



**MonashLink Community
Health Service Limited**

ABN 12 136 877 702

Financial report
For the year ended 30 June 2015

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MONASHLINK COMMUNITY HEALTH SERVICE LIMITED
ABN 12 136 877 702

DIRECTORS' REPORT

The directors present their report together with the financial report of MonashLink Community Health Service Limited for the year ended 30 June 2015 and auditor's report thereon. This financial report has been prepared in accordance with Australian Accounting Standards.

Directors names

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

Felicity Smith

Thomas Comber - Deceased February 2015

Raffaele Ciccone

Ann Reilly - Resigned from the Board November 2014

Robert Stensholt - Resigned from the Board December 2014

Richard Murdoch - Completed Term October 2014

Sin Fong Chan

Anne Crawford - Elected to the Board November 2014

Greg Telley - Appointed to the Board January 2015

Andrea Lesley Mapp - Appointed to the Board May 2015

Suzi Chen - Appointed to the Board May 2015

Philip Mayers - Appointed to the Board May 2015

Thambiratnam Shreevijayan - Appointed to the Board May 2015

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

Principal activities

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:

- To provide comprehensive health and community services that are accessible, integrated and responsive to the communities within its catchment including the City of Monash.
- No significant changes in the nature of the company's activities occurred during the financial year.

Review of operations

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

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DIRECTORS' REPORT

Results

The surplus of the company for the year after providing for income tax amounted to \$565,728 (2014: \$318,346).

Short-term and long-term objectives and strategies

The company's short-term objectives are to:

- Complete the Capital Development Plan with the completion of the Johnson Street site in Oakleigh, and begin delivery of services in mid-late 2015.
- Expand the range of high priority services delivered in the Eastern and South Eastern areas of Melbourne.
- Increase MonashLink's profile in the community and people's understanding of primary care leading to greater usage of our services

The company's long-term objectives are to:

- Position MonashLink 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 focussed services.
- Lead and participate in the improvement of health and wellbeing in the community.

To achieve its short-term and long-term objectives, the company has adopted the following strategies:

- Implement new models of service delivery utilising increased capacity and targeted programs that are more responsive to members of our community who find it difficult to access our services.
- Develop targeted marketing strategies and utilise Social Media to provide information to the community to ensure greater community understanding of MonashLink and our services.
- Improve integration and coordination of primary health services in the region through strategic and service partnerships and expand and develop MBS and Private services including GP services.
- Lead the implementation of innovative and effective prevention responses to serious chronic diseases by developing evidence based programs that prevent the onset , or reduce impact of diabetes and obesity.
- Demonstrate leadership in the primary prevention of violence against woman.

How principal activities assisted in achieving the objectives

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:

- Construction of the new Oakleigh site with the State Department of Health including the construction

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DIRECTORS' REPORT

Short-term and long-term objectives and strategies (Continued)

of an additional floor and redesign to accommodate GP Practice and additional Consulting rooms including audiology booth.

- Signed a formal consortium with Inner East, Manningham and Whitehorse Community Health Services to advance our objectives jointly.
- Commissioned adult Alcohol and Drug Services in a new partnership with Turning Point Eastern Health and other services in the Inner Eastern and Outer Eastern catchments.
- Maximised revenue available through the Child Dental Benefits Scheme funded through Medicare.
- Completed construction of an eleventh dental clinic and dental laboratory at Clayton along with purchase of OPG , purchased mobile van and customised for delivery of outreach dental services, this was funded predominantly through Commonwealth funding. Undertook refurbishment of Clayton site to accommodate GP practice and provide improved client privacy.
- Completed planning for the introduction of a medical general practice at MonashLink, during this process the scale of GP practice was increased to four GPs and practice nurse at both Clayton and our new site at Oakleigh.
- Sales program was developed to ensure highest possible return for sale of Hughesdale properties.

Key performance indicators

To help evaluate whether the activities the company established during the year have achieved its short-term and long-term objectives, the company uses the following key performance indicators to measure, analyse and monitor its performance:

- MonashLink is assessing its existing service profile but also in response to government policy.
- Quarterly risk management reports are presented to the Board's Finance and Audit Committee.
- Quarterly service performance reports are presented to the Board.
- An annual business plan based on the current Strategic Plan is presented to and approved by the Board and reports provided on progress on a six monthly basis.
- Client file audits are undertaken to ensure compliance with the Privacy Act.

