



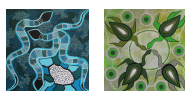
nnexus
Primary Health
living well in your community

Annual Report
2021 - 2022

Contents

Report from the Chair & Chief Executive	3
Nexus at a glance	4
Directors' report	5
Auditors independence declaration	11
Statement of profit or loss and other comprehensive income	12
Statement of financial position	13
Statement of changes in equity	14
Statement of cash flows	15
Notes to the financial statements	16
Directors' declaration	41
Independent auditor's report	42

Acknowledgements:



We would like to thank and acknowledge Aunty Jo for the Aboriginal Artworks created for Nexus Primary Health used in their entirety of parts thereof throughout this report.



We acknowledge the Traditional Custodians of this land on which we stand and pay our respect to the Elders, past, present and future, for they hold the memories, the traditions and the culture of all Aboriginal and Torres Strait Islander peoples.



We acknowledge and recognise people from different nationalities, cultures and identities. We are committed to providing an inclusive service and work environment where individuals feel safe, accepted, affirmed and celebrated.

Report from the Chair and Chief Executive



Overview of the 2021/2022 Financial Year: Managing Change

2021/22 has been a momentous year for Nexus Primary Health (Nexus). As we continue to navigate challenging times, we are so very proud of our staff and volunteers who have kept supporting and caring for our community with compassion and kindness.

The pandemic years have highlighted the resilience of our Nexus family, but we also acknowledge that 2021/22 has been a tough year, with continued restrictions and COVID-19 challenges. The extra care and compassion required to support our community during this time demanded extra energy during the year, but we know how important that effort was, and we feel privileged to have been able to continue to deliver most of our services.

Funder and Supports of Nexus Health

We are grateful to our local councils, our peer community health providers and the Victorian State Department of Health and Families, Fairness and Housing and the Commonwealth Department of Health that we partnered with during the year, and we look forward to collaborating in partnerships again in the future.

As we move into 2022/23 financial year, we look forward to continuing our strong partnerships with our funders and supporters. Early in 2023, Nexus will commence the development of a philanthropic partnership program to assist us in the delivering of an extensive community health service across our geographical area.

Managing change: management & operations

Operationally we have had some significant challenges during the year, with an organisational restructure required to ensure we are working competently within our funding agreements. New financial systems and processes, along with key staff turnover, has unsettled the Nexus financial platform but in the latter part of the year, we have been able to reform, and we are back on track with a focused determination to amend and move forward.

Managing change: corporate governance

Another important aspect of change for all organisations is the ongoing review of the Board performance, and of course, Board renewal.

This year the Board has worked with Management in the development of, and access to, accurate and timely information necessary to govern properly; structural and process issues associated with oversight of a large geographical regional community health services; leadership and company culture; Board composition and succession planning.

We acknowledge the retirement of Dr Paul Scown who has provided many years of stewardship as Board Chair. With the retirement of Paul, we have taken an active approach to Board renewal to support the evolution and transformation of Nexus and our commitment to act and serve our community.

Significant work has been undertaken during the year to develop Nexus new Strategic Plan that will be launched in 2023.

Outlook

During this year, we have achieved much in delivering an extensive range of services across the geographical region that Nexus covers.

We would like to thank the management team and all of our employees and volunteers for their personal contribution, hard work and commitment during the year. Your tenacity in caring for our community is appreciated and we look forward to a hopefully brighter (Covid free) 2022/23.

We acknowledge and thank the Nexus Board for the significant extra time they have contributed to Nexus this year, guiding, and contributing to the management of the significant community health activity Nexus has executed and the continuing challenges of the external environment we have and continue to operate in.

Finally, we would like to acknowledge our valued clients and our local community for continuing to allow us to support and service you; we hope we have delivered a quality local community health service to you during this year and we look forward to meeting your needs as best as we can into the future.

John Daly,
Board Chair

Amanda Mullins,
Chief Executive

Nexus at a glance

July 21 - Jun 22

July 20 - Jun 21



Total GP Appointments

76,619

63,303



Total Appointments
(not including GP appointments)

48,133

28,041

Some of the services that were included in total appointments:

- **Allied Health** - 17,053 appointments which included 1,463 children's appointments.
- **Nursing (District an Community)** - 5,438 appointments.
- **Counselling** - 3,352 appointments.



Respiratory Clinic Visits

20,846



Number of Volunteers
(registered)

180

142



Number of Meals Delivered

16,796

17,879



Number of Staff

268

307

Directors' report

30 June 2022

Your directors present their report of Nexus Primary Health for the year ended 30 June 2022.

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
- Marie Gerrard
- Julie Fleming
- John Daly
- Nicole Maxwell
- Robert Thomas

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

Principal activities

The principal activities of the company during the course of the financial year was to provide health and community services.

Operating Result

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

	2022	2021
	\$	\$
Operating Result	(4,733,374)	533,627

Significant Changes

Nexus Primary Health have been required to comply with various restrictions announced by the Commonwealth and State governments during the last three financial years. During the year ended 30 June 2022, Nexus Primary Health continued to

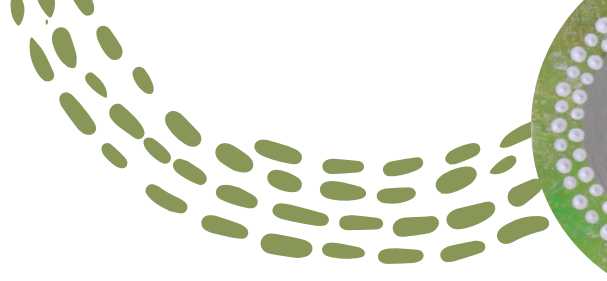
- utilise Telehealth services where appropriate
- administer COVID-19 tests and vaccinations to the community
- implement working from home arrangements where appropriate

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

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.
- 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
- 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.

Performance measurement

The company measures its own performance through the use of quantitative and qualitative objectives. The achievement of objectives is used by the directors to assess the financial and service provision performance of the company and whether the company's objectives are being achieved.

Events after the Reporting Period

The COVID-19 pandemic has created unprecedented economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by Nexus Primary Health at the reporting date. Management recognises that it is difficult to reliably estimate with any degree of certainty the potential impact of the pandemic after the reporting date on Nexus Primary Health, its operations, its future results and financial position.

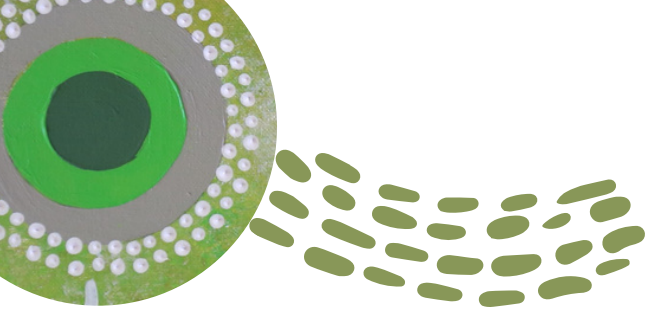
No other matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the operations of Nexus Primary Health or the state of affairs of Nexus Primary Health in future financial years.

