have the power to amend and reissue the financial statements.

CAPITAL HEALTH NETWORK LIMITED

ABN 82 098 499 471

DIRECTORS REPORT

The Directors present their report on Capital Health Network Limited, referred to as 'the Company' and 'CHN' for the financial year ended 30 June 2025.

Directors

The following persons were Directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr. Steven Baker
Ms. Julie Blackburn, Chair (inactive until 1 Sep 2024 whilst Acting CEO)
Ms. Darlene Cox
Ms. Rachel Fishlock
Dr. Vik Fraser
Mr. Peter Quiggin PSM KC (Acting Chair until 1 Sep 2024)
Dr. Niral Shah (resigned on 31 January 2025)
Dr. Jess Tidemann

Operating Results

The result from ordinary activities amounted to a surplus of $1,540,181 (2024: surplus of $70,388).

The accounting treatment of fit out expenditure under AASB15 and AASB1058 requires CHN to recognise income equal to the total overall expenditure on the project. However, the matching expenditure cannot be recognised in full in the same year and will be attributes over the life of the lease (8 years), resulting in large surplus in the current financial year. This surplus will be matched by a deficit spread over the next 7 financial years.

Membership in the Company

The Entity is a Company limited by guarantee. If the Entity was wound up, the Constitution states that each member is required to contribute a maximum of $10 each towards meeting any outstanding obligations of the Company. At 30 June 2025 the number of members was 265 (2024: 619). Membership is cyclical, requiring renewals every three years.

Significant Changes in State of Affairs

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

Principal Activity

The principal activities of the Company involved the administration of government and non-government funded programs during the financial year. These involved:

- Population health and service planning for the ACT region;
- Development of commissioning systems and capacity;
- The provision of training and other support services to general practitioners and primary health care clinicians in the ACT;
- Supporting better coordination of primary health care services across the ACT; and
- The provision of primary health care services to the ACT community.

The Company's activities during the year resulted in the implementation of national and regionally based programs and initiatives that focused on delivering relevant primary health care solutions to meet community needs. These have included improved access to services for people at risk of poor health outcomes and those with poor access to primary health care, support to general and allied health practices, and improved integration between general practice, primary health care, hospital, social and aged care systems. The Company continually embraced a culture of quality improvement, engagement and good governance practices in the ACT and surrounding region.

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Objectives and Strategies

Goals and Objectives	Long Term or Short Term Objective	Strategies to meet objectives
Commissioning for outcomes	Short and long term	• Understand the health needs of the ACT's communities • Commission services for people at-risk of poor health outcomes and/or exclusion from health services • Commission innovative, evidence-informed primary care services • Measure and evaluate for outcomes
Building capacity across the health system	Short and long term	• Champion the role of primary care within the ACT health system • Promote and share best practice, evidence-informed and innovative models of care • Facilitate education and training for health care professionals working in primary care • Utilise and promote the use of local data to drive high-quality, future-focused, sustainable primary care
Coordinating and integrating care	Short and long term	• Advocate for and deliver solutions that improve access and experience across the health system, especially for people at-risk of poor health outcomes and/or exclusion from health services in the ACT • Partner to design and deliver models of integrated care that address identified, local needs • Deliver programs, projects and solutions that improve communication and coordination of care across the health system • Build networks across the health and social sectors in the ACT.
Organisational excellence	Short and long term	• Maintain strong corporate governance and implement systems to identify, assess and mitigate risks to achieve strategic objectives in place • Support a strong staff culture and invest in our people • Invest in systems and processes that promote efficiency, improve business processes and deliver value • Embed a culture of continuous quality improvement and clear and effective communication with all stakeholders

Measurement of Performance

The Company's performance is continually measured by the following means:

- Financial budgets for the Company and the underlying programs are compiled by the Chief Operations Officer, informed by the Executive team and reviewed by the Chief Executive Officer. The Company's Audit and Risk Committee recommend the budget to the Board of Directors who then approve the Budget. Actual results on a monthly basis are measured against the budget on a Company and program level to ensure performance is in line with milestone deliverables, objectives and stakeholder expectations;

