

CAPITAL HEALTH NETWORK LIMITED
ABN 82 098 499 471

FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2026

CAPITAL HEALTH NETWORK LIMITED

ABN 82 098 499 471

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General information

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

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 18 September 2026. The directors have the power to amend and reissue the financial statements.

CAPITAL HEALTH NETWORK LIMITED

ABN 82 098 499 471

DIRECTORS REPORT

The Directors present their report on Capital Health Network Limited, referred to as 'the Company' and 'CHN' for the financial year ended 30 June 2026.

Directors

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

Mr. Adnan Asger Ali (elected and appointed at 2025 AGM on 30 October 2025)
Mr. Steven Baker
Ms. Julie Blackburn, Chair
Ms. Darlene Cox
Dr. Chris Dickie (elected and appointed at 2025 AGM on 30 October 2025)
Ms. Rachel Fishlock (vacated office on 16 April 2026)
Dr. Vik Fraser
Mr. Peter Quiggin PSM KC (resigned on 18 September 2025)
Dr. Jessica Tidemann

Operating Results

The result from ordinary activities amounted to a surplus of \$145,101 (2025: surplus of \$1,540,181). The accounting treatment of fit out expenditure under AASB15 and AASB1058 required CHN to recognise income equal to the total overall expenditure on the project in 2025FY. However, the matching expenditure cannot be recognised in full in the same year and will be attributed over the life of the lease (8 years), resulting in a large surplus in the current financial year. This surplus will be matched by the depreciation expense over the following 7 financial years.

Membership in the Company

The Entity is a Company limited by guarantee. If the Entity was wound up, the Constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the Company. As of 30 June 2026, the number of members was 469, (2025:265). Membership is cyclical, requiring renewals every three years.

Significant Changes in State of Affairs

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

Principal Activity

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

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

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

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Objectives and Strategies

Goals and Objectives	Long Term or Short Term Objective	Strategies to meet objectives
Commissioning for outcomes	Short and long term	<ul style="list-style-type: none"> • Understand the health needs of the ACT's communities • Commission services for people at-risk of poor health outcomes and/or exclusion from health services • Commission innovative, evidence-informed primary care services • Measure and evaluate for outcomes
Building capacity across the health system	Short and long term	<ul style="list-style-type: none"> • Champion the role of primary care within the ACT health system • Promote and share best practice, evidence-informed and innovative models of care • Facilitate education and training for health care professionals working in primary care • Utilise and promote the use of local data to drive high-quality, future-focused, sustainable primary care
Coordinating and integrating care	Short and long term	<ul style="list-style-type: none"> • Advocate for and deliver solutions that improve access and experience across the health system, especially for people at-risk of poor health outcomes and/or exclusion from health services in the ACT • Partner to design and deliver models of integrated care that address identified, local needs • Deliver programs, projects and solutions that improve communication and coordination of care across the health system • Build networks across the health and social sectors in the ACT.
Organisational excellence	Short and long term	<ul style="list-style-type: none"> • Maintain strong corporate governance and implement systems to identify, assess and mitigate risks to achieve strategic objectives in place • Support a strong staff culture and invest in our people • Invest in systems and processes that promote efficiency, improve business processes and deliver value • Embed a culture of continuous quality improvement and clear and effective communication with all stakeholders

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Measurement of Performance

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

- Financial budgets for the Company and the underlying programs are compiled by the Chief Operations Officer, informed by the Executive team and reviewed by the Chief Executive Officer. The Company's Audit and Risk Committee recommend the budget to the Board of Directors who then approve the Budget. Actual results on a monthly basis are measured against the budget on a Company and program level to ensure performance is in line with milestone deliverables, objectives and stakeholder expectations;
- Program and organisational operational and financial performance are reported to funders every twelve months (or as otherwise requested). Staff performance reviews are conducted during the year to measure the staff's actual performance against program deliverables and Company objectives and expectations, identify potential areas of improvement and monitor staff morale and capabilities;
- On an ongoing basis the Audit, Finance and Risk Committee, with the approval of the Board, assess, develop, implement, monitor and update the Company's risk management framework to ensure any existing identified and prospective risks are managed, mitigated or prevented to ensure the Company operates in line with performance expectations; and
- On a continual basis the Audit, Finance and Risk Committee, with the approval of the Board, assess the effectiveness of the corporate governance framework and strive to implement and maintain good corporate governance practices in order to maintain and strengthen stakeholder relationships and to ensure that the processes, policies and procedures are appropriate in the achievement of the Company's objectives.

