Bendigo Community Health Services

ABN: 76 026 154 968

Financial Report

For the year ended 30 June 2025

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The newly refurbished Eaglehawk site

Bendigo Community Health Services

Directors Report

Your directors present their report of Bendigo Community Health Services Limited for the year ended 30 June 2025.

Directors

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

Abhishek Awasthi
Andrew Lovett
Ellyse McNish
Larissa Seymour
Lauren Bean
Melanie Eddy
Michael Carney
Robert Holian
Vicki Pearce - retired 26/11/2024

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

Company Secretary

The following person held the position of company secretary at the end of the financial year.
Kevin Pittman
Qualifications : Masters of Business Administration, Master of Human Services.

The principal activities of the company during the course of the financial year were to address health inequalities and disadvantage through the provision of a broad range of health and community services.

Significant Changes

There were no significant changes to the entity's operations for the year ended 30th June 2025.

Operating Result

The company recorded a surplus of $4,950,041 for the year ended 30 June 2025, (2024: Deficit $655,306).

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years

Environmental Issues

The company is not subject to any significant environmental regulation.

Information on Directors

Vicki Pearce	(Retired 26/11/2024)
Qualifications:	NFP Community and Business Advisor; MAICD, F Fin.
Experience:	Director, Treasurer and Trustee Bendigo Art Gallery Board; Treasurer, Ulumbarra Foundation Inc. Committee member of Greater Bendigo against Family Violence and Regional Committee member AICD. Past Trustee, National Gallery of Victoria; Former director Foundation Housing Ltd. Perth and Curtin University School of Economics and Finance Advisory Board. Leadership and Management positions in Banking and Finance.
Special Responsibilities:	Committee memberships: Quality Safety and Experience, Clinical Governance.
Larissa Seymour	
Qualifications:	Graduate Australian institute of Company Directors (GAICD), Bachelor of Social Science (PGDipPsych), Diploma of Population Health (Dip PH), Diploma of Community Development (DipCD)
Experience:	Larissa has 15 years' experience as a company director in the health sector. Having contributed to both state and federal policy development and implementation; Larissa has managed a range of public health policy responses within non-profit organisations, Primary Health Networks, and state government branches. Specifically, local, regional, and statewide service planning, commissioning and implementation across mental health, AoD, housing and Covid-19 initiatives. Larissa's work is currently focused on implementing key recommendations from the Royal Commission into Victorians Mental Health System.
Special Responsibilities:	Committee memberships: Quality Safety and Experience, Clinical Governance, Board Oversight, Capital.
Lauren Bean	
Qualifications:	Graduate, Australian Institute of Company Directors and Columbia Business School executive education program. MA in communications from RMIT.
Experience:	Past directorships include Bendigo Cemetery Trust, Bendigo TAFE, Community Sector Bank and Community 21. Currently a General Manager at Bendigo and Adelaide Bank, previously held CEO and leadership roles in the community, commercial media and financial services sectors.
Special Responsibilities:	Chair of former Quality, Safety and Consumer Experience Committee, and a member of the former Nomination and Board CEO Relationship committees. Now Deputy Chair of BCHS Board, Member Board Oversight Committee, Member Board-CEO Relationship Committee.
Ellyse McNish	
Qualifications:	Bachelor of Business (Marketing), Graduate Certificate of Business Administration, 2022 Loddon Murray Community Leadership Graduate.
Experience:	Currently managing a rural medical program focused on recruiting and retaining regional practitioners. Board member of the Bendigo Football Netball League. Member of the Bendigo Education Plan Committee.
Special Responsibilities:	Committee memberships: Board Oversight, Fundraising.
Melanie Eddy	
Qualifications:	CPA
Experience:	Owner of a small business with 25 years' experience in public practice advising small business in all areas of business management. Extensive community activities through sporting clubs and coaching with representation on the Relay for Life Committee Bendigo and Echuca (Committee member), Apex Lions Madison Committee (Treasurer), St Francis of the Fields Primary School (Board member), St Francis of the Fields Primary School Parents and Friends (Committee member), St Francis of the Fields Netball club (Treasurer), Storm Junior netball club (Treasurer),Priests retirement foundation Sandhurst committee member and Bendigo Diggers (Board member), Finance Council of the Diocese of Sandhurst (Committee member) and the Gianna Centre (Treasurer).
Special Responsibilities:	Committee memberships: Quality Safety and Experience, Clinical Governance, Finance and Risk, Capital, Fundraising.

