

Independent Auditor's Report to the Members of Link Health and Community Ltd

Opinion

We have audited the financial report of Link Health and Community Limited (**"the Company"**) and its **controlled entities ("the Group")**, which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of **members' funds** and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the **directors' declaration**.

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

- a) **giving a true and fair view of the Group's financial position as at** 30 June 2018 and of its financial performance and cash flows for the year then ended; and
- b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Entity in accordance with the auditor **independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants ("the Code")** that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the directors, would be in the same **terms if given as at the time of this auditor's report**.

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

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

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2018, but does **not include the financial report and our auditor's report thereon**.

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

HLB Mann Judd (VIC Partnership)

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In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors of the Company for the Financial Report

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

In preparing the financial report, the directors of the Company are responsible for assessing the **Group'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 intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an **opinion on the effectiveness of the Group's internal control.**
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the **management's** 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 Group's ability to continue** as a going concern. If we conclude that a material uncertainty exists, we are required to draw

attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the directors with a statement that we 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 our independence, and where applicable, related safeguards.

A handwritten signature in dark ink that reads 'HLB Mann Judd'.

HLB Mann Judd
Chartered Accountants

A handwritten signature in dark ink, appearing to be 'Nick Walker'.

Nick Walker
Partner

Melbourne
17 October 2018

AUDITOR'S INDEPENDENCE DECLARATION

We declare that, to the best of our knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit of the financial report of Link Health and Community Ltd for the year ended 30 June 2018.

This declaration is in relation to the Link Health and Community Ltd and the entities it controlled during the period.



HLB Mann Judd
Chartered Accountants

Nick Walker
Partner

Melbourne
17 October 2018

HLB Mann Judd (VIC Partnership)

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Link Health and Community Limited

ABN 12 136 877 702

Consolidated Financial Statements

For the Year Ended 30 June 2018

Link Health and Community Limited

ABN 12 136 877 702

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For the Year Ended 30 June 2018

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Link Health and Community Limited

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Directors' Report

30 June 2018

The directors present their report, together with the consolidated financial statements of the Group, being the Company and its controlled entities, for the financial year ended 30 June 2018.

1. General information

Information on directors

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

Raffaele Ciccone

Elected to the Board in 2010

Qualifications

Bachelor of Arts (BA) Deakin University, Bachelor of Commerce (BCom) Deakin University, Bachelor of Arts (Honours) BA(Hons) University of Melbourne, Diploma of Business DipBus(Gov) Australian Institute of Community Directors.

Experience

Raff has been a member of Link Health and Community since 2007. Since being elected to the Board in 2010 he has worked hard at improving local health services by supporting greater investment in doctors and oral health, and programs to address the prevention of family violence and problem gambling. Raff is currently employed as a research officer at the Shop Distributive and Allied Employees Association (SDA) representing some of the lowest paid workers in the country. His experience includes: providing research on industrial, health and safety, and parliamentary matters; preparing cases for presentation to the Fair Work Commission; and negotiating with employees on award and enterprise agreement matters., Raff's professional career also includes roles as a parliamentary adviser in the Australian Government. Raff is a Fellow and Member of the Community Directors Australia and a resident of the Monash community for 34 years. He is passionate about making our local community healthier.

Special responsibilities

Board Chair (from 5 December 2017)
Board Vice Chair from 28 November 2011 until 5 December 2017
Member of:
Chair Board Executive Committee

Anne Crawford

Elected to the Board 2014

Qualifications

GAICD, MPH (Health Administration), GDipMid, BNur

Experience

Anne has lived in Monash for 11 years. She is a member of the Oakleigh Rotary Club and the Monash Reconciliation Group. Anne is also the Vice-President of the Southern Autistic School Council. Anne has worked in the health care environment for over 25 years. This includes experience in aged care, community care and the acute care setting. She has also had experience in negotiating services for local communities with healthcare providers (including CEO's, Directors and other senior management) as well as local government, Victorian Government and Australian Government departments, philanthropists, General Practitioners and Specialists. She is currently the Principle Consultant at Exploring Healthcare. Exploring Healthcare provides people and their families with guidance through the initial diagnosis, treatment and ongoing care in chronic disease, disability, and aged care. Anne's qualifications in public health extends her understanding of the healthcare system from her nursing experience and research to the economic and political landscape. She is passionate about quality in health service provision ensuring the local community has access and professional services.

Special responsibilities

Board Director
Vice Chair (from 5 December 2017)
Member of:
- Board Executive Committee
- Chair Clinical Governance and Health Promotion Committee
- Audit and Strategy Committee

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Directors' Report 30 June 2018