Members guarantee

The company 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 to a maximum of \$10 each towards meeting any outstandings and obligations of the company. At 30 June 2015 the number of members was 147. The combined total amount that members of the company are liable to contribute if the company is wound up is \$1,470.

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DIRECTORS' REPORT

Information on directors

Felicity Smith

Qualifications

Experience

Board Chair, Member of both the Strategic Planning as well as the Finance and Audit Committee and Chair of the Executive
Elected to the Board in 2000

Diploma Economics, Diploma Computer File Management

Currently Past President and Secretary of the Rotary Club of Oakleigh, President of the Monash Reconciliation Group, Member of the Oakleigh and District Historical Society, as well as an honorary JP.

Felicity has a wide range of experience in many community organisations over a period of 21 years and held executive positions in many of them. She is passionate about creating a better, healthier community environment.

Thomas Comber

Qualifications

Experience

Member of Finance & Audit Committee and Member of Service Development and Coordination Committees
Deceased February 2015

ACIS, Certificate of Management (RMIT)

Tom has 28 years experience in the construction industry as Director Company Secretary. He is Treasurer of both the Oakleigh Lions Club and Oakleigh Lions Elderly People's Homes Inc. Tom has always worked or volunteered in the accounting / audit field and is also a member of the Clayton Probus Club.

Raffaele Ciccone

Qualifications

Experience

Member of both the Finance & Audit Committee as well as the Service Development and Coordination Committees and Member of the Executive
Elected to the Board in 2010

BA and BCom (Deakin University), BA Hon (University of Melbourne)

Raff has lived in the Monash community for 29 years. He is a member of the Neighbourhood Watch Program and the Oakleigh & District Historical Society. His career includes roles in Federal Government and the financial sector. Raff strives to enhance decision making processes through his combined involvement with business, government and the local community.

Ann Reilly

Qualifications

Experience

Chair of Service Development and Coordination Committee
Resigned from the Board November 2014

BSc Hons and MPsy (Forensic) (Monash University)

Ann is a lifelong resident of the City of Monash, with a commitment to high quality responsive and accessible public services. She has been a registered psychologist for 20 years, held various positions as a psychologist and in management and general management positions. She is experienced in project and contract management, program development and evaluation and strategic and change management.

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DIRECTORS' REPORT

Information on directors (Continued)

Robert Stensholt	Chair of Finance and Audit Committee, Chair of the Strategic Planning Committee and Member of the Executive Resigned from the Board December 2014
Qualifications	BA (ANU). BD Hons (Melbourne College of Divinity), M Int.Law (ANU)
Experience	Bob is a former State MP (Parliamentary Secretary for Treasury and Finance and Chair Public Accounts and Audit committee). He is a director of a consulting company, advisor to the Shadow Minister for Police and Emergency Services and chair director or committee member of a range of not-for-profit organisations. Bob is involved in a wide range of community support and development programs.
Richard Murdoch	Member of Service Development and Coordination. Term October 2014
Qualifications	BAppSc (University of Melbourne), Dip.Com SW (Kangan Institute). Currently completing a GradDip Couns (Victoria University)
Experience	Ricky is passionate about advocating for social justice. He believes primary health care should be available to all. He also believes in consumer participation and engagement. He is a member of the Australia Community Workers Association (ACWA) and is involved in a wide range of community activities.
Sin Fong Chan	Member of the Finance and Audit Committee and Service, member of the Service Development and Coordination Committee Elected to the Board 15 November 2012
Qualifications	BSc (Information Science), Grad Diploma in Bus Admin (Marketing), Adv Dip Estate Agency, Cert IV in Workplace Training and Assessment Cert IV in Training and Education
Experience	Resident of City of Monash for over 30 years, volunteer as Community Health Visitor and actively involved in the Chinese Association of Victoria.
Anne Crawford	Member of the of the Finance & Audit Committee, Strategic Planning and Executive Committees, Chair of the Clinical Governance and Quality Committee Elected in November 2014
Qualifications	BNurs, Grad Dip Mid, MPH Health Administration, AAICD.
Experience	Anne has worked as a Registered Nurse and Project manager in many roles in the health care sector over 20 years. Most recently working in community roles, she has a passion for enhancing health and health management in the community. She is experienced in strategic planning, project development and delivery, audit and evaluation of programs.