Information on Directors	**(Continued)**
Michael Carney	
Qualifications:	Bachelor of Physiotherapy (University of Melbourne); Master of Business Administration Executive (RMIT)
Experience:	Registered Physiotherapist (Australian Health Practitioner Regulation Agency). Various management roles in health including aged care and occupational rehabilitation, with current position as Regional Partner of allied health group Healthia. Extensive community activities formerly through sporting clubs and now local school community.
Special Responsibilities:	Committee memberships: Quality Safety and Experience, Finance and Risk.
Abhishek Awasthi	
Qualifications:	Master of Business Administration (MBA), Lean Six Sigma (Yellow Belt) International ISO18404 Certificate, Company Directors Course, Graduate Certificate in Higher Education Curriculum, Teaching and Learning, Master of Biotechnology and Bioinformatics, Bachelor of Technology (Engineering).
Experience:	President, Indian Association of Bendigo Inc.; Chair, Loddon Campaspe Multicultural Services; Chair, LEAD Loddon Murray; Member, Bendigo Interfaith Council; Member, Regional Advisory Committee AICD; Member, Rural and Regional Advisory Committee, FECCA; Member, Regional Advisory Council; Victorian Multicultural Commission; Multicultural Community Ambassador, AFL; Manager, Student Engagement and Retention – Bendigo Kangan Institute (Bendigo TAFE and Kangan Institute); Director eiConsulting; and Student Engagement and Transition Officer, La Trobe University.
Special Responsibilities:	Committee memberships: Quality Safety and Experience, Board Oversight.
Robert Holian	
Qualifications:	Bachelor of Biomedicine, Doctor of Medicine, Fellow of the Australian College of General Practitioners
Experience:	Currently working as a general practitioner in Bendigo. Supervisor of GP registrars.
Special Responsibilities:	Committee memberships: Clinical Governance, Finance and Risk.
Andrew Lovett	
Qualifications:	Bachelor of Medicine, Bachelor of Surgery (1995). University of Melbourne. Bachelor of Medical Science (1995). University of Melbourne. Masters in Health Economics, Policy and Management (2018) London School of Economics. Fellow of the Royal Australasian College of Physicians (2003). Graduate Australian Institute of Company Directors.
Experience:	Worked as a paediatrician for 9 years at Goulburn Valley Health in Shepparton, then as Clinical Director of Paediatrics followed by Clinical Director of Women's and Children's Health at Bendigo Health over another 9 years. Now works between Eastern Health (as Clinical Program Director for Women and Children) in Melbourne, Bendigo Health and his private paediatric practice in Bendigo.
Special Responsibilities:	Committee memberships: Clinical Governance.

Directors Report (Continued)

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

Proceedings on Behalf of the Entity

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

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

Meeting of Directors

During the financial year, 9 meetings of directors were held. Attendances by each director at board and special committees were as follows:

Board Meetings			
	Members	**Entitled to Attend**	**Attended**
	Lauren Bean	9	7
	Michael Carney	9	9
	Melanie Eddy	9	9
	Larissa Seymour	9	6
	Abhishek Awasthi	9	5
	Vicki Pearce	4	2
	Robert Holian	9	9
	Andrew Lovett	9	8
	Ellyse McNish	4	4
Committee Type			
Quality Safety and Experience	**Members**	**Entitled to Attend**	**Attended**
	Lauren Bean	2	2
	Michael Carney	2	2
	Melanie Eddy	2	2
	Larissa Seymour	2	2
	Abhishek Awasthi	2	2
	Vicki Pearce	2	2
Clinical Governance	**Members**	**Entitled to Attend**	**Attended**
	Robert Holian	5	5
	Vicki Pearce	2	1
	Larissa Seymour	3	2
	Melanie Eddy	5	4
	Andrew Lovett	5	2
Finance and Risk	**Members**	**Entitled to Attend**	**Attended**
	Michael Carney	9	9
	Melanie Eddy	9	9
	Robert Holian	9	9
Board Oversight	**Members**	**Entitled to Attend**	**Attended**
	Lauren Bean	3	2
	Larissa Seymour	3	3
	Abhishek Awasthi	3	3
	Ellyse McNish	3	2
Capital	**Members**	**Entitled to Attend**	**Attended**
	Melanie Eddy	3	3
	Larissa Seymour	3	3
Fundraising	**Members**	**Entitled to Attend**	**Attended**
	Melanie Eddy	3	3
	Lauren Bean	3	3
	Ellyse McNish	2	2

Directors Report (Continued)

Members' Guarantee

The entity is incorporated under the Australian Charities and Not-for-Profits Commission Act 2012 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 $1 each towards meeting any outstanding obligations of the entity. At 30 June 2025 the number of members was 64 (2024: 49).

Auditors' Independence Declaration

The auditor's independence declaration for the year ended 30 June 2025 has been received and can be found on page 28 of the financial reports.

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

Melanie Eddy, Chair	Michael Carney, Director and Chair of the Finance and Risk Committee
Dated this 3rd day of November 2025	Dated this 3rd day of November 2025

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2025

	Notes	2025 $	2024 $
Revenue	2	**22,416,811**	18,438,546
Other income	2	**15,680,980**	12,997,950
Employee benefits expense		**(25,644,752)**	(23,669,100)
Child care expenses		**(1,023,425)**	(993,091)
Program expenses		**(3,366,677)**	(4,797,816)
Fleet expenses		**(86,485)**	(60,392)
Depreciation and amortisation expenses	3	**(1,364,252)**	(1,294,945)
Technology expenses		**(805,173)**	(779,530)
Facility expenses		**(883,605)**	(747,189)
Administration expenses		**(552,299)**	(317,917)
Net gain/(loss) on change in fair value of investments		**578,918**	568,178
Profit/(Loss) from continuing operations		**4,950,041**	**(655,306)**
Items that will not be reclassified to proft or loss:			
Revaluation of Land and Buildings		**-**	1,152,169
Total comprehensive income attributable to members of the entity		**4,950,041**	**496,863**

