A photograph of a multi-tiered waterfall cascading down mossy rocks in a lush, green forest. The water is white and frothy as it falls. The surrounding trees and foliage are dense and vibrant green. The image is partially obscured by a green triangle in the top right and a blue triangle in the bottom left.

# Nexus Primary Health Annual Report 2018-2019



## **Acknowledgement of the Traditional Custodians of our region**

We, Nexus Primary Health respectfully acknowledge the Traditional Owners of the lands and waters of Australia and the Traditional Custodians of the region; the Taungurung, Wurundjeri and Yorta Yorta People.

We pay our respects to the Elders, past, present and emerging.



This Quality Account is available to download on our website, [www.nexusprimaryhealth.org.au](http://www.nexusprimaryhealth.org.au) and is available to clients, carers, consumers and stakeholders by email and social media.

We welcome your feedback on our 2018-2019 Quality Account. We need your feedback so we can provide you with a publication that informs you about our performance. We ask for suggestions on how we can improve our Quality Account in the future.

Our aim is to provide useful information about our performance, safety and quality work. Your opinion will assist us in ensuring the relevance and usefulness of this publication.

# CONTENTS



Welcome to Nexus

About Us

Our Values

Section 1:  
Consumer, Carer and  
Community Participation

Section 2:  
Quality and Safety

Section 3:  
Comprehensive care - continuity

# WELCOME TO NEXUS

Nexus began as a small local health service employing a Physiotherapist and District Nurse. Times have changed dramatically since the 1970's, but we are proud that the 250 employees serving our communities today still hold true to the values we established 40 years ago.

We are navigating an ever changing landscape for health and community services and Nexus staff have been innovative and responsive to the varying demands of our clients.

We have positioned Nexus for the future, using advances in technology and data within health, and developing efficient, effective processes that work both for our clients and staff.

**Most importantly, all of this means that we can continue to prioritise the needs of our clients and improve the quality of service we provide.**

Our strong community connections are demonstrated by our diverse services and client groups, as well as our representation on committees and working parties ranging from "Early Years" to "Ageing". All our community and client work is to ensure we hold true to our core belief that healthy people are those able to live, work and play in their community.

In the period between Christmas and New Year alone, our GPs kept over 600 people out of hospital Emergency Departments, and meant that families didn't have to travel long distances for urgent care.

We would like to take this opportunity to thank all our staff and volunteers for their work that improves the lives of people every day. Whether it be delivering a meal, responding to a phone call, or delivering a health service; all your work matters to the individuals that make up our communities.

Finally, we would like to thank the Board of Directors who continue to donate their time and skills to enable Nexus to strategically operate within our complex environment.



**DR PAUL SCOWN**

Board Chair - Nexus Primary Health



**SUZANNE MILLER**

Chief Executive - Nexus Primary Health

# ABOUT US

---

We are very proud of our work to become the "go-to" organisation for person centred services and primary health information in our communities.

We are always working hard to provide the highest quality, integrated, person-centred health services, support and advocacy.

We work closely with stakeholders to effectively plan for and deliver the continuum of prevention to intervention activities to maximise health outcomes for our communities.

We are a Not-for-profit organisation incorporated as a company limited by guarantee (CLG), which is registered as a charity with the Australian Charities and Not-for-profits Commission (ACNC).



**Promoting the Registered Charity Tick on Nexus Marketing Materials is a useful way for our organisation to highlight our charitable status,**



# INNOVATION

We continue to work with Jb HiFi Solutions to be as innovative as possible in how we use the technology available to us. We have had some teething problems, but we value these experiences; we need to learn and grow!

We are absolutely committed to keeping pace with the digital revolution in health so that we can continue to provide sustainable and accessible services to those people that need them the most.

We are able to use the technology and the data to develop our services further to provide the best possible outcomes for our communities.

# SERVICES

Our services range from prevention to treatment. They are confidential and respectful of individual needs, circumstances and culture, including:



Allied Health



Community Support



Health Promotion



Medical and Nursing



Mental Health

We are absolutely committed to working with our local communities to build safe, supportive and sustainable places where people live, work, learn and socialise.



**WE ARE A FULLY INTEGRATED  
PRIMARY HEALTH SERVICE  
ACROSS 4 LOCATIONS WITH  
OVER 250 EMPLOYEES.**



7081



Registered Clients\*



44,289

GP Appointments



258



Staff



11,240

Meals delivered

93



Volunteers



249 Towns

55



Municipalities

Not including GP Clients



# CONSUMER, CARER AND COMMUNITY PARTICIPATION

**Consumers, carers and  
community members  
are all part of our  
diverse communities.**

As part of our commitment to provide the best possible services and outcomes for our communities, we participate in the the Victorian Healthcare Experiences survey so that you can tell us about your experiences with Nexus.

We use these results to drive innovation and improvement in our service delivery. We can see exactly which areas our clients would like us to focus on and improve, and also those areas where they have been pleased with their experience at Nexus.

The Victorian Healthcare Experience Survey is an annual survey of people's public healthcare experiences.

# Information at Nexus

Through the Victorian Healthcare Experience survey, you told us how easy it was for you to access information at Nexus.

## WHAT WE WERE TOLD:

100% knew who to contact with questions about care received

99% were happy with the information given about the issue or care

92% were always comfortable raising issues or questions

10% were not aware of the cost for their service

## WHAT WE HAVE DONE:

We now ensure that clients are told about the fee for service when they make an appointment.

We are also redesigning our website to make it easier to find information about our fees and services.

## WHAT WE WERE TOLD:

100% were treated with respect and dignity

100% thought that the health service had been beneficial to some extent

95% would recommend the service to family or friends

57% did not know how to make a complaint about the service

## WHAT WE HAVE DONE:

We have made it easier to give feedback through social media and our complaints process will be redesigned with the website.

Our staff are happy to help fill in feedback forms for our clients to ensure we hear about all experiences with Nexus.

We have also used the feedback to identify areas for improvement in service delivery.

## WE WILL CONTINUE TO IMPROVE NEXUS BY



Ensuring that more people who choose Nexus are aware of the complaints process.



Increasing the frequency of available appointments for Nexus services.



Increasing knowledge about the range of programs and services available at Nexus.

Thank you to everyone that participated.

The Victorian Healthcare Experience Survey told us how our clients think that Nexus could be improved.

## **WE WERE TOLD THAT**

28% would like to see improvements to parking and transport

What we are doing:

We are redeveloping our Broadford site with extra parking and our office in Seymour has a bus route directly outside.

14% identified affordability as an issue

What we are doing:

We are redesigning our processes and procedures to ensure that we offer the best possible value for money

14% would like to see expansion of programs and services available

What we are doing:

Our Broadford redevelopment and our new, improved Seymour site will provide more space for us to expand our services and programs.





## Building capacity in our consumers

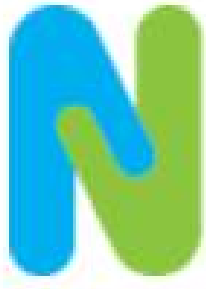
### **LGBTI group**

**We have a member who is undergoing transition from male to female. She began with the group this year when she moved to the area as she felt isolated. She was also anxious about how her office and church group would take her transition.**

In addition to the Group Support, she has been supported through her transition by our diversity officer.

She has learnt a lot through the group, especially strategies on how to come out in her various social settings. When she first started attending, she used to wear a large floppy hat in case she was recognised.

**Now she attends confidently without feeling the need to hide herself. She is now also able to speak to others through her journey and has been offering advice and assistance to other members on how to wear their wig and makeup. She is now emerging as a leader in supporting other people.**



## **Building capacity in our consumers**

### **Alcohol and other drugs**

**Nexus has an interdisciplinary approach towards the treatment of addiction.**

**The success of this approach is exemplified by 'John'.**

For 25 years, John, 57 had been dependent on alcohol. He engaged with our services and after a sustained period of sobriety, he said "I feel like I have my quality of life back".