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DIRECTORS' REPORT

Information on directors (Continued)

	Member of the Strategic Planning and the Clinical Governance and Quality Committees
Greg Telley	Appointed to the Board in January 2015
Qualifications	BA, Graduate Certificate in Management (Nepean University).
Experience	Greg is a member of the Oakleigh Traders Association as well as being a member of Oakleigh Rotary and the South Oakleigh Bowls Club. Greg is Vice President of CHERPA, a peak body representing white good providers. Greg has worked for the Australian Government for 33 years, largely within the welfare sector and has a passion for helping people and a particular interest in mental health and its support mechanisms.
Andrea Lesley Mapp	Appointed to the Board May 2015
Qualifications	BA, LLB, Grad Dip in Legal Practice
Experience	Andrea is a member of the Victorian Bar. Andrea specialises in commercial matters with a focus on insolvency and bankruptcy. Andrea is passionate about providing educational avenues to the community through her involvement in the legal profession. An advocate of early intervention, Andrea is an accredited mediator and a member of the Victorian Bar Pro-Bono Duty Barrister Scheme that provides access to barristers for members of the community who would not normally have the opportunity for such resources.
Suzi Chen	Appointed to the Board May 2015
Qualifications	BSc Hons, Doctor of Philosophy (PhD), Pharmacology
Experience	Suzi is an accomplished senior-level professional with over 9 years of experience in executing strategic projects and programs in a highly dynamic and compliance-driven environment across public health and emergency management sectors. Suzi is also passionate about supporting communities by serving council-led committees in the areas of gender equality and creative arts. Suzi is the 2015 National President of JCI Australia.
Philip Mayers	Appointed to the Board May 2015
Qualifications	BA, BLaws (Witwatersrand University), Senior Executive Program (London Business School), Certified Member of the Australian Human Resources Institute (CAHRI)
Experience	Philip Mayers is a Director of Dakin Mayers & Associates Pty Ltd. His specialist areas cover the community and not-for-profit sectors, which includes Aged Care, Disability, Community, Education and Professional Associations. Over the past 25 years, Philip has built up a strong reputation in the not-for-profit sector across Australia, which has maximised his experience as both a CEO and seasoned Board Member. He is a regular writer and public speaker on issues relating to the management of non-profits.

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DIRECTORS' REPORT

Information on directors (Continued)

Thambiratnam Shreevijayan	Appointed to the Board May 2015
Qualifications	B Comm (University of Southern Queensland)
Experience	Member, CPA Australia
Special responsibilities	Shree has been resident of Monash for over 20 years. He has gained extensive senior management experience within the healthcare industry, working as the Financial Controller of a state health organisation specialising in compliance, strategy, planning, financial management and reporting. He is currently employed as Director of Corporate Services of the Teaching Dental facility of the University of Melbourne. He has a wealth of knowledge on corporate governance, compliance and reporting with a special interest in developing primary care centres to cater for community needs.

Meetings of directors

Directors	Directors' meetings		Finance and Audit Committee Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Felicity Smith	12	12	10	7
Thomas Comber	12	5	10	3
Raffaele Ciccone	12	12	10	9
Ann Reilly	12	3	-	-
Robert Stensholt	6	6	5	5
Richard Murdoch	12	1	-	-
Sin Fong Chan	12	9	10	7
Anne Crawford	8	7	5	3
Greg Telley	6	6	-	-
Andrea Lesley Mapp	1	1	-	-
Suzi Chen	1	1	-	-
Philip Mayers	1	1	-	-
Thambiratnam Shreevijayan	1	1	-	-

DIRECTORS' REPORT

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AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF MONASHLINK COMMUNITY HEALTH SERVICES LIMITED

In relation to the independent audit for the year ended 30 June 2015, to the best of my knowledge and belief there have been no contraventions of any applicable code of professional conduct.

