

# **Link Health and Community Limited**

ABN 12 136 877 702

## **Consolidated Financial Statements**

For the Year Ended 30 June 2019

# Link Health and Community Limited

ABN 12 136 877 702

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For the Year Ended 30 June 2019

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# Link Health and Community Limited

ABN 12 136 877 702

## Directors' Report

30 June 2019

The directors present their report, together with the consolidated financial statements of the Group, being Link Health and Community Limited ("the Company") and its controlled entities, for the financial year ended 30 June 2019.

### 1. General information

#### Information on directors

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

<b>Felicity Smith</b>	Elected to the Board in 2000
Qualifications	Chisholm TAFE – Computer File Management Course Oakleigh Technical School – Economics Diploma (Night School)
Experience	Felicity is an Order of Australia Medal recipient, a life member of Link Health and Community, an Honorary Justice of the Peace and Past President, a Paul Harris Fellow and currently, Secretary of the Rotary Club of Oakleigh, President of the Monash Reconciliation Group, and Past President of the Oakleigh District Historical Society. Felicity has worked in many fields including State and Federal Governments. Felicity has a wide range of experience in many community organisations including Kindergarten and School Communities, the Monash Ratepayers Association, the Epilepsy Foundation of Victoria and a lifetime membership of a major political party over a period of 40 years and has held executive positions in many of them. She is passionate about creating a better and healthier community environment. Felicity was previously Board Chair from November 2010 until November 2017
Special responsibilities	Board Director Elected Chair in February 2019 Chair Remuneration and Nominations Committee Member of: - Finance and Audit Committee

# Link Health and Community Limited

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## Directors' Report

30 June 2019

### 1. General information (continued)

#### Information on directors (continued)

<b>Sin Fong Chan</b>	Re-elected to the Board November 2017
Qualifications	Bachelor of Science (information Science) Graduate Diploma of Business Administration (Marketing) Advanced Diploma Estate Agency Cert IV Training and Assessment
Experience	<p>For more than four decades, Sin Fong has been a volunteer. He was a founding member and/or a committee member of several community organisations including the Hong Kong Club, Chinese Association of Victoria, Asian Television Association of Australia, the first City of Monash Chinese Festival, and more recently U3A Wheelers Hill.</p> <p>In 1996, Sin Fong became a Community Visitor with Waverley Community Health Services and continued to serve under Link Health and Community Limited until 2018. He also volunteers in several aged care homes as a presenter of armchair travel to "bring the outside world to inside".</p> <p>After years of teaching and lecturing in community centres, colleges and university, he volunteers in a primary school assisting students in mathematics and with learning difficulties.</p> <p>Sin Fong imparts and shares his knowledge and life skills by frequent blogging, especially in the real estate field. He also mentors migrant job seekers.</p> <p>Sin Fong was one of the first members of the Board of MonashLink (now Link) in 2000 and served a subsequent term.</p>
Special responsibilities	Board Director Member of - Finance and Audit Committee - Remuneration and Nominations Committee
<b>Shree Vijayan</b>	Elected to the Board June 2015
Qualifications	Bachelor of Commerce
Experience	<p>Shree is a certified practising accountant and has gained extensive senior management experience within the healthcare industry working as the Financial Controller of a state owned health organization specializing in compliancy, strategy, planning, and financial management and reporting. He is currently employed as a Financial Controller of the Southern Migrant and Refugee Centre. He has a wealth of knowledge on corporate governance, risk management, compliance and reporting with a special interest in developing primary care centres to cater for the needs of the community. Shree is a Member of CPA Australia and a resident of the City of Monash for over 20 years.</p>
Special responsibilities	Board Director Chair of Finance and Audit Committee Member of: - Remuneration and Nominations Committee

# Link Health and Community Limited

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## Directors' Report

30 June 2019

### 1. General information (continued)

#### Information on directors (continued)

<b>Suzi Chen</b>	Elected to the Board May 2015
Qualifications	Doctor of Philosophy (Medical Sciences) Advanced Diploma in Management Diploma in Project Management Diploma in Graphic Design
Experience	<p>Suzi has been a member of Link Health and Community since 2013 and was a Community Visitor prior to joining the Board in 2015. Suzi currently chairs Links Clinical Governance and Risk Committee. Suzi began her career at Dandenong Hospital as a medical researcher before accepting a management position in 2011, delivering multi million dollar projects that improved capability of the Victorian fire services.</p> <p>Suzi is passionate about building a resilient and equitable community and has designed and delivered many grassroots initiatives including programs for underprivileged children. Her advocacy in cultural diversity has taken her to more than twenty countries as Mongolia in the past ten years. Suzi was the 2015 National President of Junior Chamber of International (JCI) Australia, an organisation that empowers young people to better communities. In 2016, Suzi's passion for social justice led to her 1 year appointment to JCI's United Nations and External Affairs Committee, which had a strong focus on advancing global development agenda. In 2018 Suzi was the first female and non-Japanese Chair being appointed to JCI Partnership Committee.</p> <p>Part of her appointment, Suzi hosted an international partnership summit on the topic of gender equality at the UN Headquarters in New York City. Professionally, Suzi is a business strategist and manages Notonos Global, a consulting firm that specialises in strategy development through the lens of futuristic thinking.</p>
Special responsibilities	Board Director Chair Innovation and Business Development Committee
<b>Anton Gaudry</b>	Co-opted to the Board in April 2019
Qualifications	Bachelor of Economics Master of Taxation
Experience	<p>Anton is a chartered tax adviser and a chartered accountant. He has worked in his own businesses for over 25 years, all of which were focused on supporting and supplying the not for profit sector. He is very passionate about what he does, and always endeavours to deliver the best he can. He is naturally conscientious and empathetic. After university Anton joined one of the large accounting firms, specialising in tax. After 7 years, he established a tax training and information business, focusing on not for profits. Later he established a salary packaging business, again focusing on not for profits. After nearly 20 years, he sold the business in 2016. He has since established and runs his own 'family office', managing investment and philanthropic activities including the Gaudry Foundation.</p>
Special responsibilities	Board Director Member of: - Finance and Audit Committee