This has been an incredibly meaningful change for the client who can now live the life he chooses.

**Bringing services together to help our clients is something we are working to improve all the time. It is so important to us that we offer our clients the most comprehensive care possible, and that means our clinicians working together to achieve the best possible outcomes.**



# Why we do what we do

We received a testimonial from a client about their experience at Nexus and we feel we need to share it here - exactly as it was sent to us. It sums up why we do what we do.

It hasn't been edited - except to ensure privacy.

To Nexus Primary Health

Date: 2019

"When I was first introduced to Nexus through the National Debt Hotline I felt relieved that someone could maybe help me locally. I never expected what was to follow. I was at my lowest of lows and struggled to articulate what had happened in my past.

My first call to Nexus was to Client Engagement who instantly made my call valid and important and put me in touch with a Financial Counsellor. Unfortunately at this stage I had already decided to take my life but hadn't shared it with anyone. I was determined and decided two ways at one time in case one went wrong. A few days had past and I still didn't hear from someone regarding financial counselling so I called again and said could she ask if I could see someone before the holidays as I am freaking out a little.

The Financial Counsellor was quick to call me (same day) and had me in front of them within 24 hours. Instantly I was put at ease. I had 'over 15 years of searching', with six and a half years of confusion and pain added to that....trying all types of help and courses to improve my wellbeing, often with people not seeing or hearing what I had to say.

Nexus was all over it. Not only financially but the counselling was direct, precise, informative and gave me respite in my mind. It couldn't come soon enough. I asked this of my family, friends and other professionals and here's this wonderful human in my home town telling me what 'I didn't have to say for once in my life'. I was more than happy and extremely impressed. Throughout this conversation they were mentioning a member of the Family Violence Team as they could hear some family violence in my conversation, they would ask if the Family Violence Team could spend five minutes with me.

I couldn't believe my luck. I was so grateful for their ability to act fast and effective, professional and caring at the same time.

Then walks in this member of the Family Violence team that has so much presence, I nearly fell over. I had had some pretty bad attitudes as a male seeking help. Daggers while I talk, one man yelled at me for not being able to afford him even though I was referred to him as low income, he also told me that 'men like me send him broke' another invited himself to my home, another woman told me I was 'too complicated for her and to go to VICAIDS' I don't have AIDS I told her but she insisted on me talking to them, but when I did, they too rejected me.

No doctor, therapist, or police officer have ever advised me of your team or CASA so I couldn't believe the help I was now getting. The team member in their own organic way had me around their finger in 2 seconds. I could tell as I was talking that they got what I was saying and I found myself crying within 5 minutes.

No one has ever got that far with me in any session ever, anywhere in 15 years plus.

Subsequently they were able to take me on from there on and I was the most grateful guy in the world. Like a man drinking dirty water his whole life is now drinking distilled, I described the team as 'Standing under a warm shower on a freezing cold morning'....my skin felt warmth for the first time in 20 years.

Unfortunately I was that worn out and that exhausted that I had already given up. I also received a message from the Team Leader in the Mental Health Support Services Team saying they would get me into a therapist ASAP and that they would call me 0900am on the 23rd April 2019. Luckily that time was stuck in my head and they called. I had by then a night of toxic poison in my veins from my car fumes and I took many pills (Weeks later my dog was chewing on a bottle of pills in my car so that answers why I was able to comprehend them).

I don't remember much other than flashes of me lying in my car on a pillow and doona. I woke at 0700am and got up fed the dogs, and took a few more strong painkillers and checked the exhaust was working correctly. I should be dead by the time my new councillor calls. If not I will have to answer as they will be onto me I thought.

The call comes through at 0900 on the dot. I was pretty disappointed at this time. They asked all the right questions and I felt I was slurring a little but my life line counselling kept me focused as I knew how this might go.



Our conversation came to an end and as I was about to hang up (thinking phew, now I can get on with this)...they asked "Oh and one last thing....have you tried to take your life?" I said "yes when I came out at 17", then they asked...."When was the last time you attempted suicide?". '15 minutes ago' I replied.

They went into crisis mode and before you knew it, the police and ambulance were here and I was taken to the Northern Hospital. Ongoing support from the team has made my recovery so much easier. The Counselling Team helping me deflect really bad thoughts and to ground myself, while understanding serious thought patterns that needed changing. My counsellor helped me with flashbacks – one of the hardest things is when I get triggered.

They were strong, supportive, caring, and gave me the space to freak out and come back to my safer place. I can't thank the team enough for treating that as 'Normal'....in our world.

Financial Counselling was in constant contact and finance was a huge mountain for me being a PTY LTD company I saw going down the drain. We may now be able to save thanks to your team. Even if I don't save it I feel better about the end result. Nexus is there for me when ever I need but their face to face contact has taken away so much of the humiliation by showing me my thoughts are common for a survivor.

The ongoing therapy has helped so much when confronted by a difficult situation...and I have to say CASA has been the best attachment to your team. Having them being able to communicate with Nexus has tremendous benefits for me. I feel like I have the most powerful team and that team is now and forever in my head.

Its great to have those strengths. I still feel i have a way to go, I'm undoing a lot, but I feel I have new skills to use and I now know how to back off, back down, or simply say no. Thanks team...honestly as a male victim your team are so thoughtful, up with the times, considerate and engaged"

Yours sincerely,  
A Client

### **Compliance under Carer Recognition Act 2010 (Cth)**

Nexus Primary Health complies with the Carer Recognition Act 2010 (Cth). This includes staff having a thorough understanding of the needs and rights of carers who are an important part of a client's life, and provide relevant services to meet these needs.

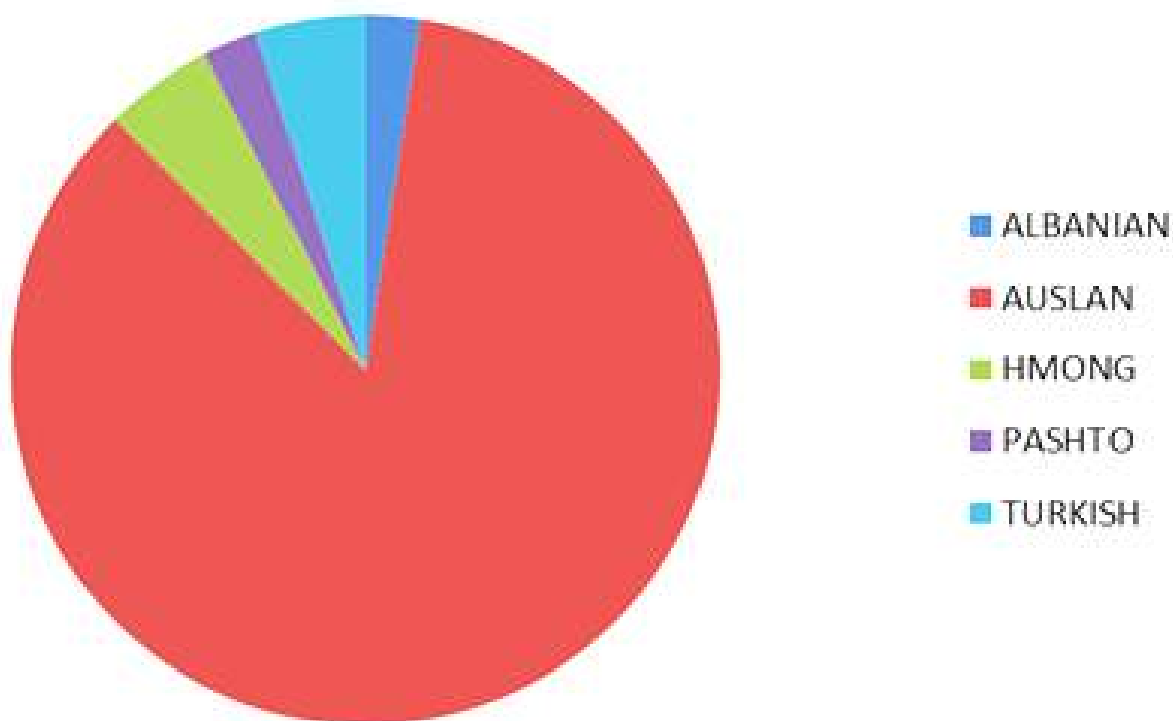
Nexus also understands that at times Board Directors, employees and volunteers may have a caring role for a family member which may require a review of their position or role for the short or long term to be able to meet their caring responsibilities.

