



**Link Health and  
Community Limited  
(formerly Monashlink  
Community Health Limited)**

**ABN 12 136 877 702**

Financial report  
For the year ended 30 June 2016

**Pitcher Partners**  
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15 William Street  
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## TABLE OF CONTENTS

Directors' report .....	1 - 9
Auditor's independence declaration .....	10
Financial report	
Statement of profit or loss and other comprehensive income .....	11
Statement of financial position .....	12
Statement of changes in equity .....	13
Statement of cash flows .....	14
Notes to financial statements .....	15 - 28
Directors' declaration .....	29
Independent auditor's report .....	30 - 31



**LINK HEALTH AND COMMUNITY LIMITED (FORMERLY MONASHLINK COMMUNITY HEALTH LIMITED)  
ABN 12 136 877 702**

**DIRECTORS' REPORT**

The directors present their report together with the financial report of Link Health and Community Limited (formerly Monashlink Community Health Limited) for the year ended 30 June 2016 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

Raffaele Ciccone

Sin Fong Chan

Anne Crawford - On a leave of absence from the Board December 2015 to May 2016

Greg Telley

Shree Vijayan

Suzi Chen

Phillip Mayers

Andrea Mapp - Resigned from the Board September 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.

- 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 Monash link, 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.



**DIRECTORS' REPORT**

**Review of operations**

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

**Results**

The profit of the company for the year after providing for income tax amounted to \$531,640 (2015: \$565,728).

**Short-term and long-term objectives and strategies**

The company's short-term objectives are to:

- Expand the range of high priority services delivered in the Eastern and South Eastern areas of Melbourne.
- Increase Link'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 Monash link 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 Link 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.





## DIRECTORS' REPORT

### 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:

- Link 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 2016 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.

### Information on directors

	Board Chair, Chair of the Board Executive, Member of the Finance and Investments, and the Clinical Governance and Quality Committees. Elected to the Board in 2000
<b>Felicity Smith</b>	
Qualifications	Diploma Economics, Diploma Computer File Management
Experience	Felicity is currently the Immediate 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 22 years and held executive positions in many of them. She is passionate about creating a better, healthier community environment.



DIRECTORS' REPORT

Information on directors (Continued)

	<p>Board Vice Chair, Chair of the Finance and Investments, Member of the Board Executive, Audit and Risk, and Innovation and Business Development Committees.</p>
<b>Raffaele Ciccone</b>	<p>Elected to the Board in 2010</p>
Qualifications	<p>BA and BCom (Deakin University), BA Hon (University of Melbourne)</p>
Experience	<p>Raff has lived in the Monash community for 30 years. He is a member of the Neighbourhood Watch Program and the Oakleigh &amp; 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.</p>
	<p>Member of the Finance and Investments and Clinical Governance and Quality Committees.</p>
<b>Sin Fong Chan</b>	<p>Elected to the Board November 2012</p>
Qualifications	<p>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</p>
Experience	<p>Sin Fong has diverse academic qualifications including Information Science, Business Administration (Marketing), Real Estate, and Training Assessment &amp; Education. He is also very creative and artistic. As a consequence, Sin Fong has multiple seemingly unrelated career paths from IT, cake decorating, real estate and teaching.</p> <p>For almost four decades, Sin Fong has been a volunteer either as a founding member or committee member including the Hong Kong Club, Chinese Association of Victoria, and Asian Television Association of Australia (part of Channel 31) and, most recently, the U3A Wheelers Hill. When the City of Monash realised the growing Chinese population in the city, Sin Fong was on the committee organising the inaugural Chinese Festival in the late 90s.</p> <p>For more than a decade, Sin Fong was very active politically, and held positions as a Vice President and President of a local branch of a major political party.</p> <p>In the mid-90s, Sin Fong became a Community Visitor with Waverley Community Health Services and continues to serve under Link Health and Community. In addition, he also volunteers in three other aged care homes as a presenter of armchair travel to the 'home bound' residents.</p> <p>In 2000, Sin Fong was appointed as a Director by the state government to Link Health and Community. After two terms and a long break, Sin Fong returned to the current Board in 2014.</p>



DIRECTORS' REPORT

Information on directors (Continued)