# Link Health and Community Limited

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## Directors' Report

30 June 2019

### 1. General information (continued)

#### Information on directors (continued)

<b>Gina Lyons</b>	Co-opted to the Board June 2019
Qualifications	Masters of Business Administration Practitioners Certificate in Mediation Graduate of Australian Institute of Company Directors
Experience	Gina's career includes roles in service organisations, public and private and as a CEO of a municipal council. She has expertise in all aspects of business management, marketing, governance, advocacy and lobbying and public relations. She now runs her own consultancy business in Central Victoria and provides services to the private and public sector. Most recently she was a member of the Board of Hepburn Health Service, and is currently on the Board of UFS dispensaries Ltd and is involved in several community groups in Daylesford. Gina was a member of Link's Board from 2009 until 2011.
Special responsibilities	Board Director Member of: - Finance and Audit Committee
<b>Raffaele Ciccone</b>	Elected to the Board in 2010
Qualifications	Bachelor of Arts Hons Bachelor of Commerce Diploma of Business
Experience	Raff has been a member of Link Health and Community since 2007. Since being elected to the Board in 2010 he has worked hard at improving local health services by supporting greater investment in doctors and oral health, and programs to address the prevention of family violence and problem gambling. Raff is currently employed as a research officer at the Shop Distributive and Allied Employees Association (SDA) representing some of the lowest paid workers in the country. His experience includes: providing research on industrial, health and safety, and parliamentary matters; preparing cases for presentation to the Fair Work Commission; and negotiating with employees on award and enterprise agreement matters. Raff's professional career also includes roles as a parliamentary adviser in the Australian Government. Raff is a Fellow and Member of the Community Directors Australia and a resident of the Monash community for 34 years. He is passionate about making our local community healthier.
Special responsibilities	Board Chair December 2017 until February 2019 Board Vice Chair from 28 November 2011 until 5 December 2017
Resignation	Raff resigned from the Board in February 2019 and was subsequently appointed as a Senator for Victoria to a casual vacancy

# Link Health and Community Limited

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## Directors' Report

30 June 2019

### 1. General information (continued)

#### Information on directors (continued)

<b>Anne Crawford</b>	Elected to the Board November 2014
Qualifications	Master of Public Health Graduate Diploma Midwifery Bachelor of Nursing Graduate of Australian Institute of Company Directors
Experience	Anne has lived in Monash for 11 years. She is a member of the Oakleigh Rotary Club and the Monash Reconciliation Group. Anne is also the Vice-President of the Southern Autistic School Council. Anne has worked in the health care environment for over 25 years. This includes experience in aged care, community care and the acute care setting. She has also had experience in negotiating services for local communities with healthcare providers. She is currently the Principle Consultant at Exploring Healthcare. Exploring Healthcare provides people and their families with guidance through the initial diagnosis, treatment and ongoing care in chronic disease, disability, and aged care. Anne's qualifications in public health extends her understanding of the healthcare system from her nursing experience and research to the economic and political landscape. She is passionate about quality in health service provision ensuring the local community has access and professional services.
Special responsibilities	Board Director Vice Chair December 2017 until December 2018 Chair Clinical Governance and Quality Committee
Resignation	Anne resigned from the Board in February 2019
<b>Dr Sandeep Bhagat</b>	Elected to the Board November 2018
Qualifications	Bachelor of Medicine and Bachelor of Surgery Clinical Diploma in Palliative Medicine Fellow of the Royal Australian College of general Practice Fellow of the Australasian Chapter of Palliative Medicine
Experience	Sandeep is a qualified medical practitioner. He is currently head of the Peninsula Health Palliative Care Unit in Frankston. He is also an Adjunct Senior Lecturer at Monash University's Peninsula Clinical School and a Palliative care Physician for the Gippsland Region. He has previously held positions with Eastern Health, Monash health and the Alfred. He is an active member of a Safer Care Victoria working group, and a member of Cancer Council Victoria. He also holds a permanent commission as an Australian Army Reserve Medical Officer.
Special responsibilities	Board Director Member of: -Clinical Governance and Quality Committee
Resignation	Sandeep resigned from the Board in May 2019

## Link Health and Community Limited

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# Directors' Report

30 June 2019

### 1. General information (continued)

#### Information on directors (continued)

<b>Greg Telley</b>	Elected to the Board November 2015
Qualifications	Bachelor of Arts Graduate Certificate in Management
Experience	South Oakleigh Bowls Club. He is on the committee of CHERPA, a peak body representing white good providers. Greg worked for the Australian Government for 34 years, and is now the Manager of a disability employment service in Oakleigh and Moorabbin. He has a passion for helping people and a particular interest in mental health and its support mechanisms. Greg was born in Oakleigh and went to St Anthony's in Chadstone, Salesian College and Oakleigh High School. He played football and cricket with local clubs.
Special responsibilities	Board Director Member of: -Finance and Committee -Clinical Governance and Quality Committee
Resignation	Greg resigned from the Board in November 2018
<b>Philip Mayers</b>	Elected to the Board May 2016
Qualifications	Bachelor of Arts Bachelor of Laws
Experience	Philip is a Director of Dakin Mayers and Associates, 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 RONS, and Board Member of Southport Uniting Care.
Special responsibilities	Board Director Member of: -Finance and Audit Committee
Resignation	Philip resigned from the Board in November 2018

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

### Review of operations

The consolidated result of the Group for the financial year was a net deficit of \$1,936,097 (30 June 2018: net deficit of \$140,831).