# Our Changing Communities



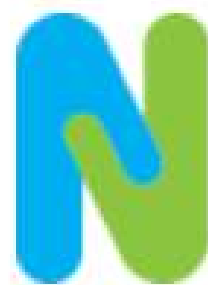
Our communities continue to become more and more diverse.

In 2018-2019 we used interpreters for 5 languages on over 40 occasions.



These languages included Albanian, Auslan, Hmong, Pashto and Turkish.

# Disability Action Plan



Nexus has recently developed a Disability Action Plan 2019-2022 which will enable us to address the following key actions:

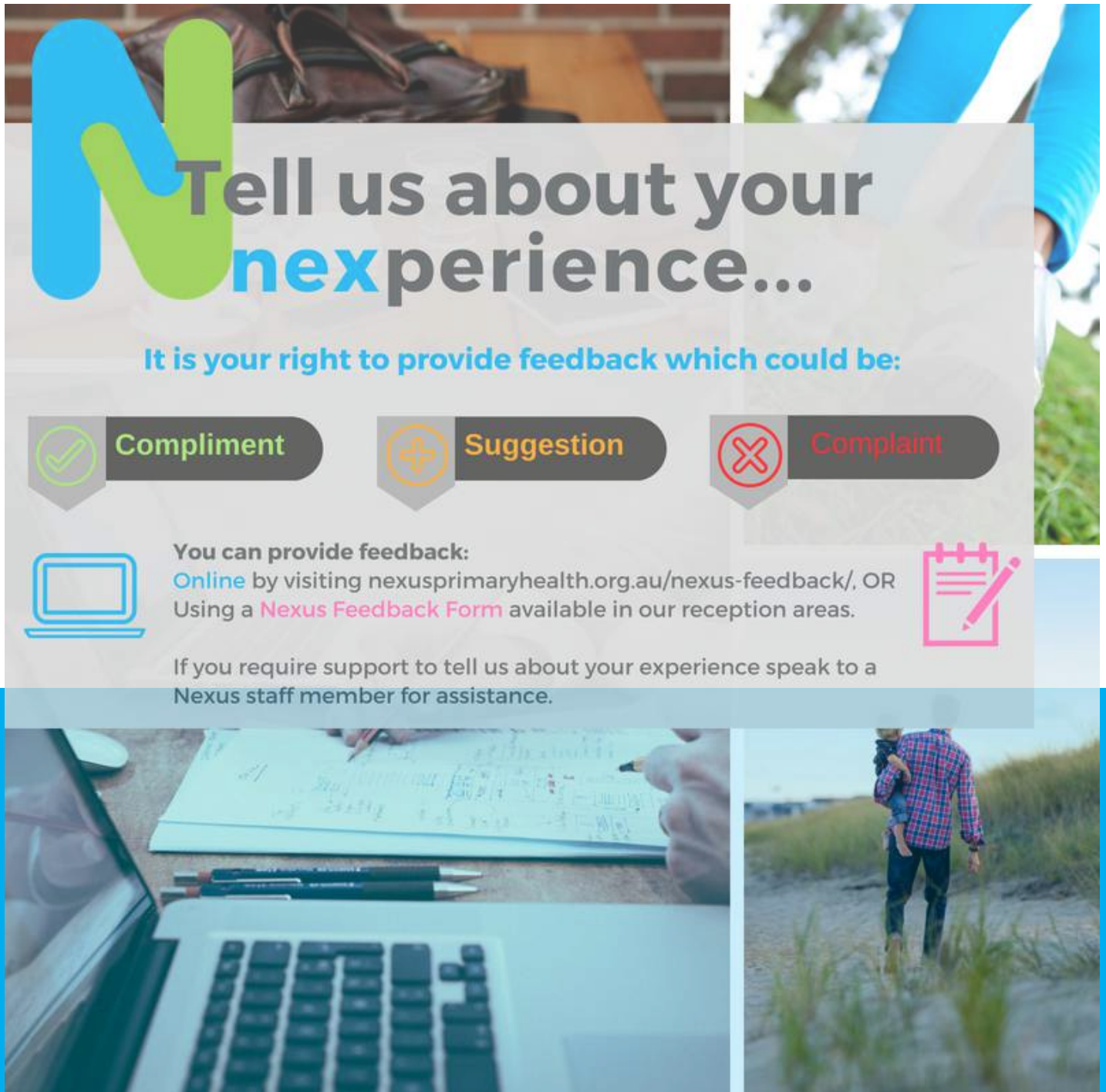
- All Nexus sites (internally and externally) are accessible for people with a disability including layout, signage, way-finding maps.
- All staff are trained in disability awareness
- Nexus website is easily accessible and informative for people with a disability
- People with a disability are employed by Nexus
- All programs and events run by Nexus are accessible for people with a disability and marketing
- Information is branded with the wheelchair logo
- Use of the interpreter symbol on all marketing material








We always welcome feedback and understand that people communicate differently.


Your Feedback helps us to improve our services




**Tell us about your nexperience...**

**It is your right to provide feedback which could be:**

-  **Compliment**
-  **Suggestion**
-  **Complaint**

 **You can provide feedback:**  
**Online** by visiting [nexusprimaryhealth.org.au/nexus-feedback/](https://nexusprimaryhealth.org.au/nexus-feedback/), OR  
Using a **Nexus Feedback Form** available in our reception areas.



If you require support to tell us about your experience speak to a Nexus staff member for assistance.

We report on feedback regularly to internal committees and to the Nexus Board of Directors .

You can choose how we respond to you, via telephone, email or by post.

If you request a response, we will aim to be in touch with you within 5 working days.



# WE ARE LISTENING...

THIS YEAR YOU TOOK THE TIME TO PROVIDE US WITH

17

Compliments

2

Suggestions

26

Complaints

In response to your feedback, we have increased the number of available appointments, improved our GP wait times, upgraded our phone system and offered our staff additional training.

We would also like to thank you for all the kind words about our services and staff this year.

**We seek feedback from our staff regularly, and staff representatives sit on the Safety & Wellbeing and the Quality & Client Safety Committees.**

Nexus participated in the People Matter survey conducted by the Victorian Public Sector Commission and we are pleased to say that 60% of staff took the time to respond, a much higher rate than similar organisations.

Our staff showed an "intention to stay" score of nearly 75%, meaning we know that our staff value their time at Nexus, and we can work with them on planning for the effective delivery of services.