MJ HARRISON

Partner

PITCHER PARTNERS

Melbourne

Date: 13 October 2015

MONASHLINK COMMUNITY HEALTH SERVICE LIMITED
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$	2014 \$
Revenue and other income			
Revenue from Operations		11,910,610	11,751,832
Other revenue		<u>396,934</u>	<u>507,061</u>
	2	<u>12,307,544</u>	<u>12,258,893</u>
Less: expenses			
Advertising expense		(60,614)	(25,916)
Consultancy Expenses		(138,866)	(98,949)
Consumables		(216,834)	(165,068)
Depreciation and amortisation expense	3	(533,975)	(543,671)
Employee benefits expense	3	(8,906,696)	(8,524,420)
Finance costs		(731)	(1,312)
Insurance		(98,977)	(99,059)
Medical supplies		(99,700)	(231,902)
Memberships and subscriptions		(32,261)	(48,824)
Motor vehicle expenses		(33,298)	(37,792)
Occupancy expense		(10,911)	(2,815)
Printing and photocopying		(47,114)	(50,458)
Professional fees		(33,335)	(33,365)
Interpreter services		(90,967)	(85,639)
Repairs and maintenance		(175,341)	(122,738)
Telephone expenses		(137,919)	(135,876)
Repairs and maintenance expense		(93,055)	(143,890)
Oral vouchers		(420,451)	(1,035,402)
Other expenses		<u>(610,771)</u>	<u>(553,451)</u>
		<u>(11,741,816)</u>	<u>(11,940,547)</u>
Surplus for the year		565,728	318,346
Other comprehensive income			
<i>Items that will not be reclassified to profit and loss</i>			
Revaluation of property, plant and equipment		<u>3,650,000</u>	<u>-</u>
		<u>3,650,000</u>	<u>-</u>
Total comprehensive income		<u><u>4,215,728</u></u>	<u><u>318,346</u></u>

The accompanying notes form part of these financial statements.

MONASHLINK COMMUNITY HEALTH SERVICE LIMITED
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	Note	2015 \$	2014 \$
Current assets			
Cash and cash equivalents	5	2,088,482	3,259,669
Receivables	6	136,699	254,139
Inventories	7	78,613	95,090
Land - Held for sale	8	7,225,000	-
Other assets	9	<u>553,360</u>	<u>405,965</u>
Total current assets		<u>10,082,154</u>	<u>4,014,863</u>
Non-current assets			
Intangible assets	10	2,181,398	2,280,039
Property, plant and equipment	11	<u>2,787,898</u>	<u>4,582,189</u>
Total non-current assets		<u>4,969,296</u>	<u>6,862,228</u>
Total assets		<u>15,051,450</u>	<u>10,877,091</u>
Current liabilities			
Payables	12	569,301	565,111
Provisions	13	1,843,279	1,775,184
Other liabilities	14	<u>272,963</u>	<u>454,255</u>
Total current liabilities		<u>2,685,543</u>	<u>2,794,550</u>
Non-current liabilities			
Provisions	13	<u>489,859</u>	<u>422,221</u>
Total non-current liabilities		<u>489,859</u>	<u>422,221</u>
Total liabilities		<u>3,175,402</u>	<u>3,216,771</u>
Net assets		<u>11,876,048</u>	<u>7,660,320</u>
Equity			
Reserves	15	6,272,685	2,622,685
Accumulated surplus	16	<u>5,603,363</u>	<u>5,037,635</u>
Total equity		<u>11,876,048</u>	<u>7,660,320</u>

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	Reserves \$	Accumulated surplus \$	Total equity \$
Balance as at 1 July 2013	2,622,685	4,719,289	7,341,974
Surplus for the year	<u>-</u>	<u>318,346</u>	<u>318,346</u>
Total comprehensive income for the year	<u>-</u>	<u>318,346</u>	<u>318,346</u>
Balance as at 30 June 2014	<u><u>2,622,685</u></u>	<u><u>5,037,635</u></u>	<u><u>7,660,320</u></u>
Balance as at 1 July 2014	2,622,685	5,037,635	7,660,320
Surplus for the year	-	565,728	565,728
Revaluation of property, plant and equipment	<u>3,650,000</u>	<u>-</u>	<u>3,650,000</u>
Total comprehensive income for the year	<u>3,650,000</u>	<u>565,728</u>	<u>4,215,728</u>
Balance as at 30 June 2015	<u><u>6,272,685</u></u>	<u><u>5,603,363</u></u>	<u><u>11,876,048</u></u>

The accompanying notes form part of these financial statements.

MONASHLINK COMMUNITY HEALTH SERVICE LIMITED
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$	2014 \$
Cash flow from operating activities			
Receipts from clients and government grants		13,127,443	13,893,479
Borrowing costs		(731)	(1,312)
Payments to suppliers and employees		(12,245,003)	(12,808,741)
Donations received		546	594
Interest received		<u>99,601</u>	<u>79,924</u>
Net cash provided by operating activities	17(b)	<u>981,856</u>	<u>1,163,944</u>
Cash flow from investing activities			
Proceeds from sale of plant and equipment		78,232	40,326
Purchase of property, plant and equipment		(2,231,275)	(166,208)
Payment for occupancy right		<u>-</u>	<u>(1,475,755)</u>
Net cash used in investing activities		<u>(2,153,043)</u>	<u>(1,601,637)</u>
Reconciliation of cash			
Cash at beginning of the financial year		3,259,669	3,697,362
Net increase / (decrease) in cash held		<u>(1,171,187)</u>	<u>(437,693)</u>
Cash at end of financial year	17(a)	<u><u>2,088,482</u></u>	<u><u>3,259,669</u></u>

The accompanying notes form part of these financial statements.