<b>Anne Crawford</b>	Member of the of the Board Executive, Finance and Investments Committee, and Chair of the Clinical Governance and Quality Committee. Elected to the Board in November 2014 - On a leave of absence from the Board December 2015 to May 2016.
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.
<b>Greg Telley</b>	Member of the Innovation and Business Development and Clinical Governance and Quality Committees. 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 34 years, largely within the welfare sector and has a passion for helping people and a particular interest in mental health and its support mechanisms.  Greg was also born in Oakleigh and went to St Anthonys in Chadstone, Salesian College and Oakleigh High School. He played football and cricket with local clubs.
<b>Shree Vijayan</b>	Member of the Board Executive, Finance and Investments Committee, and Chair of the Audit and Risk Committee. Appointed to the Board in 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 Director of Corporate Services of the Teaching Dental Clinic of the University of Melbourne. 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.



DIRECTORS' REPORT

Information on directors (Continued)

<b>Suzi Chen</b>	Member of the Board Executive, Audit and Risk Committee, and Chair of the Innovation and Business Development Committee. Appointed to the Board in May 2015
Qualifications	BSc Hons, Doctor of Philosophy (PhD), Pharmacology
Experience	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 the non-profit sector and has designed and delivered many initiatives including programs for underprivileged children. She was the 2015 National President of Junior Chamber of International (JCI) Australia, an organization that empowers young people to better communities. Suzi is currently appointed to JCI's United Nations and External Affairs Committee, which focuses on advancing global development agenda.  Suzi holds a doctoral degree and diplomas in Project Management, Management and Graphic Design.
<b>Phillip Mayers</b>	Member of the Innovation and Business Development Committee. Appointed to the Board in 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 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.





**DIRECTORS' REPORT**

**Information on directors (Continued)**

**Andrew Lesley Mapp** Resigned from the Board September 2015  
 Qualifications BA, LL.D, 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 ProBono Duty Barrister Scheme that provides access to barristers for members of the community who would not normally have the opportunity for such resources.

**Meetings of directors**

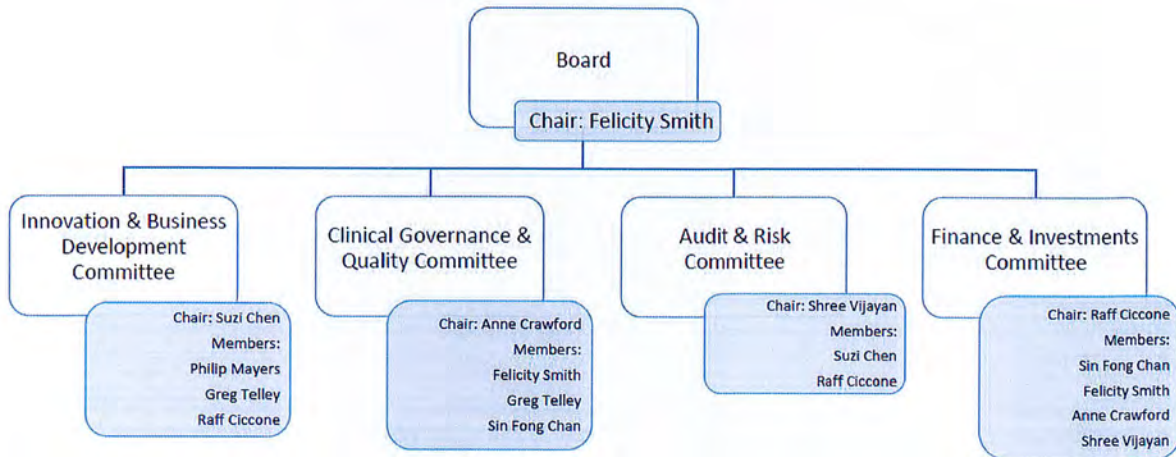
Directors	Directors' meetings		Finance & Investment committee meetings		Audit & Risk Meeting	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Felicity Smith	9	7	8	6	-	-
Raffaele Ciccone	9	8	8	8	2	2
Sin Fong Chan	9	8	8	7	-	-
Anne Crawford	9	4	8	4	-	-
Greg Telley	9	8	-	-	-	-
Shree Vijayan	9	8	8	6	2	2
Suzi Chen	9	8	1	1	2	2
Phillip Mayers	9	3	-	-	-	-
Andrea Mapp	2	1	-	-	-	-