Felicity Smith O.A.M., J.P.	Elected to the Board in 2000
Qualifications	Chisholm TAFE – Computer File Management Course Oakleigh Technical School – Economics Diploma (Night School)
Experience	<p>Felicity is a Order of Australia Medal recipient, a life member of Link Health and Community, an Honorary Justice of the Peace, a Past President, a Paul Harris Fellow and currently, Secretary of the Rotary Club of Oakleigh, President of the Monash Reconciliation Group, Past President of the Oakleigh District Historical Society.</p> <p>Felicity has worked in many fields including State and Federal Governments. Felicity has a wide range of experience in many community organisations including Kindergarten & School Communities, the Monash Ratepayers Association, the Epilepsy Foundation of Victoria and a lifetime membership of a major political party over a period of 40 years and has held executive positions in many of them. She is passionate about creating a better and healthier community environment.</p>
Special responsibilities	<p>Retired as Board Chair 5/12/2017</p> <p>Member of:</p> <ul style="list-style-type: none">- Board Executive Committee- Finance and Business Development Committee- Clinical Governance and Health <p style="text-align: right;">Promotion Committee</p>
Sin Fong Chan	Elected to the Board 14 November 2017
Qualifications	BSc (info Sc), Grad Dip Bus Admin (Marketing), Adv Dip Estate Agency, Cert IV Training and Education Teacher / Trainer Real Estate Vendor Advocate Software / Website Developer
Experience	<p>For more than four decades, Sin Fong has been a volunteer. He was either a founding member or a committee member in several community organisations including the Hong Kong Club, Chinese Association of Victoria, Asian Television Association of Australia, the first City of Monash Chinese Festival, and more recently U3A Wheelers Hill.</p> <p>In 1996, Sin Fong became a Community Visitor with Waverley Community Health Services and continued to serve under Link Health and Community Limited until 2018. He also volunteers in several aged care homes as a presenter of armchair travel to “bring the outside world to inside”.</p> <p>Sin Fong is an educator. After years of teaching and lecturing in community centres, colleges and university, he has decided to turn to volunteering in primary schools, assisting students with learning difficulties.</p> <p>Via internet and social media , Sin Fong imparts and shares his knowledge and life skills by frequent blogging, especially in the real estate field.</p>
Special responsibilities	<p>Board Director</p> <p>Member of</p> <ul style="list-style-type: none">- Finance and Business Development Committee- Clinical Governance and Health Promotion Committee- Elected to the Board, 2000-2003, November 2012

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Directors' Report

30 June 2018

1. General information (continued)

Information on directors (continued)

Greg Telley	Elected to the Board in January 2015
Qualifications	BA, Graduate Certificate in Management (Nepean University).
Experience	Greg is a member of Oakleigh Rotary, Mulgrave Football Club and the South Oakleigh Bowls Club. Greg is on the committee of CHERPA, a peak body representing white good providers. Greg worked for the Australian Government for 34 years, and is now the Manager of a disability employment service in Oakleigh and Moorabbin. He has a passion for helping people and a particular interest in mental health and its support mechanisms. Greg was born in Oakleigh and went to St Anthony's in Chadstone, Salesian College and Oakleigh High School. He played football and cricket with local clubs. He has been married for 37 years to a local girl and has 3 adult children.
Special responsibilities	Board Director Member of: -Audit and Strategy Committee -Clinical Governance and Health Promotion Committee
Shree Vijayan	Elected to the Board June 2015
Qualifications	B Comm (University of Southern Queensland). Member, CPA Australia
Experience	Shree has gained extensive Senior Management experience within the healthcare industry working as the Financial Controller of a state owned health organization specializing in compliancy, strategy, planning, and financial management and reporting. He is currently employed as a Financial Controller of the Southern Migrant and Refugee Centre. He has a wealth of knowledge on corporate governance, risk management, compliance and reporting with a special interest in developing primary care centres to cater for the needs of the community. Shree is a Member of CPA Australia and a resident of the City of Monash for over 20 years.
Special responsibilities	Board Director Chair, Finance and Business Development Committee Member of: -Board Executive Committee -Audit and Strategy Committee

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Directors' Report

30 June 2018

1. General information (continued)

Information on directors (continued)

Suzi Chen	Elected to the Board May 2015
Qualifications	Doctor of Philosophy (Medical Sciences) Advanced Diploma in Management Diploma in Project Management Diploma in Graphic Design Board Directorship - JCI Australia (2013 - current) Chair JCI Partnership Committee (2018) Appointee - JCI UN & External Affairs Committee (2016) JCI Australia National President (2015)
Experience	Suzi has been a member of Link Health and Community since 2013 and was a Community Visitor prior to joining the Board in 2015. Suzi currently chairs the Audit and Strategy Committee. Suzi began her career at Dandenong Hospital as a medical researcher before accepting a management position in 2011, delivering multi-million dollar projects that improved capability of the Victorian fire services. Suzi is passionate about building a resilient and equitable community and has designed and delivered many grassroots initiatives including programs for underprivileged children. Her advocacy in cultural diversity has taken her to more than twenty countries as Mongolia in the past ten years. Suzi was the 2015 National President of Junior Chamber of International (JCI) Australia, an organisation that empowers young people to better communities. In 2016, Suzi's passion for social justice led to her 1-year appointment to JCI's United Nations and External Affairs Committee, which had a strong focus on advancing global development agenda. In 2018 Suzi was the first female and non-Japanese Chair being appointed to JCI Partnership Committee. Part of her appointment, Suzi hosted an international partnership summit on the topic of gender equality at the UN Headquarters in New York City. Professionally, Suzi is a business strategist and manages Notonos Global, a consulting firm that specialises in strategy development through the lens of futuristic thinking.
Special responsibilities	Board Director Chair, Audit and Strategy Committee Member of: -Board Executive Committee
Philip Mayers	Elected to the Board May 2016
Qualifications	Board Member of the Freemasons Foundation Victoria Chairman of Make-A-Wish Foundation Australia
Experience	Philip Mayers B.A., LL.B, is a Director of Dakin Mayers & Associates Pty Ltd – a Human Resources consulting firm. His specialist areas cover the community and not-for-profit sectors, which includes Aged Care, Disability, Community, Education and Professional Associations. Commencing his early career as a Solicitor, he subsequently became a Corporate Legal Advisor and later took up the position of CEO of Jewish Care, a major aged care provider. Over the past 25 years, Philip has built up a strong reputation in the not-for-profit sector across Make-A-Wish Foundation Australia, Deputy Chairman of RDNS, and Board Member of SouthPort Uniting Care. He is happily married to Rhona (a school teacher) and has two married sons with three beautiful grandchildren.
Special responsibilities	Member of: - Finance and Business Development Committee