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 19 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 company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

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

Information on directors

Name:

Dr Paul Scown

Qualifications:

MBBS, BHA (NSW), FRACMA, AFACHSM, MAIC

Experience and expertise:

Dr Paul Scown was elected as Nexus Primary Health Board Chair in November 2014. From 2000-2005, Paul was the Chief Executive of Melbourne Health, which includes the Royal Melbourne Hospital. He is currently a Board Director of Nexus Primary Health and has been a Board Director of Bio21 Australia Limited (2001-2005), The Walter & Eliza Hall Institute for Medical Research (2002-2005), Health Roundtable (1996-2005), National Ageing Research Institute (NARI) (2002-2004) and Chairman, Victoria Healthcare Association (VHA) (2004-2005).

Special responsibilities:

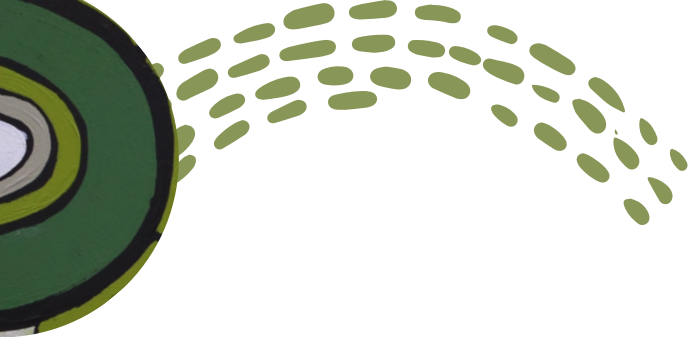
Chair of the Board. Ex-officio member of all Board Committees



Name: **Robert Eagle**
Qualifications: Bachelor of Law
Experience and expertise: Robert “Bob” Eagle was appointed to the Nexus Board in 2013. He chairs the Governance Committee and is a member of the Audit and Risk Management Review Committee. Bob was admitted as a lawyer in Melbourne in 1969 and has practiced in a variety of city, suburban and outer-suburban locations in Victoria, as well as for a decade in Broome, Western Australia, where he was a Director of a State Corporation. Because of the differing environments in which he has practised, he has had a broad range of legal experience, and has been involved in a number of community and social organisations.
Special responsibilities: Chair of the Governance Committee, member of the Audit and Risk Management Review Committee

Name: **Marie Gerrard**
Qualifications: Bachelor of Science Medical Laboratory Science, Diploma Immunology, M. Arts Development Studies, B Letters
Experience and expertise: Marie was appointed to the Nexus Board in 2015 and chairs the Clinical Governance and Workforce Committee. Marie has a background in medical science working in public health areas, particularly in infectious diseases. She has been working for 23 years at the Victorian Infectious Diseases Reference Laboratories, (VIDRL). During this time she was High Security Scientist, Deputy Safety Officer responsible for safety training for new staff. Marie was Chair of the WHO West Pacific Centre for Biosafety, a committee member on the Australian Society for Microbiology standing committee on Biosafety and a committee member on the review of the Australia New Zealand Standard "Safety in Laboratories, Microbiological and Containment Aspects."
Special responsibilities: Chair of the Clinical Governance and Workforce Committee





Name: Julie Fleming
Qualifications: N/A
Experience and expertise: 2019 - General Manager, Mission & Identity, Cabrini Australia. 2016-2019 - Manager, Mission & Spirituality, St Vincent de Paul Society Victoria. 2014-2016 - Freelance communications including: Catholic Identity Project , Catholic Education Melbourne and Principal Media Training, Catholic Education Parramatta. 2010-2012 - Director, Communications and Stakeholder Relations, Jesuit Social Services. 2008-2010 - Study Peter MacCallum. Jan-Mar 2010 - (Clinical Pastoral Care) Personal Pastoral Carer for people at end of life Communications consultant. 2004-2007 - Executive Officer/Communications Manager, Jesuit Social Services, Melbourne.
Special responsibilities: N/A

Name: John Daly
Qualifications: Bachelor of Business Administration (Accounting and Information Management), AICD member.
Experience and expertise: Director of Finance, Business Operations and Special Projects (The Society of Jesus) 2015 - present.
Special responsibilities: Chair Finance and Audit Committee

Name: Nicole Maxwell
Qualifications: Bachelor of Financial Administration, CPA.
Experience and expertise: 2014 - present - Manager Finance and Assets (Mitchell Shire Council). 2003-2014 - Finance Manager (Tumut Shire Council).
Special responsibilities: Deputy Chair Finance and Audit Committee

Name: Robert Thomas
Qualifications: OAM MS MBBS FRACS
Experience and expertise: 2017 - present - Professorial Fellow, University of Melbourne, Advisor on Health. 2016 - present - Deputy Chair, Victorian Comprehensive Cancer Centre. 2016 - present - Chair, Advisory Board Cancer Australia. 2014 - present - Chair, WISH Affordable Cancer Care Committee International, Qatar and Imperial College London. 2013 - present - Member, Advisory Board E cancer medicine, European Institute of Oncology, Milan, Italy. 2010 - present - Distinguished Fellow, Surgical Oncology Peter MacCallum Cancer Centre, Melbourne, Victoria.
Special responsibilities: N/A

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2022, and the number of meetings attended by each director were:

	Board of Directors		Finance & Audit Committee	
	Eligible	Attended	Eligible	Attended
Dr Paul Scown	6	6	5	5
Robert Eagle	1	1	-	-
Marie Gerrard	6	6	5	5
Julie Fleming	6	6	5	4
John Daly	6	6	5	5
Nicole Maxwell	6	6	5	5
Robert Thomas	3	3	3	3

Auditor's independence declaration

The lead auditor's independence declaration for the year ended 30 June 2022 has been received and can be found on page 6 of the financial report.

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



John Daly
Chair



Nicole Maxwell
Director

30 November 2022

Auditors independence declaration

For the year ended 30 June 2022



Auditor-General's Independence Declaration

To the Board of Directors, Nexus Primary Health

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

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

Independence Declaration

As auditor for Nexus Primary Health for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

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

MELBOURNE
12 December 2022

A handwritten signature in black ink, appearing to read "Sahchu Chummar".

