



Research
Evidence

Evidence
Based
Practice



Clinical
Expertise



Patient
Preference

Annual Report 2015



Dianella
Community Health

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What is evidence-based practice?

Evidence-based practice means giving the best possible care to our clients and letting go of old or ineffective practices when a different way is possible and shown to be effective.

Research-proven assessments and treatments are applied in clinical care and service delivery. It means choosing service delivery that focuses on our client, rather than being compelled to use budget conscious service delivery because we can't prove our treatments are effective.

About Dianella

Dianella offers a range of services to the community including:

Aged Care Services

- Planned Activity Groups
- Social Support Groups
- Volunteer Program

Broad Insight Group (BIG)

- Early Childhood Intervention Service

Child, Youth and Family Services

- Antenatal and Postnatal Support (Healthy Mothers, Healthy Babies)
- Audiology
- Continence Support
- Early Childhood Services
- Parent Advice for Hearing Impaired Preschool Children
- School Focused Youth Service
- Speech Pathology
- Occupational Therapy Paediatric

Mental Health and Wellbeing Services

- General Counselling and Support
- Child and Adolescent Psychology
- Adult Psychology (bulk billed)
- CALD Disability Service
- Day to Day Living
- Youth Counselling
- Emergency Relief

Dental Service

- School Dental
- General Dental

Early Intervention in Chronic Care

- Health Coaching
- Cardiac Rehabilitation
- Community Health Nursing
- Smoking Cessation
- Diabetes Education
- Nutrition and Dietetics
- Occupational Therapy
- Physiotherapy
- Podiatry

Medical Services

- Community Asthma Program
- General Practice
- Refugee and Asylum Seeker Health Services
- Specialists - Cardiology and Neurology
- Pathway to Good Health
- Needle and Syringe Program
- Paediatrics

Self Support Groups

From the Chair and the Chief Executive Officer

It gives us, great pleasure to present the Dianella Annual Report for 2015.

The significant highlight of the year was the opening in February 2015 of the GP Super Clinic in Broadmeadows. This was the result of a decade of hard work by many supporters and friends and staff of Dianella. It is only fair to recognise the persistence and vision of the various Board Directors over that sometimes very challenging period. It is timely to look to the future and that we reiterate our short and long-term strategic objectives.

Our strategic objectives

Our objectives are to:

- Build a strong and innovative primary healthcare enterprise
- Develop evidence-based practice in our primary healthcare services
- Advocate for greater equity in health resourcing and health outcomes for our community

Our strategy for achieving these objectives includes:

- Strengthening the viability and sustainability of the organisation
- Integrating and increasing private and public service provision
- Designing and implementing intervention strategies for 'at risk' population groups
- Creating an advocacy plan detailing issues and recommended policy changes

The Hume GP Super Clinic has been pivotal to the strength of our enterprise and growth of our private and public service provision. This is evidenced within our Medical Practice Specialist services of Neurology and Cardiology;

bulk-billed Allied Health Services including Podiatry, Physiotherapy and Nutrition/Dietetics.

A core concept of the Super Clinic is the ability to provide a wide range of services under the one roof. This fosters opportunities for service integration. Partner organisations within the Super Clinic include MIA Radiology, St John of God Pathology and in early 2016, we will also welcome Quality Pharmacy and our Dental practice (moving from its current location at Broadmeadows Health Service).

Measuring performance

Monitoring the performance of our service necessitates both qualitative and quantitative measures. In 2015 we participated in a pilot for the Department of Health and Human Services with the objective being development of Statewide clinical indicators. These indicators provide opportunities for benchmarking with other Community Health organisations within our Primary Care Partnership (Hume-Whittlesea), the North-West Region and the State. Whilst we ranked well across many of the indicators, in the area of demand and throughput, it was evident that we are experiencing great demand for many of our services, resulting in longer than desirable waiting times.

Benchmarking data such as this informs advocacy initiatives. These indicators have now been adopted as part of our formal performance reporting process at all levels of the organisation.



*Dr Neil Cowen
Chief Executive Officer*



*Dr John Hodgson
Chair, Board of Directors*

We share a vision of health, wellbeing, equity and quality of life for all in a community which is empowered, has opportunities, is caring and works together

From the Chair and the Chief Executive Officer cont.

Service growth and community consultation

As a health provider, it is important that we consider a wide range of factors when planning new services or advocating for funding to grow existing services.