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



# Link Health and Community Limited

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## Directors' Report

30 June 2019

### 1. General information (continued)

#### Principal activities

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

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

- Link Health and Community Limited- services for a healthier community across Melbourne's east and southeast. Health and support disciplines: including audiology; addiction recovery; community development; counselling; dental; diabetes education; dietetics; early childhood early intervention; exercise physiology; general practice; occupational therapy; physiotherapy; podiatry; speech pathology and volunteering.
- Link Health and Community Limited in a joint venture with Connect Health and Community Limited established the Sandringham Ambulatory Care Clinic ( SACC ). SACC allows for patients seeking treatment in acute care to be (where appropriate) redirected to general practice services operated by SACC.
- A subsidiary company ( Link Private Practice ) was established to run all our private services. Private Practice oral health services were established in Clayton and The Glen. Private general practice, allied health and counselling services are now operated by Link Private Practice across a number of sites including The Glen, 8-10 Johnson Street Oakleigh, Brighton and Sandringham Hospital.
- Link Health and Community Limited entered into a Licence Agreement with Avocare Limited, signed a conditional Deed of Company Arrangement and purchased Avocare. Avocare Limited primary business activities include employment of people in Work for the Dole schemes funded by the Department of Employment, provision school-based training to disadvantaged high school students under the School Based "Apprenticeships and Trainees scheme (SBAT).
- Link Health and Community Limited (LinkHC) continue to deliver service ECEI Partner in the Community in Inner and Outer Eastern Melbourne, Southern Melbourne, Inner and Outer Gippsland.

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

#### Short term objectives

The Group's short term objectives are to:

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

# Link Health and Community Limited

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## Directors' Report

30 June 2019

### 1. General information (continued)

#### Long term objectives

The Group's long term objectives are to:

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

#### Strategy for achieving the objectives

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

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

#### Members' guarantee

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

At 30 June 2019 the collective liability of members was \$ 1,470 (2018: \$ 1,470).

**Link Health and Community Limited**

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**Directors' Report**

**30 June 2019**

**2. Other items**

**Meetings of directors**

During the financial year, 13 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Finance & Audit Committee Meetings		Clinical Governance and Quality Committee Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Felicity Smith	13	12	11	10	3	3
Sin Fong Chan	13	12	11	8	3	3
Suzi Chen	13	12	-	1*	-	-
Anton Gaudry	1	-	2	2	-	-
Gina Lyons	1	1	1	1	-	-
Shree Vijayan	13	12	11	11	-	-
Raffaele Ciccone	8	8	-	2*	-	-
Dr Sandeep Bhagat	11	7	-	-	1	-
Anne Crawford	9	7	7	4	3	3
Philip Mayers	5	4	4	2	-	-
Greg Telley	5	5	4	1	-	-

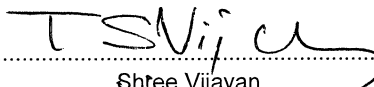
\* Voluntary attendance

**Auditor's independence declaration**

The lead auditor's independence declaration in relation to the audit for the year ended 30 June 2019 has been received and can be found on page 10 of the consolidated financial report.

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

Director:   
Felicity Smith

Director:   
Shree Vijayan

Dated this 28<sup>th</sup> day of October 2019

## AUDITOR'S INDEPENDENCE DECLARATION

We declare that, to the best of our knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit of the financial report of Link Health and Community Limited for the year ended 30 June 2019.

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



**HLB Mann Judd**  
**Chartered Accountants**

Melbourne  
28 October 2019



**Nick Walker**  
**Partner**

## Link Health and Community Limited

ABN 12 136 877 702

### Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2019

	Note	2019 \$	2018 \$
Service revenue	3	24,386,961	21,478,890
Other income	3	2,367,577	1,042,232
	3	<b>26,754,538</b>	22,521,122
Employee benefits expense		(19,515,676)	(16,089,375)
Other expenses		(2,131,389)	(1,553,399)
Depreciation and amortisation expense	4	(762,807)	(698,764)
Consumables		(659,260)	(181,590)
Occupancy expense		(1,084,162)	(814,660)
Repairs and maintenance		(563,889)	(236,409)
Oral vouchers		(271,284)	(299,417)
Advertising		(89,618)	(133,167)
Finance costs		(16,353)	(15,979)
Medical supplies		(210,708)	(412,016)
Insurance		(64,506)	(8,463)
Telephone expenses		(285,749)	(227,314)
Printing and photocopying		(193,581)	(182,238)
Interpreter services		(170,676)	(97,506)
Memberships and subscriptions		(127,236)	(90,256)
Consultancy expenses		(504,847)	(395,518)
Motor vehicle expenses		(385,344)	(224,035)
Electricity		(146,547)	(100,085)
Legal fees		(253,567)	(83,090)
Recruitment costs		(348,170)	(114,944)
Computer expenses		(416,560)	(545,271)
Cleaning		(125,852)	(121,457)
Professional fees		(38,653)	(27,723)
Impairment loss on non-financial assets	10	(283,368)	(18,750)
Write-back of related party receivable	18(b)	(100,000)	-
Gain/(Loss) on disposal of non-current assets		7,071	(419)
Share of net profits of equity-accounted joint ventures	20	52,096	9,892
		<b>(28,690,635)</b>	<b>(22,661,953)</b>
<b>Surplus/(deficit) for the year</b>		<b>(1,936,097)</b>	<b>(140,831)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that will be reclassified to profit or loss when specific conditions are met		-	-
<b>Total comprehensive income for the year</b>		<b>(1,936,097)</b>	<b>(140,831)</b>

The accompanying notes form part of these financial statements.