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

Statement of Financial Position

As at 30 June 2025

	Notes	2025 $	2024 $
Current assets			
Cash and cash equivalents	4	**4,522,989**	10,073,885
Other financial assets	5	**-**	1,635,462
Trade and other receivables	6	**650,897**	629,145
Other assets	7	**232,353**	257,774
Total current assets		**5,406,239**	12,596,266
Non-current assets			
Other financial assets	5	**8,739,398**	7,980,475
Property, plant, equipment and Capital WIP	8	**20,018,035**	14,231,709
Right of use assets	9	**1,333,733**	1,365,969
Intangible assets	10	**35,578**	13,954
Other assets	7	**72,827**	72,827
Total non-current assets		**30,199,571**	23,664,934
Total assets		**35,605,810**	36,261,200
Current liabilities			
Trade and other payables	11	**1,394,605**	1,146,198
Unearned Income	12	**103,382**	5,909,442
Funds held in trust	13	**-**	7,423
Lease liabilities	14	**537,793**	623,232
Provisions	15	**3,866,562**	3,433,647
Total current liabilities		**5,902,341**	11,119,942
Non-current liabilities			
Lease liabilities	14	**985,007**	1,008,663
Provisions	15	**390,676**	754,850
Total non-current liabilities		**1,375,683**	1,763,513
Total liabilities		**7,278,024**	12,883,455
Net assets		**28,327,786**	23,377,745
Equity			
Retained earnings		**21,021,371**	16,071,330
Asset revaluation reserve		**7,306,415**	7,306,415
Total equity		**28,327,786**	23,377,745

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

Statement of Changes in Equity

For the Year Ended 30 June 2025

	Retained earnings	Asset revaluation reserve	Total
	$	$	$
Balance at 1 July 2023	16,726,636	6,154,247	22,880,883
Surplus/(Deficit) for the year	(655,306)	-	(655,306)
Total other comprehensive income for the year	-	1,152,168	1,152,168
Balance at 30 June 2024	16,071,330	7,306,415	23,377,745
Balance at 1 July 2024	16,071,330	7,306,415	23,377,745
Surplus/(Deficit) for the year	4,950,041	-	4,950,041
Total other comprehensive income for the year	-	-	-
Balance at 30 June 2025	**21,021,371**	**7,306,415**	**28,327,786**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cashflow

For the Year Ended 30 June 2025

	Notes	2025 $	2024 $
Cash flows from operating activities			
Receipts from customers and government grants		**34,806,324**	34,037,850
Payments to suppliers and employees and others		**(34,902,079)**	(34,594,267)
Interest received		**224,393**	92,083
Interest paid on lease liabilities		**(65,933)**	(52,267)
Net cash provided by/(used in) operating activities	16	**62,704**	(516,601)
Cash flows from investing activities			
Proceeds from financial assets		**1,635,462**	-
Payments for property, plant and equipment		**(6,572,404)**	(1,986,386)
Net cash used in investing activities		**(4,936,942)**	(1,986,386)
Cash flows from financing activities			
Repayment of lease liabilities		**(676,658)**	(545,252)
Net cash used in financing activities		**(676,658)**	(545,252)
Net increase / (decrease) in cash held		**(5,550,896)**	(3,048,239)
Cash and cash equivalents at the beginning of the financial year		**10,073,885**	13,122,124
Cash and cash equivalents at the end of the financial year	4	**4,522,989**	10,073,885

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

Note 1. Material Accounting Policy Information

The financial statements cover Bendigo Community Health Services Ltd. (BCHS) as an individual entity, incorporated and domiciled in Australia. Bendigo Community Health Services Ltd. is a company limited by guarantee.

Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures of 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 03 November 2025 by the directors of the company.

Going Concern basis

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing Bendigo Community Health Services Limited'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 management either intends to liquidate the health service, or to cease operations, or has no realistic alternative but to do so. Considering these requirements, Bendigo Community Health Services Ltd has prepared the financial statements based on the health services ability to continue as a going concern.

Bendigo Community Health Services Ltd. is dependent upon the State of Victoria, via the Department of Health and the Department of Families, Fairness and Housing for the funding of a significant proportion of its operations. At the date of this report the current funding and service agreement is confimed through to June 2028, and the Board of Directors has no reason to believe the Department will not continue to support Bendigo Community Health Services Ltd.

(a) New and amended accounting policies adopted during the reporting period

The Company has not adopted any new accounting policies during the reporting period.

(b) Revenue

Regarding grants with performance obligations, Bendigo Community Health Services Ltd. exercises judgement over whether the performance obligations have been met, on a grant by grant basis and recognises revenue when the performance obligation has been fulfilled.

National Disability Insurance Scheme

This activity includes the provision of individualised support and services to people with a disability. The company's performance obligation is to deliver services in accordance with each participant's approved plan, which is developed based on the participant's needs and requirements. Revenue is recognised over time as the individual simultaneously receives and consumes the benefits provided by the company as it performs. The company uses the output method to measure its progress in satisfying its performance obligations.