In 2015, we undertook an organisational SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis. We also engaged an independent third party to undertake market research to gain a greater understanding of our reputation and recognition within the community. We aim to improve our engagement with the community in 2015/2016 because strong connectedness with the community is a core strength of Community Health.

As part of our service planning, we undertake research using a broad range of formal sources. This assists in identifying not only existing health issues in our community, but other health indicators and provides opportunities for early intervention to prevent health deterioration.

The research findings will inform the development of our community engagement and advocacy plans reflective of our organisational vision.. We are working with the local and state governments and other health providers planning an integrated, coordinated health response for the rapid population growth occurring in the north of Hume.

Our vision

We share a vision of health, wellbeing, equity and quality of life for all in a community which is empowered, has opportunities, is caring and works together.

We therefore acknowledge the dedication to our vision of our past, present and future workers and volunteers. Our vision is for our community and importantly, for our community of the future.



Dr Neil Cowen
Chief Executive Officer



Dr John Hodgson
Chair, Board of Directors



The new GP Super Clinic is a purpose-built centre with services under the one roof just a short walk from the centre of Broadmeadows

Our Values:

Professionalism,
Respect, Integrity,
Compassion &
Excellence

Directors' Report

Your directors present this report on the entity for the financial year ended 30 June 2015.

Directors

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

- Julie BUSCH
- Deva COREA
- Resigned December 2014
- Sam DENNY
- Margaret DOUGLAS
- Gary HENRY
- John HODGSON
- James HOOPER
- Vase JOVANOSKA
- Appointed May 2015
- Anne JUNGWIRTH
- Emmanuel TSAKIS
- Appointed July 2015
- Malcolm VUE

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

Principal Activities

The principal activity of the entity during the financial year was Community Health and Enhanced Primary Care Services.

Key Performance Measures

The company measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by directors to assess the financial sustainability of the company and whether the company's short-term and long-term objectives are being achieved.

	2015		2014	
	Actual (Hrs)	Benchmark (Hrs)	Actual (Hrs)	Benchmark (Hrs)
Number of contact/support hours with clients - CH	34,847	35,250	31,558	34,767
Number of contact/support hours with clients - HACC	17,871	18,656	17,350	17,928
Number of contact/support hours with clients - Mental Health	0	0	13,567	16,914
Number of contact/support hours with clients - PAG	52,935	54,251	52,229	54,251

Short-term and Long-term Objectives

The entity's short-term objectives are to maintain liquidity, satisfy Funding Level Agreements as well as achieve targets set within the financial guidelines of these agreements.

The entity's long term objectives are to maintain and grow Capital and Infrastructure so that Programs and Service Level Agreements can be carried out and optimum service is provided to our clients and community.

Strategies

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

- Maintain adequate liquidity to meet our working capital objectives.
- Regular re-investment in our assets through retention of funds and capital asset replacement planning.
- Plan annual budgets with strong surplus results so that optimum resources can be purchased to deliver services required to provide value to our clients and the community.

Information on Directors

Ms. Julie BUSCH

Deputy Chair – Board of Directors

Qualifications

- Graduate Certificate Business – Monash University
- Graduate Certificate Shopping Centre Management – University of NSW
- Bachelor of Arts (Journalism/ Psychology)

Professional Memberships

- Australian Institute of Company Directors
- Women On Boards
- Property Council of Australia

Experience

Director since February 2012. Senior Property and Business Manager with over 25 years experience. Non Executive Director of a number of Not for Profit Organisations, State Government Trust and Local, Government entities.

Special Responsibilities

- Chair – Super Clinic Sub Committee
- Member – Governance, Appointments and Remuneration Sub Committee
- Member – Finance Audit and Risk Management Sub Committee

Mr. Deva COREA

(Resigned December 2014)

Treasurer – Board of Directors

Qualifications

- Masters in Business Accounting (Monash University)
- Graduate Diploma in Financial Management (Monash University)

Professional Memberships

- Fellow of CPA Australia
- Fellow Chartered Institute of Management Accountants (UK)
- Chartered Global Management Accountant

Experience

Director since 2012. Chief Financial Officer AMES with over 35 years experience in

Directors' Report cont.

finance/accounting, governance and corporate services both in Australia and overseas.

Special Responsibilities

- Chair - Finance Audit and Risk Management Sub Committee
- Member - Super Clinic Sub Committee

Ms. Sam DENNY

Member - Board of Directors

Qualifications

- Project Management Professional (PMP)
- Master of Business Administration
- Bachelor of Arts (BA)
- Certificate IV Training and Assessment

Professional Memberships

- Project Management Institute
- Global Women

Experience

Director since February 2012. Senior Health Management experience in Australia and New Zealand with a strong project and change management focus.