Sahchu Chummar

as delegate for the Auditor-General of Victoria

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Revenue and other income	4	20,993,849	24,945,662
Expenses			
Employee benefits expense		(19,158,441)	(18,485,384)
Depreciation and amortisation expense	5	(673,052)	(686,040)
Office expenses		(1,690,627)	(1,960,507)
Client expenses		(2,718,308)	(2,193,706)
Occupancy expenses		(188,837)	(159,488)
Other expenses		(1,210,399)	(840,334)
Finance costs	5	(87,559)	(86,576)
Surplus/(deficit) for the year attributable to the members of Nexus Primary Health		(4,733,374)	533,627
Other comprehensive income for the year		-	-
Total comprehensive income for the year attributable to the members of Nexus Primary Health		(4,733,374)	533,627

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position

For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Assets			
Current assets			
Cash and cash equivalents	6	2,221,945	4,595,975
Trade and other receivables	7	569,614	1,164,220
Other financial assets	8	-	2,500,000
Other assets	10	328,542	359,782
Total current assets		3,120,101	8,619,977
Non-current assets			
Property, plant and equipment	11	12,372,924	12,717,595
Right-of-use assets	9	911,593	945,393
Intangibles	12	273,984	353,362
Total non-current assets		13,558,501	14,016,350
Total assets		16,678,602	22,636,327
Liabilities			
Current liabilities			
Trade and other payables	13	1,736,971	1,683,110
Contract liabilities	14	309,155	1,266,016
Lease liabilities	15	148,620	124,140
Employee benefits	16	2,244,124	2,207,117
Provisions	17	106,016	102,887
Total current liabilities		4,544,886	5,383,270
Non-current liabilities			
Lease liabilities	15	727,275	771,961
Employee benefits	16	406,421	747,702
Total non-current liabilities		1,133,696	1,519,663
Total liabilities		5,678,582	6,902,933
Net assets		11,000,020	15,733,394
Equity			
Retained surpluses		11,000,020	15,733,394
Total equity		11,000,020	15,733,394

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Statement of changes in equity

For the year ended 30 June 2022

	Retained surpluses \$	Total equity \$
Balance at 1 July 2020	15,199,767	15,199,767
Surplus for the year	533,627	533,627
Other comprehensive income for the year	-	-
Total comprehensive income for the year	533,627	533,627
Balance at 30 June 2021	15,733,394	15,733,394

	Retained surpluses \$	Total equity \$
Balance at 1 July 2021	15,733,394	15,733,394
Deficit for the year	(4,733,374)	(4,733,374)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	(4,733,374)	(4,733,374)
Balance at 30 June 2022	11,000,020	11,000,020

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Statement of cash flows

For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Receipts from grants and customers		21,747,604	25,913,447
Payments to suppliers and employees		(26,300,541)	(23,667,488)
Interest received		10,956	31,861
Interest paid		(87,559)	(86,576)
Net cash from/(used in) operating activities		(4,629,540)	2,191,244
Cash flows from investing activities			
Payments for investments		-	(2,500,000)
Payments for property, plant and equipment		(47,551)	(355,224)
Payments for intangibles		(21,371)	(41,250)
Proceeds from disposal of investments		2,500,000	-
Net cash from/(used in) investing activities		2,431,078	(2,896,474)
Cash flows from financing activities			
Repayment of lease liabilities		(175,568)	(183,800)
Net cash used in financing activities		(175,568)	(183,800)
Net decrease in cash and cash equivalents		(2,374,030)	(889,030)
Cash and cash equivalents at the beginning of the financial year		4,595,975	5,485,005
Cash and cash equivalents at the end of the financial year	6	2,221,945	4,595,975

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Notes to the financial statements

For the year ended 30 June 2022

Note 1. General information

The financial statements cover Nexus Primary Health as an individual entity. The financial statements are presented in Australian dollars, which is Nexus Primary Health's functional and presentation currency. Nexus Primary Health is a not-for-profit company limited by guarantee and is primarily involved in the provision of health and community services.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Simplified Disclosures made by the Australian Accounting Standards Board (AASB) and the Australian Charities and Not-for-profits Commission Act 2012.

The financial statements were authorised for issue on 30 November 2022 by the directors of the company.

Going concern

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and liabilities in the ordinary course of business. Operations of the business continued to be impacted by the COVID-19 pandemic resulting a significant deficit and depletion of cash reserves in the 2022 financial year.

The ability of Nexus Primary Health to continue to meet its financial obligations is predicated on the organisation having available necessary cash reserves. The directors believe the going concern basis of preparation to be appropriate based on the following:

- Positive operating cashflows forecast for the 2023 financial year and the business is currently meeting all creditor payments as and when they fall due
- A cost reduction strategy in place to achieve a break-even result for the year ending 30 June 2023.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Functional and presentation currency and rounding

These financial statements are presented in Australian dollars, which is the company's functional currency. The amounts have been rounded to the nearest dollar.

Impact of global COVID-19 pandemic

Nexus Primary Health have been required to comply with various restrictions announced by the Commonwealth and State governments during the last three financial years. During the year ended 30 June 2022 Nexus Primary Health continued to:

- utilise Telehealth services where appropriate
- administer COVID-19 tests and vaccinations to the community
- implement working from home arrangements where appropriate.

The financial impacts of the pandemic are disclosed at:

- Note 2 Significant accounting policies
- Note 23 Events after the reporting period



Note 2. Significant accounting policies

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

Revenue recognition

The company recognises revenue as follows:

Government grants

When the company receives revenue it assesses whether there is a contract that is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When both of these conditions are satisfied, the company:

- identifies each performance obligation relating to the revenue
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfies its performance obligations, at the time of which services are rendered.

Where a contract is not enforceable or does not have sufficiently specific performance obligations, amounts are recognised in accordance with AASB 1058 and the company:

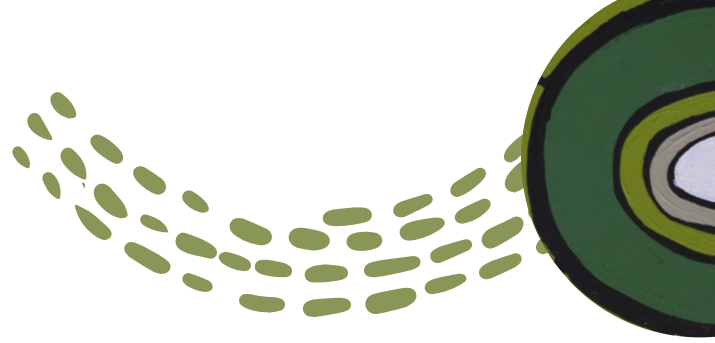
- recognises the asset received in accordance with the recognition requirements of other applicable Accounting Standards (for example, AASB 9, AASB 16, AASB 116 and AASB 138)
- recognises related amounts (being contributions by owners, lease liabilities, financial instruments, provisions, revenue or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

During the year ended 30 June 2022 the Federal Department of Health provided full funding flexibility in relation to the Commonwealth Home Support Program, as such all revenue received during the year was recognised as revenue.