Child Care Services

The company is a registered family day care provider. Services are funded by the Child Care Subsidy received from the Department of Education, Skills and Employment from which an administrative fee is retained. The balance of the Child Care Subsidy is paid to the individual educators. Revenue is recognised over time as the families simultaneously receive and consume the benefits provided by the company. The company uses the output method to measure it's progress in satisfying its performance obligations.

Interest income

Interest income is recognised using the effective interest method.

Donations

Donations are recognised when the payment is received.

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 liability, financial instruments, provisions, revenue or contract liability 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.

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

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied. When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

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

Client income is recognised upon the delivery of the service to the customers.
Revenue from the rendering of a service is recognised upon delivery of the service to the customers. All revenue is stated net of the amount of goods and services tax.

(c) Expenses

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

Employee benefits expense

Employee benefits expenses include:

- Salaries and wages (including fringe benefits tax, leave entitlements, termination payments)
- On-costs
- WorkCover premium.

Child care expenses

Bendigo Community Health Services Ltd. are a registered family day care provider. This expenditure represents payments made to educators as part of the scheme.

Program expenses

Bendigo Community Health Services Ltd. are the lead agency of a consortia providing alcohol and other drug services to the Loddon Mallee Region. Program expenses are most significantly comprised of payments made to the other seven partner organisations.

Administrative expenses

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

- Advertising and promotion
- Occupancy and associated costs
- General administration expenses

(d) Cash and Cash Equivalents

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

(e) Trade and Other Receivables

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

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for expected credit losses (Note 1(g)).

(f) Property, Plant and Equipment

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

Property

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

Increases in the carrying amount arising on revaluation of land and buildings are recognised in the statement of profit or loss and other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of asset shall be recognised in the statement of profit or loss and other comprehensive income under the heading of revaluation surplus. All other decreases are charged to the statement of profit or loss and other comprehensive income.

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

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

Plant and Equipment

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

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

Depreciation

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

Class of fixed Asset	Depreciation rate
Motor Vehicles	15%
Plant and Equipment	20-25%
Buildings	5%
Property Improvements	5-10%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(g) Financial Instruments Initial Recognition and Measurement

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

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified “at fair value through profit or loss”, in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Classification and Subsequent Measurement

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.

Bendigo Community Health Services Ltd. recognise trade and other payables and lease liabilities in this category.

Financial assets

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets are subsequently measured at amortised costs if both of the following criteria are met and the net assets are not designated at fair value through profit or loss:

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

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest rate method less any impairment.

Bendigo Community Health Services Ltd. recognise cash and cash equivalents and trade and other receivables in this category.

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, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

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

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

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

Recognition of expected credit losses in financial statements

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

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 entity recognises the movement in the loss allowance as an impairment gain or loss in the Statement of Profit or Loss and Other Comprehensive Income.

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

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

(h) Impairment of Assets

At the end of each reporting period, the 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.

(i) Employee Benefits

Short term employee benefits

Provision is made for the entity's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including salaries, wages, ADOs (Accrued day off), annual leave and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled. The entity's obligations for short-term employee benefits such as salaries and wages are recognised as part of current trade and other payables in the Statement of Financial Position.

Long term employee benefits

The entity classifies employees' long service leave and annual leave entitlements as 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 entity'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 government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.
The entity's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the entity does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

(j) Trade and Other Payables

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

(k) Provisions

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

(l) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.
Cash flows are presented in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(m) Comparative Figures

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

Note 1. Material Accounting Policy Information

(n) 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

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. Recoverable amount of the relevant assets are reassessed using the value-in- use calculation which incorporates various key assumptions.

Useful lives of property, plant and equipment

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

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.

Lease term and option to extend under AASB 16

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

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

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

One property lease has been calculated including all renewal options, as it is reasonably certain the leases will be extended (or not terminated). The lease term is reassessed if an option is not exercised or the company becomes obliged to not exercise it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

Borrowing rate under AASB 16

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

To determine the incremental borrowing rate, the company:

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

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 annul reporting period in which the employees render the related service. The entity expects most employees will take their annual leave entitlements within 24 months of the reporting period in which they were earned, but this will not have a material impact on the amounts recognised in respect of obligations for employees' leave entitlements.

Long service leave calculation

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 2025. The probability factors are increased as the respective employees' years of service increase and are provided for at 100% probability at vesting period (in accordance with employment conditions).

The probability rates have been determined based on past retention data.

Note 1. Material Accounting Policy Information

(o) Fair Value of Assets and Liabilities

The company measures some of its assets and liabilities at fair value either on a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standards.

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

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

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

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

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

(p) Insurance

The Victorian Managed Insurance Authority advised Bendigo Community Health Services Ltd. that the total amount of insurance premiums paid by the Department of Health and Human Services on its behalf was $53,901 for the 2025 financial year (2024: $46,327).

(q) Right of use assets

Right-of-use assets comprise the initial measurement of the associated lease liability, 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 to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Bendigo Community Health Services Ltd.