**We had a staff engagement score of 72%, and a satisfaction score of over 70%.**

Since the survey, through our new online training portal we have rolled out:

- Anti-discrimination and Equal Employment Opportunity
- LGBTIQ+ Inclusion in the Workplace
- Aboriginal & Torres Strait Islander Inclusion & Cultural Safety
- Workplace Bullying
- Work Health & Safety
- Family Violence Awareness
- Managing Change

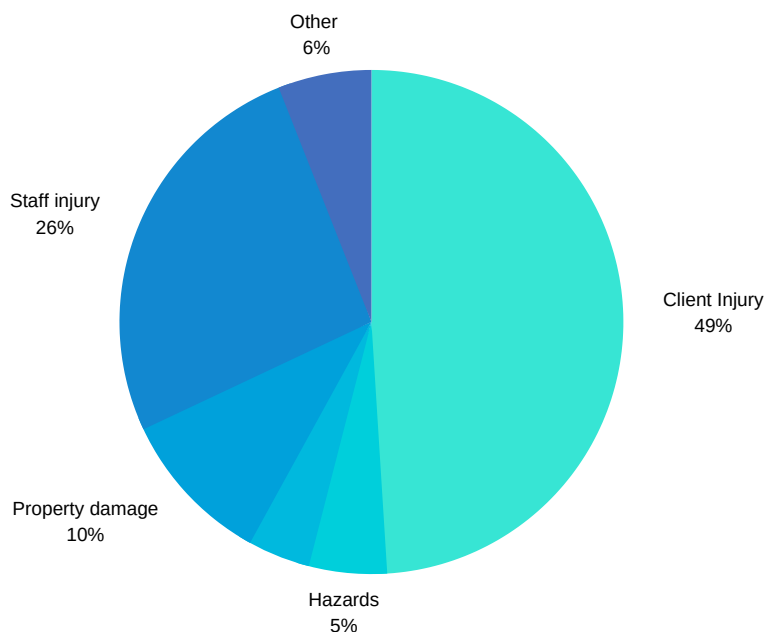
# Incidents

We take the safety of our clients, communities and staff extremely seriously.

To ensure that our services are safe and accessible for our clients, we are constantly reviewing and improving our quality and monitoring systems.

All staff receive training in the reporting requirements of all incidents that relate to clients or staff and have direct access to RelianSys - our incident reporting system.

In 2018-2019 98 incidents were reported.



We are always learning from our experiences.

A young child with behavioral challenges was difficult to manage following an outburst during a community outing. The Child & Youth Worker contacted the Key Worker who was able to support the worker to return the client safely to their home.

As a result of this incident, 2 workers now attend with this child during any community activities.



# Accreditation

Quality Improvement & Accreditation is a continuous cycle of using feedback and evidence to make improvements .

Providing high quality services is important to us. Everything we do meets or exceeds industry accreditation standards.

We will be reviewing a number of current policies and procedures to meet the requirements of the new standards

**Nexus achieved a number of accreditation requirements in May 2019 for a 3 year period:**

- ISO 9001:2015 – Quality Management Systems
- National Standards for Mental Health Services
- Human Services Standards



**Nexus also currently meets the requirements for the following Standards:**

- Early Childhood Intervention
- Commonwealth Home Support Services under Australian Aged Care Quality Agency (AACQA)
- Child Safe Standards

**From July 1st, 2019 Nexus will be working towards meeting the requirements for:**

- Aged Care Quality Standards
- NDIS Practice Standards



# Accessing Services at Nexus

Through the Victorian Healthcare Experience survey, you told us how easy it was for you to access services at Nexus.

## WHAT WE WERE TOLD:

100% said it was easy to find out about Nexus and where it is

100% said our reception staff were polite and helpful

100% felt it was always/sometimes easy to make an appointment

83% felt that they were well informed about appointment requirements

Less than 10% felt they had waited too long in a waiting area

## WHAT WE HAVE DONE:

We ensure that clients are advised regularly if their wait is going to be longer than expected and we are going to make sure our clients get better information about their appointment requirements

## WHAT WE WERE TOLD:

100% felt safe at Nexus

100% thought Nexus was clean

100% thought they had privacy at their appointments

64% felt that there was always privacy at reception, while 34% thought there was sometimes privacy

## WHAT WE HAVE DONE:

We are going to be putting privacy screens up for form-filling and our front line reception staff will attend to clients as quickly as possible

# Comprehensive Care

As part of our commitment to provide you with the best possible care for as long as possible, we provide a range of person-centered services.

These services work together where necessary to improve your health outcomes.

## WHAT WE WERE TOLD ABOUT HOW WE PLAN YOUR CARE:

100% said plan was reviewed at time of service

100% said plan was useful

99% said they were involved in decisions about care or treatment

21% did not receive a copy of their plan but would have liked one

10% did not have goals set with worker

## WHAT WE HAVE DONE:

We are working with our clinicians and leveraging off our new technology to make it easier to set, review and monitor care plans with the client involved at every stage.

We have engaged Health System Navigators to ensure that clients have access to community wide resources health legal information and quality health standards.

Our clients will know exactly what they can expect when they choose Nexus to provide their services.

# ANNUAL FINANCIAL STATEMENT 2018-2019



# Nexus Primary Health

ABN: 40 685 448 071

Financial Statements

For year ended 30 June 2019



# Nexus Primary Health

30 June 2019

CONTENTS	Page
Directors' Report	1
Auditor's Independence Declaration	5
Statement of Profit or Loss and Other Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10
Directors' Declaration	32
Independent Audit Report	33

# Nexus Primary Health Directors' Report

Your directors present their report of Nexus Primary Health for the year ended 30 June 2019.

## Directors

The names of the directors in office at any time during, or since the end of the year are:

Dr Paul Scown	Robert Eagle
Gordon Hastie	Katherine Elder
Marie Gerrard	Desmond Callaghan
Sarah Treloar	

## Principal Activities

The principal activities of the company during the course of the financial year were in providing health and community services.

## Business Objectives

The company's objectives are:

- To provide the highest quality integrated person centred health services, support and advocacy based on best available evidence.
- To work collaboratively with all stakeholders to effectively plan for and deliver the continuum of prevention to intervention activities that will maximise the health outcomes for our communities.

The strategies to achieve these objectives are:

- To become a financially stable independent organisation that is the provider of choice for the services it offers.
- To establish partnerships that will increase access to services for our communities.
- Create dynamic and meaningful membership and volunteer programs and increase community awareness of Nexus Primary Health and value add to services available.

## Operating Result

The surplus/(deficit) of the entity for the financial year was:

Year ended 30 June 2019	Year ended 30 June 2018
\$	\$
(523,347)	395,769

# Nexus Primary Health

## Directors' Report

### **Performance Measurement**

The company measures its own performance through the use of 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 objectives are being achieved.

### **Significant Changes**

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

### **After Balance Date Events**

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 company is not subject to any significant environmental regulation.

### **Directors' 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 except as disclosed in Note 16 to the financial statements. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the company's accounts, or the fixed salary of a full-time employee of the company, controlled entity or related body corporate.

### **Indemnification and Insurance of Directors and Officers**

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

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance. The company has not provided any insurance for an auditor of the company or a related body corporate.

### **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 entity for all or any part of those proceedings.

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

# Nexus Primary Health Directors' Report

## Information on Directors

---

### Dr Paul Scown

---

Qualifications: MBBS, BHA (NSW), FRACMA, AFACHSM, MAICD

Experience: Dr. Paul Scown has 40 years experience in medicine, medical administration, chief executive and board director and chair roles, in QLD, NSW, SA and VIC. He consults to the health, education and research sectors, is a volunteer firefighter and was awarded the Sidney Sax Medal in 2018 for his outstanding contribution to the Australian health system.

Special Responsibilities: Chair of the Board. Ex-officio member of all Board Committees.