During the year ended 30 June 2021 the Federal Department of Health provided a waiver of the outstanding performance obligations related to the Commonwealth Home Support Program. This resulted in \$1.167 million of funding being recognised as revenue, that would otherwise have been recognised as a contract liability until subsequent years as the performance obligations were fulfilled.

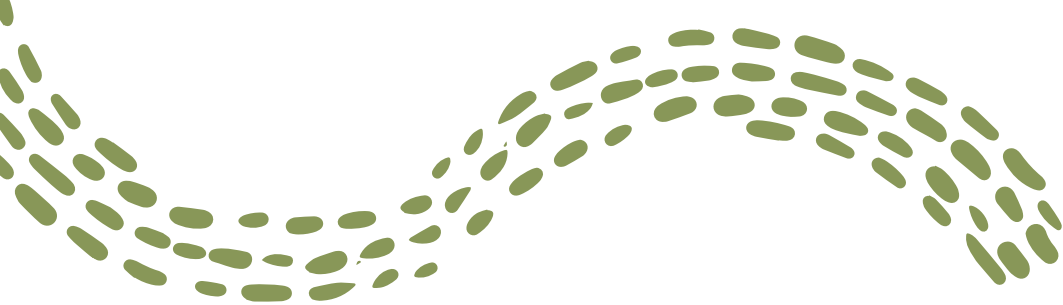
Performance obligations

The types of government grants recognised under AASB 15: Revenue from Contracts with Customers includes:



Note 2. Significant accounting policies (continued)

Community and Home Support - Allied Health and Therapy Services	This program provides services that restore, improve or maintain older people's health, wellbeing and independence. Nexus Primary Health are required to provide a set number of hours of service delivery. Revenue is recognised over time, as and when the services are provided.
Community and Home Support - Domestic Assistance	This program provides older people with assistance with domestic chores to maintain their capacity to manage every day activities in a safe, secure and health home environment. Nexus Primary Health are required to provide a set number of hours of service delivery. Revenue is recognised over time, as and when the services are provided.
Community and Home Support - Personal Care	This program provides older people with support in activities of daily living that help them maintain appropriate standards of hygiene and grooming. Nexus Primary Health are required to provide a set number of hours of service delivery. Revenue is recognised over time, as and when the services are provided.
HACC Domestic Assistance	These services are usually provided in the client's home and include domestic assistance such as cleaning, shopping and meal preparation or assistance to attend medical appointments and community activities. Nexus Primary Health are required to provide a set number of hours of service delivery. Revenue is recognised over time, as and when the services are provided.
Out of Home Care - Target Care Packages	Targeted care packages provide an opportunity to ensure more children and young people receive innovative, flexible and client centred care. Targeted care packages are used to support children and young people to transition from residential care into an alternative living arrangement that better meets their needs, as well as to prevent entry into residential care. Nexus Primary Health are required to provide services to a number of new clients. Revenue is recognised over time, as and when the services are provided.
Small Rural - HACC Health Care and Support	This program aims to provide an integrate range of basic maintenance and support services to eligible clients. Nexus Primary Health are required to provide a set number of hours of service delivery. Revenue is recognised over time, as and when the services are provided.
Small Rural - Drugs Services	This program provides an integrate range of drug support services to eligible clients. Nexus Primary Health are required to provide a set number of hours of service delivery. Revenue is recognised over time, as and when the services are provided.
Small Rural - Primary Health Flexible Services	This program provides general counselling, allied health, nursing and health promotion services. Nexus Primary Health are required to provide a set number of hours of service delivery. Revenue is recognised over time, as and when the services are provided.
Client Support Family Violence - HA	This program provides case management to victim survivors experiencing family violence to access a range of services so they can live free from violence and rebuild their lives. Nexus Primary Health are required to deliver a set number of new support periods. Revenue is recognised over time, as and when the services are provided.
Therapeutic Interventions Family Violence	This program provides counselling and therapeutic interventions to victim survivors. Nexus Primary Health are required to deliver services to a set number of new cases. Revenue is recognised over time, as and when the services are provided.



Note 2. Significant accounting policies (continued)

Volunteering services

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

Contributed assets

The company may receive assets from the government and other parties for nil or nominal consideration in order to further its objectives. These assets are recognised in accordance with the recognition requirements of other applicable Accounting Standards (for example AASB 9, AASB 16, AASB 116 and AASB 138).

On initial recognition of an asset, the company recognises related amounts being contributions by owners, lease liabilities, financial instruments, provisions, revenue or contract liabilities arising from a contract with a customer.

The company recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amounts.

Interest

Interest revenue is recognised as interest accrues using the effective interest method.

Donations and bequests

Donations and bequests are generally recognised as income upon receipt (which is when Nexus Primary Health usually obtained control of the asset) as they do not contain sufficiently specific and enforceable performance obligations. Where sufficiently specific and enforceable performance obligations exist, revenue is recorded as and when the performance obligation is satisfied.

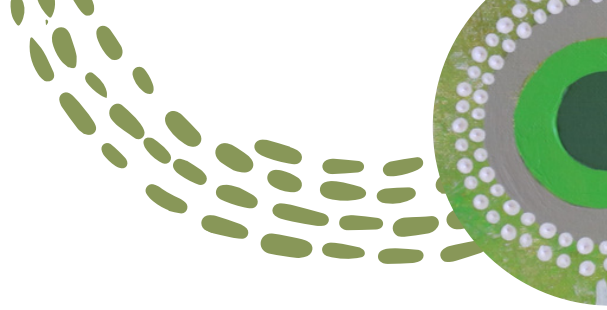
Government assistance - JobKeeper

In response to the economic impact of COVID-19, the Commonwealth Government announced various stimulus measures to ease the burden experienced by organisations as a result of isolation and social distancing measures. As an eligible employer, the company received a wage subsidy during the financial year ended 30 June 2021 under the Commonwealth's JobKeeper stimulus measure in arrears of paying wages to employees. The company recognised the subsidy as other income when it has reasonable assurance that the subsidy will be paid to the company, which is at the time minimum wage payments had been paid to the company's employees.

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

Expenses

Expenses are recognised as they are incurred and reported in the financial year to which they relate.



Note 2. Significant accounting policies (continued)

Employee benefits expense

Employee benefits expenses include:

- salaries and wages (including fringe benefits tax, leave entitlements and termination payments)
- superannuation
- on-costs
- WorkCover premium.

Client expenses

Client expenses include items utilised in the provision of direct patient care, including expenditure for aged care home support packages, interpreters and other items.

Office expenses

Office expenses represent the day to day running costs incurred in normal operations and include things such as:

- information technology expenses
- recruitment expenses
- telephone expenses.