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Directors' Report

30 June 2018

1. General information (continued)

Information on directors (continued)

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

Review of operations

The consolidated result of the Group for the financial year was a net deficit of \$140,831 (30 June 2017: net deficit of \$544,973).

The company continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

Principal activities

The principal activities of the Group during the financial year were to provide comprehensive health and community services that are accessible, integrated and responsive to the communities within its catchment including the City of Monash.

To carry out the company's strategies and to achieve its short-term and long-term objectives, the company engaged in the following principal activities during the year:

- Link Health and Connect Health and Community Limited in a joint venture with Connect Health established the Sandringham Ambulatory Care Clinic (SACC). SACC allows for patients seeking treatment in acute care to be (where appropriate) redirected to general practice services operated by SACC.
- A new subsidiary company (Link Private Practice) was established to run all our private services. Private Practice oral health services were established in Clayton and The Glen. Private general practice, allied health and counselling services are now operated by Link Private Practice across a number of sites including, The Glen, 8-10 Johnson Street Oakleigh, Brighton, The Glen and Sandringham Hospital.
- Link Health and Community Limited entered into a Licence Agreement with Avocare Limited signed a conditional Deed of Company Arrangement to purchase Avocare. Avocare Limited primary business activities include employment of people in Work for the Dole schemes funded by the Department of Employment, provision school-based training to disadvantaged high school students under the School Based "Apprenticeships and Trainees scheme (SBAT) scheme.
- Link Health and Community Limited (Link HC) began provision of ECEI services within the Inner East, Outer East and Inner Gippsland regions of Victoria. The NDIA engaged Link HC to provide ECEI services in the Southern and Outer Gippsland regions extending provision of these services making Link HC one of the largest Community Partners of ECEI services.

No significant change in the nature of these activities occurred during the year.

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Directors' Report

30 June 2018

1. General information (continued)

Short term objectives

The Group's short-term objectives are to:

- expand into new services that will increase revenue;
- strengthen Link Health and Community Limited's internal capability and infrastructure to support growth;
- maintain and improve the quality and targeting of Link Health and Community Limited's services through strong service design; and diversify Link Health and Community Limited's client base

Long term objectives

The Group's long-term objectives are to:

- position Link Health and Community Limited as an important partner and contributor to the development of a robust primary health system;
- partner with consumers and our diverse community to design and build consumer focused services; and
- lead and participate in the improvement of health and wellbeing in the community.

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Directors' Report

30 June 2018

1. General information (continued)

Strategy for achieving the objectives

To achieve these objectives, the Group has adopted the following strategies:

- provide private health services;
- partner with organisations;
- enhance the workforce of the future (this includes all staff, volunteers and contractors);
- upgrade Information Technology systems;
- enhance and expand Link Health and Community Limited's physical footprint;
- improve the awareness of Link Health and Community Limited in the community and with our partners;
- meet all requirements of funders;
- Link Health and Community Limited will adopt a 'No wrong door' initiative whereby individuals are able to engage with us and are able to connect with the services effectively and seamlessly throughout Melbourne;
- review systems systematically;
- improve and enhance corporate and clinical governance throughout the organisation;
- expand services to the young population in Link Health and Community Limited's community; and
- cater to culturally diverse and high-need customer segments.

Members' guarantee

Link Health and Community Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the Constitution states that each member is required to contribute to a maximum of \$10 each towards meeting any outstanding obligations of the company.

At 30 June 2018 the collective liability of members was \$ 1,470 (2017: \$ 1,470).

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Directors' Report

30 June 2018

2. Other items

Meetings of directors

Attendances by each director during the year were as follows:

	Directors' Meetings		Finance & Business Development Committee Meetings		Audit & Strategy Meetings		Clinical Governance and Health Promotion Committee Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Raffaele Ciccone	10	10	8	8	4	4	-	-
Anne Crawford	10	8	6	6	4	3	4	4
Sin Fong Chan	10	8	9	6	2	2	4	4
Felicity Smith	10	8	3	3	1	1	4	3
Greg Telley	10	8	1	1	4	2	4	3
Shree Vijayan	10	9	9	8	4	3		
Suzi Chen	10	9			4	4		
Philip Mayers	10	3	9	3				

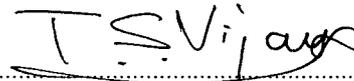
Auditor's independence declaration

The lead auditor's independence declaration in relation to the audit for the year ended 30 June 2018 has been received and can be found on page 8 of the consolidated financial report.