---

### Robert Eagle

---

Experience: Bachelor of Law

Qualifications: Robert Eagle has been a lawyer since 1969 and has practiced in a variety of city, suburban and outer-suburban locations in Victoria, as well as Broome, Western Australia, where he was a Director of a State Corporation. He is also involved with a number of community and social organisations.

Special Responsibilities: N/A

---

### Gordon Hastie

---

Experience: Gordon Hastie has over 40 years experience within the technology industry, HR, finance, operations and governance.

Special Responsibilities: Treasurer, Chair of Finance and Audit Committee

---

### Katherine Elder

---

Qualifications: BSc, BSW

Experience: Katherine Elder is a social worker who has worked extensively with inpatients of the Royal Melbourne Hospital and at the Dandenong Community Health Centre. She also has many years of experience as a Disability Respite Carer and Respite Foster Carer. Katherine has a broad range of experience having worked and volunteered in a number of government and not for profit

Special Responsibilities: Member of Clinical Governance and Workforce Committee

---

### Marie Gerrard

---

Qualifications: Bachelor of Science Medical Laboratory Science, Diploma Immunology, M. Arts Development Studies, B Letters

Experience: Marie Gerrard has 24 years experience with the Victorian Infectious Diseases Reference Laboratories (High Security Scientist / Deputy Safety Officer) and as Chair of WHO West Pacific Centre, committee member of the Australian Society for Microbiology, past President of the Rotary Club of Southern Mitchell, President of the International Society for Human Rights Australia and committee member of BEAM Mitchell Environment Group.

Special Responsibilities: Chair of Clinical Governance and Workforce Committee

---

### Desmond Callaghan

---

Experience: Desmond Callaghan has over 33 years experience in Community Health governance and four years experience within Local Government.

Special Responsibilities: N/A



# Nexus Primary Health Directors' Report

## Information on Directors (continued)

### Sarah Treloar

Qualifications:	Bachelor of Business (Accounting and Management), ICA Member
Experience:	Sarah Treloar is a Chartered Accountant, with experience in external financial audit, senior financial roles in not-for-profit organisations, and delivery of tertiary level education. Sarah holds a number of volunteer positions in her community.
Special Responsibilities:	Chair of Infrastructure Committee, Member of Finance and Audit Committee

### Meetings of Directors

During the financial year, 11 meetings of directors were held. Attendances by each director were as follows:

	Board of Directors		Finance and Audit Committee	
	<i>Eligible</i>	<i>Attended</i>	<i>Eligible</i>	<i>Attended</i>
Dr Paul Scown	6	6	5	5
Robert Eagle	6	4	5	2
Gordon Hastie	6	6	5	5
Katherine Elder	6	6	5	4
Marie Gerrard	6	5	5	4
Desmond Callaghan	6	4	5	4
Sarah Treloar	6	6	5	4

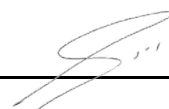
### Auditors' Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2019 has been received and can be found on page 5 of the financial reports.

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



Paul Scown  
Chair



Gordon Hastie  
Chair, Finance and Audit Committee

Dated this 4th Day of November 2019

**Auditor's Independence Declaration under section 60.40 of the *Australian Charities and Not for Profits Commission Act 2012* to the Directors of Nexus Primary Health**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019 there has been:

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



**Andrew Frewin Stewart**  
61 Bull Street, Bendigo, 3550  
Dated this 4<sup>th</sup> day of November 2019



**Adrian Downing**  
Lead Auditor

# Nexus Primary Health

## Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2019

	Notes	2019 \$	2018 \$
Revenue	2	12,814,816	10,245,679
Other income	2	4,355,813	3,136,710
Employee benefits expenses		(13,519,617)	(9,810,476)
Client expenses		(1,365,883)	(1,060,982)
Office expenses		(1,495,458)	(940,057)
Finance expenses		(64,078)	(50,328)
Depreciation expenses	3	(283,495)	(311,971)
Occupancy expenses		(253,040)	(189,230)
Other expenses		(712,405)	(623,576)
<b>Surplus/(deficit) for the year</b>		<b>(523,347)</b>	<b>395,769</b>
<b><i>Other comprehensive income</i></b>			
Other comprehensive income for the year		-	-
<b>Total other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>(523,347)</b>	<b>395,769</b>

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

# Nexus Primary Health

## Statement of Financial Position

As at 30 June 2019

	Notes	2019 \$	2018 \$
<b>Current assets</b>			
Cash and cash equivalents	4	7,855,738	7,234,194
Trade and other receivables	5	891,826	313,742
Other assets	6	240,142	183,284
<b>Total current assets</b>		<b>8,987,706</b>	<b>7,731,220</b>
<b>Non-current assets</b>			
Property, plant and equipment	7	9,274,768	8,652,790
Intangible assets	8	46,242	68,756
<b>Total non-current assets</b>		<b>9,321,010</b>	<b>8,721,546</b>
<b>Total assets</b>		<b>18,308,716</b>	<b>16,452,766</b>
<b>Current liabilities</b>			
Trade and other payables	9	1,640,559	1,146,525
Other liabilities	10	2,742,925	1,387,360
Provisions	11	1,808,468	1,316,273
<b>Total current liabilities</b>		<b>6,191,952</b>	<b>3,850,158</b>
<b>Non-current liabilities</b>			
Provisions	11	373,912	336,409
<b>Total non-current liabilities</b>		<b>373,912</b>	<b>336,409</b>
<b>Total liabilities</b>		<b>6,565,864</b>	<b>4,186,567</b>
<b>Net assets</b>		<b>11,742,852</b>	<b>12,266,199</b>
<b>Equity</b>			
Retained earnings		11,742,852	12,266,199
<b>Total equity</b>		<b>11,742,852</b>	<b>12,266,199</b>

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

# Nexus Primary Health

## Statement of Changes in Equity

For the Year Ended 30 June 2019

	Retained Earnings \$	Total \$
<b>Balance at 1 July 2017</b>	11,870,430	11,870,430
<b>Comprehensive income</b>		
Surplus for the year	395,769	395,769
Total other comprehensive income for the year	-	-
<b>Balance at 30 June 2018</b>	<b>12,266,199</b>	<b>12,266,199</b>
<b>Balance at 1 July 2018</b>	12,266,199	12,266,199
<b>Comprehensive income</b>		
Deficit for the year	(523,347)	(523,347)
Total other comprehensive income for the year	-	-
<b>Balance at 30 June 2019</b>	<b>11,742,852</b>	<b>11,742,852</b>



# Nexus Primary Health

## Statement of Cash Flows

For the Year Ended 30 June 2019

	Notes	2019 \$	2018 \$
<b>Cash flows from operating activities</b>			
Receipts from grants and customers		20,144,178	14,733,645
Interest received		129,255	121,143
Payments to suppliers and employees		(18,768,930)	(12,867,585)
<b>Net cash provided by operating activities</b>	12	<b>1,504,503</b>	<b>1,987,203</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(882,959)	(315,993)
Payments for intangible assets		-	(55,500)
<b>Net cash used in investing activities</b>		<b>(882,959)</b>	<b>(371,493)</b>
<b>Net increase in cash held</b>		621,544	1,615,710
Cash and cash equivalents at the beginning of the financial year		7,234,194	5,618,484
<b>Cash and cash equivalents at the end of the financial year</b>	4	<b>7,855,738</b>	<b>7,234,194</b>

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

# Nexus Primary Health

## Notes to the Financial Statements

For the Year Ended 30 June 2019

---

### Note 1. Summary of Significant Accounting Policies

---

The financial statements cover Nexus Primary Health as an individual entity, incorporated and domiciled in Australia. Nexus Primary Health is a company limited by guarantee.