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Information on Board Members

Mr Adnan Asger Ali

Appointment to office Elected for a 1st term on 30 October 2025 at 2025 AGM.

Qualifications B.App.Sci, M.Physio, M.MSKPhysio, M.Sci (Pain Mgmt)

Experience Adnan Asger Ali is a physiotherapist, researcher and health care leader committed to integrated, patient-centred care. An Australian Physiotherapy (APA) Titled Musculoskeletal & Pain Physiotherapist, he is Director of Reflex Physiotherapy and a PhD candidate at the University of Sydney, researching health care access for rural and remote populations. Adnan chairs the APA's Musculoskeletal National Group and the International Federation of Manual and Musculoskeletal Physical Therapists Business and Finance Committee, bringing strategic oversight from diverse healthcare systems. His governance experience spans multiple national advisory councils and clinical panels, emphasising evidence-based decision-making and stakeholder collaboration. He is passionate about building health care systems that truly place patients at the centre of their care journey, and is recognised for his collaborative leadership and commitment to health equity across the Capital region.

Mr. Steven Baker

Appointment to office Appointed for a 1st term on 5 March 2021, re-appointed for a 2nd term on 24 October 2024

Qualifications BComm (Acctg), ICAA, MIIA, GAICD

Experience Steven has served on numerous Boards, Committees, Audit and Finance Committees as a member and/or Chairperson, in addition to participating in many as an observer as either the internal or external audit provider. Steven has over 30 years in professional services delivery in Australia and has worked for EY, WalterTurnbull, PwC, Protiviti and currently for global consulting business RPS. Steven has many years' experience providing professional consulting services, as well as board and committee experience within the health, finance, not-for-profit and education sectors.

Special Responsibilities Member Audit, Finance and Risk Committee

Ms. Julie Blackburn

Appointment to office Elected for a 1st term on 31 October 2019, re-elected for a 2nd term at the 2022 AGM on 27 October 2022. Appointed for a 1st term to a position of appointed director on 18 September 2025

Qualifications RN, RM, GAICD

Experience Julie Blackburn is an experienced registered nurse, midwife, educator, and company director. Her career spans primary healthcare, acute care, aged care, antenatal education, and clinical teaching. Her governance portfolio spans member-based organisations at both national and local levels, covering primary health, private health insurance, veteran and family health research, and drug and alcohol programs. Julie combines clinical insight with strategic acumen, and is known for her integrity, collaborative leadership and commitment to responsive, person-focused care and service delivery.

Special Responsibilities Chair of the Board of Directors, appointed October 2020 AGM

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Ms. Darlene Cox

Appointment to office Appointed to fill casual vacancy on 22 August 2017 and elected for a 1st term at the 2017 AGM, re-elected Elected for a 2nd term at the 2020 AGM on 26 November 2020.

Qualifications Term concluded on 26 October 2023. Appointed to an appointed director position on 26 October 2023 for the 1st term.

Experience

BADipEd GradDipAppEc BEd

Darlene has been involved in the consumer movement since the late 1990s. She is an experienced health advocate with an excellent knowledge of the health system. She was the Executive Director of Health Care Consumers' Association from 2008-2026. She has a long-standing interest in improving the quality and safety of health care, and has contributed to the work of the Australian Medical Council, Australian Commission for the Safety and Quality of Health Care, Ahpra, and the Australian Pharmacy Council.

Dr. Chris Dickie

Appointment to office Elected for a 1st term at the 2025 AGM on 30 October 2025.