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



Director:
Raffaele Ciccone



Director:
Shree Vijayan

Dated this17th day of October..... 2018

AUDITOR'S INDEPENDENCE DECLARATION

We declare that, to the best of our knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit of the financial report of Link Health and Community Ltd for the year ended 30 June 2018.

This declaration is in relation to the Link Health and Community Ltd and the entities it controlled during the period.



HLB Mann Judd
Chartered Accountants

Nick Walker
Partner

Melbourne
17 October 2018

HLB Mann Judd (VIC Partnership)

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Link Health and Community Limited

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2018

		2018	2017
	Note	\$	\$
Service revenue	3	22,756,311	15,085,623
Other income	3	922,232	316,101
	3	<u>23,678,543</u>	<u>15,401,724</u>
Employee benefits expense		(16,089,375)	(10,669,513)
Other expenses		(1,553,399)	(857,591)
Depreciation and amortisation expense		(717,514)	(558,394)
Consumables		(181,590)	(60,657)
Occupancy expense		(814,660)	(264,624)
Repairs and maintenance		(236,409)	(229,768)
Oral vouchers		(299,417)	(377,860)
Advertising		(133,167)	(171,527)
Finance costs		(15,979)	(8,925)
Medical supplies		(412,016)	(317,556)
Insurance		(8,463)	(36,067)
Telephone expenses		(227,314)	(192,873)
Printing and photocopying		(182,238)	(145,359)
Interpreter services		(97,506)	(100,853)
Memberships and subscriptions		(90,256)	(59,396)
Consultancy expenses		(395,518)	(277,254)
Motor vehicle expenses		(224,035)	(42,409)
Contractors fees		(1,277,421)	(927,019)
Electricity		(100,085)	(109,552)
Legal fees		(83,090)	(85,661)
Recruitment costs		(114,944)	(208,430)
Computer expenses		(545,271)	(108,226)
Cleaning		(121,457)	(97,208)
Professional fees		(27,723)	(39,975)
Loss on disposal of non-current assets		(419)	-
Share of net profits of equity-accounted joint ventures	21	129,892	-
		<u>(23,819,374)</u>	<u>(15,946,697)</u>
Surplus/(deficit) for the year		<u>(140,831)</u>	<u>(544,973)</u>
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that will be reclassified to profit or loss when specific conditions are met		-	-
Total comprehensive income for the year		<u>(140,831)</u>	<u>(544,973)</u>

The accompanying notes form part of these financial statements.

Link Health and Community Limited

ABN 12 136 877 702

Consolidated Statement of Financial Position

As At 30 June 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	3,567,932	3,718,186
Trade and other receivables	6	509,015	82,625
Inventories	7	87,764	95,242
Other financial assets	8	2,037,562	-
Other assets	11	891,720	646,808
TOTAL CURRENT ASSETS		7,093,993	4,542,861
NON-CURRENT ASSETS			
Investment in joint ventures		129,892	-
Property, plant and equipment	9	9,596,651	9,052,643
Intangible assets	10	1,919,570	2,036,961
TOTAL NON-CURRENT ASSETS		11,646,113	11,089,604
TOTAL ASSETS		18,740,106	15,632,465
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	1,722,186	989,362
Employee benefits	14	2,272,633	1,812,111
Other liabilities	13	2,265,512	428,113
TOTAL CURRENT LIABILITIES		6,260,331	3,229,586
NON-CURRENT LIABILITIES			
Employee benefits	14	757,891	540,164
TOTAL NON-CURRENT LIABILITIES		757,891	540,164
TOTAL LIABILITIES		7,018,222	3,769,750
NET ASSETS		11,721,884	11,862,715
MEMBERS' FUNDS			
Accumulated surplus		11,721,884	11,862,715
TOTAL MEMBERS' FUNDS		11,721,884	11,862,715

The accompanying notes form part of these financial statements.

Link Health and Community Limited

ABN 12 136 877 702

Consolidated Statement of Members' Funds For the Year Ended 30 June 2018

2018

Accumulated
Surplus
\$

Balance at 1 July 2017
Surplus/(Deficit) for the year
Balance at 30 June 2018

11,862,715
(140,831)
11,721,884

2017

Accumulated
Surplus
\$

Balance at 1 July 2016
Surplus/(Deficit) for the year
Balance at 30 June 2017

12,407,688
(544,973)
11,862,715

The accompanying notes form part of these financial statements.