Special Responsibilities

Chair - Clinical Governance Sub Committee

Ms. Margaret DOUGLAS

Member - Board of Directors

Qualifications

- Master of Business Administration (University of Melbourne)
- Bachelor of Science (University of Melbourne)
- Associate of Music (University of Melbourne)
- Certificate of Superannuation Management (Macquarie University)
- Diploma of Travel Journalism
- Graduate, Australian Institute of Company Directors

Professional Memberships

Women on Boards

Experience

Director since 2013. Extensive executive management experience at CEO level

since 1996 in service industries, State and Local Government and a range of private enterprises, including law, travel and mining. Over 10 years experience on Boards.

Special Responsibilities

- Member - Finance Audit and Risk Management Sub Committee
- Member - Governance, Appointments and Remuneration Sub Committee

Mr. Gary HENRY

Member - Board of Directors

Qualifications

- Bachelor of Health Administration (UNSW)
- Fellow Australasian College of Health Service Management
- Graduate Australian Institute of Company Directors

Professional Memberships

- Australasian College of Health Service Management
- Australian Institute of Company Directors

Experience

Director since 2013. Director COTA. Management Consultant since 2001. Former CEO of The Royal Women's Hospital, Melbourne. Former General Manager of The National Women's Hospital, Auckland, New Zealand

Special Responsibilities

Member - Clinical Governance Sub Committee

Dr. John HODGSON

Chair - Board of Directors

Qualifications

MBBS

Professional Memberships

N/A

Experience

Director since 1997. Board Chair since 2008. Local clinician and owner of Coolaroo Clinic. Member of a number of health related clinical committees. Director of 3 private companies.

Special Responsibilities

Chair - Governance, Appointments and Remuneration Sub Committee

Mr. James HOOPER

Member - Board of Directors

Qualifications

- Master of Labour Relations Law
- B.A. (Hons)/LL.B

Professional Memberships

- Victorian Bar
- Industrial Relations Society of Victoria

Experience

Director since November 2011. Member of the Victorian Bar specialising in employment and industrial relations matters

Special Responsibilities

- Member - Super Clinic Sub Committee
- Member - Finance Audit and Risk Management Sub Committee
- Member - Governance Appointments and Remuneration Sub Committee

Ms. Vase JOVANOSKA

(Appointed May 2015)

Member - Board of Directors

Qualifications

- Graduate, Australian Institute of Company Directors
- Master of Business Administration (Deakin University)
- Master of Health and Human Services Management (Deakin University)
- Certified Practising Accountant (CPA Australia)
- Bachelor of Business - Accounting (Victoria University)

Professional Memberships

- Australian Institute of Company Directors
- CPA Australia
- Australian Institute of Management
- Women on Boards

Experience

Over ten years of executive management experience, including Director of Operations at the Australasian College for Emergency Medicine, General Manager of Operations at the Royal Australian and New Zealand College of Psychiatrists and senior management positions in a number of other organisations.

Special Responsibilities

Member – Finance Audit and Risk Management Sub Committee

Ms. Anne JUNGWIRTH

Member – Board of Directors

Qualifications

- Graduate Diploma in Applied Social Psychology
- Graduate Diploma in Librarianship
- Diploma of Education (secondary)
- Bachelor of Arts (Psychology major)

Professional Memberships

Associate Fellow Australian College of Health Service Managers.

Experience

Director since 2008. Experienced health professional and former CEO in Community Health. Committed to addressing social and health inequalities and to improving the health and wellbeing of local communities. Hume Resident since 1993 (Mickleham).

Special Responsibilities

Member – Clinical Governance Sub Committee

Mr. Malcolm VUE

Member – Board of Directors

Qualifications

- Diploma in Community Development
- Bachelor Degree of Community Development (completing)

Professional Memberships

N/A

Experience

Director since 2012. School Teacher and Deputy Principal, Lao Community in Adelaide (1997-2000). Current President

and Sub Committee Member of Hmong Australia Society of Victoria. Convenor of Hmong 3777 Radio Program. Producer, SBS Hmong Radio Program. Local resident.