DIRECTORS' REPORT

Board Governance

The Board Directors undertook a Board Evaluation exercise in early 2016 and as a result a new committee structure was put in place to provide greater governance capacity. The new committee structure sets out a committee governance focus into four distinct areas as set out below:





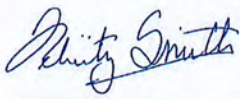
**LINK HEALTH AND COMMUNITY LIMITED (FORMERLY MONASHLINK COMMUNITY HEALTH LIMITED)**  
**ABN 12 136 877 702**

**DIRECTORS' REPORT**

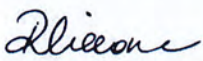
**Auditor's independence declaration**

A copy of the auditor's independence declaration in relation to the audit for the financial year is provided with this report.

Signed in accordance with a resolution of the board of directors.

Director:   
\_\_\_\_\_

**Felicity Smith**

Director:   
\_\_\_\_\_

**Raffaele Ciccone**

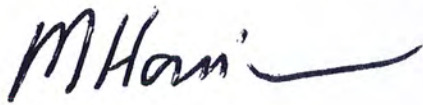
Dated this *27<sup>th</sup>* day of *September* 2016



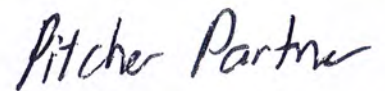
LINK HEALTH AND COMMUNITY LIMITED (FORMERLY MONASHLINK COMMUNITY HEALTH LIMITED)  
ABN 12 136 877 702

AUDITOR'S INDEPENDENCE DECLARATION  
TO THE DIRECTORS OF LINK HEALTH AND COMMUNITY LIMITED (FORMERLY MONASHLINK COMMUNITY  
HEALTH LIMITED)

In relation to the independent audit for the year ended 30 June 2016, to the best of my knowledge and belief there have been no contraventions of any applicable code of professional conduct.



M J HARRISON  
Partner



PITCHER PARTNERS  
Melbourne

Date:





**LINK HEALTH AND COMMUNITY LIMITED (FORMERLY MONASHLINK COMMUNITY HEALTH LIMITED)**  
**ABN 12 136 877 702**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2016**

	Note	2016 \$	2015 \$
<b>Revenue and other income</b>			
Service revenue		12,868,428	11,910,610
Other revenue		306,266	396,934
Contributions Received		<u>1,947,581</u>	-
	2	<u>15,122,275</u>	<u>12,307,544</u>
<b>Less: expenses</b>			
Professional fees		(17,829)	(33,335)
Consumables		(224,702)	(216,834)
Depreciation and amortisation expense	3	(504,439)	(533,975)
Employee benefits expense		(9,995,038)	(8,906,696)
Occupancy expense		(158,783)	(21,788)
Repairs and maintenance expense		(133,519)	(93,055)
Oral vouchers		(376,027)	(420,451)
Advertising expense		(100,341)	(60,614)
Finance costs		(5,762)	(5,113)
Medical supplies		(110,747)	(99,700)
Insurance		(54,856)	(98,977)
Telephone expenses		(97,456)	(137,919)
Printing and photocopying		(49,782)	(47,114)
Interpreter Services		(84,936)	(90,967)
Impairment loss	3	(1,002,884)	-
Memberships and subscriptions		(38,526)	(32,261)
Repairs and maintenance		(127,396)	(175,341)
Consultancy Expenses		(153,984)	(138,866)
Motor vehicle expenses		(21,420)	(22,421)
Other expenses		<u>(1,332,208)</u>	<u>(606,389)</u>
		<u>(14,590,635)</u>	<u>(11,741,816)</u>
<b>Surplus for the year</b>		531,640	565,728
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit and loss</i>			
Revaluation of property, plant and equipment		<u>-</u>	<u>3,650,000</u>
		<u>-</u>	<u>3,650,000</u>
<b>Total comprehensive income</b>		<u>531,640</u>	<u>4,215,728</u>

The accompanying notes form part of these financial statements.