# Link Health and Community Limited

ABN 12 136 877 702

## Consolidated Statement of Financial Position As At 30 June 2019

	Note	2019 \$	2018 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	1,951,074	3,567,932
Trade and other receivables	6	294,247	579,015
Inventories	7	128,599	87,764
Other financial assets	8	4,045,848	2,037,562
Other assets	11	829,555	941,720
<b>TOTAL CURRENT ASSETS</b>		<b>7,249,323</b>	<b>7,213,993</b>
<b>NON-CURRENT ASSETS</b>			
Investment in joint ventures	20	61,989	9,892
Property, plant and equipment	9	9,149,394	9,596,651
Intangible assets	10	1,802,179	1,919,570
<b>TOTAL NON-CURRENT ASSETS</b>		<b>11,013,562</b>	<b>11,526,113</b>
<b>TOTAL ASSETS</b>		<b>18,262,885</b>	<b>18,740,106</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	1,738,870	1,722,186
Employee benefits	14	2,976,272	2,272,633
Other liabilities	13	3,043,908	2,265,512
<b>TOTAL CURRENT LIABILITIES</b>		<b>7,759,050</b>	<b>6,260,331</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefits	14	718,048	757,891
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>718,048</b>	<b>757,891</b>
<b>TOTAL LIABILITIES</b>		<b>8,477,098</b>	<b>7,018,222</b>
<b>NET ASSETS</b>		<b>9,785,787</b>	<b>11,721,884</b>
<b>MEMBERS' FUNDS</b>			
Accumulated deficit		9,785,787	11,721,884
<b>TOTAL MEMBERS' FUNDS</b>		<b>9,785,787</b>	<b>11,721,884</b>

The accompanying notes form part of these financial statements.

**Link Health and Community Limited**

ABN 12 136 877 702

**Consolidated Statement of Members' Funds  
For the Year Ended 30 June 2019**

**2019**

	<b>Accumulated Surplus</b>
	<b>\$</b>
<b>Balance at 1 July 2018</b>	<u>11,721,884</u>
Surplus/(Deficit) for the year	<u>(1,936,097)</u>
<b>Balance at 30 June 2019</b>	<u><u>9,785,787</u></u>

**2018**

	<b>Accumulated Surplus</b>
	<b>\$</b>
<b>Balance at 1 July 2017</b>	<u>11,862,715</u>
Surplus/(Deficit) for the year	<u>(140,831)</u>
<b>Balance at 30 June 2018</b>	<u><u>11,721,884</u></u>

The accompanying notes form part of these financial statements.

## Link Health and Community Limited

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### Consolidated Statement of Cash Flows For the Year Ended 30 June 2019

	2019	2018
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	<b>30,038,824</b>	27,648,595
Payments to suppliers and employees	<b>(29,235,747)</b>	(24,714,577)
Interest received	<b>162,670</b>	113,912
Interest paid	<b>(16,353)</b>	(15,979)
Net cash provided by/(used in) operating activities	<b>949,394</b>	3,031,951
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of plant and equipment	<b>430,749</b>	1,130
Purchase of property, plant and equipment	<b>(640,587)</b>	(1,145,774)
Payment of business acquisition, net of cash acquired	<b>(348,128)</b>	-
Purchase of financial assets	<b>(2,008,286)</b>	(2,037,562)
Net cash provided by/(used in) investing activities	<b>(2,566,252)</b>	(3,182,206)
Net increase/(decrease) in cash and cash equivalents held	<b>(1,616,858)</b>	(150,255)
Cash and cash equivalents at beginning of year	<b>3,567,932</b>	3,718,187
Cash and cash equivalents at end of financial year	<b>5 1,951,074</b>	3,567,932

The accompanying notes form part of these financial statements.



## Link Health and Community Limited

ABN 12 136 877 702

# Notes to the Financial Statements

## For the Year Ended 30 June 2019

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

The financial report was authorised for issue by the Directors on 28 October 2019.

Comparatives are consistent with prior years, unless otherwise stated.

### 1 Basis of Preparation

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

### 2 Summary of Significant Accounting Policies

#### (a) Change in accounting policy

##### Financial Instruments - Adoption of AASB 9

The Group has adopted AASB 9 *Financial Instruments* for the first time in the current year with a date of initial adoption of 1 July 2018.

As part of the adoption of AASB 9, the Group adopted consequential amendments to other accounting standards arising from the issue of AASB 9 as follows:

- AASB 101 *Presentation of Financial Statements* requires the impairment of financial assets to be presented in a separate line item in the consolidated statement of profit or loss and other comprehensive income. In the comparative year, this information was presented as part of other expenses.
- AASB 7 *Financial Instruments: Disclosures* requires amended disclosures due to changes arising from AASB 9, this disclosures have been provided for the current year.

The Group performed an impact assessment regarding the application of AASB 9. The assessment identified that the application of this standard had no material impact on the Group.

Changes in accounting policies resulting from the adoption of AASB 9 have been applied retrospectively except the Group has not restated any amounts relating to classification and measurement requirements including impairment which have been applied from 1 July 2018.

## Notes to the Financial Statements For the Year Ended 30 June 2019

### 2 Summary of Significant Accounting Policies (continued)

#### (a) Change in accounting policy (continued)

#### (a) Change in accounting policy (continued)

The table below illustrates the classification and measurement of financial assets and liabilities under AASB 9 and AASB 139 at the date of initial application.