Note 2. Revenue and Other Income

	2025	2024
	$	$
Revenue from contracts with customers	**22,416,811**	17,682,910
Other sources of revenue	**15,680,980**	13,753,586
Total Revenue and Other Income	**38,097,791**	31,436,496

(a) Disaggregated revenue

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

	2025	2024
Categories of disaggregation		
State/Commonwealth government funding	**17,104,766**	12,906,267
Fees for service	**5,312,045**	4,776,643
Total disaggregated revenue from contracts with customers under AASB 15	**22,416,811**	17,682,910
Timing of revenue recognition		
Services transferred to customers:		
- at a point in time	**2,242,188**	2,250,512
- over time	**20,174,623**	15,432,398
Total services transferred to customers	**22,416,811**	17,682,910

(b) Other sources of Income

	2025	2024
State/Commonwealth government funding	**14,382,896**	12,536,037
Other funding	**226,805**	68,334
Rental Income	**69,327**	49,499
Interest received	**224,393**	167,124
Bequests and donations received	**33,315**	23,179
Other income	**744,244**	909,414
Total other sources of revenue	**15,680,980**	13,753,587

Note 3. Depreciation and amortisation expenses

	2025	2024
	$	$
Buildings	**367,500**	389,600
Building improvements	**184,697**	179,174
Plant and equipment	**212,257**	176,829
Right of use assets	**599,798**	549,342
Total Depreciation and Amortisation Expenses	**1,364,252**	1,294,945

Note 4. Cash and Cash Equivalents

	2025	2024
	$	$
Cash on hand	**1,981**	5,635
Cash at bank	**4,521,008**	10,068,250
Total Cash and Cash Equivalents	**4,522,989**	10,073,885
Represented by:		
Operational funds	**4,522,989**	5,814,432
Monies held in trust	**-**	4,259,453
	4,522,989	10,073,885

Note 5. Other Financial Assets

	2025	2024
	$	$
Current		
Financial assets at amortised cost		
Term Deposits > 3months	**-**	1,635,462
Total current	**-**	1,635,462
Non Current		
Financial assets at fair value through profit and loss		
Managed investment schemes	**8,739,398**	7,980,475
Total non-current	**8,739,398**	7,980,475
Total other financial assets	**8,739,398**	9,615,937

Bendigo Community Health Services Ltd.

Note 6. Trade and Other Receivables

	2025	2024
	$	$
Trade Receivables	**650,897**	629,145
Total Trade and Other Receivables	**650,897**	629,145

(a) Credit Risk

The company has no significant concentration of credit risk with respect to any single counterparty or entity of counterparties other than those receivables specifically provided for and mentioned within this note. The main source of credit risk to the company is considered to relate to the class of assets described as trade and other receivables.

The company always measures the loss allowance for accounts receivables at an amount equal to lifetime expected credit loss. The expected credit losses on accounts receivable are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques used or significant assumptions made during the current reporting period.

The company writes off a receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery (eg when the debtor has been placed under liquidation or has entered into bankruptcy proceedings) or when the trade receivables are over two years past due, whichever occurs earlier. None of the accounts receivable that have been written off are subject to enforcement activities.

Note 7. Other Assets

	2025	2024
	$	$
Current		
Prepayments	**90,951**	23,892
Accrued income	**141,402**	233,882
	232,353	257,774
Non Current		
Property bond	**72,827**	72,827
	72,827	72,827
Total Other Assets	**305,180**	330,601
(a) Financial assets classified as other assets (note 16)		
Total other assets	**305,180**	330,601
Prepayments	**(90,951)**	(23,892)
Total financial assets classified as other assets	**214,229**	306,709

Note 8. Property, Plant, Equipment and Capital Work in Progress

	2025	2024
	$	$
Land and Buildings		
Freehold land:		
At fair value	**3,465,000**	3,465,000
Buildings		
At fair value	**7,350,000**	7,350,000
Less accumulated depreciation	**(367,500)**	-
	6,982,500	7,350,000
Building Improvements		
At cost	**2,598,772**	1,902,487
Less accumulated depreciation	**(1,302,796)**	(1,092,351)
	1,295,976	810,136
Total Land and Buildings	**11,743,476**	11,625,136
Capital Work in Progress		
Total Capital Work in Progress	**7,815,619**	2,183,901
Plant and Equipment		
At cost	**1,403,730**	1,365,259
Less accumulated depreciation	**(944,791)**	(942,587)
	458,940	422,672
Total Property, Plant, Equipment and Capital Work in Progress	**20,018,035**	14,231,709

Note 8. Property, Plant and Equipment (continued)