Qualifications BSc (Hons), MBChB, FRACGP

Experience

Dr Chris Dickie is a specialist GP working as the Director of Medical and Counselling at the University of Canberra. Originally from Scotland, he has lived in Canberra since 2018. Chris is President of General Practice Registrars Australia, an honorary lecturer at the ANU Academic Unit of General Practice, and is a member of the Canberra Region Medical Education Council Accreditation Committee. He also serves on the NSW & ACT Faculty Council of the RACGP. His work spans clinical practice, clinical governance, medical education, research and advocacy. Chris is passionate about strengthening primary care and supporting our workforce in the ACT.

Ms Rachel Fishlock

Appointment to office Appointed for a 1st term on 1 February 2024, vacated office on 16 April 2026

Qualifications BComm (Acctg), ICAA, MIIA, GAICD

Experience

Rachel is a proud descendant of the Yuin Nation and is the CEO of Gayaa Dhuwi (Proud Spirit) Australia. Rachel has over a decade of experience in the health sector including the optometry industry and community-controlled sector at the National Aboriginal Community Controlled Health Organisation (NACCHO). Rachel was recognised by Lifeline Canberra as the 2022 Rising Woman of Spirit for her outstanding community spirit and resilience in the face of adversity, through continuing to advocate for reforms to ensure other children do not experience systemic neglect.

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Dr. Vik Fraser

Appointment to office Elected for a 1st term for director position E3 at the 2023 AGM on 26 October 2023

Qualifications PhD, MTeach (Secondary), GradCertEd (Gifted & Talented Education), BA (Hons), BA (Comms), DipGov

Experience Dr Vik Fraser has been an advocate for LGBTQ+ rights since they were 17 years old. They are passionate about the social determinants of health, and the role that human rights has in building good health care. The intersections they experience in their own life, including as a queer person with a hidden disability, drive Vik's understanding of some of the complexities of health access and health needs across the community. Vik is also the Executive Director of A Gender Agenda, and has had a working life that has spanned education, research and government sectors.

Special Responsibilities Member Audit, Finance and Risk Committee (until December 2025), Board observer on Community Advisory Council

Mr Peter Quiggin KC

Appointment to office Appointed for a 1st Term on 17 March 2022, resigned on 18 September 2025,

Qualifications PSM, KC, BSc, LLB, GradDipProfAcc, FAICD

Experience Peter is a highly experienced former Australian Government agency head and is a Commonwealth King's Counsel. He led the highly respected Australian Office of Parliamentary Counsel for 17 years. As a former First Parliamentary Counsel, Peter has an outstanding understanding of legislation and legislative schemes and the operations of government. Peter has been on a number of Boards including the Board of Taxation and not-for-profit Boards. He was President of an international association – the Commonwealth Association of Legislative Counsel – for a record three terms. He has also been on a range of Finance and Audit Committees in both the public and not-for-profit sectors. He is a Fellow of the Australian Institute of Company Directors, was awarded a Public Service medal for services to legislative drafting and recently awarded a Chief Minister's Canberra Gold Award.

Special Responsibilities Member Audit, Finance and Risk Committee. Independent member of AFRC from 18 September 2025 until 30 March 2026

Dr. Jessica Tidemann

Appointment to office Elected for a 1st term for director position E1 at the 2023 AGM on 26 October 2023

Qualifications BA MBBS, FRACGP

Experience Dr Jessica Tidemann is a specialist GP working in roles across clinical practice, medical education and government. She has worked in several roles for the Australian Government Department of Health, Disability and Ageing over a period spanning 20 years. Jessica was an invited member of the CHN GP Advisory Council prior to becoming a member of the Board and has held several other professional positions, including Board Director, GP Registrars Australia and multiple roles with the RACGP.