	Note	Classification under AASB 139	Classification under AASB 9	Carrying amount under AASB 139 \$	Reclassification/ Remeasurement \$	Carrying amount under AASB 9 \$
<b>Financial assets</b>						
Cash and cash equivalents		Loans and receivables	Amortised cost	3,567,932	-	3,567,932
Trade and other receivables		Loans and receivables	Amortised cost	509,015	-	509,015
Term deposits (i)		Held to maturity	Amortised cost	2,037,562	-	2,037,562
<b>Total financial assets</b>				<b>6,114,509</b>	<b>-</b>	<b>6,114,509</b>
<b>Financial liabilities</b>						
Trade payables		Other financial liabilities	Other financial liabilities	1,378,252	-	1,378,252
<b>Total financial liabilities</b>				<b>1,378,252</b>	<b>-</b>	<b>1,378,252</b>

#### (i) Reclassification from Held to Maturity to Amortised Cost

Term deposits that would previously have been classified as held to maturity are now classified at amortised cost. The Group intends to hold the assets to maturity to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding. There was no difference between the previous carrying amount and the revised carrying amount of these assets.

#### (b) Revenue and other income

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

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

#### Rendering of services

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

#### Interest revenue

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

#### Client fees

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

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2019**

#### **2 Summary of Significant Accounting Policies (continued)**

##### **(b) Revenue and other income (continued)**

###### **Grant revenue**

###### *Reciprocal grants*

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

###### *Non-reciprocal grants*

Revenue is recognised when the grant is received or receivable.

###### **Donations and contributions**

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

###### **Other income**

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

##### **(c) 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.

##### **(d) Inventories**

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

##### **(e) Financial instruments**

###### **Pre-1 July 2018**

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

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

###### *Financial Assets*

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

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

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2019**

#### **2 Summary of Significant Accounting Policies (continued)**

##### **(e) Financial instruments (continued)**

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

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

##### *Loans and receivables*

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

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

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

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

##### *Held-to-maturity investments*

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

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

##### *Financial liabilities*

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

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

##### *Impairment of financial assets*

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

##### *Financial assets at amortised cost*

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

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2019**

#### **2 Summary of Significant Accounting Policies (continued)**

##### **(e) Financial instruments (continued)**

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

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

##### **From 1 July 2018**

Financial instruments are recognised initially on the date that the Group becomes party to the contractual provisions of the instrument.

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

##### **Financial assets**

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

##### *Classification*

On initial recognition, the Group classifies its financial assets into the following categories, those measured at:

- amortised cost

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets.

##### *Amortised cost*

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

##### *Impairment of financial assets*

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2019**

#### **2 Summary of Significant Accounting Policies (continued)**

##### **(e) Financial instruments (continued)**

###### **Financial assets (continued)**

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Group uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Group in full, without recourse to the Group to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Group in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

###### *Trade receivables*

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Group has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Group renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

###### *Other financial assets measured at amortised cost*

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

###### **Financial liabilities**

The Group measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Group comprise trade payables.

## Notes to the Financial Statements For the Year Ended 30 June 2019

### 2 Summary of Significant Accounting Policies (continued)

#### (f) Property, plant and equipment

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

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

#### Land and buildings

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

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

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

#### Plant and equipment

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

#### Depreciation

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

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

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

<b>Fixed asset class</b>	<b>Depreciation rate</b>
Leasehold Land	Nil
Plant and Equipment	10-35%
Furniture, Fixtures and Fittings	15%
Motor Vehicles	20-25%
Computer Equipment	20-33.3%
Clinical equipment	15-35%

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

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2019**

#### **2 Summary of Significant Accounting Policies (continued)**

##### **(g) Impairment of non-financial assets**

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

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

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

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

##### **(h) Provisions**

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

##### **(i) Employee benefits**

###### **Short-term employee benefit obligations**

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

###### **Long-term employee benefit obligations**

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

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



## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2019**

#### **2 Summary of Significant Accounting Policies (continued)**

##### **(j) Goods and services tax (GST)**

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

Receivables and payable are stated inclusive of GST.

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

##### **(k) Basis for consolidation**

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

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

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

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

##### *Subsidiaries*

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

##### *Joint Arrangements*

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

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

##### *Joint ventures:*

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

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

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

**Notes to the Financial Statements**  
**For the Year Ended 30 June 2019**

**2 Summary of Significant Accounting Policies (continued)**

**(k) Basis for consolidation (continued)**

**(k) Basis for consolidation (continued)**

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

**(l) Income Tax**

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

**(m) Leases**

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

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

**(n) Economic dependence**

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

## Link Health and Community Limited

ABN 12 136 877 702

### Notes to the Financial Statements For the Year Ended 30 June 2019

#### 3 Revenue and Other Income

	2019	2018
	\$	\$
<b>Service revenue</b>		
- Grants	22,239,629	19,326,188
- Client fees	2,066,865	2,105,059
- Program charges	80,467	47,643
	<u>24,386,961</u>	<u>21,478,890</u>
<b>Other Income</b>		
- Interest income	174,115	113,912
- Other revenue	2,193,462	928,320
	<u>2,367,577</u>	<u>1,042,232</u>
<b>Total Revenue and Other Income</b>	<u>26,754,538</u>	<u>22,521,122</u>

#### 4 Result for the Year

The result for the year includes the following specific expenses:

	2019	2018
	\$	\$
Finance costs		
- Borrowing costs	16,353	15,979
Depreciation and amortisation		
Depreciation		
- Buildings	96,157	69,686
- Plant and equipment	26,394	31,311
- Furniture, fixtures and fittings	28,458	39,202
- Motor vehicles	193,083	178,809
- Computer equipment	194,951	162,500
- Leasehold improvements	77,593	73,488
- Clinical equipment	47,530	45,083
	<u>664,166</u>	<u>600,079</u>
Amortisation		
- Intangibles	98,641	98,685
	<u>762,807</u>	<u>698,764</u>
Total depreciation and amortisation		
Impairment of receivables:		
- Bad debts written off	5,809	-
Rental expense on operating leases:		
- Minimum lease payments	1,050,125	793,642

## Link Health and Community Limited

ABN 12 136 877 702

### Notes to the Financial Statements For the Year Ended 30 June 2019

#### 5 Cash and Cash Equivalents

	2019	2018
	\$	\$
Cash on hand	1,566	1,580
Cash at bank	326,585	483,285
Short-term deposits	1,613,814	3,073,959
Other cash and cash equivalents	9,109	9,108
<b>Total cash and cash equivalents</b>	<b>1,951,074</b>	<b>3,567,932</b>

#### 6 Trade and Other Receivables

	2019	2018
	\$	\$
CURRENT		
Trade receivables	297,046	579,015
Provision for impairment	(2,799)	-
<b>Total trade and other receivables</b>	<b>294,247</b>	<b>579,015</b>

#### (a) Impairment of receivables

Reconciliation of changes in the provision for impairment of receivables is as follows:

	2019	2018
	\$	\$
Balance at beginning of the year	-	-
Additional impairment loss recognised	2,799	-
<b>Balance at end of the year</b>	<b>2,799</b>	<b>-</b>

All of the above trade and other receivables are categorised as financial assets at amortised cost as discussed in note 2(e).

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

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

# Link Health and Community Limited

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## Notes to the Financial Statements For the Year Ended 30 June 2019

### 7 Inventories

	2019	2018
	\$	\$
CURRENT		
At cost:		
Finished goods	128,599	87,764
<b>Total inventories</b>	<b>128,599</b>	<b>87,764</b>

### 8 Other Financial Assets

	2019	2018
	\$	\$
CURRENT		
<i>Financial assets at amortised cost</i>		
Term deposit	4,045,848	2,037,562
<b>Total other financial assets</b>	<b>4,045,848</b>	<b>2,037,562</b>

### 9 Property, plant and equipment

	2019	2018
	\$	\$
<b>Land and Buildings</b>		
At cost	8,689,238	9,055,340
Accumulated depreciation	(304,709)	(622,989)
Accumulated impairment loss	(1,002,884)	(1,002,884)
<b>Total land and buildings</b>	<b>7,381,645</b>	<b>7,429,467</b>
<b>Capital works in progress</b>		
At cost	168,060	348,746
<b>Plant and equipment</b>		
At cost	564,885	526,250
Accumulated depreciation	(459,698)	(433,024)
Total plant and equipment	105,187	93,226
<b>Furniture, fixtures and fittings</b>		
At cost	519,581	497,451
Accumulated depreciation	(379,224)	(350,765)
Total furniture, fixtures and fittings	140,357	146,686
<b>Motor vehicles</b>		
At cost	1,390,450	1,334,797
Accumulated depreciation	(695,747)	(610,545)
Total motor vehicles	694,703	724,252

## Link Health and Community Limited

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### Notes to the Financial Statements For the Year Ended 30 June 2019

#### 9 Property, plant and equipment (continued)

##### Computer equipment

At cost	1,152,769	1,770,762
Accumulated depreciation	(874,584)	(1,357,919)
Total computer equipment	<u>278,185</u>	<u>412,843</u>

##### Leasehold Improvements

At cost	337,029	337,029
Accumulated amortisation	(151,081)	(73,488)
Total leasehold improvements	<u>185,948</u>	<u>263,541</u>

##### Clinical equipment

At cost	745,891	680,941
Accumulated depreciation	(550,582)	(503,051)
Total clinical equipment	<u>195,309</u>	<u>177,890</u>

##### Total property, plant and equipment

<u>9,149,394</u>	<u>9,596,651</u>
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## Link Health and Community Limited

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### Notes to the Financial Statements For the Year Ended 30 June 2019

#### 9 Property, plant and equipment (continued)

##### Movements in Carrying Amounts

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

	Capital Works in Progress	Land and Buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Motor Vehicles	Computer Equipment	Leasehold Improvements	Clinical Equipment	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Year ended 30 June 2019</b>									
Balance at the beginning of year	348,746	7,429,467	93,226	146,686	724,252	412,843	263,541	177,890	9,596,651
Additions	102,429	48,335	14,205	22,129	333,136	55,404	-	64,949	640,587
Disposals	(253,955)	-	-	-	(169,602)	(121)	-	-	(423,678)
Transfers	(29,160)	-	24,150	-	-	5,010	-	-	-
Depreciation expense	-	(96,157)	(26,394)	(28,458)	(193,083)	(194,951)	(77,593)	(47,530)	(664,166)
<b>Balance at the end of the year</b>	<b>168,060</b>	<b>7,381,645</b>	<b>105,187</b>	<b>140,357</b>	<b>694,703</b>	<b>278,185</b>	<b>185,948</b>	<b>195,309</b>	<b>9,149,394</b>

## Link Health and Community Limited

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### Notes to the Financial Statements For the Year Ended 30 June 2019