Link Health and Community Limited

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Consolidated Statement of Cash Flows For the Year Ended 30 June 2018

	2018	2017
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	27,648,595	17,118,250
Payments to suppliers and employees	(24,714,577)	(17,205,692)
Interest received	113,912	92,105
Interest paid	(15,979)	(10,757)
Net cash provided by/(used in) operating activities	<u>3,031,951</u>	<u>(6,094)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	1,130	61,947
Purchase of property, plant and equipment	(1,145,774)	(536,155)
Purchase of financial assets	(2,037,562)	-
Net cash provided by/(used in) investing activities	<u>(3,182,206)</u>	<u>(474,208)</u>
Net increase/(decrease) in cash and cash equivalents held	(150,255)	(480,302)
Cash and cash equivalents at beginning of year	<u>3,718,187</u>	<u>4,198,488</u>
Cash and cash equivalents at end of financial year	5 <u><u>3,567,932</u></u>	<u>3,718,186</u>

The accompanying notes form part of these financial statements.

Link Health and Community Limited

ABN 12 136 877 702

Notes to the Financial Statements

For the Year Ended 30 June 2018

The consolidated financial report covers Link Health and Community Limited and its controlled entities ('the Group'). Link Health and Community Limited is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The financial report was authorised for issue by the Directors on 25 September 2018.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012*.

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Group and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Rendering of services

Revenue in relation to rendering of services is recognised upon the delivery of the service to customers.

Interest revenue

Interest is recognised when it becomes receivable on a proportional basis taking into account the interest rates applicable to the financial assets.

Client fees

Client fee income is recognised when the fee in respect of services provided is receivable.

Grant revenue

Reciprocal grants

Grants received on the condition that specified services being delivered, or conditions fulfilled, are considered reciprocal. Such grants are initially recognised as a liability and revenue is recognised as services are performed or conditions fulfilled.

Non-reciprocal grants

Revenue is recognised when the grant is received or receivable.

Notes to the Financial Statements For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies (continued)

(a) Revenue and other income (continued)

Donations and contributions

Donation and contribution revenue is recognised when received, at the fair value of the asset transferred unless designated for a specific purpose, where they are carried forward as prepaid income in the Statement of Financial Position.

Other income

Other income is recognised on an accruals basis when the Group is entitled to it.

(b) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less held at call with financial institutions, and bank overdrafts.

(c) Inventories

Inventories are measured at the lower of cost and net realisable value.

(d) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Group becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the consolidated statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

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Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies (continued)

(d) Financial instruments (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Group's trade and other receivables fall into this category of financial instruments.

In some circumstances, the Group renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Group does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Group's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired.

The Group's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

Impairment of financial assets

At the end of the reporting period the Group assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies (continued)

(e) Property, plant and equipment

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

Properties that are held for strategic purpose or to provide a social service and that generate cash inflows where the rental revenue is incidental to the purpose for holding the property, do not meet the definition of investment properties and are classified as properties in accordance with AASB 116.

Land and buildings

Land and buildings are measured using the revaluation model. Freehold land and buildings are initially recorded at cost. Where freehold land and buildings were acquired at no cost or for a nominal amount, cost is deemed to be the fair value as at the acquisition date.

Freehold land and buildings are subsequently measured at revalued amounts, being the fair value at the date of the revaluation, less any subsequent accumulated depreciation and accumulated impairment losses. At each balance date, the carrying amount of each asset is reviewed to ensure that it does not differ materially from the asset's fair value at reporting date. Where necessary, the asset is revalued to reflect its fair value.

Fair value is based on the deemed depreciable replacement cost as determined by AASB 136: Impairment of Assets.

Plant and equipment

Plant and equipment are measured using the cost model. Where plant and equipment was acquired at no cost or for a nominal amount, cost is deemed to be the fair value as at the acquisition date.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Group, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Leasehold Land	Nil
Plant and Equipment	15-35%
Furniture, Fixtures and Fittings	15%
Motor Vehicles	20-25%
Computer Equipment	33.3%
Clinical equipment	25-35%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies (continued)

(f) Impairment of non-financial assets

At the end of each reporting period the Group determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss. The recoverable amount of an asset is defined as the higher of its fair value less costs to sell and value in use.

Where the future economic benefits of an asset are not primarily dependent on the asset's ability to generate net cash inflows and where the company would, if deprived of the asset, replace its remaining future economic benefits, the recoverable amount is assessed on the basis of the asset's depreciated replacement cost which is defined as the current replacement cost less accumulated depreciation calculated on the basis of such cost.

(g) Provisions

Provisions are recognised when the Group 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.

(h) Employee benefits

Short-term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits (other than termination benefits) expected to be settled wholly before twelve months after the end of the annual reporting period are measured at the (undiscounted) amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave and accumulated sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables in the statement of financial position.

Long-term employee benefit obligations

The provision for other long-term employee benefits, including obligations for long service leave and annual leave, which are not expected to be settled wholly before twelve months after the end of the reporting period, are measured at the present value of the estimated future cash outflow to be made in respect of the services provided by employees up to the reporting date. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee turnover, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. For currencies in which there is no deep market in such high quality corporate bonds, the market yields (at the end of the reporting period) on government bonds denominated in that currency are used. 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 change occurs.

Other long-term employee benefit obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur. All other long-term employee benefit obligations are presented as non-current liabilities in the statement of financial position.

Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies (continued)

(i) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the consolidated statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(j) Basis for consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a June financial year end.