Special Responsibilities

Member – Clinical Governance Sub Committee

Meetings of Directors

During the financial year, 11 meetings of Directors were held. Attendances by each Director were as follows:

Directors Meetings

	<i>Number eligible to attend</i>	<i>Number attended</i>
Ms Julie Busch	11	10
Mr Deva Corea	6	6
Ms Sam Denny	11	10
Ms Margaret Douglas	11	9
Mr Gary Henry	11	8
Dr John Hodgson	11	10
Mr James Hooper	11	11
Ms Vase Jovanoska	1	1
Ms Anne Jungwirth	11	8
Mr Malcolm Vue	11	10

The entity is incorporated under the *Corporations Act 2001* and is an entity limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstanding obligations of the company. At 30 June 2015 the collective liability of members was \$10 (2014: \$9).

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2015 has been received and can be found on page 8 of the financial statements.

The directors' report is signed in accordance with a resolution of the Board of Directors:



J. HODGSON
Director



J. BUSCH
Director

Dated this 6th day of October 2015

Auditor's independence declaration



Dianella Community Health
ABN 68 047 988 477

Auditor's Independence Declaration under S 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* to the Directors of Dianella Community Health

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015 there have been:

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

WILLIAM BUCK AUDIT (VIC) PTY LTD
ABN 59 116 151 136

AP MARKS
Director

Melbourne: 6th October 2015

**CHARTERED ACCOUNTANTS
& ADVISORS**
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Melbourne VIC 3000

Hawthorn Office
Level 1, 465 Auburn Road
Hawthorn East VIC 3123

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Telephone: +61 3 9824 8555
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Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2015

		2015	2014
	<i>Note</i>	\$	\$
Revenue	2	25,964,607	18,555,082
Employee benefits expense		(11,938,682)	(12,578,046)
Depreciation, amortisation and impairments		(529,360)	(424,898)
Contracted Services		(1,170,188)	(1,109,453)
Rental expense		(175,911)	(295,286)
Medical Supplies		(259,623)	(230,652)
Computer and Office expenses		(538,414)	(638,885)
Other expenses		(2,274,590)	(1,837,619)
Finance costs		(274,039)	(77,805)
Profit/(Loss) for the year		8,803,800	1,362,438
Other comprehensive income:			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain on the revaluation of land and buildings		696,051	-
Total Comprehensive income for the year		696,051	1,362,438
Total comprehensive income attributable to members of the entity		9,499,851	1,362,438

The accompanying notes form part of the financial statements

Statement of Financial Position

as at 30 June 2015

		2015	2014
	<i>Note</i>	\$	\$
CURRENT ASSETS			
Cash and cash equivalents	4	7,003,150	9,781,968
Trade and other receivables	5	276,480	98,899
Inventories		69,488	73,136
Other assets	6	864,639	699,148
Total current assets		8,213,757	10,653,151
NONCURRENT ASSETS			
Property, plant and equipment	7	17,995,148	11,941,475
Total noncurrent assets		17,995,148	11,941,475
TOTAL ASSETS		26,208,905	22,594,626
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	2,464,254	9,946,415
Short-term borrowings	9	333,730	2,640,000
Short-term provisions	10	2,284,814	2,354,926
Total current liabilities		5,082,798	14,941,341
NONCURRENT LIABILITIES			
Long-term borrowings	9	4,027,590	-
Long-term provisions	10	227,585	282,204
Total non-current liabilities		4,255,175	282,204
TOTAL LIABILITIES		9,337,973	15,223,545
NET ASSETS		16,870,932	7,371,081
EQUITY			
Reserves	11	4,939,511	4,243,460
Retained earnings		11,931,421	3,127,621
TOTAL EQUITY		16,870,932	7,371,081

The accompanying notes form part of the financial statements

Statement of Changes in Equity

for the year ended 30 June 2015

	Retained Earnings	Revaluation Surplus Reserve	Total
	\$	\$	\$
Balance 1 July 2013	1,765,183	4,243,460	6,008,643
Total comprehensive income for the year			
Profit/(loss) attributable to members	1,362,438	-	1,362,438
Total other comprehensive income for the year	-	-	-
Total comprehensive income for the year attributable to members of the entity	1,362,438	-	1,362,438
Balance at 30 June 2014	3,127,621	4,243,460	7,371,081
Total comprehensive income for the year			
Profit/(loss) attributable to members	8,803,800	-	8,803,800
Total other comprehensive income for the year	-	696,051	696,051
Total comprehensive income for the year attributable to members of the entity	8,803,800	696,051	696,051
Balance at 30 June 2015	11,931,421	4,939,511	16,870,932