- Program and organisational operational and financial performance are reported to funders every twelve months (or as otherwise requested). Staff performance reviews are conducted during the year to measure the staff's actual performance against program deliverables and Company objectives and expectations, identify potential areas of improvement and monitor staff morale and capabilities;

- On an ongoing basis the Audit, Finance and Risk Committee, with the approval of the Board, assess, develop, implement, monitor and update the Company's risk management framework to ensure any existing identified and prospective risks are managed, mitigated or prevented to ensure the Company operates in line with performance expectations; and

- On a continual basis the Audit, Finance and Risk Committee, with the approval of the Board, assess the effectiveness of the corporate governance framework and strive to implement and maintain good corporate governance practices in order to maintain and strengthen stakeholder relationships and to ensure that the processes, policies and procedures are appropriate in the achievement of the Company's objectives.

Information on Board Members

Mr. Steven Baker

Appointment to office	Appointed for a 1st term on 5 March 2021. Reappointed for 2nd term on 24 October 2024
Qualifications	BComm (Acctg), ICAA, MIIA, GAICD
Experience	Steven has served on numerous Boards, Committees, Audit and Finance Committees as a member and/or Chairperson, in addition to participating in many as an observer as either the internal or external audit provider. Steven has over 30 years in professional services delivery in Australia and has worked for Ernst & Young, WalterTurnbull Pty Ltd, PricewaterhouseCoopers, Protiviti and currently for global business RPS Consulting. Steven has many years' experience providing professional consulting services, as well as board and committee experience within the health and education sectors specialising in finance, governance, risk and assurance.
Special Responsibilities	Member Audit & Risk Committee

Ms. Julie Blackburn

Appointment to office	First elected 31 October 2019; Elected for a 2nd term at the 2022 AGM on 27 October 2022.
Qualifications	RN, RM, GAICD
Experience	Julie has a variety of experiences as a registered nurse, midwife, and company Director. Julie currently works as a Lecturer of Nursing at the University of Canberra and has been Board Chair for CHN since 2020. Her previous Board experiences include Deputy Chair/public officer for Karralika programs and Defence Health Ltd. Over the past decade, she has worked with government through a variety of ministerial appointments, providing advice and advocacy on matters relating to military families, women and family health, primary health care, and drug and alcohol policy.
Special Responsibilities	Chair of the Board of Directors, appointed October 2020 AGM (inactive until 1 September whilst Acting CEO).

Ms. Darlene Cox

Appointment to office	First elected 13 December 2017; Elected for a 3rd term at the 2020 AGM on 26 November 2020. Term concluded on 26 October 2023. Appointed to an appointed director position on 26 October 2023 for the 1st term.
Qualifications	BADipEd GradDipAppEc BEd
Experience	Darlene is an experienced advocate, Executive, and Board Director. She has been active in the health consumer movement and community sector since the late 1990s and been the Executive Director of Health Care Consumers' Association since 2008. Ms Cox has extensive skills and experience in consumer engagement, health literacy, clinical and corporate governance, policy and research, and regulation of the health workforce. She has a long-standing interest in improving the quality and safety of heath care and the delivery of person-centred care, and has contributed to the work of the Australian Medical Council, Australian Commission for the Safety and Quality of Health Care, AHPRA, NPS and the Australian Pharmacy Council.
Special Responsibilities	Chair Audit and Risk Committee

Ms Rachel Fishlock

Appointment to office	Appointed for a 1st term on 1 February 2024
Qualifications	BComm (Acctg), ICAA, MIIA, GAICD
Experience	Rachel is a proud descendant of the Yuin Nation and is the CEO of Gayaa Dhuwi (Proud Spirit) Australia. Rachel has over a decade of experience in the health sector including the optometry industry and community-controlled sector at the National Aboriginal Community Controlled Health Organisation (NACCHO). Rachel was recognised by Lifeline Canberra as the 2022 Rising Woman of Spirit for her outstanding community spirit and resilience in the face of adversity, through continuing to advocate for reforms to ensure other children do not experience systemic neglect.
Special Responsibilities	