Movements in carrying amounts:	Freehold Land	Buildings	Capital Work in Progress	Building Improvements	Plant & Equipment	Total
	$	$	$	$	$	$
Balance at 1 July 2023	2,968,000	7,012,800	697,391	758,218	426,670	11,863,079
Additions	-	-	1,486,510	300,378	175,176	1,962,064
Revaluation	497,000	726,800	-	(71,632)	-	1,152,168
Disposals	-	-	-	-	-	0
Depreciation expense	-	(389,600)	-	(176,828)	(179,174)	(745,602)
Balance at 1 July 2024	3,465,000	7,350,000	2,183,901	810,136	422,672	14,231,709
Additions	-		6,136,949	192,866	221,819	6,551,634
Transfers	-	-	(505,231)	505,231	-	-
Revaluation	-	-	-	-	-	-
Disposals	-	-	-	-	(854)	(854)
Depreciation expense	-	(367,500)	-	(212,257)	(184,697)	(764,454)
Balance at 30 June 2025	3,465,000	6,982,500	7,815,619	1,295,976	458,940	20,018,035

As at 30 June 2024 the land and buildings held by the company were valued by an independent valuer, Kealy Property Valuers. Kealy Property Valuers are members of the Australian Property Institute, and have appropriate qualifications and recent experience in the fair value measurement of properties in the relevant locations. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties. The valuation was performed as at the current date of valuation only. The fair value assessed may change significantly and unexpectedly over a relatively short period of time (including as a result of factors that the Valuer could not reasonably have been aware of as at the date of valuation).
The fair value of the freehold land and buildings, based on their fair values less cost to sell, based on an active market, was determined to be $10,815,000 at that time. BCHS will undergo valuation of land and buildings through formal revaluation in 2026-27.

Capital work in progress	2025	2024
	$	$
- Eaglehawk RHIF Development	**6,687,365**	1,457,881
- BCHS Capital masterplan	**271,470**	271,470
- Childrens Hub (Loddon Local)	**820,144**	52,290
- Headspace Loft Development	**-**	402,260
- AOD Pharmacotherapy Development	**36,640**	-
Total Capital work in progress	**7,815,619**	2,183,901

The company has capital work in progress in relation to the Eaglehawk RHIF building development, capital masterplan and Loddon Local Developments. These amounts are capitalised in the accounts until associated assets are recognised as being completed and in use as required by AASB 116 - Property, Plant and Equipment.

Note 9. Right of Use Assets

The Company's lease portfolio includes property and motor vehicle leases. The lease terms for property leases are between one and ten years and the lease terms for motor vehicles are between three and four years.

Options to extend or terminate
The options to extend or terminate are contained in several of the Company's property leases. There were no extension options for motor vehicle leases. These clauses provide the Company opportunities to manage leases in order to align with its strategies. All of the extension or termination options are only exercisable by the Company. The extension options or termination options which were probable to be exercised have been included in the calculation of the right-of-use asset.

Concessionary/peppercorn leases
Holdsworth Road - The company holds a 20 year concessionary lease with the Department of Health and Human Services (DHHS) for the exclusive use of the property located at Holdsworth Road, Bendigo, from which Bendigo Community Health Services Ltd. conduct services in accordance with the company's Service Agreement with DHHS. The company may not use this space for any other purpose during the lease term without prior consent of DHHS. The lease payments are $104 (ex GST) per annum, payable yearly in advance. The company is dependent on this lease to further its objectives. Without the concessionary lease, the company's service delivery to the community would be impacted. As at 30/06/2025 the lease has 14 years remaining.

	2025	2024
	$	$
Lease property	**3,462,759**	3,391,712
Accumulated amortisation	**(2,685,293)**	(2,257,651)
	777,465	1,134,061
Leased motor vehicles	**647,961**	579,770
Accumulated amortisation	**(91,694)**	(347,862)
	556,267	231,908
Total Right of Use Assets	**1,333,733**	1,365,969

(a) Movements in carrying amounts
Movements in carrying amounts for each class of right of use asset between the beginning and the end of the current financial year.

	Leased Buildings	Leased Motor Vehicles	Total
Carrying amount at the start of the year	1,134,061	231,908	1,365,969
Adjustments to right-of-use assets	96,110	471,452	567,562
Amortisation expense	(452,705)	(147,093)	(599,799)
Carrying amount at the end of the year	777,466	556,267	1,333,733

Note 9. Right of Use Assets (continued)

	2025	2024
	$	$
(b) AASB 16 related amounts recognised in the statement of profit or loss		
Depreciation charge related to right-of-use assets	**599,799**	549,342
Interest expense on lease liabilities	**65,933**	52,267
	665,732	601,609

Note 10. Intangible Assets

	2025	2024
	$	$
Website Development	**35,578**	13,954
Accumulated amortisation	**-**	-
Total Intangible Assets	**35,578**	13,954

BCHS has completed re-development of its website at 30/06/2025. The amortisation method used will be straight line over the websites estimated useful life, which BCHS has estimated to be five years.