Other expenses

Other expenses include things such as:

- legal fees
- motor vehicle expenses
- repairs and maintenance expenses.

Income tax

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

Current and non-current classification

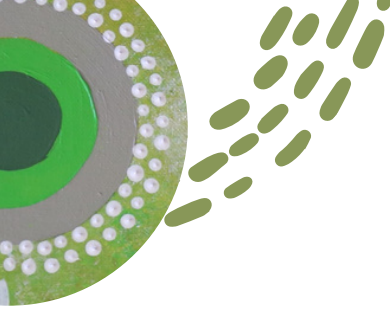
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

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

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

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less, and bank overdrafts.



Note 2. Significant accounting policies (continued)

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

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. The company's property, plant and equipment are tangible items that are held for the use in the supply of services, for rental to others and for administrative purposes which the company expects to use during more than one period.

Property

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

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

Depreciation

The depreciable amount of all fixed assets, including right-of-use assets, but excluding freehold land, is depreciated on a straight line basis over the asset's useful life to the company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets, which are consistent with the previous reporting period, are as follows:

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%

Note 2. Significant accounting policies (continued)

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

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Right-of-use assets

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

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

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets (new assets where the underlying asset value is \$10,000 or less). Lease payments on these assets are expensed to profit or loss as incurred.

For leases that have significantly below-market terms and conditions principally to enable the company to further its objectives (commonly known as peppercorn/concessionary leases), the company measures the right-of-use assets at cost on initial recognition.

Intangible assets

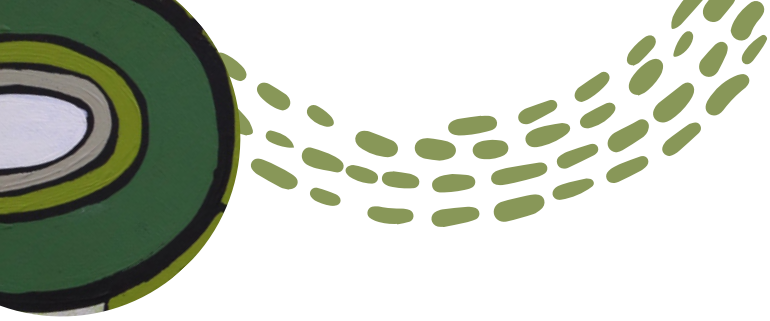
Software is recorded at cost. It has a finite life and is carried at cost less accumulated amortisation and any impairment losses. Software has an estimated useful life of between one and three years. It is assessed annually for impairment.

Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the company 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. Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component.



Note 2. Significant accounting policies (continued)

Classification and subsequent measurement

Financial liabilities

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 cannot be reclassified.

Nexus Primary Health recognise trade and other payables and lease liabilities in this category.

Financial assets

A financial asset is subsequently measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Nexus Primary Health recognise cash and cash equivalents and trade and other receivables in this category.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

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

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

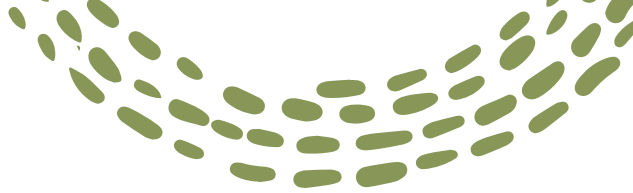
Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred or the company no longer controls the asset (i.e. has no practical ability to make unilateral decisions 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.

Recognition of expected credit losses in financial statements

The company recognises a loss allowance for expected credit losses on financial assets measured at amortised cost.



Note 2. Significant accounting policies (continued)

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

The company uses the simplified approach, 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.).

At each reporting date, the company recognises the movement in the loss allowance as an impairment gain or loss in profit or loss.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

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

Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the company 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.

Contract liabilities

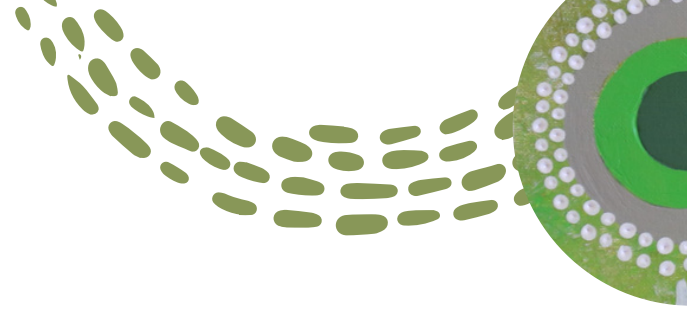
Contract liabilities represent the company's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the company recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the company has transferred the goods or services to the customer.

Lease liabilities

The company as a lessee

The company's lease portfolio includes land, buildings and motor vehicles. The lease terms for each type of lease arrangement are:

Class of lease	Lease term
Land	10 years
Buildings	15 - 20 years
Motor vehicles	3 years



Note 2. Significant accounting policies (continued)

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 (i.e. a lease with a remaining lease term of 12 months or less) and leases of low-value assets (i.e. fair value less than \$10,000) are recognised as an operating expense on a straight-line basis over the term of the lease.

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

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

- fixed lease payments less any lease incentives
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date
- lease payments under extension options, if the lessee is reasonably certain to exercise the options
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Each of the company's lease arrangements are for use in the production of supply of goods or services, or for administrative purposes.

The company as lessor

The company has no lease arrangements under a sub-lease arrangement where it is a lessor.

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.

Employee benefits

Short-term employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including salaries, wages and sick leave and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required years of service.

Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled. The company'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 company 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.



Note 2. Significant accounting policies (continued)

Provision is made for the company'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 government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

Goods and Services Tax ('GST')

Revenues, expenses, assets and liabilities are recognised net of the amount of GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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 tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

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

Comparative figures

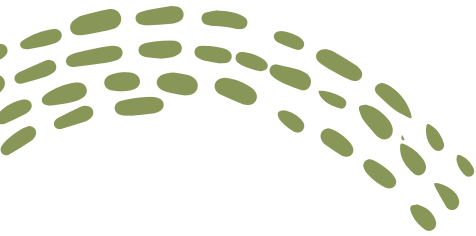
Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by accounting standards or as a result of changes in accounting policy.

Economic dependence

Nexus Primary Health is dependent upon the State of Victoria, via the Department of Health, 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.