Dr. Vik Fraser

Appointment to office	Elected for a 1st term for Director position E3 at the 2023 AGM on 26 October 2023
Qualifications	PhD, MTeach (Secondary), GradCertEd (Gifted & Talented Education), BA (Hons),BA (Comms), DipGov
Experience	Dr Vik Fraser has been an advocate for LGBTIQ+ rights since they were 17 years old. They are passionate about the social determinants of health, and the role that human rights has in building good health care. The intersections they experience in their own life, including as a queer person with a hidden disability, drive Vik's understanding of some of the complexities of health access and health needs across the community. Vik is also the Executive Director of A Gender Agenda, and has had a working life that has spanned education, research and government sectors.

Special Responsibilities	Member Audit and Risk Committee

Mr Peter Quiggin KC

Appointment to office	Appointed for a 1st Term on 17 March 2022. Reappointed 24 October 2024.(Acting Chair until 1 September 2024)
Qualifications	PSM, KC, BSc, LLB, GradDipProfAcc, FAICD
Experience	Peter is a highly experienced former Australian Government agency head and is a Commonwealth King's Counsel. He led the highly respected Australian Office of Parliamentary Counsel for 17 years. As a former First Parliamentary Counsel, Peter has an outstanding understanding of legislation and legislative schemes and the operations of government. Peter has been on a number of Boards including the Board of Taxation and not-for-profit Boards. He was President of an international association – the Commonwealth Association of Legislative Counsel – for a record three terms. He has also been on a range of Finance and Audit Committees in both the public and not-for-profit sectors. He is a Fellow of the Australian Institute of Company Directors, was awarded a Public Service medal for services to legislative drafting and recently awarded a Chief Minister's Canberra Gold Award.
Special Responsibilities	Acting Chair of the Board until 1 September 2025

Dr. Niral Shah

Appointment to office	Elected for a 2nd term at the 2022 AGM on 27 October 2022. Resigned on 31 January 2025.
Qualifications	MBBS, MS (Orthopaedics), MHSM, DCH, FRACGP
Experience	Niral is a GP medical educator. He graduated in medicine from India and relocated to his new home Canberra in 2008. He is passionate about improving access to affordable quality health care for everyone especially disadvantaged and under privileged part of the community. He enjoys all areas of general practice with a specific interest in musculoskeletal health, sports injury and mental health. He is actively involved in GP training as a GP supervisor and medical educator. Niral has also been involved in broader advocacy role as a RACGP faculty board member for the ACT. He has previous governance experience as a medical administrator and board member on Coast City country GP training board.
Special Responsibilities	

Dr. Jessica Tidemann

Appointment to office	Elected for a 1st term for Director position E1 at the 2023 AGM on 26 October 2023
Qualifications	BA MBBS, FRACGP
Experience	Dr Jessica Tidemann is a specialist GP working in roles across clinical practice, medical education and government. She is a lifelong Canberran and completed her medical training in the ACT and surrounding regions. She has also worked in several roles for the Australian Government Department of Health, Disability and Ageing over a period spanning 20 years. Jess is an active member of the general practice community, committed to the provision of quality, effective primary health care in the ACT. She is an invited member of the CHN GP Advisory Council and has held several other professional positions, including Board Director, GP Registrars Australia and multiple roles with the RACGP.
Special Responsibilities	Chair of General Practice Advisory Council

Meetings of Directors

The number of meetings of the company's Board of Directors (the Board) held during the year ending 30 June 2025, and the number of meetings attended by each Director were:

REGISTER OF DIRECTORS' ATTENDANCE FINANCIAL YEAR 2024 – 2025							
DIRECTOR	**15/8/24**	**12/9/24**	**24/10/24**	**5/12/24**	**27/2/25**	**6/5/25**	
Darlene Cox	Leave	✓	✓	✓	Apology	✓	4/5
Peter Quiggin PSM KC	Apology	Apology	Apology	✓	Apology	✓	2/6
Niral Shah	Apology	Apology	Apology	✓	Resigned	Resigned	1/4
Julie Blackburn	Leave	✓	✓	✓	✓	✓	5/5
Steven Baker	✓	Apology	Apology	✓	✓	✓	4/6
Jessica Tidemann	✓	✓	✓	✓	✓	✓	6/6
Vik Fraser	✓	✓	✓	✓	✓	Apology	5/6
Rachel Fishlock	Apology	✓	Apology	✓	✓	✓	4/6

Chief Executive Officer Ms Stacy Leavens was on leave until 1 September 2024. Ms Julie Blackburn was on approved leave from the Board to assume the Acting CEO role during Ms Leavens's absence until 1 September 2024. Mr. Peter Quiggin PSM KC was elected as Acting Chair during that period.

Dividends Paid or Recommended

The company is a company limited by guarantee and is prohibited by its objects from distributing to its members.

Indemnification of Officer or Auditor

During or since the end of the financial year, the company has given indemnity or entered an agreement to indemnify or pay or agreed to pay insurance premiums to insure each of the directors and officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity as director. Other than conduct involving wilful breach of duty in relation to the company.

Proceeds on behalf of the company

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

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

Auditor's Independence Declaration

A copy of the auditor's independence declaration is set out immediately after this directors' report.

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

Julie Blackburn
CHAIR OF THE BOARD

Darlene Cox
DIRECTOR

Dated this 18th day of September 2025

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AUDITOR'S INDEPENDENCE DECLARATION UNDER S60-40 OF THE *AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012* TO THE DIRECTORS OF CAPITAL HEALTH NETWORK LIMITED

As lead auditor for the audit of the financial report of Capital Health Network for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2025 there have been no contraventions of:

iii. the auditor independence requirements as set out in the *Australian Charities and Not-For-Profits Commission Act 2012* in relation to the audit; and

iv. any applicable code of professional conduct in relation to the audit.

BellchambersBarrett

Sart Spinks, CA
Registered Company Auditor
BellchambersBarrett

Canberra, ACT
Dated this 18th day of September 2025

Liability limited by a scheme approved under Professional Standards Legislation

CAPITAL HEALTH NETWORK LIMITED
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025	2024
		$	$
Revenue	2	45,381,224	40,018,082
Audit, legal and consultancy expense		(38,372)	(37,264)
Communications		(219,988)	(213,177)
Consultants and contractors		(579,605)	(745,138)
Depreciation and amortisation expense		(243,705)	(203,013)
Right-of-use asset depreciation		(170,084)	(274,231)
Employee benefits expense		(7,155,120)	(6,246,568)
Administrative expenses		(327,080)	(174,732)
Occupancy		(206,794)	(65,184)
Professional development		(181,332)	(218,948)
Service provision		(34,247,103)	(30,267,244)
Other expenses		(471,860)	(1,502,245)
Total expenses		(43,841,043)	(39,947,744)
Current year surplus before income tax		1,540,181	70,338
Income tax expense		-	-
Net current year surplus		1,540,181	70,338
Other comprehensive income		-	-
Total comprehensive income for the year		1,540,181	70,338

The accompanying notes form part of these financial statements.