**LINK HEALTH AND COMMUNITY LIMITED (FORMERLY MONASHLINK COMMUNITY HEALTH LIMITED)**  
**ABN 12 136 877 702**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2016**

	Note	2016 \$	2015 \$
<b>Current assets</b>			
Cash and cash equivalents	5	4,198,488	2,088,482
Receivables	6	104,444	136,699
Inventories	7	108,214	78,613
Land held for sale	8	-	7,225,000
Other assets	9	<u>403,963</u>	<u>553,360</u>
<b>Total current assets</b>		<u>4,815,109</u>	<u>10,082,154</u>
<b>Non-current assets</b>			
Intangible assets	10	2,157,486	2,181,398
Property, plant and equipment	11	<u>8,801,124</u>	<u>2,787,898</u>
<b>Total non-current assets</b>		<u>10,958,610</u>	<u>4,969,296</u>
<b>Total assets</b>		<u>15,773,719</u>	<u>15,051,450</u>
<b>Current liabilities</b>			
Payables	12	801,017	569,301
Provisions	13	1,899,365	1,843,279
Other liabilities	14	<u>178,824</u>	<u>272,963</u>
<b>Total current liabilities</b>		<u>2,879,206</u>	<u>2,685,543</u>
<b>Non-current liabilities</b>			
Provisions	13	<u>486,825</u>	<u>489,859</u>
<b>Total non-current liabilities</b>		<u>486,825</u>	<u>489,859</u>
<b>Total liabilities</b>		<u>3,366,031</u>	<u>3,175,402</u>
<b>Net assets</b>		<u>12,407,688</u>	<u>11,876,048</u>
<b>Equity</b>			
Reserves	15	-	6,272,685
Accumulated surplus	16	<u>12,407,688</u>	<u>5,603,363</u>
<b>Total equity</b>		<u>12,407,688</u>	<u>11,876,048</u>

The accompanying notes form part of these financial statements.



**LINK HEALTH AND COMMUNITY LIMITED (FORMERLY MONASHLINK COMMUNITY HEALTH LIMITED)**  
**ABN 12 136 877 702**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2016**

	Reserves \$	Retained earnings \$	Total equity \$
<b>Balance as at 1 July 2014</b>	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>
<b>Total comprehensive income for the year</b>	<u><u>3,650,000</u></u>	<u><u>565,728</u></u>	<u><u>4,215,728</u></u>
<b>Balance as at 1 July 2015</b>	6,272,685	5,603,363	11,876,048
Surplus for the year	<u>-</u>	<u>531,640</u>	<u>531,640</u>
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>531,640</u>	<u>531,640</u>
Transfer from revaluation reserve to retained earnings	<u>(6,272,685)</u>	<u>6,272,685</u>	<u>-</u>
<b>Balance as at 30 June 2016</b>	<u><u>-</u></u>	<u><u>12,407,688</u></u>	<u><u>12,407,688</u></u>

The accompanying notes form part of these financial statements.



**LINK HEALTH AND COMMUNITY LIMITED (FORMERLY MONASHLINK COMMUNITY HEALTH LIMITED)**  
**ABN 12 136 877 702**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

	Note	2016 \$	2015 \$
<b>Cash flow from operating activities</b>			
Receipts from customers		14,318,422	13,127,443
Finance costs		(5,762)	(731)
Payments to suppliers and employees		(14,143,598)	(12,245,003)
Donations received		7,462	546
Interest received		<u>133,629</u>	<u>99,601</u>
<b>Net cash provided by operating activities</b>		<u><u>310,153</u></u>	<u><u>981,856</u></u>
<b>Cash flow from investing activities</b>			
Proceeds from sale of property, plant and equipment		7,291,280	78,232
Payment for property, plant and equipment		<u>(5,491,427)</u>	<u>(2,231,275)</u>
<b>Net cash provided by / (used in) investing activities</b>		<u><u>1,799,853</u></u>	<u><u>(2,153,043)</u></u>
<b>Reconciliation of cash</b>			
Cash at beginning of the financial year		2,088,482	3,259,669
Net increase / (decrease) in cash held		<u>2,110,006</u>	<u>(1,171,187)</u>
<b>Cash at end of financial year</b>	17(a)	<u><u>4,198,488</u></u>	<u><u>2,088,482</u></u>

The accompanying notes form part of these financial statements.





NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016

**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 Accounting Standards Board and 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 Link Health and Community Limited (formerly Monashlink Community Health Limited) as an individual entity. Link Health and Community Limited (formerly Monashlink Community Health Limited) is a company limited by guarantee, incorporated and domiciled in Australia. Link Health and Community Limited (formerly Monashlink Community Health 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 and liabilities as described in the accounting policies.

**(b) 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 will not continue to support Link Health and Community Limited.

**(c) Going Concern**

The financial report has been prepared on a going concern basis.

**(d) Revenue**

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

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



NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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 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.

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.

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

**(e) 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.

**(f) Inventories**

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

**(g) 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.

*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.



NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(g) Financial instruments (Continued)**

Non-derivative financial liabilities are subsequently measured 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.

**(h) 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.

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.

*Property*

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 assessed against fair value. At each balance date the carrying amount of each asset is reviewed to ensure that it does not exceed the asset's fair value at reporting date. Where necessary, the asset is impaired 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 is measured at cost. 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*

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.

<b>Class of fixed asset</b>	<b>Depreciation rates</b>	<b>Depreciation basis</b>
Land at cost	Nil	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



NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(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.

**(k) Employee benefits**

*(i) 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.

*(ii) Long-term employee benefit obligations*





NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(k) Employee benefits (Continued)**

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 have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the 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.

**(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.



**LINK HEALTH AND COMMUNITY LIMITED (FORMERLY MONASHLINK COMMUNITY HEALTH LIMITED)**  
**ABN 12 136 877 702**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 2: REVENUE AND OTHER INCOME</b>		
Revenue from operations		
Grants	11,403,658	10,688,239
Client fees	1,390,282	1,159,172
Program Changes	<u>74,488</u>	<u>63,199</u>
	<u>12,868,428</u>	<u>11,910,610</u>
Other revenue		
Profit on sale of non current assets	(40,582)	63,000
Interest income	133,629	104,880
Other revenue	<u>213,219</u>	<u>229,054</u>
	<u>306,266</u>	<u>396,934</u>
Contributions Received	<u>1,947,581</u>	-
	<u>15,122,275</u>	<u>12,307,544</u>

Income arising from the contribution of assets to the entity is recognised as revenue based on the asset's fair value. The \$1,947,581 contribution received represents the value of the property at 8-10 Johnson Street, Oakleigh that was transferred to Link Health and Community Services Limited by the Department of Health and Human Services during the year.

**NOTE 3: OPERATING SURPLUS**

Surplus has been determined including the effect of:

Depreciation		
- buildings	54,064	50,969
- plant and equipment	29,261	39,146
- motor vehicles	119,074	107,724
- furniture and fittings	39,055	34,948
- computer equipment	107,515	161,734
- other capital assets	<u>56,559</u>	<u>40,813</u>
	405,528	435,334
Amortisation of non-current assets		
- right to occupy	98,911	98,641
Bad Debts	184	542
Impairment (a)	1,002,884	-

(a) An impairment loss was recognised for the property at 8-10 Johnson Street Oakleigh based on the carrying values exceeding the deemed depreciable replacement cost.



**LINK HEALTH AND COMMUNITY LIMITED (FORMERLY MONASHLINK COMMUNITY HEALTH LIMITED)**  
**ABN 12 136 877 702**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 4: KEY MANAGEMENT PERSONNEL COMPENSATION</b>		
Compensation received by key management personnel of the company		
- short-term employee benefits	929,926	880,204
- post-employment benefits	62,422	50,404
- other long-term benefits	48,671	17,892
- termination benefits	<u>18,629</u>	<u>-</u>
	<u><u>1,059,648</u></u>	<u><u>948,500</u></u>
 <b>NOTE 5: CASH AND CASH EQUIVALENTS</b>		
Cash on hand	1,452	1,444
Cash at bank	439,667	294,086
Cash on deposit	3,748,262	1,783,846
Other cash	<u>9,107</u>	<u>9,106</u>
	<u><u>4,198,488</u></u>	<u><u>2,088,482</u></u>
 <b>NOTE 6: RECEIVABLES</b>		
CURRENT		
Trade debtors	<u>104,444</u>	<u>136,699</u>
 <b>NOTE 7: INVENTORIES</b>		
CURRENT		
<i>At cost</i>		
Finished goods	<u>108,214</u>	<u>78,613</u>
 <b>NOTE 8: LAND - HELD FOR SALE</b>		
CURRENT		
Land - Hughsdale		
At fair value - Held for sale	<u><u>-</u></u>	<u><u>7,225,000</u></u>