Note 11. Trade and Other Payables

	2025	2024
	$	$
Accrued expenses	**62,000**	10,569
Net GST payable	**201,199**	135,191
Creditors	**533,505**	263,834
Accrued wages	**596,599**	730,429
Credit cards	**1,303**	6,175
Total Trade and Other Payables	**1,394,605**	1,146,198
(a) Financial liabilities classified as trade and other payables (note 18)		
Total trade and other payables	**1,394,605**	1,146,198
Net GST payable		
Total financial liabilities classified as trade and other payables	**1,394,605**	1,146,198

Note 12. Unearned Income

	2025	2024
	$	$
Unearned income restricted under AASB 15 - Contracts with customers	**103,382**	1,654,304
Unearned income related to Capital Building Projects		
- Headspace Capital Refit - Funds in Advance	**-**	123,495
- Eaglehawk RHIF Development - Funds in Advance	**-**	4,131,643
	103,382	5,909,442

Note 13. Funds Held in Trust

	2025	2024
	$	$
Holdsworth Rd AoD Facility Development Total Funds Held in Trust	**-**	7,423
	-	7,423

BCHS completed the building of an Alcohol and Other Drugs Integrated Treatment facility at 137 Holdsworth Road, North Bendigo in early 2024-25. All funds for the building project were exhausted at the end of the period.

Note 14. Lease Liabilities

	2025 $	2024 $
Current		
Lease liability	**601,280**	670,802
Unexpired interest	**(63,486)**	(47,570)
	537,793	623,232
Non Current		
Lease liability	**1,047,924**	1,063,848
Unexpired interest	**(62,917)**	(55,185)
	985,007	1,008,663
Total Lease Liabilities	**1,522,800**	1,631,895

The leases for properties have terms of between one and ten years, including options that are reasonably certain to be exercised. The leases for motor vehicles have terms of between three and four years, and do not include optional terms or purchase options.

The present value of future lease payments due at the end of the reporting period are as follows:		
Not later than one year	**537,793**	623,232
Later than one year and not later than five years	**985,007**	971,312
Later than 5 years	**-**	37,351
Total	**1,522,800**	1,631,895

Note 15. Provisions

	2025 $	2024 $
Current		
Provision for annual leave	**1,749,229**	1,775,216
Provision for long service leave	**2,117,333**	1,658,431
	3,866,562	3,433,647
Non Current		
Provision for long service leave	**390,676**	754,850
Total Provisions	**4,257,238**	4,188,497

Provision for Employee Benefits

The current portion for this provision includes the total amount accrued for annual leave entitlements, redundancy and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 1(j).

Portable long service

In addition to traditional long service, Victoria Government offer portable long service benefits for eligible workers in the community services sector under the Long Service Benefits Portability Act 2018, supported by the Long Service Benefits Portability Regulations 2020. The Portable Long Service Benefits Scheme allows eligible workers to build up long service entitlements based on time spent in their industry, rather than with a single employer. This means that eligible workers can keep their portable long service leave entitlement even if they work for different employers over the years. The health service has identified employees eligible for portable long service benefits and pays a levy to the Portable Long Service Benefits Authority of 1.65% of wages for eligible employees.

Note 16. Cash Flow Information

	Notes	2025 $	2024 $
Reconciliation of surplus to net cash provided by operating activities			
Profit/(Loss) from continuing operations		**4,950,041**	(655,306)
Non cash items:			
- Depreciation		**1,364,252**	1,294,945
- Change in fair value through Profit and Loss of financial assets		**(578,918)**	(568,178)
- Dividend income and interest from investment		**(180,005)**	(205,899)
Changes in assets and liabilities:			
- (Increase)/Decrease in trade and other receivables		**(21,752)**	(120,431)
- (Increase)/Decrease in prepayment and other assets		**25,421**	359,166
- Increase/(Decrease) in trade and other payables		**248,407**	760,370
- Increase/(Decrease) in funds held in trust		**(7,423)**	(1,492,618)
- Increase/(Decrease) in provision for current tax liabilities			(1,360)
- Increase/(Decrease) in unearned income		**(5,806,060)**	-
- Increase/(Decrease) in provisions		**68,741**	112,710
Net cash flows provided by/(used in) operating activities		**62,704**	(516,601)

Note 17. Capital Commitments

Capital Expenditure Commitments

BCHS has capital commitments to undertake a capital refit of the Eaglehawk site, predominantly funded by the State government Regional Health Infrastructure Fund as at 30 June 2025. The overall Department investment in the refit is $7,786,032 and BCHS has capital commitments of $1,130,000 of its own reserves as at 30th June 2025.Total commitments remaining for the project as at 30th June, 2025 are $2,228,667 (2024:$7,458,151). BCHS has a commitment to complete a building project at the Loddon Local site at 17-19 Helm Street Kangaroo Flat. The commitment is funded from State funding and totals $1,104,000. As at 30/06/2025, $820,144 had been spent on the development, leaving the remaining commitment at $283,856.

Note 18. Financial Risk Management

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

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

	Notes	2025 $	2024 $
Financial assets measured at fair value through profit or loss			
Cash and cash equivalents	4	**4,522,989**	10,073,885
Other financial assets	5	**8,739,398**	9,615,937
Trade and other receivables	6	**650,897**	629,145
Other assets	7	**214,229**	306,709
Total financial assets measured at fair value through profit or loss		**14,127,513**	20,625,676
Financial liabilities measured at amortised cost			
Trade and other payables	11	**1,394,605**	1,146,198
Lease liabilities	14	**1,522,800**	1,631,895
Total financial liabilities measured at amortised cost		**2,917,405**	2,778,093

Note 19. Fair Value Heirachy

The company measures and recognises freehold land and building at fair value on a recurring basis after initial recognition.