The accompanying notes form part of the financial statements

Statement of Cash Flows

for the year ended 30 June 2015

		2015	2014
	<i>Note</i>	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Grant receipts		15,228,099	17,198,195
Patient fees receipts		1,642,056	1,728,451
Interest received		142,681	119,178
Other receipts		1,430,279	1,468,513
Payments to suppliers and employees		(17,063,395)	(17,382,601)
Net cash generated from operating activities		1,379,720	3,131,736
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of plant and equipment		41,818	13,411
Payments for noncurrent assets		(5,921,676)	(5,297,454)
Net cash provided by/ (used in) investing activities		(5,879,858)	(5,284,043)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from/(Repayment of) borrowings		1,721,320	2,534,875
Net cash generated by/ (used in) financing activities		1,721,320	2,534,875
Net increase in cash held		(2,778,818)	382,568
Cash and cash equivalents at beginning of financial year		9,781,968	9,399,400
Cash and cash equivalents at end of financial year	4	7,003,150	9,781,968

The accompanying notes form part of the financial statements

Notes to the Financial Statements

for the year ended 30 June 2015

1. Summary of Significant Accounting Policies

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board and the *Australian Charities and Not-for-profits Commission Act 2012*. The company is a not-for-profit entity for financial reporting purposes under the Australian Accounting Standards.

New, revised or amending Accounting Standards and Interpretations adopted

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Any significant impact on the accounting policies of the company from the adoption of these Accounting Standards and Interpretations are disclosed below. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

The following Accounting Standards and Interpretations are most relevant to the company:

- AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities
- AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets
- AASB 2014-1 Amendments to Australian Accounting Standards (Parts A to C)

The financial statements were authorised for issue on 6th October 2015 by the directors of the company.

Accounting Policies

a. Property, Plant and Equipment

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

Freehold Property

Freehold land and buildings are shown at their fair value based on periodic valuations by external independent valuers or real estate agents, less subsequent depreciation for buildings, as required by Australian Accounting Standards.

In periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

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

As the revalued buildings are depreciated the difference between depreciation recognised in the statement of comprehensive income, which is based on the revalued carrying amount of the asset, and the depreciation based on the asset's original cost is transferred from the revaluation surplus to retained earnings.

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

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

Plant and equipment

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

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

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset

Buildings	2%
Plant and Equipment	5% - 33%
Motor Vehicles	10% - 15%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit and loss in the period they arise. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Notes to the Financial Statements cont.

1. Summary of Significant Accounting Policies (cont.)

b. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowing in current liabilities on the statement of financial position.

c. Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the entity are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, recognised as expenses on a straight-line basis over 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.

d. Inventories

Inventories are measured at the lower of cost and current replacement cost.

Inventories acquired at no cost, or for nominal consideration are valued at the current replacement cost as at the date of acquisition.

e. Impairment of Assets

At the end of each reporting period, the entity assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value

less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash generating unit to which the asset belongs.

f. Financial Instruments

Initial Recognition and Initial Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums

or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

(i) Financial assets at fair value through profit and loss

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking, or where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. All other loans and receivables are classified as non-current assets.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

1. Summary of Significant Accounting Policies (cont.)

f. Financial Instruments (cont.)

Classification and Subsequent Measurement (cont.)

(iv) Available-for-sale financial assets

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after the end of the reporting period. (All other financial assets are classified as current assets.)

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(v) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence that impairment as a result of one or more events (a "loss event") has occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

g. Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash flows are discounted using market yields on national corporate bonds with terms to maturity that match the expected timing of cash flows.

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

h. Provisions

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

i. Revenue

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

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Notes to the Financial Statements cont.

1. Summary of Significant Accounting Policies (cont.)

i. Revenue (cont.)

Dianella Community Health receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in profit or loss.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

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

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

j. Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

k. Income Tax

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

l. Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to confirm with changes in presentation for the current financial year.

m. Trade and Other Payables

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

n. Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Employee benefits provision

As discussed in note 1(g), the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

o. Economic Dependence

Dianella Community Health is dependent on the Department of Health and Human Services for the majority of its revenue used to operate the business. At the date of this report the Board of Directors has no reason to believe the Department will not continue to support Dianella Community Health.