MONASHLINK COMMUNITY HEALTH SERVICE LIMITED
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, Interpretations and other applicable authoritative pronouncements of the *Australian Charities and Not for profits Commission Act 2012*.

The financial report was approved by the directors as at the date of the directors' report.

The financial report is for the entity MonashLink Community Health Service Limited as an individual entity. MonashLink Community Health Service Limited is a company limited by guarantee, incorporated and domiciled in Australia. MonashLink Community Health Service Limited is a not-for-profit entity for the purpose of preparing the financial statements.

The following is a summary of the material accounting policies adopted by the company in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of preparation of the financial report

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

(b) Economic dependence

MonashLink Community Health Service 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 will not continue to support MonashLink Community Health Service Limited.

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Revenue

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

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

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

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

Reciprocal grants

Grants received on the condition that specified services be 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.

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

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

(d) 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.

(e) Inventories

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

(f) Financial instruments

Loans and receivables

Loans and receivables are measured at fair value at inception and subsequently at amortised cost using the effective interest rate method.

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial instruments (Continued)

Donated financial assets

Financial assets donated to the group are recognised at fair value at the date the group obtains the control of the assets.

Financial liabilities

Financial liabilities include trade payables, other creditors and loans from third parties including inter-company balances and loans from or other amounts due to director-related entities.

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Financial liabilities are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

(g) 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 any accumulated impairment losses.

Property

Freehold land and buildings are measured at fair value. 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.

Increases in the carrying amounts arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus. To the extent that the increase reverses a decrease of the same class of asset previously recognised in profit or loss, the increase is recognised in profit or loss. Decreases that offset previous increases of the same class of asset are recognised in other comprehensive income under the heading of revaluation surplus; all other decreases are charged to profit and loss.

Plant and equipment

Plant and equipment is measured on the cost basis.

Depreciation

The depreciable amount of all property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held ready for use. Land and the land component of any class of property, plant and equipment is not depreciated.

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Property, plant and equipment (Continued)

Class of fixed asset	Depreciation rates	Depreciation basis
Land	Nil	Straight line
Buildings at cost	2.5 - 6.25%	Straight line
Plant and equipment at cost	15 - 35%	Straight line
Motor vehicles at cost	20 - 25%	Straight line
Furniture, fixtures and fittings at cost	15%	Straight line
Computer equipment at cost	33.3%	Straight line
Clinical equipment at cost	25 - 35%	Straight line

(h) Intangibles

Right to Occupy

The Right to Occupy is recognised at cost of acquisition. The Right to Occupy has a finite life and is carried at cost less any accumulated amortisation and any impairment losses. The Right to Occupy is amortised over the useful life 25 years.

(i) Impairment of non-financial assets

Intangible assets not yet ready for use and intangible assets that have an indefinite useful life are not subject to amortisation and are therefore tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

An impairment loss is recognised where the carrying amount of the asset exceeds its recoverable amount. 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.

(j) 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.

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Employee benefits

(i) Short-term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal 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 is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Long-term employee benefit obligations

Liabilities arising in respect of long service leave and annual leave which is not expected to be settled within twelve months of the reporting date are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

Employee benefit obligations are presented as current liabilities in the balance sheet 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.

(l) Goods and services tax (GST)

Revenues, expenses and purchased assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(m) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

(n) Income tax

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

MONASHLINK COMMUNITY HEALTH SERVICE LIMITED
ABN 12 136 877 702

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
NOTE 2: REVENUE AND OTHER INCOME		
Revenue from operations		
Grants	10,688,239	11,162,242
Client fees	1,159,172	527,434
Program Charges	<u>63,199</u>	<u>62,156</u>
	<u>11,910,610</u>	<u>11,751,832</u>
Profit on sale of non current assets	63,000	28,228
Interest income	104,880	79,924
Other revenue	<u>229,054</u>	<u>398,909</u>
	<u>396,934</u>	<u>507,061</u>
	<u>12,307,544</u>	<u>12,258,893</u>

NOTE 3: OPERATING SURPLUS

Surplus has been determined including the effect of:

Depreciation		
- buildings	50,969	43,159
- plant and equipment	39,146	52,359
- motor vehicles	107,724	125,318
- furniture and fittings	34,948	37,366
- computer equipment	161,734	168,442
- clinical equipment	<u>40,813</u>	<u>27,819</u>
	435,334	454,463
Amortisation of non-current assets		
- Right to Occupy	98,641	89,208
Bad debts		
- other	542	6,503
Employee benefits	8,906,696	8,524,420

MONASHLINK COMMUNITY HEALTH SERVICE LIMITED
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
NOTE 4: KEY MANAGEMENT PERSONNEL COMPENSATION		
Compensation received by key management personnel of the company		
- short-term employee benefits	880,204	937,177
- post-employment benefits	50,404	60,428
- other long-term benefits	<u>17,892</u>	<u>28,626</u>
	<u><u>948,500</u></u>	<u><u>1,026,231</u></u>
NOTE 5: CASH AND CASH EQUIVALENTS		
Cash on hand	1,444	1,989
Cash at bank	294,086	82,718
Cash on deposit	1,783,846	3,166,233
Cash held in trust	<u>9,106</u>	<u>8,729</u>
	<u><u>2,088,482</u></u>	<u><u>3,259,669</u></u>
NOTE 6: RECEIVABLES		
CURRENT		
Trade debtors	<u><u>136,699</u></u>	<u><u>254,139</u></u>
NOTE 7: INVENTORIES		
CURRENT		
At cost		
Finished goods	<u><u>78,613</u></u>	<u><u>95,090</u></u>
NOTE 8: LAND - HELD FOR SALE		
Land - Hughesdale		
At fair value - Held for sale	<u><u>7,225,000</u></u>	<u><u>-</u></u>
NOTE 9: OTHER ASSETS		
CURRENT		
Prepayments	62,431	39,003
Accrued income	474,863	292,724
Other current assets	<u>16,066</u>	<u>74,238</u>
	<u><u>553,360</u></u>	<u><u>405,965</u></u>

MONASHLINK COMMUNITY HEALTH SERVICE LIMITED
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
NOTE 10: INTANGIBLE ASSETS		
Right to occupy	2,401,491	2,401,491
Accumulated amortisation	<u>(220,093)</u>	<u>(121,452)</u>
	<u>2,181,398</u>	<u>2,280,039</u>

(a) Reconciliations

<i>Right to occupy at cost</i>		
Opening balance	2,280,039	2,311,436
Additions	-	57,811
Amortisation expense	<u>(98,641)</u>	<u>(89,208)</u>
Closing balance	<u>2,181,398</u>	<u>2,280,039</u>

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 is part of a two stage development that also involves a project in Johnson Street Oakleigh which is currently in the development completion stage.

NOTE 11: PROPERTY, PLANT AND EQUIPMENT

Land

At fair value	<u>-</u>	<u>3,575,000</u>
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Buildings

Oakleigh development at cost - Under construction	<u>1,125,294</u>	<u>66,245</u>
Buildings at cost	956,701	445,696
Accumulated depreciation	<u>(433,731)</u>	<u>(377,884)</u>
	<u>522,970</u>	<u>67,812</u>
Total land and buildings	<u>1,648,264</u>	<u>3,709,057</u>

Plant and equipment

Plant and equipment at cost	420,960	419,034
Accumulated depreciation	<u>(344,049)</u>	<u>(306,748)</u>
	76,911	112,286

MONASHLINK COMMUNITY HEALTH SERVICE LIMITED
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

	2015 \$	2014 \$
NOTE 11: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)		
Motor vehicles at cost	938,709	639,619
Accumulated depreciation	<u>(427,939)</u>	<u>(452,243)</u>
	510,770	187,376
Furniture, fixtures and fittings at cost	405,989	396,984
Accumulated depreciation	<u>(231,025)</u>	<u>(196,077)</u>
	174,964	200,907
Computer equipment at cost	1,213,939	1,177,245
Accumulated depreciation	<u>(1,039,114)</u>	<u>(908,241)</u>
	174,825	269,004
Clinical equipment at cost	569,777	430,149
Accumulated depreciation	<u>(367,613)</u>	<u>(326,590)</u>
	202,164	103,559
Total plant and equipment	<u>1,139,634</u>	<u>873,132</u>
Total property, plant and equipment	<u><u>2,787,898</u></u>	<u><u>4,582,189</u></u>
(a) Reconciliations		
<i>Freehold land</i>		
Opening carrying amount	3,575,000	3,575,000
Revaluation	3,650,000	-
Transfer to assets held for sale	<u>(7,225,000)</u>	<u>-</u>
Closing carrying amount	<u><u>-</u></u>	<u><u>3,575,000</u></u>
<i>Oakleigh development</i>		
Opening carrying amount	66,245	66,245
Additions	<u>1,059,049</u>	<u>-</u>
Closing carrying amount	<u><u>1,125,294</u></u>	<u><u>66,245</u></u>
<i>Buildings</i>		
Opening carrying amount	67,812	110,971
Additions	506,127	-
Depreciation expense	<u>(50,969)</u>	<u>(43,159)</u>
Closing carrying amount	<u><u>522,970</u></u>	<u><u>67,812</u></u>