**LINK HEALTH AND COMMUNITY LIMITED (FORMERLY MONASHLINK COMMUNITY HEALTH LIMITED)**  
**ABN 12 136 877 702**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 9: OTHER ASSETS</b>		
<b>CURRENT</b>		
Prepayments	113,070	62,431
Accrued income	268,893	474,863
Other current assets	<u>22,000</u>	<u>16,066</u>
	<u><b>403,963</b></u>	<u><b>553,360</b></u>

**NOTE 10: INTANGIBLE ASSETS**

Right to occupy	2,401,491	2,401,491
Accumulated amortisation	<u>(319,005)</u>	<u>(220,093)</u>
	2,082,486	2,181,398
Goodwill - Brighton Practice	<u>75,000</u>	<u>-</u>
Total intangible assets	<u><b>2,157,486</b></u>	<u><b>2,181,398</b></u>

**(a) Reconciliations**

Reconciliation of the carrying amounts of intangible assets at the beginning and end of the current financial year

*Right to occupy at cost (a)*

Opening balance	2,181,398	2,280,039
Amortisation expense	<u>(98,912)</u>	<u>(98,641)</u>
Closing balance	<u><b>2,082,486</b></u>	<u><b>2,181,398</b></u>

*Goodwill - Brighton practice at cost*

Opening balance	-	-
Additions	<u>75,000</u>	<u>-</u>
Closing balance	<u><b>75,000</b></u>	<u><b>-</b></u>

(a) 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 recently completed.





**LINK HEALTH AND COMMUNITY LIMITED (FORMERLY MONASHLINK COMMUNITY HEALTH LIMITED)**  
**ABN 12 136 877 702**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 11: PROPERTY, PLANT AND EQUIPMENT</b>		
<b>Land and buildings</b>		
Oakleigh at cost	9,059,866	956,701
Accumulated impairment loss	(1,002,884)	-
Accumulated depreciation	<u>(487,795)</u>	<u>(433,731)</u>
	<u>7,569,187</u>	<u>522,970</u>
Asset under construction		
Oakleigh development at cost- Under construction	<u>-</u>	<u>1,125,294</u>
Total land and buildings	<u>7,569,187</u>	<u>1,648,264</u>
<b>Plant and equipment</b>		
Plant and equipment at cost	493,238	420,960
Accumulated depreciation	<u>(373,436)</u>	<u>(344,049)</u>
	119,802	76,911
Motor vehicles at cost	972,058	938,709
Accumulated depreciation	<u>(400,556)</u>	<u>(427,939)</u>
	571,502	510,770
Furniture, fixtures and fittings at cost	458,687	405,989
Accumulated depreciation	<u>(270,080)</u>	<u>(231,025)</u>
	188,607	174,964
Computer equipment at cost	1,292,527	1,213,939
Accumulated depreciation	<u>(1,144,303)</u>	<u>(1,039,114)</u>
	148,224	174,825
Clinical equipment at cost	620,663	569,777
Accumulated depreciation	<u>(416,861)</u>	<u>(367,613)</u>
	<u>203,802</u>	<u>202,164</u>
Total plant and equipment	<u>1,231,937</u>	<u>1,139,634</u>
Total property, plant and equipment	<u>8,801,124</u>	<u>2,787,898</u>



**LINK HEALTH AND COMMUNITY LIMITED (FORMERLY MONASHLINK COMMUNITY HEALTH LIMITED)**  
**ABN 12 136 877 702**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