#### 10 Intangible Assets

	2019	2018
	\$	\$
<b>Right to occupy</b>		
At cost	2,401,491	2,401,491
Accumulated amortisation	(614,928)	(516,287)
<b>Net carrying value</b>	<u>1,786,563</u>	<u>1,885,204</u>
<b>Goodwill - Brighton Practice</b>		
At cost	75,000	75,000
Accumulated impairment losses	(59,384)	(40,634)
<b>Net carrying value</b>	<u>15,616</u>	<u>34,366</u>
<b>Goodwill - Avocare</b>		
Cost	264,618	-
Accumulated impairment losses	(264,618)	-
<b>Net carrying value</b>	<u>-</u>	<u>-</u>
<b>Total intangible assets</b>	<u><u>1,802,179</u></u>	<u><u>1,919,570</u></u>

#### (a) Movements in carrying amounts of intangible assets

	Right to Occupy	Goodwill - Brighton Practice	Goodwill - Avocare	Total
	\$	\$	\$	\$
<b>Year ended 30 June 2019</b>				
Balance at the beginning of the year	1,885,204	34,366	-	1,919,570
Additions	-	-	264,618	264,618
Amortisation	(98,641)	-	-	(98,641)
Impairment loss	-	(18,750)	(264,618)	(283,368)
<b>Closing value at 30 June 2019</b>	<u>1,786,563</u>	<u>15,616</u>	<u>-</u>	<u>1,802,179</u>

#### (b) Right to occupy

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

#### (c) Goodwill - Avocare

Avocare Limited was acquired on 21 September 2018. Refer to note 22 for further details.



# Link Health and Community Limited

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## Notes to the Financial Statements For the Year Ended 30 June 2019

### 11 Other Assets

	2019	2018
	\$	\$
CURRENT		
Prepayments	160,870	137,638
Accrued income	587,827	746,277
Other current assets	80,858	57,805
<b>Total current other assets</b>	<b>829,555</b>	<b>941,720</b>

### 12 Trade and Other Payables

	2019	2018
	\$	\$
CURRENT		
<i>Financial liabilities measured at amortised cost</i>		
Trade payables	505,839	263,033
Accrued expenses	790,011	1,085,366
Other payables	57,805	29,853
	<b>1,353,655</b>	<b>1,378,252</b>
<i>Other</i>		
GST payable	385,215	343,934
	<b>385,215</b>	<b>343,934</b>
<b>Total trade and other payables</b>	<b>1,738,870</b>	<b>1,722,186</b>

The above liabilities are all unsecured.

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

### 13 Other Liabilities

	2019	2018
	\$	\$
CURRENT		
Grants received in advance	3,023,865	2,255,812
Other liabilities	20,043	9,700
<b>Total other liabilities</b>	<b>3,043,908</b>	<b>2,265,512</b>

## Link Health and Community Limited

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### Notes to the Financial Statements For the Year Ended 30 June 2019

#### 14 Employee Benefits

	2019	2018
	\$	\$
Current liabilities		
Long service leave	1,074,649	987,816
Annual leave	1,186,231	1,052,205
Provision for back pay	715,392	232,612
<b>Total current employee benefits</b>	<b>2,976,272</b>	<b>2,272,633</b>
Non-current liabilities		
Long service leave	718,048	757,891
<b>Total non-current employee benefits</b>	<b>718,048</b>	<b>757,891</b>

#### 15 Leasing Commitments

##### Operating leases

	2019	2018
	\$	\$
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	588,907	663,580
- between one year and five years	890,944	1,052,338
	<b>1,479,851</b>	<b>1,715,918</b>

Operating leases are in place for property and have a term between 1 and 4 years. Lease payments are increased on an annual basis to reflect market rentals.

## Notes to the Financial Statements For the Year Ended 30 June 2019

### 16 Financial Risk Management

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

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

		2019	2018
		\$	\$
<b>Financial Assets</b>			
Financial assets at amortised cost:			
- Cash and cash equivalents	5	1,951,074	3,567,932
- Trade and other receivables	6	294,247	579,015
- Term deposits	8	4,045,848	2,037,562
<b>Total financial assets</b>		<b>6,291,169</b>	<b>6,184,509</b>
<b>Financial Liabilities</b>			
Financial liabilities at amortised cost:			
- Trade and other payables	12	1,353,655	1,378,252
<b>Total financial liabilities</b>		<b>1,353,655</b>	<b>1,378,252</b>

### 17 Key Management Personnel Remuneration

The Group's key management personnel consist of the directors and senior management.

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
- Anton Gaudry
- Sandeep Bhagat
- Greg Telley
- Shree Vijayan
- Suzi Chen
- Philip Mayers
- Gina Lyons

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

	2019	2018
	\$	\$
Short-term employee benefits	1,246,535	981,887
Long-term benefits	43,811	76,312
Post-employment benefits	142,007	38,760
	<b>1,432,353</b>	<b>1,096,959</b>

## Link Health and Community Limited

ABN 12 136 877 702

### Notes to the Financial Statements For the Year Ended 30 June 2019

#### 18 Related Parties

(a) The Group's main related parties are as follows:

- Key management personnel - refer to Note 17.
- Joint arrangements - refer to Note 20.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

			Balance outstanding		
	Purchases	Sales	Owed to the company	Owed by the company	Write-back of receivable
<b>Joint venture</b>					
Sale of services	-	356,000	45,209	-	(100,000)

There were no other transactions with related parties entered into during the year ended 30 June 2019 (2018: Nil).