#### Basis of preparation

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

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Apart from the changes in accounting policies, standards and interpretations as noted below, material accounting policies adopted in the preparation of these financial statements are the same as those adopted in the previous period.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 4th November 2019 by the directors of the company.

#### (a) Changes in accounting policies, standards and interpretations

Initial application of AASB 9: *Financial Instruments*

AASB 9 replaces AASB 139: Financial Instruments: Recognition and Measurement, and includes a model for classification and measurement, a single, forward-looking "expected loss" impairment model and a substantially reformed approach to hedge accounting.

The company has adopted AASB 9 on the effective date of 1 July 2018. The company has performed an impact assessment and there is no significant change to the measurement basis from adoption of the new classification and measurement model under AASB 9.

AASB 9 changed the company's accounting for impairment losses for financial assets by replacing the incurred loss approach under AASB 139 with the forward looking expected credit loss approach on all trade and other receivables. The company has adopted the simplified approach and records lifetime expected losses on all trade receivables and has established a provision matrix that is based on the company's historical credit loss experience, adjusted for forward looking factors specific to debtors and the economic environment. On adoption of AASB 9, there was no significant impact to the impairment loss allowance.

The company do not apply hedge accounting and therefore there is no impact to the financial report on adoption of AASB 9 in relation to hedge accounting.

# Nexus Primary Health

## Notes to the Financial Statements

For the Year Ended 30 June 2019

---

### Note 1. Summary of Significant Accounting Policies

---

#### (b) Revenue

Non-reciprocal grant revenue is recognised in profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the Statement of Financial Position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Nexus Primary Health receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the Statement of Financial Position, with a corresponding amount of income recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

Revenue from the rendering of a service is recognised upon delivery of the service to the customers.

#### (c) Income tax

No provision for income tax has been raised as the 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 three months or less, and bank overdrafts.

#### (e) Trade and Other Receivables

Trade and other receivables includes amounts due from customers for services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-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 impairment.

# Nexus Primary Health

## Notes to the Financial Statements

For the Year Ended 30 June 2019

---

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

---

#### (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

Land and buildings are measured at cost less accumulated depreciation and impairment losses.

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 (deemed cost).

##### Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss 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 (h) 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, 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. The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2% - 10%
Motor Vehicles	22.5%
Furniture and Fittings	5% - 27%
Office Equipment	2% - 15%
Communications Equipment	33%
Medical Equipment	10% - 20%
Computer Equipment	25% - 33%

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 Statement of Profit or Loss and Other Comprehensive Income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

# Nexus Primary Health

## Notes to the Financial Statements

For the Year Ended 30 June 2019

---

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

---

#### (g) Financial Instruments

##### Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the 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.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component.

##### Classification and Subsequent Measurement

###### *Financial liabilities*

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit or loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: *Business Combination* applies;
- held for trading; or
- initially designated as fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method. 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. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in effective hedging relationships).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.



# Nexus Primary Health

## Notes to the Financial Statements

For the Year Ended 30 June 2019

---

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

---

#### (g) Financial Instruments (continued)

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

#### *Financial assets*

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

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

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

- 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.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- 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; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

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

The entity initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy and information about the groupings is documented appropriately, so the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and

# Nexus Primary Health

## Notes to the Financial Statements

For the Year Ended 30 June 2019

---

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

---

#### (g) Financial Instruments (continued)

- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

#### Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the Statement of Financial Position.

##### *Derecognition of financial instruments*

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.

##### *Derecognition of financial assets*

A financial asset is derecognised when the holder'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 the 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. has no practical ability to make unilateral decision to sell the asset 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.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

The entity recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost or fair value through other comprehensive income.

# Nexus Primary Health

## Notes to the Financial Statements

For the Year Ended 30 June 2019

---

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

---

#### (g) Financial Instruments (continued)

##### Derecognition

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

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 entity 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.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (e.g. loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the Statement of Financial Position to recognise the loss allowance.

#### (h) Impairment of Assets

At the end of each reporting period, the entity 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.

# Nexus Primary Health

## Notes to the Financial Statements

For the Year Ended 30 June 2019

---

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

---

#### (h) Impairment of Assets (continued)

Where it is not possible to estimate the recoverable amount of an individual asset, the entity 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.

#### (i) Employee Benefits

##### *Short term employee benefits*

Provision is made for the 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 and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled. The entity's obligations for short-term employee benefits such as salaries and wages are recognised as part of current trade and other payables in the Statement of Financial Position.

##### *Long-term employee benefits*

The entity classifies employees' long service leave and annual 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 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 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. 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.

The entity's obligations for long-term employee benefits are presented as non-current liabilities in its Statement of Financial Position, except where the entity 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.

#### (j) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the 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 days of recognition of the liability.

# Nexus Primary Health

## Notes to the Financial Statements

For the Year Ended 30 June 2019

---

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

---

#### (k) 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 are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

#### (l) 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.

#### (m) 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.

#### (n) Critical 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 company.

#### Key Estimates

##### *Annual leave*

For the purpose of measurement, AASB 119: *Employee Benefits* defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. The 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.



# Nexus Primary Health

## Notes to the Financial Statements

For the Year Ended 30 June 2019

---

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

---

#### (o) Economic Dependence

Nexus Primary Health is dependent upon the State of Victoria, via the Department of Health & Human Services, for the funding of a significant proportion of its operations. At the date of this report the Board of Directors has no reason to believe the Department will not continue to support Nexus Primary Health.

#### (p) Fair Value of Assets and Liabilities

The company 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 information.

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 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 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.

# Nexus Primary Health

## Notes to the Financial Statements

For the Year Ended 30 June 2019

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

#### (q) New Accounting Standards for Application in Future Periods

New pronouncement	Effective date	Likely impact on initial application
AASB 15: <i>Revenue from Contracts with Customers</i> AASB 1058: <i>Income of Not-for-profit Entities</i>	1 January 2019	<p>The entity is yet to undertake a detailed assessment of the impact of AASB 15 and AASB 1058. However based on the entity's preliminary assessment, the accounting for the grant revenue streams will be primarily affected by these new standards. The income recognition for each grant will be assessed on a high level basis to determine whether it is enforceable and whether it's performance obligations are sufficiently specific. For grant agreements that are not enforceable or the performance obligations are not sufficiently specific, this will result in immediate income recognition under AASB 1058. Income will be deferred under AASB 15 otherwise. The likely impact of the first time adoption under this accounting treatment for the year ending 30 June 2020 includes:</p> <ul style="list-style-type: none"> <li>- There will be a significant increase in deferred grant funding recognised in the Statement of Financial Position and a corresponding decrease in grant funding revenue in the Statement of Profit or Loss and Other Comprehensive Income.</li> </ul>
AASB 16: <i>Leases</i>	1 January 2019	<p>The entity is yet to undertake a detailed assessment of the impact of AASB 16. However based on the entity's preliminary assessment, the likely impact on the first time adoption of the Standard for the year ending 30 June 2020 includes:</p> <ul style="list-style-type: none"> <li>- There will be a significant increase in right of use assets and financial liabilities recognised on the Statement of Financial Position.</li> <li>- The reported equity will reduce as the carrying amount of the lease assets will reduce more quickly than the carrying amount of the lease liabilities.</li> <li>- EBIT in the Statement of Profit or Loss and Other Comprehensive Income will be higher as the implicit interest in lease payments for former off Statement of Financial Position leases will be presented as part of finance costs, rather than being included in operating expenses.</li> <li>- EBITDA in the Statement of Profit or Loss and Other Comprehensive Income will be higher as depreciation on the right of use assets will be recognised, rather than having operating leases expense recognised.</li> <li>- Operating cash outflows will be lower and financing cash flows will be higher in the Statement of Cash Flows as principal repayments on all lease liabilities will now be included in financing activities rather than operating activities. Interest can also be included within financing activities.</li> </ul>