	2016	2015
	\$	\$
<b>NOTE 11: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)</b>		
<b>(a) Reconciliations</b>		
Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year		
<i>Land and Buildings</i>		
Opening carrying amount	522,970	3,642,812
Additions	6,984,303	506,127
Transfer from Oakleigh development	1,125,294	-
Revaluation	-	3,650,000
Impairment (Oakleigh Site)	(1,002,884)	-
Transfer to assets held for sale	-	(7,225,000)
Accmulated Depreciation	<u>(60,496)</u>	<u>(50,969)</u>
Closing carrying amount	<u>7,569,187</u>	<u>522,970</u>
<i>Oakleigh development - Asset under construction</i>		
Opening carrying amount	1,125,294	66,245
Additions	-	1,059,049
Transfer to land and buildings	<u>(1,125,294)</u>	-
Closing carrying amount	<u>-</u>	<u>1,125,294</u>
<i>Plant and equipment</i>		
Opening carrying amount	76,911	112,286
Additions	72,152	3,771
Depreciation expense	<u>(29,261)</u>	<u>(39,146)</u>
Closing carrying amount	<u>119,802</u>	<u>76,911</u>
<i>Motor vehicles</i>		
Opening carrying amount	510,770	187,376
Additions	197,176	446,350
Disposals	(17,370)	(15,232)
Depreciation expense	<u>(119,074)</u>	<u>(107,724)</u>
Closing carrying amount	<u>571,502</u>	<u>510,770</u>
<i>Furniture, fixtures and fittings</i>		
Opening carrying amount	174,964	200,907
Additions	52,698	9,005
Depreciation expense	<u>(39,055)</u>	<u>(34,948)</u>
Closing carrying amount	<u>188,607</u>	<u>174,964</u>



**LINK HEALTH AND COMMUNITY LIMITED (FORMERLY MONASHLINK COMMUNITY HEALTH LIMITED)**  
**ABN 12 136 877 702**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 11: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)</b>		
<b>(a) Reconciliations (Continued)</b>		
<i>Computer equipment</i>		
Opening carrying amount	174,825	269,004
Additions	80,914	67,555
Depreciation expense	<u>(107,515)</u>	<u>(161,734)</u>
Closing carrying amount	<u>148,224</u>	<u>174,825</u>
<i>Clinical Equipment</i>		
Opening carrying amount	202,164	103,559
Additions	58,197	139,418
Depreciation expense	<u>(56,559)</u>	<u>(40,813)</u>
Closing carrying amount	<u>203,802</u>	<u>202,164</u>
<i>Total property, plant and equipment</i>		
Carrying amount	2,787,898	4,582,189
Additions - Plant and equipment	960,565	2,231,275
Additions - Donated land	1,947,581	-
Additions - Purchase of land	1,516,840	-
Additions - Oakleigh development	3,014,022	-
Asset Revaluation Reserve	-	3,650,000
Depreciation	(405,528)	(435,334)
Disposals - plant and equipment	(17,370)	(15,232)
Transfer to assets held for sale	-	(7,225,000)
Impairment - Oakleigh site	<u>(1,002,884)</u>	-
Closing carrying amount	<u>8,801,124</u>	<u>2,787,898</u>

As part of the agreement with the Department of Health and Human Services regarding the Oakleigh development the Department has undertaken to transfer ownership of the freehold land to the Company. This transfer was expected to occur during the 2016 financial year, however due to administrative delays has not yet taken place. The value of the land has been fully recognised in the balance sheet of the Company, as the risks and rewards of ownership of the site at Oakleigh have transferred to the Company.



**LINK HEALTH AND COMMUNITY LIMITED (FORMERLY MONASHLINK COMMUNITY HEALTH LIMITED)**  
**ABN 12 136 877 702**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 12: PAYABLES</b>		
CURRENT		
<i>Unsecured liabilities</i>		
Trade creditors	159,194	60,209
GST credits	168,968	155,076
Accrued expenses	354,417	262,302
Other current liabilities	<u>118,438</u>	<u>91,714</u>
	<u><u>801,017</u></u>	<u><u>569,301</u></u>

**NOTE 13: PROVISIONS**

CURRENT		
Employee benefits	(a) <u>1,899,365</u>	<u>1,843,279</u>
NON CURRENT		
Employee benefits	(a) <u>486,825</u>	<u>489,859</u>
(a) Aggregate employee benefits liability	2,386,190	2,333,138

**NOTE 14: OTHER LIABILITIES**

CURRENT		
Other current liabilities	9,699	9,698
Grants received in advance	<u>169,125</u>	<u>263,265</u>
	<u><u>178,824</u></u>	<u><u>272,963</u></u>

**NOTE 15: RESERVES**

Asset revaluation reserve	<u>-</u>	<u>6,272,685</u>
	<u><u>-</u></u>	<u><u>6,272,685</u></u>

The asset revaluation reserve is used to record increments and decrements on the revaluation of assets held at fair value.