MONASHLINK COMMUNITY HEALTH SERVICE LIMITED
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
NOTE 11: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)		
(a) Reconciliations (Continued)		
<i>Plant and equipment</i>		
Opening carrying amount	112,286	162,230
Additions	3,771	2,415
Depreciation expense	<u>(39,146)</u>	<u>(52,359)</u>
Closing carrying amount	<u><u>76,911</u></u>	<u><u>112,286</u></u>
<i>Motor vehicles</i>		
Opening carrying amount	187,376	276,121
Additions	446,350	48,671
Disposals	(15,232)	(12,098)
Depreciation expense	<u>(107,724)</u>	<u>(125,318)</u>
Closing carrying amount	<u><u>510,770</u></u>	<u><u>187,376</u></u>
<i>Furniture, fixtures and fittings</i>		
Opening carrying amount	200,907	237,463
Additions	9,005	810
Depreciation expense	<u>(34,948)</u>	<u>(37,366)</u>
Closing carrying amount	<u><u>174,964</u></u>	<u><u>200,907</u></u>
<i>Computer equipment</i>		
Opening carrying amount	269,004	349,289
Additions	67,555	88,157
Depreciation expense	<u>(161,734)</u>	<u>(168,442)</u>
Closing carrying amount	<u><u>174,825</u></u>	<u><u>269,004</u></u>
<i>Clinical equipment</i>		
Opening carrying amount	103,559	105,223
Additions	139,418	26,155
Depreciation expense	<u>(40,813)</u>	<u>(27,819)</u>
Closing carrying amount	<u><u>202,164</u></u>	<u><u>103,559</u></u>

MONASHLINK COMMUNITY HEALTH SERVICE LIMITED
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
NOTE 11: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)		
(a) Reconciliations (Continued)		
<i>Total property, plant and equipment</i>		
Carrying amount at 1 July	4,582,189	4,882,542
Additions	2,231,275	166,208
Disposals	(15,232)	(12,098)
Revaluation	3,650,000	-
Depreciation expense	(435,334)	(454,463)
Transfer to assets held for sale	<u>(7,225,000)</u>	<u>-</u>
Carrying amount at 30 June	<u><u>2,787,898</u></u>	<u><u>4,582,189</u></u>
NOTE 12: PAYABLES		
CURRENT		
<i>Unsecured liabilities</i>		
Trade creditors	60,209	41,476
GST credits	155,076	240,902
Accrued expenses	262,302	207,492
Other current liabilities	<u>91,714</u>	<u>75,241</u>
	<u><u>569,301</u></u>	<u><u>565,111</u></u>
NOTE 13: PROVISIONS		
CURRENT		
Employee benefits	(a) <u><u>1,843,279</u></u>	<u><u>1,775,184</u></u>
NON CURRENT		
Employee benefits	(a) <u><u>489,859</u></u>	<u><u>422,221</u></u>
(a) Aggregate employee benefits liability	2,333,138	2,197,405
NOTE 14: OTHER LIABILITIES		
CURRENT		
Other current liabilities	9,698	9,321
Grants received in advance	<u>263,265</u>	<u>444,934</u>
	<u><u>272,963</u></u>	<u><u>454,255</u></u>