Special Responsibilities Chair of General Practice Advisory Council

CAPITAL HEALTH NETWORK LIMITED**ABN 82 098 499 471****Meetings of Directors**

The number of meetings of the company's Board of Directors (the board) held during the year ending 30 June 2026, and the number of meetings attended by each Director were:

REGISTER OF DIRECTORS' ATTENDANCE FINANCIAL YEAR 2025 – 2026

DIRECTOR	21/8/25	18/9/25	30/10/25	04/12/25	19/02/26	26/02/2026	16/4/26	18/6/26	
Ms Darlene Cox	✓	✓	✓	✓	Apology	✓	✓	✓	7/8
Mr Peter Quiggin PSM KC	✓	✓							2/2
Ms Julie Blackburn	✓	✓	✓	✓	✓	✓	✓	✓	8/8
Mr Steven Baker	Apology	✓	✓	✓	Apology	✓	✓	✓	6/8
Dr Jessica Tidemann	✓	✓	✓	✓	✓	✓	✓	✓	8/8
Dr Vik Fraser	✓	✓	✓	Apology	✓	✓	✓	✓	7/8
Ms Rachel Fishlock	✓	Apology	Apology	Non-attendance	Non-attendance	Apology	Non-attendance		1/7
Mr Adnan Asgar Ali				✓	✓	✓	✓	✓	5/5
Dr Chris Dickie				✓	✓	✓	✓	Apology	4/5

Dividends Paid or Recommended

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

Indemnification of Officer or Auditor

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

Proceeds on behalf of the company

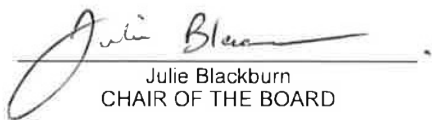
No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of these proceedings.

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

Auditors Independence Declaration

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

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


Julie Blackburn
CHAIR OF THE BOARD


Steven Baker
DIRECTOR

Dated this 18th day of September 2026

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AUDITOR'S INDEPENDENCE DECLARATION
(Placeholder)

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026 \$	2025 \$
Revenue	2	46,253,969	45,381,224
Audit, legal and consultancy expense		(41,582)	(38,372)
Communications		(275,565)	(219,988)
Consultants and contractors		(582,078)	(579,605)
Depreciation and amortisation expense		(452,194)	(243,705)
Right-of-use asset depreciation		(242,130)	(170,084)
Employee benefits expense		(7,199,872)	(7,155,120)
Administrative expenses		(314,107)	(327,080)
Occupancy		(87,579)	(206,794)
Professional development		(196,060)	(181,332)
Service provision		(36,160,917)	(34,247,103)
Other expenses		(556,784)	(471,860)
Total expenses		(46,108,868)	(43,841,043)
Current year surplus before income tax		145,101	1,540,181
Income tax expense		-	-
Net current year surplus		145,101	1,540,181
Other comprehensive income		-	-
Total comprehensive income for the year		145,101	1,540,181

The accompanying notes form part of these financial statements.

CAPITAL HEALTH NETWORK LIMITED
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026

	Note	2026 \$	2025 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	36,967,736	23,360,289
Trade and other receivables	4	9,000	19,092
Other assets	5	2,158,097	1,892,482
Financial assets	6	142,415	135,957
TOTAL CURRENT ASSETS		39,277,248	25,407,820
NON-CURRENT ASSETS			
Plant and equipment	7	1,475,135	1,810,765
Right of use assets	8	1,525,985	1,761,238
TOTAL NON-CURRENT ASSETS		3,001,120	3,572,003
TOTAL ASSETS		42,278,368	28,979,823
LIABILITIES			
CURRENT LIABILITIES			
Lease liabilities	9	266,794	239,345
Trade and other payables	10	445,919	623,735
Contract liabilities	11	35,697,414	22,187,234
Provisions	12	590,589	564,084
TOTAL CURRENT LIABILITIES		37,000,716	23,614,398
NON-CURRENT LIABILITIES			
Lease liabilities	9	1,690,781	1,949,409
Provisions	12	153,937	128,183
TOTAL NON-CURRENT LIABILITIES		1,844,718	2,077,592
TOTAL LIABILITIES		38,845,434	25,691,990
NET ASSETS		3,432,934	3,287,833
EQUITY			
Retained earnings		3,432,934	3,287,833
TOTAL EQUITY		3,432,934	3,287,833

The accompanying notes form part of these financial statements.