**LINK HEALTH AND COMMUNITY LIMITED (FORMERLY MONASHLINK COMMUNITY HEALTH LIMITED)**  
**ABN 12 136 877 702**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 16: ACCUMULATED SURPLUS</b>		
Accumulated surplus at beginning of year	5,603,363	5,037,635
Net surplus	531,640	565,728
Transfers from revaluation reserve	<u>6,272,685</u>	<u>-</u>
	<u><b>12,407,688</b></u>	<u><b>5,603,363</b></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	1,452	1,444
Cash at bank	439,667	294,086
At call deposits with financial institutions	3,748,262	1,783,846
Other short-term facilities	<u>9,107</u>	<u>9,106</u>
	<u><b>4,198,488</b></u>	<u><b>2,088,482</b></u>

**NOTE 18: RELATED PARTY TRANSACTIONS**

**(a)** No transactions with related parties were entered into during the year ended 30 June 2016.

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

Felicity Smith

Raffaele Ciccone

Sin Fang Chan

Anne Crawford

Greg Telley

Shree Vijayan

Suzi Chen

Philip Mayers

Andrea Mapp



**LINK HEALTH AND COMMUNITY LIMITED (FORMERLY MONASHLINK COMMUNITY HEALTH LIMITED)  
ABN 12 136 877 702**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

**NOTE 19: EVENTS SUBSEQUENT TO REPORTING DATE**

Subsequent to 30 June 2016, a decision was made to consolidate operations of general clinical practice by suspending operations at Clayton pending a review of how to best deliver those services out of Clayton. Clayton General Practitioners have relocated to our Oakleigh site whilst his review is conducted.

**NOTE 20: COMPANY DETAILS**

The registered office of the company is:

Link Health and Community Limited (formerly Monashlink Community Health Limited)  
1 Jacksons Road  
MULGRAVE VIC 3170

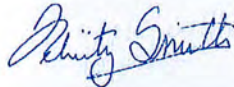


**DIRECTORS' DECLARATION**

The directors of the company declare that:

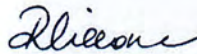
1. The financial statements and notes, as set out on pages 11 - 28, are in accordance with the *Australian Charities and Not for profits Commission Act 2012*; and
  - (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not for profits Commission Act 2012*; and
  - (b) give a true and fair view of the financial position as at 30 June 2016 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.

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



Director: \_\_\_\_\_

Felicity Smith



Director: \_\_\_\_\_

Raffaele Ciccone

Dated this 27<sup>th</sup> day of September 2016



**LINK HEALTH AND COMMUNITY LIMITED (FORMERLY MONASHLINK COMMUNITY HEALTH LIMITED)  
ABN 12 136 877 702**

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF LINK HEALTH AND COMMUNITY LIMITED**

We have audited the accompanying financial report of Link Health and Community Limited (formerly Monashlink Community Health Limited), which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other 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 *Corporations Act 2001* 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 *Corporations Act 2001*.





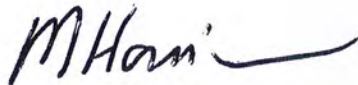
LINK HEALTH AND COMMUNITY LIMITED (FORMERLY MONASHLINK COMMUNITY HEALTH LIMITED)  
ABN 12 136 877 702

INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF LINK HEALTH AND COMMUNITY LIMITED

*Opinion*

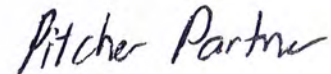
In our opinion, the financial report of Link Health and Community Limited (formerly Monashlink Community Health Limited) is in accordance with the *Australian Charities and Not for profits Commission Act 2012*, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2016 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.



M J HARRISON

Partner



PITCHER PARTNERS

Melbourne

Date