A list of controlled entities is contained in Note 19 to the financial statements.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the parent has control. Control is established when the parent is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

Joint Arrangements

AASB 11 *Joint Arrangements* defines a joint arrangement as an arrangement of which two or more parties have joint control and classifies these arrangements as either joint ventures or joint operations.

Link Health and Community Limited has determined that it has only joint ventures.

Joint ventures:

Joint ventures are those joint arrangements which provide the venturer with right to the net assets of the arrangements. Interests in joint ventures are accounted for using the equity method in accordance with AASB 128 *Associates and Joint Ventures*. Under this method, the investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss and other comprehensive income of the investee after the date of acquisition.

If the venturer's share of losses of a joint venture equals or exceeds its interest in the joint venture, the venturer discontinues recognising its share of further losses.

The venturer's share in the joint ventures gains or losses arising from transactions between a venturer and its joint venture are eliminated.

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Notes to the Financial Statements For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies (continued)

(j) **Basis for consolidation (continued)**

Adjustments are made to the joint ventures accounting policies where they are different from those of the venturer for the purpose of the consolidated financial statements.

(k) **Income Tax**

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(l) **Leases**

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(m) **Economic dependence**

Link Health and Community Limited is dependent on the grant funding which comes from State, Federal and local sources for the majority of its revenue used to operate the business. At the date of this report the directors have no reason to believe the funding sources will not continue to support Link Health and Community Limited.

(n) **Adoption of new and revised accounting standards**

The Group has adopted all standards which became effective for the first time at 30 June 2018, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Group.

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Notes to the Financial Statements For the Year Ended 30 June 2018

3 Revenue and Other Income

	2018	2017
	\$	\$
Service revenue		
- Grants	19,326,188	12,738,149
- Client fees	3,382,480	2,249,691
- Program charges	47,643	97,783
	<u>22,756,311</u>	<u>15,085,623</u>
Other Income		
- Profit on sale of non-current assets	-	30,554
- Interest income	113,912	92,104
- Other revenue	808,320	193,443
	<u>922,232</u>	<u>316,101</u>
Total Revenue and Other Income	<u>23,678,543</u>	<u>15,401,724</u>

There was an increase in total grant income during the year for the National Disability Insurance Scheme.

4 Result for the Year

The result for the year includes the following specific expenses:

Finance costs

- Borrowing costs 15,979 8,925

Depreciation and amortisation

Depreciation

- Buildings 69,686 65,508

- Plant and equipment 31,311 31,257

- Furniture, fixtures and fittings 39,202 41,483

- Motor vehicles 178,809 147,987

- Computer equipment 162,500 99,877

- Leasehold improvements 73,488 -

- Clinical equipment 45,083 51,757

600,079 437,869

Amortisation

- Intangibles 117,435 120,525

717,514 558,394

Net loss on disposal of property, plant and equipment 419 -

Impairment of receivables:

- Bad debts written off - 2,525

Rental expense on operating leases:

- Minimum lease payments 793,642 261,543

Link Health and Community Limited

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Notes to the Financial Statements For the Year Ended 30 June 2018

5 Cash and Cash Equivalents

	2018	2017
	\$	\$
Cash on hand	1,580	1,638
Cash at bank	483,285	516,262
Short-term deposits	3,073,959	3,191,179
Other cash and cash equivalents	9,108	9,107
Total cash and cash equivalents	3,567,932	3,718,186

6 Trade and Other Receivables

	2018	2017
	\$	\$
CURRENT		
Trade receivables	509,015	82,625
Total trade and other receivables	509,015	82,625

All of the above trade and other receivables are categorised as loans and receivables as discussed in note 2(d).

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

7 Inventories

	2018	2017
	\$	\$
CURRENT		
At cost:		
Finished goods	87,764	95,242
Total inventories	87,764	95,242

8 Other Financial Assets

(a) Held-to-maturity investments

	2018	2017
	\$	\$
CURRENT		
Term deposit	2,037,562	-
Total other financial assets	2,037,562	-

Link Health and Community Limited

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Notes to the Financial Statements For the Year Ended 30 June 2018

9 Property, plant and equipment

	2018	2017
	\$	\$
Land and Buildings		
At cost	9,055,340	8,918,382
Accumulated depreciation	(622,989)	(553,303)
Accumulated impairment loss	(1,002,884)	(1,002,884)
Total land and buildings	7,429,467	7,362,195
Capital works in progress		
At cost	348,746	420,580
Plant and equipment		
At cost	526,250	529,104
Accumulated depreciation	(433,024)	(404,699)
Total plant and equipment	93,226	124,405
Furniture, fixtures and fittings		
At cost	497,451	475,376
Accumulated depreciation	(350,765)	(311,563)
Total furniture, fixtures and fittings	146,686	163,813
Motor vehicles		
At cost	1,334,797	1,088,346
Accumulated depreciation	(610,545)	(431,737)
Total motor vehicles	724,252	656,609
Computer equipment		
At cost	1,770,762	1,404,528
Accumulated depreciation	(1,357,919)	(1,241,639)
Total computer equipment	412,843	162,889
Leasehold Improvements		
At cost	337,029	-
Accumulated amortisation	(73,488)	-
Total leasehold improvements	263,541	-
Clinical equipment		
At cost	680,941	620,120
Accumulated depreciation	(503,051)	(457,968)
Total clinical equipment	177,890	162,152
Total property, plant and equipment	9,596,651	9,052,643