CAPITAL HEALTH NETWORK LIMITED
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2026

	Retained Surplus	Total
	\$	\$
Balance at 1 July 2025	1,747,652	1,747,652
Surplus for the year	1,540,181	1,540,181
Balance at 30 June 2026	3,287,833	3,287,833
Surplus for the year	145,101	145,101
Balance at 30 June 2026	3,432,934	3,432,934

The accompanying notes form part of these financial statements.

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026 \$	2025 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipt from customers, government and others		63,849,514	54,738,101
Payments to suppliers and employees		(50,045,012)	(46,539,146)
Interest received		308,934	275,068
		<u>14,113,436</u>	<u>8,474,023</u>
Net cash generated from operating activities			
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds on sale of plant and equipment		10,133	1,657
Payment for plant and equipment		(119,602)	(1,881,171)
		<u>(109,469)</u>	<u>(1,879,514)</u>
Net cash used in investing activities			
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities		(396,520)	(268,062)
		<u>(396,520)</u>	<u>(268,062)</u>
Net cash used in financing activities			
Net increase in cash held		<u>13,607,447</u>	<u>6,326,447</u>
Cash and cash equivalents at beginning of financial year		<u>23,360,289</u>	<u>17,033,842</u>
Cash and cash equivalents at end of financial year	3	<u>36,967,736</u>	<u>23,360,289</u>

The accompanying notes form part of these financial statements.

CAPITAL HEALTH NETWORK LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

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

The financial statements were authorised for issue on 18 September 2026 by the directors of CHN.

Note 1: Summary of Material Accounting Policies

Basis of Preparation

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

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

Accounting Policies

a. Revenue

Revenue recognition

Operating Grants

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

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

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

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

If a contract liability is recognised as a related amount above, the company recognises income in profit or loss when or as it satisfies its obligations under the contract.

Sponsorship & event registration

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

Non-government funding sources

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

Interest Income

Interest income is recognised using the effective interest method.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

Note 1: Summary of Material Accounting Policies (continued)

b. Plant and Equipment

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

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(i) for details of impairment).

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

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. Gains are not classified as revenue. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

c. Leases

The company as a lessee

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

Note 1: Statement of Material Accounting Policies (continued)

c. Leases (continued)

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

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

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

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the company anticipates exercising a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

d. Financial Instruments

Initial recognition and measurement

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

Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Classification and subsequent measurement

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

Amortised cost is calculated as:

- (i) the amount at which the financial asset or financial liability is measured at initial recognition
- (ii) less principal repayments
- (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method
- (iv) less any reduction for impairment.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

Note 1: Statement of Material Accounting Policies (continued)

d. Financial Instruments (continued)

Derecognition

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

e. Impairment of Assets

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

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

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

f. Employee Benefits

Short-term employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled. The company does not have an unconditional right to defer settlement of annual leave obligations and are presented as current liabilities.

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

Other long-term employee benefits

The company classifies employees' long service leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the company's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense.

CAPITAL HEALTH NETWORK LIMITED
ABN 82 098 499 471

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

Note 1: Statement of Material Accounting Policies (continued)

f. Employee Benefits (continued)

Other long-term employee benefits (continued)

The company's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

g. Income Tax

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

h. Provisions

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

i. Economic Dependence

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

j. Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key estimates

(i) Estimation of useful lives of assets

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

(ii) Employee benefits provision

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

CAPITAL HEALTH NETWORK LIMITED
ABN 82 098 499 471

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

Note 1: Statement of Material Accounting Policies (continued)

j. Critical Accounting Estimates and Judgements (continued)
Key judgements

- (i) *Performance obligations under AASB 15*
To identify a performance obligation under AASB 15, the agreement must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the agreement is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/ type, cost/ value, quantity and the period of transfer related to the goods or services agreed.
- (ii) *Employee benefits*
For the purpose of measurement, AASB 119: *Employee Benefits* defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. As the company expects that most employees will not use all of their annual leave entitlements in the same year in which they are earned or during the 12-month period that follows, the Directors believe that obligations for annual leave entitlements satisfy the definition of other long-term employee benefits and, therefore, are required to be measured at the present value of the expected future payments to be made to employees.