MONASHLINK COMMUNITY HEALTH SERVICE LIMITED
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

	2015 \$	2014 \$
NOTE 15: RESERVES		
Asset revaluation reserve	<u>6,272,685</u>	<u>2,622,685</u>
The asset revaluation reserve is used to record increments and decrements on the revaluation of assets held at fair value.		
NOTE 16: ACCUMULATED SURPLUS		
Accumulated surplus at beginning of year	5,037,635	4,719,289
Net surplus	<u>565,728</u>	<u>318,346</u>
	<u>5,603,363</u>	<u>5,037,635</u>
NOTE 17: CASH FLOW INFORMATION		
(a) Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position is as follows:		
Cash on hand	1,444	1,065
Cash at bank	294,086	82,718
Short-term bank deposits	1,783,846	3,166,233
Cash held in trust	<u>9,106</u>	<u>9,653</u>
	<u>2,088,482</u>	<u>3,259,669</u>
(b) Reconciliation of cash flow from operations with surplus after income tax		
Surplus from ordinary activities after income tax	565,728	318,346
Adjustments and non-cash items		
Amortisation	98,641	89,208
Depreciation	435,334	454,463
Net gain on disposal of property, plant and equipment	(63,000)	(28,228)
Payment for right to occupy	-	(57,811)
Changes in assets and liabilities		
Decrease in receivables	117,440	111,081
Increase in other assets	(147,395)	(360,987)
Increase / (decrease) in inventories	16,477	(37,725)
Increase / (decrease) in income in advance	(181,669)	413,976
Increase / (decrease) in payables	4,190	(127,924)

MONASHLINK COMMUNITY HEALTH SERVICE LIMITED
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
NOTE 17: CASH FLOW INFORMATION (CONTINUED)		
(b) Reconciliation of cash flow from operations with surplus after income tax (Continued)		
Increase in other liabilities	377	378
Increase in provisions	<u>135,733</u>	<u>389,167</u>
Cash flows from operating activities	<u><u>981,856</u></u>	<u><u>1,163,944</u></u>

NOTE 18: CONTRIBUTION COMMITMENTS

(a) Oakleigh development obligations

Contributions to be made to the Department of Health	<u>2,344,915</u>	<u>-</u>
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A two stage agreement exists between the Department of Health and Monashlink Community Health Service Limited where Monashlink will reimburse the Department of Health for contributions made towards developments in Glen Waverly and Oakleigh. The first stage of the agreement relating to the Glen Waverly site is complete (refer note 9).

The second stage of the agreement involves a project in Johnson Street Oakleigh which is currently nearing the development completion stage.

The agreement stipulates that the proceeds of sale for properties sold by Monashlink Community Health Service Limited will be used in order to meet the obligation outlined in the agreement. It is expected that during October 2015 the transfer of freehold ownership of the Oakleigh site from Department of Health to Monashlink Community Health Service Limited will occur, once final contributions have been fully repaid.

MONASHLINK COMMUNITY HEALTH SERVICE LIMITED
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 19: RELATED PARTY TRANSACTIONS

(a) No transactions with related parties were entered into during the year ended 30 June 2015.

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

Felicity Smith
Thomas Comber
Raffaele Ciccone
Ann Reilly
Robert Stensholt
Richard Murdoch
Sin Fong Chan
Anne Crawford
Greg Telley
Andrea Mapp
Suzi Chen
Philip Mayers
Thambiratnam Shreevijayan

NOTE 20: EVENTS SUBSEQUENT TO REPORTING DATE

On 10 July 2015, freehold land held at Hughesdale was sold for \$7,225,000 in order to fund the remaining amount required to be paid to the Department of Health (refer note 18).

As of 1 July 2015, Monashlink Community Health Service Limited have changed their operating name to Link Health & Community Limited.


NOTE 21: COMPANY DETAILS

The registered office of the company is:

MonashLink Community Health Service Limited
2 Euneva Avenue
GLEN WAVERLEY VIC 3150

DIRECTORS' DECLARATION

1. The financial statements and notes, as set out on pages 10 - 27, are in accordance with the *Australian Charities and Not for profits Commission Act 2012*: and
 - (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not for profits Commission Act 2012*; and
 - (b) give a true and fair view of the financial position as at 30 June 2015 and performance for the year ended on that date of the company.
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.

Director: 
Felicity Smith

Director: 
Raffaele Ciccone

Dated this day of 2015

MONASHLINK COMMUNITY HEALTH SERVICE LIMITED
ABN 12 136 877 702

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MONASHLINK COMMUNITY HEALTH SERVICES LIMITED

We have audited the accompanying financial report of MonashLink Community Health Service Limited, which comprises the statement of financial position as at 30 June 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

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



MONASHLINK COMMUNITY HEALTH SERVICE LIMITED
ABN 12 136 877 702

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MONASHLINK COMMUNITY HEALTH SERVICES LIMITED

Opinion

In our opinion, the financial report of MonashLink Community Health Service Limited is in accordance with the *Australian Charities and Not for profits Commission Act 2012*, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not for profits Commission Act 2012*.

MJ HARRISON

Partner

PITCHER PARTNERS

Melbourne

Date 13 October 2015