CAPITAL HEALTH NETWORK LIMITED
ABN 82 098 499 471

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	Note	2025	2024
ASSETS		$	$
CURRENT ASSETS			
Cash and cash equivalents	3	23,360,289	17,033,842
Trade and other receivables	4	19,092	744,337
Other assets	5	2,028,439	2,777,782
TOTAL CURRENT ASSETS		25,407,820	20,555,961
NON-CURRENT ASSETS			
Plant and equipment	6	1,810,765	274,283
Right of use assets	7	1,761,238	27,307
TOTAL NON-CURRENT ASSETS		3,572,003	301,590
TOTAL ASSETS		28,979,823	20,857,551
LIABILITIES			
CURRENT LIABILITIES			
Lease liabilities	8	239,345	34,950
Trade and other payables	9	623,735	539,266
Contract liabilities	10	22,187,234	17,918,743
Provisions	11	564,084	449,144
TOTAL CURRENT LIABILITIES		23,614,398	18,942,103
NON-CURRENT LIABILITIES			
Lease liabilities	8	1,949,409	-
Provisions	11	128,183	167,796
TOTAL NON-CURRENT LIABILITIES		2,077,592	167,796
TOTAL LIABILITIES		25,691,990	19,109,899
NET ASSETS		3,287,833	1,747,652
EQUITY			
Retained earnings		3,287,833	1,747,652
TOTAL EQUITY		3,287,833	1,747,652

The accompanying notes form part of these financial statements.

CAPITAL HEALTH NETWORK LIMITED
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2025

	Retained Surplus	Total
	$	$
Balance at 1 July 2024	1,747,652	1,747,652
Surplus for the year	70,338	70,338
Balance at 30 June 2024	1,747,652	1,747,652
Surplus for the year	1,540,181	1,540,181
Balance at 30 June 2025	3,287,833	3,287,833

The accompanying notes form part of these financial statements.

CAPITAL HEALTH NETWORK LIMITED
ABN 82 098 499 471

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025	2024
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipt from customers, government and others		54,738,101	48,483,716
Payments to suppliers and employees		(46,539,146)	(43,872,965)
Interest received		275,068	175,020
Net cash generated from operating activities		8,474,023	4,785,771
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds on sale of plant and equipment		1,657	-
Payment for plant and equipment		(1,881,171)	(29,536)
Net cash used in investing activities		(1,879,514)	(29,536)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities		(268,062)	(361,780)
Net cash used in financing activities		(268,062)	(361,780)
Net increase in cash held		6,326,447	4,394,455
Cash and cash equivalents at beginning of financial year		17,033,842	12,639,387
Cash and cash equivalents at end of financial year	3	23,360,289	17,033,842

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

The financial statements cover Capital Health Network (CHN) Limited as an individual entity, incorporated and domiciled in Australia. CHN is a company limited by guarantee.

The financial statements were authorised for issue on 18 September 2025 by the directors of CHN.

Note 1: Summary of Material Accounting Policies

Basis of Preparation

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

The financial statements, except for the cash flow information, have been prepared on an accrual 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.

Accounting Policies

a. **Revenue**

Revenue recognition

Operating Grants
When the company receives operating grant revenue it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15. When both these conditions are satisfied, the company:

- identifies each performance obligation relating to the grant;
- recognises a contract liability for its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have 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)
- 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 company recognises income in profit or loss when or as it satisfies its obligations under the contract.

Sponsorship & event registration
Revenue from the rendering of a service is recognised upon the delivery of the service to the customer. Revenues recognised in respect to registration are utilised to offset the associated expense incurred with the administration of registration.

Non-government funding sources
Funds received from non-government funding sources are recognised as revenue to the extent that the monies have been applied in accordance with the conditions of the terms of agreement between the non-government funding entity and CHN. Any non-government funds received prior to year-end but unexpended as at that date are recognised as a contract liability.

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

Note 1: Summary of Material Accounting Policies (continued)

b. **Plant and Equipment**

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

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 the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. 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 buildings and capitalised lease assets but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity 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:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	3-10 years
Motor vehicles	4 years
Office equipment	6 years

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 recognised in profit or loss in the period in which they arise. Gains are not classified as revenue. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

c. **Leases**
The company as a lessee

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

The lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease.