k. New and Amended Accounting Standards Adopted by the Entity

AASB 2023-5: Amendments to Australian Accounting Standards- Lack of Exchangeability

The Company adopted AASB 2023-5 which amends AASB 121: *The Effects of Changes in Foreign Exchange Rates* and AASB 1: *First-time Adoption of Australian Accounting Standards* to require entities to apply a consistent approach to determining whether a currency is exchangeable into another currency and the spot exchange rate to use when it is not exchangeable.

The adoption of the amendment did not have a material impact on the financial statements.

The Standard also amends AASB 121 to extend the exemption from complying with the disclosure requirements of AASB 121 for entities that apply AASB 1060: *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* to ensure Tier 2 entities are not required to comply with the new disclosure requirements in AASB 121 when preparing their Tier 2 financial statements.

l. Comparative Figures

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

CAPITAL HEALTH NETWORK LIMITED
ABN 82 098 499 471

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

Note 2. Revenue	Note	2026	2025
		\$	\$
Grants received		45,879,368	45,054,513
Non-government funding sources		65,667	51,643
Interest income		308,934	275,068
		<u>46,253,969</u>	<u>45,381,224</u>

Grants Received

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

Note 3. Cash and Cash Equivalents

CURRENT

Cash on hand	326	384
Cash at bank	<u>36,967,410</u>	<u>23,359,905</u>
	<u>36,967,736</u>	<u>23,360,289</u>

Note 4. Trade and Other Receivables

CURRENT

Trade debtors	3,000	-
Other receivables	<u>6,000</u>	<u>19,092</u>
	<u>9,000</u>	<u>19,092</u>

a. Financial assets as trade and other receivables	13	9,000	19,092
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Note 5. Other Assets

CURRENT

Deposits paid	7,709	10,712
Prepayments	467,817	417,883
Prepaid service delivery	<u>1,682,571</u>	<u>1,463,887</u>
	<u>2,158,097</u>	<u>1,892,482</u>

CAPITAL HEALTH NETWORK LIMITED
ABN 82 098 499 471

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

NOTE 6: FINANCIAL ASSETS

	Note	2026 \$	2025 \$
CURRENT			
Term Deposits – greater than 3 months		142,415	135,957

Note 7. Plant and Equipment

Plant and equipment - at cost	882,881	863,074
Less: Accumulated depreciation	(749,688)	(662,587)
	133,193	200,487
Leasehold improvements - at cost	1,734,522	1,734,522
Less: Accumulated depreciation	(392,580)	(124,244)
	1,341,942	1,610,278
Total plant and equipment	1,475,135	1,810,765

Movements in carrying amounts

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

	Plant and equipment \$	Leasehold improvements \$	Total \$
Balance at 1 July 2025	200,486	1,610,279	1,810,765
Additions	119,602	-	119,602
Disposals	(99,794)	-	(99,794)
Depreciation write back	96,756	-	96,756
Depreciation expense	(183,858)	(268,337)	(452,194)
Balance at 30 June 2026	133,193	1,341,942	1,475,135

CAPITAL HEALTH NETWORK LIMITED
ABN 82 098 499 471

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

Note 8. Right of Use Assets

CHN's lease portfolio comprises an office lease (Cameron Avenue Belconnen), with a lease term of 8 years which commenced in December 2024.