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Notes to the Financial Statements For the Year Ended 30 June 2018

9 Property, plant and equipment (continued)

Movements in Carrying Amounts

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

	Capital Works in Progress	Land and Buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Motor Vehicles	Computer Equipment	Leasehold Improvements	Clinical Equipment	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Year ended 30 June 2018									
Balance at the beginning of year	420,580	7,362,195	124,405	163,813	656,609	162,889	-	162,152	9,052,643
Additions	3,790	61,334	1,195	22,076	246,451	412,930	337,028	60,820	1,145,624
Disposals	-	-	(1,064)	-	-	(473)	-	-	(1,537)
Transfers	(75,624)	75,624	-	-	-	-	-	-	-
Depreciation expense	-	(69,686)	(31,311)	(39,202)	(178,809)	(162,500)	(73,488)	(45,083)	(600,079)
Balance at the end of the year	348,746	7,429,467	93,225	146,687	724,251	412,846	263,540	177,889	9,596,651

An impairment loss was recognised in FY16 for the property based on the carrying values exceeding the deemed depreciable replacement cost.

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Notes to the Financial Statements For the Year Ended 30 June 2018

10 Intangible Assets

	2018 \$	2017 \$
Right to occupy		
At cost	2,401,491	2,401,491
Accumulated amortisation	(516,287)	(417,646)
Net carrying value	<u>1,885,204</u>	<u>1,983,845</u>
Goodwill - Brighton Practice		
At cost	75,000	75,000
Accumulated impairment losses	(40,634)	(21,884)
Net carrying value	<u>34,366</u>	<u>53,116</u>
Total intangible assets	<u><u>1,919,570</u></u>	<u><u>2,036,961</u></u>

(a) Movements in carrying amounts of intangible assets

	At cost \$	Goodwill \$	Total \$
Year ended 30 June 2018			
Balance at the beginning of the year	1,983,845	53,116	2,036,961
Amortisation	(98,641)	-	(98,641)
Impairment loss	-	(18,750)	(18,750)
Closing value at 30 June 2018	<u>1,885,204</u>	<u>34,366</u>	<u>1,919,570</u>

(b) Right to occupy

The right to occupy relates to the Euneva Avenue Property in Glen Waverley, which is owned by the City of Monash. The Company contributed to the cost of acquisition and development of this site through an agreement with the Department of Health, however ownership will remain with the City of Monash. Currently the company has a peppercorn sub-lease for the term of 25 years with the Department of Health who in turn has a lease with the City of Monash. This was part of a two-stage development that involved a project in Johnson Street Oakleigh which was completed in 2016.

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Notes to the Financial Statements For the Year Ended 30 June 2018

11 Other Assets

	2018	2017
	\$	\$
CURRENT		
Prepayments	137,638	110,583
Accrued income	696,277	498,145
Other current assets	57,805	38,080
Total current other assets	891,720	646,808

12 Trade and Other Payables

	2018	2017
	\$	\$
CURRENT		
<i>Financial liabilities measured at amortised cost</i>		
Trade payables	263,033	102,829
Accrued expenses	1,085,366	515,447
Other payables	29,853	135,321
	1,378,252	753,597
<i>Other</i>		
GST payable	343,934	235,765
	343,934	235,765
Total trade and other payables	1,722,186	989,362

The above liabilities are all unsecured.

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

13 Other Liabilities

	2018	2017
	\$	\$
CURRENT		
Grants received in advance	2,255,812	418,413
Other liabilities	9,700	9,700
Total other liabilities	2,265,512	428,113

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Notes to the Financial Statements For the Year Ended 30 June 2018

14 Employee Benefits

	2018	2017
	\$	\$
Current liabilities		
Long service leave	987,816	943,437
Annual leave	1,052,205	868,674
Provision for back pay	232,612	-
Total current employee benefits	2,272,633	1,812,111
Non-current liabilities		
Long service leave	757,891	540,164
Total non-current employee benefits	757,891	540,164

15 Leasing Commitments

Operating leases

	2018	2017
	\$	\$
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	329,274	84,000
- between one year and five years	147,000	231,000
	476,274	315,000

Operating leases are in place for property and have a term between 2 and 4 years. Lease payments are increased on an annual basis to reflect market rentals.

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Notes to the Financial Statements For the Year Ended 30 June 2018

16 Financial Risk Management

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

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

		2018	2017
		\$	\$
Financial Assets			
Cash and cash equivalents	5	3,567,932	3,718,186
Loans and receivables			
- Trade and other receivables	6	509,015	82,625
Held-to-maturity financial assets	8	2,037,562	-
Total financial assets		6,114,509	3,800,811
Financial Liabilities			
Financial liabilities at amortised cost			
- Trade and other payables	12	1,378,252	753,597
Total financial liabilities		1,378,252	753,597

17 Key Management Personnel Remuneration

Key management personnel remuneration included within employee expenses for the year is shown below:

	2018	2017
	\$	\$
Short-term employee benefits	981,887	808,767
Long-term benefits	76,312	66,327
Post-employment benefits	38,760	47,369
	1,096,959	922,463

18 Related Parties

There were no transactions with related parties entered into during the year ended 30 June 2018 (2017: Nil).