Note 3. Critical accounting judgements, estimates and assumptions

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



Note 3. Critical accounting judgements, estimates and assumptions (continued)

Identifying performance obligations under AASB 15

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

Determination and timing of revenue recognition under AASB 15

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

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Estimation of useful lives of assets

The company reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

Impairment of assets

The company assesses impairment at each reporting period by evaluating the conditions and events specific to the company that may be indicative of impairment triggers. The recoverable amount of the relevant assets are reassessed using the value-in-use calculation which incorporates various key assumptions.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Annual leave

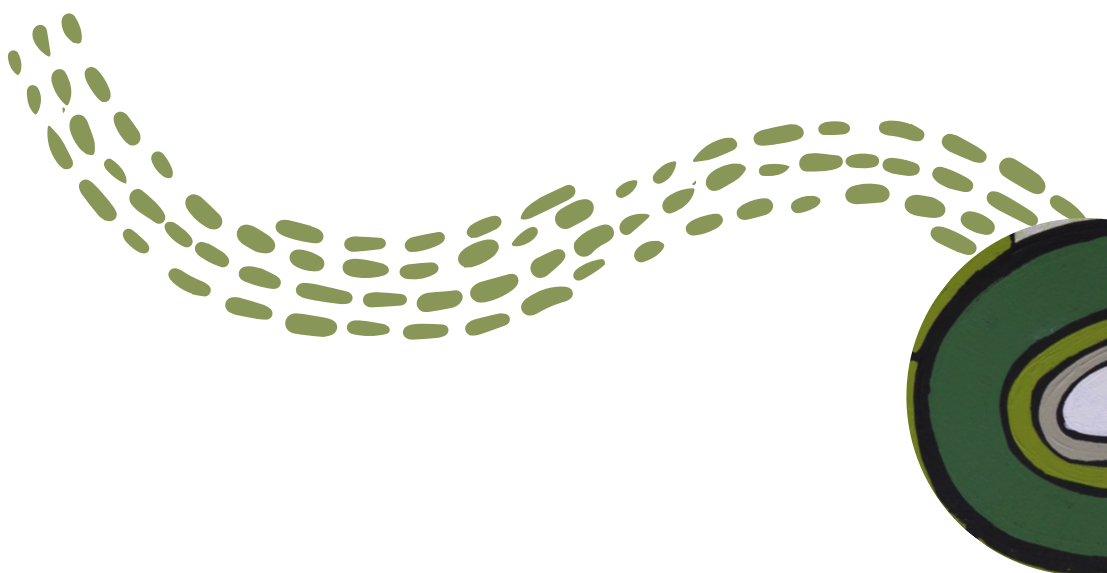
For the purpose of measurement, AASB 119: Employee Benefits defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. The company expects most employees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

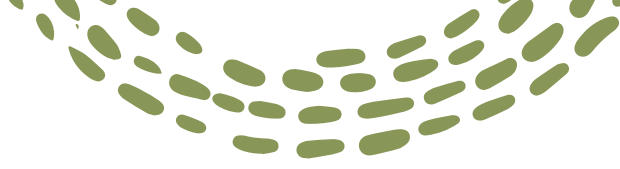
Long service leave

The company assesses the long service leave liability in accordance with the requirements of AASB 119: Employee Benefits and applies probability factors reducing the balance of the liability on employees' balances that have not reached their vesting period i.e. not entitled to be paid out as at 30 June 2021. The probability factors are increased as the respective employees' years of service increase and are provided for at 100% probability at vesting period (in accordance with employment conditions). The probability rates have been determined based historical employee attrition data.

Lease make good provision

A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.





Note 4. Revenue and other income

	2022 \$	2021 \$
Revenue from contracts with customers	18,572,592	19,405,192
Other Income		
Loss on sale of assets	(9,081)	(10,919)
JobKeeper income	-	2,222,182
Commonwealth government funding	875,367	818,881
ATO Cash Flow Boost income	-	50,000
Victorian government funding	18,000	433,733
Interest income	10,956	31,861
Other income	1,526,015	1,994,732
	<u>2,421,257</u>	<u>5,540,470</u>
Revenue and other income	<u><u>20,993,849</u></u>	<u><u>24,945,662</u></u>

Disaggregation of revenue

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

	2022 \$	2021 \$
Categories of disaggregation		
Commonwealth government funding	4,568,772	5,451,968
Victorian government funding	9,168,907	10,025,479
Fees for service	3,765,611	3,743,148
Other revenue	1,069,302	184,597
	<u>18,572,592</u>	<u>19,405,192</u>
Timing of revenue recognition		
Transferred at a point in time	3,765,611	3,743,148
Transferred over time	14,806,981	15,662,044
	<u>18,572,592</u>	<u>19,405,192</u>

Note 5. Material profit or loss items

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

	2022 \$	2021 \$
Depreciation		
Buildings	264,128	274,528
Furniture and fittings	11,789	28,753
Medical equipment	7,145	2,475
Computer equipment	100,079	102,756
Computer software	100,749	89,403
Right of use assets	189,162	188,125
	<u>673,052</u>	<u>686,040</u>
	2022	2021
Finance costs		
Interest expense on lease liabilities	40,193	30,438
Other finance costs	47,366	56,138
	<u>87,559</u>	<u>86,576</u>

Note 6. Cash and cash equivalents

	2022 \$	2021 \$
Current assets		
Cash on hand	1,348	1,473
Cash at bank	2,220,597	4,594,502
Total cash and cash equivalents	<u>2,221,945</u>	<u>4,595,975</u>

Financial assets at amortised cost classified as cash and cash equivalents

	Note	2022 \$	2021 \$
Total cash and cash equivalents	18	2,221,945	4,595,975
Total financial assets classified as cash and cash equivalents		<u>2,221,945</u>	<u>4,595,975</u>



Note 7. Trade and other receivables

	2022 \$	2021 \$
Current assets		
Trade receivables	962,779	1,175,273
Less: Allowance for expected credit losses	(393,165)	(60,000)
	<u>569,614</u>	<u>1,115,273</u>
Contract assets	-	48,947
Total trade and other receivables	<u>569,614</u>	<u>1,164,220</u>

Financial assets at amortised cost classified as trade and other receivables

	Note	2022 \$	2021 \$
Total trade and other receivables	18	569,614	1,164,220
Allowance for credit losses	18	393,165	60,000
Total financial assets classified as trade and other receivables		<u>962,779</u>	<u>1,224,220</u>

Note 8. Other financial assets

	2022 \$	2021 \$
Current assets		
Term deposits	-	2,500,000

Financial assets at amortised cost classified as other financial assets

	Note	2022 \$	2021 \$
Total other financial assets	18	-	2,500,000
Total financial assets classified as trade and other receivables		<u>-</u>	<u>2,500,000</u>

Note 9. Right-of-use assets

	2022 \$	2021 \$
Non-current assets		
Land - right-of-use	72,406	72,406
Less: Accumulated depreciation	(68,785)	(61,545)
	3,621	10,861
Buildings - right-of-use	966,092	966,092
Less: Accumulated depreciation	(220,108)	(155,728)
	745,984	810,364
Motor vehicles - right-of-use	378,295	450,337
Less: Accumulated depreciation	(216,307)	(326,169)
	161,988	124,168
	911,593	945,393