#### 19 Interests in Subsidiaries

##### Composition of the Group

	Principal place of business / Country of Incorporation	Percentage Owned (%)* 2019	Percentage Owned (%)* 2018
<b>Subsidiaries:</b>			
Link Private Practice Pty Ltd	Australia	100	100

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

*Link Private Practice Pty Ltd*

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

## Link Health and Community Limited

ABN 12 136 877 702

### Notes to the Financial Statements For the Year Ended 30 June 2019

#### 20 Interests in Joint Arrangements

	Type of joint arrangement	Principal place of business / Country of Incorporation	Percentage Owned (%)* 2019	Percentage Owned (%)* 2018
<b>Joint arrangements:</b>				
Sandringham Ambulatory Care Centre Pty Ltd	Joint venture	Australia	50	50

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

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

	2019	2018
	\$	\$
Opening investment in joint ventures	9,892	-
Share of joint ventures for the year	52,096	9,892
<b>Carrying amount of investments in joint ventures</b>	<b>61,988</b>	<b>9,892</b>
<b>Share of those joint ventures:</b>		
Profit or loss from continuing operations	52,096	9,892
Other comprehensive income	-	-
Total comprehensive income	52,096	9,892

#### 21 Parent entity

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

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

## Link Health and Community Limited

ABN 12 136 877 702

### Notes to the Financial Statements For the Year Ended 30 June 2019

#### 21 Parent entity (continued)

##### 21 Parent entity (continued)

###### *Investments in subsidiaries, associates and joint ventures*

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

	2019	2018
	\$	\$
<b>Statement of Financial Position</b>		
Assets		
Current assets	7,600,153	7,269,114
Non-current assets	11,006,836	11,522,321
Total Assets	<u>18,606,989</u>	<u>18,791,435</u>
Liabilities		
Current liabilities	7,513,327	6,229,333
Non-current liabilities	713,556	756,778
Total Liabilities	<u>8,226,883</u>	<u>6,986,111</u>
Equity		
Retained earnings	10,380,106	11,805,326
Total Equity	<u>10,380,106</u>	<u>11,805,326</u>
<b>Statement of Profit or Loss and Other Comprehensive Income</b>		
Total surplus or deficit for the year	<u>(1,425,220)</u>	<u>(57,391)</u>
<b>Total comprehensive income</b>	<u>(1,425,220)</u>	<u>(57,391)</u>

#### **Contingent liabilities**

The parent entity did not have any contingent liabilities as at 30 June 2019 or 30 June 2018.

#### 22 Business acquisition

Avocare Limited was acquired on 21 September 2018. Details of this transaction are below:

	<u>2019</u>
	<u>\$</u>
Purchase consideration	180,891
<b>Less assets and liabilities acquired at acquisition date</b>	
Employee entitlements	<u>(83,727)</u>
<b>Net identifiable assets and liabilities acquired</b>	<u>(83,727)</u>
<b>Goodwill on acquisition</b>	<u>264,618</u>

Following acquisition, this goodwill was fully impaired. Refer to note 10.

## Link Health and Community Limited

ABN 12 136 877 702

### Notes to the Financial Statements For the Year Ended 30 June 2019

#### 23 Prior period error

(a) It was noted during the year that the gross receipts from general practitioners for clinical services performed was recognised as revenue in the financial statements of the Group, and that the payment to general practitioners was recognised as an expense. Due to the contractual arrangements between the Group and the general practitioners, the Group is acting as an agent of the general practitioners in respect of the collection of the receipts for clinical services, and as such these receipts do not meet the definition of revenue. This error has been corrected during the year, and has resulted in the restatement of revenue and expenses as at 30 June 2018.

The aggregate effect of the error on the annual financial statements for the year ended 30 June 2019 is as follows:

	Previously stated	30 June 2018 Adjustments	Restated
	\$	\$	\$
<b>Consolidated Statement of Profit or Loss and Other Comprehensive Income</b>			
Client fees revenue	3,382,480	(1,277,421)	2,105,059
Contractor fees expense	(1,277,421)	1,277,421	-
Surplus/(deficit) for the year	(140,831)	-	(140,831)

#### 24 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2019 (30 June 2018: None).

#### 25 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 10 each towards meeting any outstandings and obligations of the Company. At 30 June 2019 the number of members was 147 (2018: 147).

#### 26 Events after the end of the Reporting Period

The consolidated financial report was authorised for issue on 28 October 2019 by the Board of Directors.

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

#### 27 Company details

The registered office of the company is:

Link Health and Community Limited  
1 Jacksons Road  
MULGRAVE VIC 3170

## Link Health and Community Limited

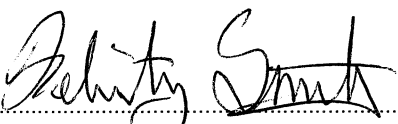
ABN 12 136 877 702

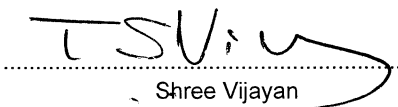
### Directors' Declaration

The directors of the Company declare that:

1. The consolidated financial statements and notes, as set out on pages 11 to 37, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*:
  - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
  - b. give a true and fair view of the financial position as at 30 June 2019 and of the performance for the year ended on that date of the Company and consolidated group.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Director   
.....  
Felicity Smith

Director   
.....  
Shree Vijayan

Dated 28 October 2019



**INDEPENDENT AUDITOR'S REPORT  
to the Members of Link Health and Community Limited**

**Opinion**

We have audited the financial report of Link Health and Community Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of members' funds and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (a) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance and cash flows for the year then ended; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

**Basis for Opinion**

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

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

**Responsibilities of the Directors for the Financial Report**

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

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

[hlb.com.au](http://hlb.com.au)

**HLB Mann Judd (VIC Partnership) ABN 20 696 861 713**

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Liability limited by a scheme approved under Professional Standards Legislation.

### **Auditor's Responsibilities for the Audit of the Financial Report**

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



**HLB Mann Judd**  
**Chartered Accountants**



**Nick Walker**  
**Partner**

Melbourne  
28 October 2019