# Nexus Primary Health

## Notes to the Financial Statements

For the Year Ended 30 June 2019

	2019	2018
Note 2. Revenue and Other Income	\$	\$
<i>Revenue</i>		
- DHHS government grants	8,340,091	5,701,041
- Commonwealth government grants	2,561,441	2,945,901
- capital grants	225,893	-
- other grants	1,687,391	1,598,737
	<u>12,814,816</u>	<u>10,245,679</u>
<i>Other income</i>		
- client fees	1,995,491	1,617,438
- GP revenue	980,178	1,042,863
- interest revenue	129,255	121,143
- other revenue	1,250,889	355,266
	<u>4,355,813</u>	<u>3,136,710</u>
Total Revenue and Other Income	<u>17,170,629</u>	<u>13,382,389</u>
<b>Note 3. Surplus/(deficit)</b>		
The surplus/(deficit) for the year has been determined after:		
(i) Depreciation and amortisation		
Buildings	158,699	150,605
Motor Vehicles	23,569	35,220
Furniture and Fittings	31,041	35,236
Office Equipment	9,708	14,453
Communications Equipment	11,414	12,420
Medical Equipment	2,477	1,200
Computer Equipment	24,073	46,714
Computer software	22,514	16,123
Total depreciation and amortisation	<u>283,495</u>	<u>311,971</u>
(ii) Auditor remuneration due or paid to the auditors		
Remuneration of the auditors Andrew Frewin Stewart for:		
Auditing the financial report	14,750	14,000
Other services	985	940
Total auditor remuneration	<u>15,735</u>	<u>14,940</u>

# Nexus Primary Health

## Notes to the Financial Statements

For the Year Ended 30 June 2019

	2019	2018
	\$	\$
<b>Note 4. Cash and Cash Equivalents</b>		
Cash at bank	5,354,088	4,732,544
Short term bank deposits	2,500,000	2,500,000
Cash on hand	1,650	1,650
Total Cash and Cash Equivalents	<u>7,855,738</u>	<u>7,234,194</u>
<b>Note 5. Trade and Other Receivables</b>		
Trade receivables	951,826	373,742
Allowance for credit loss	(60,000)	(60,000)
Total Trade and Other Receivables	<u>891,826</u>	<u>313,742</u>
<b>Note 6. Other Assets</b>		
Accrued income	-	96,635
Prepaid expenses	162,571	50,961
GP payments due	77,571	35,688
Total Other Assets	<u>240,142</u>	<u>183,284</u>
<i>(a) Financial assets classified as Other Assets (note 17)</i>		
Total Other Assets	240,142	183,284
Prepaid expenses	(162,571)	(50,961)
Total Other Assets classified as financial assets	<u>77,571</u>	<u>132,323</u>

# Nexus Primary Health

## Notes to the Financial Statements

For the Year Ended 30 June 2019

		2019	2018
Note 7. Property, Plant and Equipment		\$	\$
Freehold land			
At cost		1,653,670	1,653,670
Capital works in progress			
At cost		525,101	170,867
Buildings			
At cost		7,442,827	7,442,827
Less accumulated depreciation		(1,019,024)	(860,325)
		6,423,803	6,582,502
Total Land and Buildings		8,602,574	8,407,039
Motor Vehicles			
At cost		175,858	175,858
Less accumulated depreciation		(155,429)	(131,860)
		20,429	43,998
Furniture and fittings			
At cost		816,304	289,798
Less accumulated depreciation		(184,774)	(153,734)
		631,530	136,064
Office Equipment			
At cost		136,604	136,604
Less accumulated depreciation		(136,586)	(126,878)
		18	9,726
Communications Equipment			
At cost		141,448	141,448
Less accumulated depreciation		(141,448)	(130,034)
		-	11,414
Medical Equipment			
At cost		28,478	28,478
Less accumulated depreciation		(19,769)	(17,292)
		8,709	11,186
Computer Equipment			
At cost		293,574	291,356
Less accumulated depreciation		(282,066)	(257,993)
		11,508	33,363
Total Plant and Equipment		672,194	245,751
Total Property, Plant and Equipment		9,274,768	8,652,790

# Nexus Primary Health

## Notes to the Financial Statements

For the year ended 30 June 2019

### Note 7: Property, Plant and Equipment (continued)

*Movements in carrying amounts*

	Freehold Land	Capital WIP	Buildings	Motor Vehicles	Furniture & Fittings	Office Equipment	Communications Equipment	Medical Equipment	Computer Equipment	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1 July 2017	1,653,670	-	6,621,769	72,854	171,300	24,179	23,834	-	65,039	8,632,645
Additions	-	170,867	111,338	6,364	-	-	-	12,386	15,038	315,993
Transfers	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	(150,605)	(35,220)	(35,236)	(14,453)	(12,420)	(1,200)	(46,714)	(295,848)
1 July 2018	1,653,670	170,867	6,582,502	43,998	136,064	9,726	11,414	11,186	33,363	8,652,790
Additions	-	979,432	-	-	526,507	-	-	-	2,218	1,508,157
Transfers	-	(625,198)	-	-	-	-	-	-	-	(625,198)
Disposals	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	(158,699)	(23,569)	(31,041)	(9,708)	(11,414)	(2,477)	(24,073)	(260,981)
30 June 2019	1,653,670	525,101	6,423,803	20,429	631,530	18	-	8,709	11,508	9,274,768



# Nexus Primary Health

## Notes to the Financial Statements

For the Year Ended 30 June 2019

	2019	2018
	\$	\$
<b>Note 8. Intangible Assets</b>		
Computer Software		
At cost	109,224	109,224
Less accumulated amortisation and impairment	(62,982)	(40,468)
Total Intangible Assets	46,242	68,756
Balance at beginning of the year	68,756	29,379
Additions	-	55,500
Amortisation expense	(22,514)	(16,123)
Balance at end of financial year	46,242	68,756
<b>Note 9. Trade and Other Payables</b>		
Trade payables	220,527	405,592
GST payable	394,044	284,501
PAYG payable	240,302	102,963
Accrued expenses	777,456	339,320
Other payables	8,230	14,149
Total Trade and Other Payables	1,640,559	1,146,525
(a) Financial liabilities classified as trade and other payables (note 17)		
Total trade and other payables	1,640,559	1,146,525
GST payable	(394,044)	(284,501)
Total financial liabilities classified as trade and other payables	1,246,515	862,024
<b>Note 10. Other Liabilities</b>		
Prepaid revenue	2,742,925	1,387,360
Total Other Liabilities	2,742,925	1,387,360

# Nexus Primary Health

## Notes to the Financial Statements

For the Year Ended 30 June 2019

	2019	2018
<b>Note 11. Provisions</b>	<b>\$</b>	<b>\$</b>
<i>Current</i>		
Provision for annual leave	718,611	570,445
Provision for long service leave	1,089,857	745,828
	<b>1,808,468</b>	<b>1,316,273</b>
<i>Non-Current</i>		
Provision for long service leave	373,912	336,409
<b>Total Provisions</b>	<b>2,182,380</b>	<b>1,652,682</b>

### Provision for Employee Benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave 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 of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 1 (i).