The company does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

AASB 13: Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1 - Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at the measurement date.

Level 2 - Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Measurements based on unobservable inputs for the asset or liability.

Note 19. Fair Value Heirachy (continued)

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation Techniques

The company selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the company are consistent with one or more of the following valuation approaches:

- Market approach uses prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach converts estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach reflects the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the company gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The following tables provide the fair values of the company's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

	Level 1	Level 2	Level 3	Total June 2025
	$	$	$	$
Recurring fair value measurements				
Non-financial assets				
Freehold Land	-	3,465,000	-	3,465,000
Buildings	-	-	7,350,000	7,350,000
Total non-financial assets recognise	-	3,465,000	7,350,000	10,815,000

Valuation Techniques and Inputs Used to Measure Level 2 and 3 Fair Values

Description Non-financial assets	Fair Value 30 June 2025	Fair Value 30 June 2024	Valuation Technique(s)	Inputs Used
Freehold land	3,465,000	3,465,000	Current replacement cost	Sales evidence, Unit of value by comparative basis ($ per m2).
Buildings	7,350,000	7,350,000	Cost approach	Historical cost

The fair value of freehold land and buildings is determined at least every three years based on valuations by an independent valuer. At the end of each intervening period, the directors review the independent valuation and, when appropriate, update the fair value measurement to reflect current market conditions using a range of valuation techniques, including recent observable market data and discounted cash flow methodologies.

Note 20. Contingent Liabilities and Contingent Assets

There are no contingent assets or contingent liabilities for Bendigo Community Health Services Ltd. as at 30 June 2025.

Note 21. Events after Reporting Period

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

Note 22. Key Management Personnel Compensation and related parties

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

The KMP of Bendigo Community Health Services Ltd. are deemed to be the:
Board of Directors
Chief Executive Officer
Chief Operating Officer
Executive Leader - Organisational Support
Executive Leader - Community Partnerships and Integration
Executive Leader - Strategic Projects
The totals of remuneration paid to KMP of the entity during the year are as follows:

	2025	2024
	$	$
Total	**895,892**	1,729,468

Outside of arms length transactions with the company, there were no related party transactions that involved key management personnel, their close family members and their personal business interests.

Note 23. Auditors Remuneration	**2025**	2024
	$	$
Remuneration of Auditor's relating to the accounts:		
- auditing or reviewing the financial report	**39,500**	49,400
Total Auditor's Remuneration	**39,500**	49,400

Note 24. Registered Office/Principal Place of Business

The registered office of the company is:
Bendigo Community Health Services Ltd.
3 Seymoure Street
Eaglehawk, VIC, 3556

The principal place of business is:
Bendigo Community Health Services Ltd.
165-171 Hargreaves Street
Bendigo, VIC, 3551

Bendigo Community Health Services

Bendigo Community Health Services Limited - Financial Declaration by Directors

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

per section 60.15 of the Australian Charities and Not-for-profits Commission Regulations 2022

The Directors declare that in the Directors opinion:

(a) there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and

(b) the financial statements and notes satisfy the requirements of the Australian Charities and Not-for-profits Commission Act 2012.

Signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profits Commission Regulations 2022.

Melanie Eddy
Director and Chair of the Board of Directors
Dated this 3rd day of November 2025

Michael Carney
Director and Chair of Finance and Risk Committee
Dated this 3rd day of November 2025

VAGO
Victorian Auditor-General's Office

Independent Auditor's Report

To the Directors of Bendigo Community Health Services Limited

Opinion	I have audited the financial report of Bendigo Community Health Services Limited (the company) which comprises the: • statement of financial position as at 30 June 2025 • 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 material accounting policy information • directors' declaration. In my opinion the financial report is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012,* including: • giving a true and fair view of the financial position of the company as at 30 June 2025 and of its financial performance and its cash flows for the year then ended • complying with Australian Accounting Standards– Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022.*
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. My independence is established by the *Constitution Act 1975*. My staff and I are independent of the company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Other information	The director of the company is responsible for the Other Information, which comprises the information in the company's directors' report for the year ended 30 June 2025, but does not include the financial report and my auditor's report thereon. My opinion on the financial report does not cover the Other Information and accordingly, I do not express any form of assurance conclusion on the Other Information. However, in connection with my audit of the financial report, my responsibility is to read the Other Information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.

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

Directors' responsibilities for the financial report	The Directors of the company are responsible for the preparation of a financial report that gives a true and fair view in accordance with Australian Accounting Standards– Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act 2012*, and for such internal control as the Directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Directors are responsible for assessing the company's 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.
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.

Auditor's responsibilities for the audit of the financial report **(continued)**	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
14 November 2025

Sanchu Chummar
as delegate for the Auditor-General of Victoria

Victorian Auditor-General's Office

Auditor-General's Independence Declaration

To the Board of Directors, Bendigo Community Health Services Limited

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 Bendigo Community Health Services Limited for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

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

MELBOURNE
14 November 2025

Sanchu Chummar
as delegate for the Auditor-General of Victoria