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

- Raffaele Ciccone
- Anne Crawford
- Sin Fong Chan
- Shree Vijayan
- Greg Telley
- Felicity Smith
- Suzi Chen
- Philip Mayers

Link Health and Community Limited

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Notes to the Financial Statements For the Year Ended 30 June 2018

19 Interests in Subsidiaries

Composition of the Group

	Principal place of business / Country of Incorporation	Percentage Owned (%)* 2018	Percentage Owned (%)* 2017
Subsidiaries:			
Link Private Practice Pty Ltd	Australia	100	-

*The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries.

Link Private Practice Pty Ltd

Link Private Practice Pty Ltd was incorporated on 26 September 2017, of which the Company is the sole member.

20 Parent entity

The following information has been extracted from the books and records of the parent, Link Health and Community Limited and has been prepared in accordance with Accounting Standards.

The financial information for the parent entity, Link Health and Community Limited has been prepared on the same basis as the consolidated consolidated financial statements except as disclosed below.

Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the consolidated financial statements of the parent entity. Dividends received from associates are recognised in the parent entity profit or loss, rather than being deducted from the carrying amount of these investments.

	2018 \$	2017 \$
Statement of Financial Position		
Assets		
Current assets	7,269,114	4,542,861
Non-current assets	11,522,322	11,089,604
Total Assets	<u>18,791,436</u>	<u>15,632,465</u>
Liabilities		
Current liabilities	6,229,334	3,229,586
Non-current liabilities	756,778	540,164
Total Liabilities	<u>6,986,112</u>	<u>3,769,750</u>
Equity		
Retained earnings	11,805,324	11,862,715
Total Equity	<u>11,805,324</u>	<u>11,862,715</u>
Statement of Profit or Loss and Other Comprehensive Income		
Total surplus or deficit for the year	<u>(57,391)</u>	<u>(544,973)</u>
Total comprehensive income	<u>(57,391)</u>	<u>(544,973)</u>

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Notes to the Financial Statements For the Year Ended 30 June 2018

20 Parent entity (continued)

20 Parent entity (continued)

Contingent liabilities

The parent entity did not have any contingent liabilities as at 30 June 2018 or 30 June 2017.

21 Interests in Joint Arrangements

	Type of joint arrangement	Principal place of business / Country of Incorporation	Percentage Owned (%)* 2018	Percentage Owned (%)* 2017
Joint arrangements:				
Sandringham Ambulatory Care Centre Pty Ltd	Joint venture	Australia	50	-

* The percentage of ownership interest held is equivalent to the percentage voting rights for all joint arrangements.

The table below summarises, in aggregate, the financial information of the Group's share in joint ventures.

	2018	2017
	\$	\$
Carrying amount of investments in joint ventures	129,892	-
Share of those joint ventures:		
Profit or loss from continuing operations	129,892	-

22 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2018 (30 June 2017:None).

23 Members' Guarantee

The Company 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 outstandings and obligations of the Company. At 30 June 2018 the number of members was 147 (2017: 147).

24 Events after the end of the Reporting Period

The consolidated financial report was authorised for issue on 25 September 2018 by the Board of Directors.

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

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Notes to the Financial Statements For the Year Ended 30 June 2018

25 Company details

The registered office of the company is:
Link Health and Community Limited
1 Jacksons Road
MULGRAVE VIC 3170

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Directors' Declaration

The directors of the Company declare that:

1. The consolidated financial statements and notes, as set out on pages 9 to 30, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*:
 - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 30 June 2018 and of the performance for the year ended on that date of the Company and consolidated group.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Director
Raffaele Ciccone



Director
Shree Vijayan

Dated 17 October 2018

Independent Auditor's Report to the Members of Link Health and Community Ltd

Opinion

We have audited the financial report of Link Health and Community Limited (**"the Company"**) and its **controlled entities ("the Group")**, which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of **members' funds** and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the **directors' declaration**.

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

- a) **giving a true and fair view of the Group's financial position as at** 30 June 2018 and of its financial performance and cash flows for the year then ended; and
- b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Entity in accordance with the auditor **independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants ("the Code")** that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the directors, would be in the same **terms if given as at the time of this auditor's report**.

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

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

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2018, but does **not include the financial report and our auditor's report thereon**.

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

HLB Mann Judd (VIC Partnership)

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In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors of the Company for the Financial Report

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

In preparing the financial report, the directors of the Company are responsible for assessing the **Group'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 intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an **opinion on the effectiveness of the Group's internal control.**
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the **management's** 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 Group's ability to continue** as a going concern. If we conclude that a material uncertainty exists, we are required to draw

attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the directors with a statement that we 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 our independence, and where applicable, related safeguards.

A handwritten signature in dark ink that reads 'HLB Mann Judd'.

HLB Mann Judd
Chartered Accountants

A handwritten signature in dark ink, appearing to be 'Nick Walker'.

Nick Walker
Partner

Melbourne
17 October 2018