CHN no longer holds any motor vehicles as both lease agreements expired in January 2026.

i. AASB 16 related amounts recognised in the balance sheet

Right of use assets	2026	2025
	\$	\$
Leased premises and motor vehicle	1,902,527	1,953,676
Less accumulated amortisation	(376,542)	(192,438)
Total right of use asset	<u>1,525,985</u>	<u>1,761,238</u>

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

Amortisation expense	(242,130)	(170,084)
Finance costs	(163,121)	(103,772)
	<u>(405,251)</u>	<u>(273,856)</u>

iii) Total future lease payments at the end of the reporting period

No later than 1 year	410,398	396,520
Between 1 to 5 years	1,908,534	1,934,550
Greater than 5 years	163,061	547,442
	<u>2,481,993</u>	<u>2,878,512</u>

Note 9. Lease Liabilities

Current	266,794	239,345
Non-current	1,690,781	1,949,409
	<u>1,957,575</u>	<u>2,188,754</u>

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Note 10. Trade and other payables

CURRENT		
GST payable	38,234	68,475
Creditors	63,892	177,524
Accrued expenses	324,644	227,537
Other payables	19,149	150,199
Financial liabilities as trade and other payables	<u>445,919</u>	<u>623,735</u>

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CAPITAL HEALTH NETWORK LIMITED
ABN 82 098 499 471

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

Note 11. Contract Liabilities	2026	2025
	\$	\$
CURRENT		
Unearned government grant income	35,697,414	22,187,234

Note 12. Provisions

CURRENT		
Provision for annual leave entitlements	444,499	462,886
Provision for long service leave	146,090	101,198
	590,589	564,084
NON-CURRENT		
Provision for long service leave	153,937	128,183
Total employee provisions	744,526	692,267

Note 13: Financial Risk Management

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

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

Financial assets	Note	2026	2025
		\$	\$
Held at amortised cost			
Cash and cash equivalents	3	36,967,736	23,360,289
Trade receivables	4a	9,000	19,092
Total financial assets		36,976,736	23,379,381
Financial liabilities			
Lease liabilities	9	1,957,575	2,188,754
Trade payables	10	445,919	623,735
Total financial liabilities		2,403,494	2,812,489

CAPITAL HEALTH NETWORK LIMITED
ABN 82 098 499 471

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

Note 14. Key Management Personnel Compensation	2026	2025
	\$	\$
a. Key management personnel compensation	706,107	913,885

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

Note 15. Other Related Parties

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members. Several Directors are Executives or Directors of other entities which CHN transacts with. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated. The Company had the following Related Party transactions during the period:

Name of Related Party	Nature of Transaction	Amount \$
A Gender Agenda	Targeted Regional Initiatives for Suicide Prevention (TRISP) program.	25,000
Health Care Consumers Association	Provision of consumer representation on CHN committees, support and advice on consumer matters & advice in relation to the Health Pathways Program.	22,727

Note 16. Contingent Liabilities

The Company has provided bank guarantees of \$135,957 in 2025 to the National Australia Bank for its obligations under its office lease.

Note 17. Events After the Reporting Period

No other matter or circumstance has arisen since 30 June 2026 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 18: Members' Guarantee

CHN is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the Company. At 30 June 2026, the number of members was 469 (2025: 265). Membership is cyclical, requiring renewals every three years.

Note 19. Company Details

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

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

CAPITAL HEALTH NETWORK LIMITED
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	2026	2025
Note 20. Auditors Remuneration		
	\$	\$
Auditing or reviewing the financial statements	18,000	17,200
Audit of grant acquittals	18,400	16,200
Other	5,000	4,800
	<u>41,400</u>	<u>38,200</u>

CAPITAL HEALTH NETWORK LIMITED
ABN 82 098 499 471

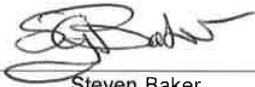
DIRECTORS' DECLARATION

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

1. The financial statements and notes, as set out on pages 10-25, satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - a. comply with Australian Accounting Standards applicable to the Registered Entity; and
 - b. give a true and fair view of the financial position of the registered entity as at 30 June 2026 and of its performance for the year ended on that date.
2. There are reasonable grounds to believe that the Registered Entity will be able to pay its debts as and when they become due and payable.

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


Julie Blackburn
CHAIR OF THE BOARD


Steven Baker
DIRECTOR

Dated this 18th day of September 2026

<insert auditors report>