# Nexus Primary Health

## Notes to the Financial Statements

For the Year Ended 30 June 2019

	2019	2018
Note 12. Cashflow Information	\$	\$
Reconciliation of surplus/(deficit) to net cash provided by operating activities		
Surplus/(deficit)	(523,347)	395,769
Non cash items:		
- depreciation and amortisation expenses	283,495	311,971
- credit losses	-	35,000
Changes in assets and liabilities:		
- (Increase)/decrease in trade and other receivables	(578,084)	62,977
- (Increase)/decrease in other assets	(56,858)	(124,528)
- Increase/(decrease) in trade and other payables	494,034	1,032,305
- Increase/(decrease) in prepaid revenue	1,355,565	-
- Increase/(decrease) in provisions	529,698	273,709
Net cashflows provided by operating activities	1,504,503	1,987,203

### Note 13. Capital and Leasing Commitments

#### (a) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

	2019	2018
Payable - minimum lease payments	\$	\$
- no later than 12 months	113,912	170,645
- between 12 months and 5 years	135,007	181,167
- greater than 5 years	-	-
	248,919	351,812

As at 30 June 2019 the company was committed to the following operating leases:

- A non-cancellable operating lease contract for the rental of the Kinglake Ranges Health Centre. The term is to December 2022.
- Non-cancellable operating lease contracts for the use of motor vehicles. Each lease has a different end date.

# Nexus Primary Health

## Notes to the Financial Statements

For the Year Ended 30 June 2019

	2019	2018
Note 13. Capital and Leasing Commitments (continued)	\$	\$
<i>(b) Capital Expenditure Commitments</i>		
Capital expenditure commitments for capital projects:		
Payable		
- no later than 12 months	3,485,356	325,000
- between 12 months and 5 years	-	-
- greater than 5 years	-	-
	<u>3,485,356</u>	<u>325,000</u>

Nexus Primary Health were successful in an application to the Victorian Health and Human Services Building Authority for \$3.7million of funding to redevelop the Broadford Centre. At 30 June 2019 the first two milestone payments had been received with the balance due during the 2019/20 year. The redevelopment is expected to be completed by 30 June 2020.

### Note 14. Contingent Liabilities and Contingent Assets

There are no known contingent assets or contingent liabilities for Nexus Primary Health as at 30 June 2019.

### Note 15. Events after the Reporting Period

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

### Note 16. Director and Related Party Disclosures

The totals of remuneration paid to the key management personnel (including Board Directors) of Nexus Primary Health during the year are as follows:

	2019	2018
	\$	\$
Salary and fees	474,493	414,478
Superannuation	45,077	39,375
Non cash benefits	-	-
Total Remuneration of Key Management Personnel (KMP)	<u>519,570</u>	<u>453,853</u>

# Nexus Primary Health

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### Note 17. Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments and accounts receivable and payable.

The carrying amounts 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:

	Note	2019 \$	2018 \$
<b>Financial assets</b>			
Cash and cash equivalents	4	7,855,738	7,234,194
Trade and other receivables	5	891,826	313,742
Other Assets	6(a)	77,571	132,323
<b>Total financial assets</b>		<b>8,747,564</b>	<b>7,547,936</b>
<b>Financial liabilities</b>			
Trade and other payables	9(a)	1,246,515	862,024
<b>Total financial liabilities</b>		<b>1,246,515</b>	<b>862,024</b>

### Note 18. Registered Office/Principal Place of Business

**The registered office is:**

Nexus Primary Health  
72 Ferguson Street  
Broadford VICTORIA 3658

**The principal place of business is:**

Nexus Primary Health  
72 Ferguson Street  
Broadford VICTORIA 3658

# Nexus Primary Health

## Notes to the Financial Statements

For the Year Ended 30 June 2019

---

### Note 19. Lower Hume Primary Care Partnership

---

On 1 July 2006, Nexus Primary Health became the auspicing agency of the Lower Hume Primary Care Partnership. For the year ended 30 June 2019 we have the following financial information to report for the Lower Hume Primary Care Partnership:

#### Lower Hume Primary Care Partnership Income Statement for the Year Ended 30 June 2019

	2019	2018
	\$	\$
<b>Revenue</b>		
Operating grant	398,087	343,382
Interest received	2,644	2,292
Other revenue	3,610	6,950
Total revenue	404,341	352,624
<b>Expenses</b>		
Employee benefits	313,288	248,317
Client expenses	28,437	18,602
Office expenses	21,107	23,501
Finance expenses	14,484	11,362
Other expenses	33,124	33,363
Total expenses	410,440	335,145
<b>Net current year surplus/(deficit)</b>	<b>(6,099)</b>	<b>17,479</b>

# Nexus Primary Health

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### Note 19. Lower Hume Primary Care Partnership (continued)

#### Lower Hume Primary Care Partnership Statement of Financial Position as at 30 June 2019

	Note	2019 \$	2018 \$
<b>Assets</b>			
<i>Current assets</i>			
Held in trust by Nexus Primary Health	19(a)	260,796	250,342
<b>Total current assets</b>		<b>260,796</b>	<b>250,342</b>
<b>Total assets</b>		<b>260,796</b>	<b>250,342</b>
<b>Liabilities</b>			
<i>Current liabilities</i>			
Accounts payable and other payables	19(b)	53,791	37,238
<b>Total current liabilities</b>		<b>53,791</b>	<b>37,238</b>
<b>Total liabilities</b>		<b>53,791</b>	<b>37,238</b>
<b>Net assets</b>		<b>207,005</b>	<b>213,104</b>
(a) Assets held in trust by Nexus Primary Health			
Cash at bank		260,796	250,342
Prepaid expenses		-	-
		<b>260,796</b>	<b>250,342</b>
(b) Accounts payable and other payables			
Creditors		7,457	10,719
Employee provisions		46,334	26,519
		<b>53,791</b>	<b>37,238</b>

No revenue, expenses, assets, or liabilities of Lower Hume Primary Care Partnership are included in that of Nexus Primary Health as this program is auspiced.




# Nexus Primary Health Directors' Declaration

In accordance with a resolution of the directors of Nexus Primary Health, the directors of the entity declare that:

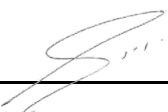
- 1 The financial statements and notes, as set out on pages 6 to 31, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
  - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
  - b. give a true and fair view of the company's financial position as at 30 June 2019 and of its performance for the year ended on that date.
- 2 In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Paul Scown



---

Gordon Hastie



---

Dated this 4th Day of November 2019

## Independent auditor's report to the members of Nexus Primary Health

### Report on the audit of the financial statements

#### Our opinion

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

- i. giving a true and fair view of the company's financial position as at 30 June 2019 and of its performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulations 2013*.

#### What we have audited

Nexus Primary Health's (the company) financial report comprises the:

- ✓ Statement of financial position as at 30 June 2019
- ✓ Statement of profit or loss and other comprehensive income for the year then ended
- ✓ Statement of changes in equity for the year then ended
- ✓ Statement of cash flows for the year then ended
- ✓ Notes comprising a summary of significant accounting policies and other explanatory notes
- ✓ The directors' declaration of the entity.

#### Basis for opinion

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

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

#### Other information

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

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

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

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

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

### **Independence**

In conducting our audit, we have complied with the independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

### **Directors' responsibility for the financial report**

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibility for the audit of the financial report**

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

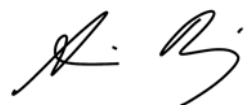
A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/home.aspx>. This description forms part of our auditor's report.



**Andrew Frewin Stewart**

61 Bull Street, Bendigo, 3550

Dated this 4<sup>th</sup> day of November 2019



**Adrian Downing**  
Lead Auditor

Taxation

Business Services

Community Banking

Audit

Share Registry

Your partners  
**in success**



61 Bull Street  
Bendigo VIC 3550  
PO Box 454  
Bendigo VIC 3552

P 03 5443 0344  
F 03 5443 5304  
E [afs@afsbendigo.com.au](mailto:afs@afsbendigo.com.au)



[afsbendigo.com.au](http://afsbendigo.com.au)