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

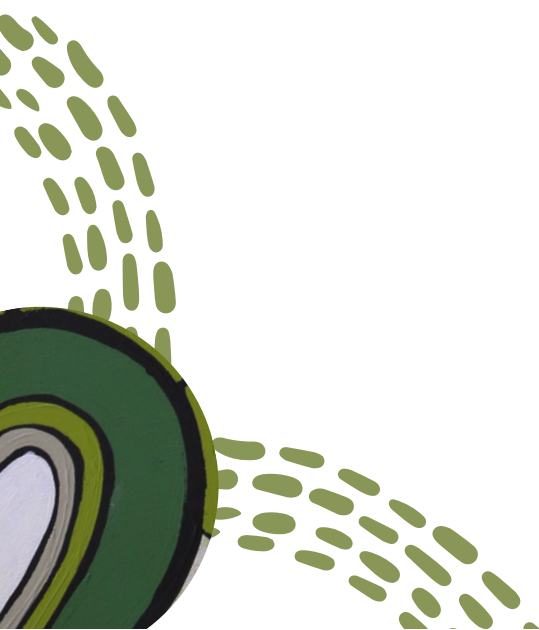
	Land \$	Buildings \$	Motor Vehicles \$	Total \$
Balance at 1 July 2021	10,861	810,364	124,168	945,393
Additions	-	-	155,362	155,362
Depreciation expense	(7,240)	(64,380)	(117,542)	(189,162)
Balance at 30 June 2022	3,621	745,984	161,988	911,593

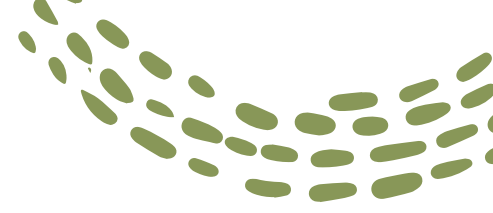
Note 10. Other assets

	2022 \$	2021 \$
Current assets		
Accrued income	93,390	133,043
Prepaid expenses	235,152	226,739
	<u>328,542</u>	<u>359,782</u>

Financial assets at amortised cost classified as other assets

	Note	2022 \$	2021 \$
Total other assets	18	328,542	359,782
Prepaid expenses	18	<u>(235,152)</u>	<u>(226,739)</u>
Total other assets classified as other assets		<u>93,390</u>	<u>133,043</u>





Note 11. Property, plant and equipment

	2022 \$	2021 \$
Non-current assets		
Land - at cost	1,653,670	1,653,670
Buildings - at cost	11,660,282	11,741,381
Less: Accumulated depreciation	(1,637,108)	(1,458,435)
	10,023,174	10,282,946
Fixtures and fittings - at cost	806,848	864,150
Less: Accumulated depreciation	(197,521)	(243,034)
	609,327	621,116
Motor vehicles - at cost	133,590	133,590
Less: Accumulated depreciation	(133,590)	(133,590)
	-	-
Computer equipment - at cost	515,757	594,618
Less: Accumulated depreciation	(461,726)	(444,807)
	54,031	149,811
Office equipment - at cost	-	136,604
Less: Accumulated depreciation	-	(136,604)
	-	-
Other equipment - at cost	-	141,448
Less: Accumulated depreciation	-	(141,448)
	-	-
Medical equipment - at cost	48,496	34,773
Less: Accumulated depreciation	(15,774)	(24,721)
	32,722	10,052
Total property, plant and equipment	12,372,924	12,717,595

Note 11. Property, plant and equipment (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Land \$	Buildings \$	Furniture & fittings \$	Motor vehicles \$	Computer equipment \$	Office equipment \$	Other equipment \$	Total \$
Balance at 1 July 2021	1,653,670	10,282,946	621,116	-	149,811	-	10,052	12,717,595
Additions	-	13,437	-	-	4,299	-	29,815	47,551
Disposals	-	(9,081)	-	-	-	-	-	(9,081)
Depreciation expense	-	(264,128)	(11,789)	-	(100,079)	-	(7,145)	(383,141)
Balance at 30 June 2022	1,653,670	10,023,174	609,327	-	54,031	-	32,722	12,372,924

Note 12. Intangibles

	2022 \$	2021 \$
Non-current assets		
Computer software - at cost	576,823	558,846
Less: Accumulated amortisation	(302,839)	(205,484)
Total intangibles	273,984	353,362

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Computer Software \$	Total \$
Balance at 1 July 2021	353,362	353,362
Additions	21,371	21,371
Amortisation expense	(100,749)	(100,749)
Balance at 30 June 2022	273,984	273,984

Note 13. Trade and other payables

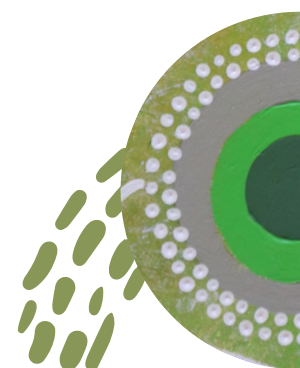
	2022 \$	2021 \$
Current liabilities		
Trade payables	179,003	50,492
Accrued expenses	1,200,060	933,144
PAYG payable	235,288	239,123
GST payable	96,143	459,328
Other payables	26,477	1,023
Total trade and other payables	<u>1,736,971</u>	<u>1,683,110</u>

Financial liabilities classified as trade and other payables

	Note	2022 \$	2021 \$
Total trade and other payables	18	1,736,971	1,683,110
GST payable	18	(96,143)	(459,328)
Total financial liabilities classified as trade and other payables		<u>1,640,828</u>	<u>1,223,782</u>

Note 14. Contract liabilities

	2022 \$	2021 \$
Current liabilities		
Contract liabilities	<u>309,155</u>	<u>1,266,016</u>



Note 15. Lease liabilities

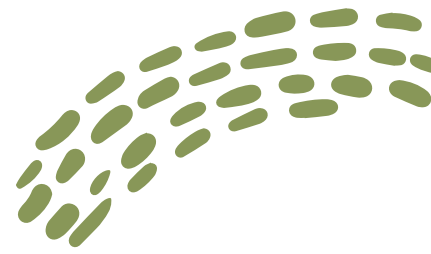
	2022 \$	2021 \$
Current liabilities		
Lease liability	148,620	124,140
Non-current liabilities		
Lease liability	727,275	771,961
Total lease liabilities	<u>875,895</u>	<u>896,101</u>
Future lease payments		
Future lease payments are due as follows:		
Within one year	176,098	151,116
One to five years	366,131	357,985
More than five years	474,000	547,129
Less unexpired interest	<u>(140,334)</u>	<u>(160,129)</u>
	<u>875,895</u>	<u>896,101</u>

Concessionary/peppercorn lease

The company holds a 20-year concessionary lease with the Department of Health which represents the Victorian Government, for the use of land and buildings located at 72 Ferguson Street, Broadford, which are used to conduct services in accordance with the company's agreement. The company may not use this space for any other purpose during the lease term without prior consent of the Department of Health. The lease payments are \$104 (ex-GST) per annum, payable yearly in advance, with the lease expiring in April 2037.