Note 1: Statement of Material Accounting Policies (continued)

c. **Leases (continued)**

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

- fixed lease payments less any lease incentives
- variable lease payments 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 lessee is reasonably certain to exercise the options
- lease payments under extension options if lessee is reasonably certain to exercise the options
- payments for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

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 company anticipates exercising a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

d. **Financial Instruments**

Initial recognition and measurement

Financial instruments are initially measured at fair value, when contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Fair value represents 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. 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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Association's business model for managing them. All of the Association's other financial instruments are classified and subsequently measured at amortised cost. The Association applies a simplified approach to calculating expected credit losses (ECL's) for financial assets held at amortised cost by recognising a loss allowance based on lifetime ECL's at each reporting date.

Amortised cost is calculated as:

(i) the amount at which the financial asset or financial liability is measured at initial recognition

(ii) less principal repayments

(iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method

(iv) less any reduction for impairment.

Note 1: Statement of Material Accounting Policies (continued)

d. **Financial Instruments (continued)**

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the Association no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

e. **Impairment of Assets**

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where the assets are not held primarily for their ability to generate net cash inflows – that is, they are specialised assets held for continuing use of their service capacity – the recoverable amounts are expected to be materially the same as fair value.

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.

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

f. **Employee Benefits**

Short-term employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits 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. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled. The company does not have an unconditional right to defer settlement of annual leave obligations and are presented as current liabilities.

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

Note 1: Statement of Material Accounting Policies (continued)

f. **Employee Benefits (continued)**

Other long-term employee benefits
The company classifies employees' long service 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 high quality corporate 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.

g. **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*.

h. **Provisions**

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

i. **Economic Dependence**

Capital Health Network Limited is dependent on the Department of Health, Disability and Ageing for the majority of its revenue used to operate the business. At the date of this report, the Board of Directors have no reason to believe the Department will not continue to support Capital Health Network Limited.

j. **Critical Accounting Estimates and Judgements**

The Directors 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 Company.
Key estimates

(i) *Estimation of useful lives of assets*
The company determines the estimated useful lives and related depreciation and amortisation charges for its plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Note 1: Statement of Material Accounting Policies (continued)

j. **Critical Accounting Estimates and Judgements (continued)**

Key estimates (continued)

(ii) *Employee benefits provision*
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.

Key judgements

(i) *Performance obligations under AASB 15*
To identify a performance obligation under AASB 15, the agreement must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the agreement 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 agreed.

(ii) *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. As the company expects that most employees will not use all of their annual leave entitlements in the same year in which they are earned or during the 12-month period that follows, the Directors believe that obligations for annual leave entitlements satisfy the definition of other long-term employee benefits and, therefore, are required to be measured at the present value of the expected future payments to be made to employees.

k. **New or Amended Accounting Standards Adopted by the Entity**

AASB 2021-2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates

The Company adopted AASB 2021-2 which amends AASB 7, AASB 101, AASB 108 and AASB 134 to require disclosure of "material accounting policy information" rather than significant accounting policies in an entity's financial statements. It also updates AASB Practice Statement 2 to provide guidance on the application of the concept of materiality to accounting policy disclosures. The adoption of the amendment did not have a material impact on the financial statements.

AASB 2021-6 Amendment to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards

AASB 2021-6 amends AASB 1049 and AASB 1060- to require disclosure of "material accounting policy information" rather than significant accounting policies in an entity's financial statements. It also amends AASB 1054 to reflect the updated terminology used in AASB 101 as a result of AASB 2021-2. The adoption of the amendment did not have a material impact on the financial statements.

l. **Comparative Figures**

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

Note 2. Revenue	Note	2025	2024
		$	$
Grants received	(a)	45,054,513	39,810,927
Non-government funding sources		51,643	32,135
Interest income		275,068	175,020
		45,381,224	40,018,082

Grants Received

Most of the Company's funding is in the form of government grants. The Company has assessed that most of its grant agreements are enforceable and contain sufficiently specific performance obligations. The Company therefore recognises funding received under such agreement as Revenue under AASB 15: *Revenue from Contracts with Customers*. Revenue is recognised as the Company delivers the required services.

Note (a)

On 8 July 2024, the Department of Health, Disability and Ageing granted CHN approval to use unspent grant funds for fitting out CHN's new office (Cameron Avenue Belconnen). The lease 8-year lease commenced in December 2024.