Financial liabilities at amortised cost classified as lease liabilities

	Note	2022 \$	2021 \$
Total lease liabilities	18	875,895	896,101
Total financial liabilities classified as lease liabilities		<u>875,895</u>	<u>896,101</u>



Note 16. Employee benefits

	2022 \$	2021 \$
Current liabilities		
Annual leave	944,519	961,421
Long service leave	1,299,605	1,245,696
	<u>2,244,124</u>	<u>2,207,117</u>
Non-current liabilities		
Long service leave	406,421	747,702
Total employee benefits	<u>2,650,545</u>	<u>2,954,819</u>

Note 17. Provisions

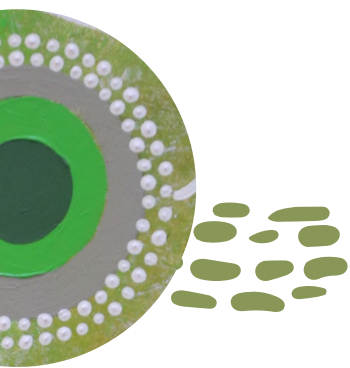
	2022 \$	2021 \$
Current liabilities		
Lease make good	106,016	102,887
	<u>106,016</u>	<u>102,887</u>

Movements in provisions

Movements in each class of provision are set out below:

2022	Total \$
Carrying amount at the start of the year	102,887
Additional provisions recognised	<u>3,129</u>
Carrying amount at the end of the year	<u>106,016</u>

The company is required to restore the leased premises of the Emily Street, Seymour property pursuant to the make good requirements of the lease agreement. A provision for make good has been raised based upon the estimated expenditure incurred upon termination of the lease.



Note 18. Financial risk management

The company's financial instruments consist mainly of deposits with banks, accounts receivable and payable and lease liabilities.

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	2022 \$	2021 \$
Cash and cash equivalents	6	2,221,945	4,595,975
Trade and other receivables	7	962,779	1,224,220
Other assets	10	93,390	133,043
Other financial assets	8	-	2,500,000
Total financial assets at amortised cost		<u>3,278,114</u>	<u>8,453,238</u>
Trade and other payables	13	1,640,828	1,223,782
Lease liabilities	15	875,895	896,101
Total financial liabilities at amortised cost		<u>2,516,723</u>	<u>2,119,883</u>

Note 19. Key management personnel and related party disclosures

Key Management Personnel (KMP) are those people with the authority and responsibility for planning, directing and controlling the activities of Nexus Primary Health, directly or indirectly.

The KMP of Nexus Primary Health are deemed to be the:

- Board of Directors
- Chief Executive Officer
- Finance Executive Manager
- Business Services Executive Manager
- Community Access Executive Manager
- Community and Quality Services Executive Manager

Compensation

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

	2022 \$	2021 \$
Aggregate compensation	<u>612,456</u>	<u>815,099</u>

Outside of ordinary business operation transactions with Nexus Primary Health, there were no related parties transactions that involved key management personnel, their close family members and their personal business interest. No provision has been required, nor any expense recognised, for impairment of receivables from related parties (2021: None noted).

Note 20. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by VAGO, the auditor of the company:

	2022 \$	2021 \$
Audit services -		
Audit of the financial statements	37,800	37,000

Note 21. Contingent assets and contingent liabilities

There are no known contingent assets or contingent liabilities for Nexus Primary Health as at 30 June 2022 (Nil: 30 June 2021).

Note 22. Commitments

There are no known commitments for Nexus Primary Health at 30 June 2022 (Nil: 30 June 2021).

Note 23. Events after the reporting period

The COVID-19 pandemic has created unprecedented economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by Nexus Primary Health at the reporting date. Management recognises that it is difficult to reliably estimate with any degree of certainty the potential impact of the pandemic after the reporting date on Nexus Primary Health, its operations, its future results and financial position.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the operations of Nexus Primary Health, the results of the operations or the state of affairs of Nexus Primary Health in the future financial years.

No other matter or circumstance has arisen since 30 June 2022 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 24. 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

Note 25. Lower Hume Primary Care Partnership

On 1 July 2006, Nexus Primary Health became the auspicing agency of the Lower Hume Primary Care Partnership.

The revenue, expenses, assets and liabilities of the Lower Hume Primary Care Partnership are included in that of Nexus Primary Health. The auspicing agency agreement concluded on 30 April 2022.

Directors' declaration

30 June 2022

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

- the attached financial statements and notes comply with the Australian Accounting Standards - Simplified Disclosures, the Australian Charities and Not-for-profits Commission Act 2012 and the Australian Charities and Not-for-profits Commission Regulations 2013
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors



John Daly
Chair



Nicole Maxwell
Director

30 November 2022

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



Independent Auditor's Report

To the Directors of Nexus Primary Health

Opinion	<p>I have audited the financial report of Nexus Primary Health (the company) which comprises the:</p> <ul style="list-style-type: none">• statement of financial position as at 30 June 2022• 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 to the financial statements, including significant accounting policies• director's declaration. <p>In my opinion the financial report is in accordance with Division 60 of the <i>Australian Charities and Not-for-profits Commission Act 2012</i>, including:</p> <ul style="list-style-type: none">• giving a true and fair view of the financial position of the company as at 30 June 2022 and of its financial performance and its cash flows for the year then ended• complying with Australian Accounting Standards – Simplified Disclosures and Division 60 of the <i>Australian Charities and Not-for-profits Commission Regulations 2013</i>.
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the company in accordance with the auditor independence requirements of the <i>Australian Charities and Not-for-profits Commission Act 2012</i> and the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Australia. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Directors' responsibilities for the financial report	<p>The Directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Simplified Disclosures and the <i>Australian Charities and Not-for-profits Commission Act 2012</i>, and for such internal control as the Directors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>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 it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

I communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the Directors with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

MELBOURNE
12 December 2022



Sanchu Chummar

as delegate for the Auditor-General of Victoria



Nnexus

Primary Health

living well in your community

 **1300 77 33 52**

 **nexusprimaryhealth.org.au**

 **7-11 High St, Wallan**
.....
22 Emily St, Seymour
.....
72 Ferguson St, Broadford
.....
19 Whittlesea-Kinglake Rd, Kinglake