In accordance with AASB 15 Revenue from Contracts with Customers and AASB 1058 Income for Not-for-Profit Entities on completion of construction of the fit-out and commencement of the lease, the performance obligations of the contract were satisfied and the grant revenue was recognised in full.

This has contributed to the CHN's considerable surplus for the year ending 30 June 2025 and has resulted in a mismatch in the timing of revenue recognition and the straight-line depreciation expense that will be incurred over the 8-year lease term.

Note 3. Cash and Cash Equivalents	Note	2025	2024
		$	$
CURRENT			
Cash on hand		384	488
Cash at bank		23,359,905	17,033,354
		23,360,289	17,033,842

Note 4. Trade and Other Receivables

CURRENT			
Trade debtors		-	25,636
Other receivables		19,092	39,039
Net GST receivables		-	679,662
		19,092	744,337

a. **Financial assets at amortised cost classified as trade and other receivables**			
Total trade and other receivables		19,092	744,337
Less net GST receivables		-	(679,662)
Financial assets as trade and other receivables	12	19,092	64,675

Note 5. Other Assets	2025	2024
CURRENT	$	$
Deposits paid	10,712	5,223
Prepayments	417,883	370,727
Prepaid service delivery	1,463,887	2,304,269
Term Deposits – greater than 3 months	135,957	97,563
	2,028,439	2,777,782

Note 6. Plant and Equipment		
Plant and equipment - at cost	2,597,595	1,072,460
Less: Accumulated depreciation	(786,830)	(813,268)
	1,810,765	259,192
Leasehold improvements - at cost	1,953,676	487,342
Less: Accumulated depreciation	(192,438)	(472,251)
	1,761,238	15,091
Total plant and equipment	3,572,003	274,283

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:

	Plant and equipment	Leasehold improvements	Total
	$	$	$
Balance at 1 July 2024	259,192	15,091	274,283
Additions	146,649	1,734,522	1,881,171
Disposals	(94,375)	(6,609)	(100,984)
Depreciation expense	(110,980)	(132,725)	(243,705)
Balance at 30 June 2025	200,486	1,610,279	1,810,765

Note 7. Right of Use Assets

CHN's lease portfolio comprises an office lease and two motor vehicles.
The Geils Court Deakin office lease agreement expired in July 2024 and continue on a month-to-month arrangement. A new 8 year office lease agreement (Cameron Avenue Belconnen) commenced in December 2024.

i. AASB 16 related amounts recognised in the balance sheet

Right of use assets	2025	2024
	$	$
Leased premises and motor vehicle	1,953,676	1,393,154
Less accumulated amortisation	(192,438)	(1,365,847)
Total right of use asset	1,761,238	27,307

ii. AASB 16 related amounts recognised in the statement of profit or loss

Amortisation expense		(170,084)	(274,231)
Finance costs		(103,772)	(15,821)
		(273,856)	(290,052)

Note 8. Lease Liabilities

Current		239,345	34,950
Non-current		1,949,409	-
	12	2,188,754	34,950

Note 9. Trade and other payables

CURRENT			
Net GST payable		68,475	-
Creditors and accrued expenses		555,260	539,266
Financial liabilities as trade and other payables	12	623,735	539,266

Note 10. Contract Liabilities

CURRENT		
Unearned government grant income	22,187,234	17,918,743

Note 11. Provisions	2025	2024
	$	$
CURRENT		
Provision for annual leave entitlements	462,886	349,416
Provision for long service leave	101,198	99,728
	564,084	449,144
NON-CURRENT		
Provision for long service leave	128,183	167,796
Total employee provisions	692,267	616,940

Note 12: Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, short-term and long-term investments, accounts receivable and payable and lease liabilities.

The totals for each category of financial instruments, measured in accordance with AASB 9: Financial Instruments as detailed in the accounting policies to these financial statements, are as follows:

Financial assets	Note	2025	2024
Held at amortised cost		$	$
Cash and cash equivalents	3	23,360,289	17,033,842
Trade receivables	4a	19,092	64,675
Total financial assets		23,379,381	17,098,517
Financial liabilities			
Lease liabilities	8	2,188,754	34,950
Trade payables	9	623,735	539,266
Total financial liabilities		2,812,489	574,216

Note 13. Key Management Personnel Compensation

a. Key management personnel compensation	913,885	842,540

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

Note 14. Other Related Parties

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. Several Directors are Executives or Directors of other entities which CHN transacts with.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated. The Company had the following Related Party transactions during the period:

Name of Related Party	Nature of Transaction	Amount $
Health Care Consumers Association	Provision of consumer representation on CHN committees, support and advice on consumer matters & advice in relation to the Health Pathways Program.	37,620
Meridian Incorporated	Psychological Therapies Targeting Priority Populations	277,989
Meridian Incorporated	Psychological Therapies Targeting Priority Populations	92,663
Meridian Incorporated	Psychological Therapies Targeting Priority Populations	92,663
Meridian Incorporated	Delivery of COVID-19 Vaccination Support Program to At-Risk Populations	34,095
Meridian Incorporated	Care Finder Program	37,340
Meridian Incorporated	Care Finder Program	37,340
Meridian Incorporated	Care Finder Program	24,893
Meridian Incorporated	Care Finder Program	24,893

Note 15. Contingent Liabilities

The Company has provided bank guarantees of $135,957 (2024: $74,877) to the National Australia Bank for its obligations under its office lease.

Note 16. Events After the Reporting Period

No other matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years

Note 17: Members' Guarantee

CHN is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of $10 each towards meeting any outstanding obligations of the Company. At 30 June 2025, the number of members was 265 (2024: 619). Membership is cyclical, requiring renewals every three years.

Note 18. Company Details

The registered office and principal place of business of the Company is:

Capital Health Network Limited
Level 2, Suite 2.2,
40 Cameron Avenue,
Belconnen ACT 2617

Note 19. Auditors Remuneration

	2025	2024
	$	$
Auditing or reviewing the financial statements	17,200	16,700
Audit of grant acquittals	16,200	18,480
Other	4,800	4,700
	38,200	39,880

CAPITAL HEALTH NETWORK LIMITED
ABN 82 098 499 471

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Capital Health Network Limited, the Directors of the Registered Entity declare that, in the Directors' opinion:

1. The financial statements and notes, as set out on pages 14-29, satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and:

    a. comply with Australian Accounting Standards applicable to the Registered Entity; and

    b. give a true and fair view of the financial position of the registered entity as at 30 June 2024 and of its performance for the year ended on that date.

2. There are reasonable grounds to believe that the Registered Entity will be able to pay its debts as and when they become due and payable.

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

Julie Blackburn
CHAIR OF THE BOARD

Darlene Cox
DIRECTOR

Dated this 18th day of September 2025

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INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF CAPITAL HEALTH NETWORK LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Capital Health Network Limited (the company), which comprises the statement of financial position as at 30 June 2025, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of material accounting policy information, and the directors' declaration.

In our opinion, the accompanying financial report of the company is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (the ACNC Act), including:

i. giving a true and fair view of the registered entity's financial position as at 30 June 2025 and of its financial performance for the year then ended; and

ii. complying with Australian Accounting Standards – AASB 1060: *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and Division 60 of *Australian Charities and Not-for-profits Commission Regulation 2022*.

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 registered entity in accordance with the ACNC Act 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.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the registered entity's annual report for the year ended 30 June 2025 but does not include the financial report and our 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 registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and the ACNC Act 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. The directors are also responsible for overseeing the registered entity's financial reporting process.

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INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF CAPITAL HEALTH NETWORK LIMITED

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

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. 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, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered 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 registered entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the registered 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.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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Sart Spinks, CA
Registered Company Auditor
BellchambersBarrett

Canberra, ACT
Dated this 18th day of September 2025