2. Revenue

		2015	2014
	Note	\$	\$
<i>Revenue from (non-reciprocal) government grants and other</i>			
- Operating Grants		13,576,969	13,993,181
- GP Super Clinic Grant		7,588,897	-
- Other grant revenue		1,398,111	1,404,150
- Medical patient fees revenue		1,642,056	1,728,451
- Co payment fees		492,837	455,807
		24,698,870	17,581,589
Other revenue			
- Interest received	2(a)	142,681	119,178
- Rental revenue		157,345	131,350
- Gain on disposal of property, plant and equipment		8,033	-
- Other revenue		957,678	722,965
		1,265,737	973,493
Total revenue		25,964,607	18,555,082

(a) Interest revenue from:

Financial Institutions		142,681	119,178
Total interest revenue		142,681	119,178

(b) GPSC was set up under Federal Government Scheme and Dianella applied for and received a grant of \$7M. Now that the Super Clinic building is completed, under the applicable accounting standard (AASB1004 – Contributions) this grant revenue and the interest associated totaling to \$7.58m have been brought to account.

3. Profit/(loss) for the Year

a. Expenses

Finance costs: external		274,039	77,805
Total finance costs		274,039	77,805

4. Cash and Cash Equivalents

Cash on hand		5,715	13,265
Cash at bank		163,120	68,218
Short-term bank deposits		6,834,315	9,700,485
	13	7,003,150	9,781,968

Notes to the Financial Statements cont.

5. Trade and Other Receivables

		2015	2014
	<i>Note</i>	\$	\$
CURRENT			
Trade receivables		276,480	98,899
Provision for impairment of receivables		-	-
	13	276,480	98,899

6. Other Assets

CURRENT			
Prepayments		122,509	63,486
Accrued Income		429,780	320,955
Holding Deposit		312,350	314,707
		864,639	699,148

7. Property Plant and Equipment

LAND AND BUILDINGS

Land

At independent valuation		3,300,000	2,145,000
At cost		2,700,000	2,700,000
Total land		6,000,000	4,845,000

Buildings

At independent valuation		2,150,000	2,999,060
At cost		8,808,374	-
Less accumulated depreciation		(103,320)	(330,130)

Total buildings		10,855,054	2,668,930
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Total land and buildings		16,855,054	7,513,930
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OFFICE FURNITURE AND EQUIPMENT

At cost		4,003,515	3,785,250
Less accumulated depreciation		(3,176,011)	(2,903,340)
Total office furniture and equipment		827,504	881,910

MOTOR VEHICLES

At cost		1,049,673	1,059,700
Less accumulated depreciation		(737,083)	(721,973)
Total motor vehicles		312,590	337,727

SUPER CLINIC WORK IN PROGRESS

At cost		-	3,207,908
Total Super Clinic Work in progress		-	3,207,908

Total property, plant and equipment		17,995,148	11,941,475
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Notes to the Financial Statements cont.

9. Borrowings

		2015	2014
		\$	\$
CURRENT			
Bank Loans - Secured	9(a)	333,730	2,640,000
NON CURRENT			
Bank Loans - Secured	9(a)	4,027,590	-

(a) Security Details

Security interest and charge over all of the present and future rights, property and undertaking of Dianella Community Health.

Registered Mortgage's over the following properties:

- 55 Craigieburn Road, Craigieburn VIC 3064
- 21-27 Hudson Circuit, Meadow Heights VIC 3048
- 42-48 Coleraine Street, Broadmeadows VIC 3047

10. Provisions

CURRENT			
Provision for employee benefits: annual leave/ADO		759,800	776,840
Provision for employee benefits: long service leave		1,525,014	1,578,086
		2,284,814	2,354,926
NON CURRENT			
Provision for employee benefits: long service leave		227,585	282,204
		227,585	282,204

Analysis of total provisions

	Employee Benefits
	\$
<i>Opening balance 1 July 2014</i>	2,637,130
Additional provisions raised during the year	445,313
Amounts used	(570,044)
Balance 30 June 2015	2,512,399

10. Provisions (cont.)

Provision for Employee Benefits

A provision has been recognised for employee entitlements relating to long service leave.

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

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

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

11. Reserves

a. Revaluation Surplus

The revaluation surplus records the revaluations of non-current assets.

12. Capital and Leasing Commitments

a. Operating lease commitments

	2015	2014
<i>Note</i>	\$	\$
Non-cancellable operating leases contracted for but not recognised in the financial statements		
Payable – minimum lease payments		
- Not later than 12 months	65,599	255,945
- Between 12 months and 5 years	25,000	106,526
- Later than 5 years	-	-
	90,599	362,471

The property lease commitments are operating leases contracted for but not capitalised in the financial statements however in the absence of signed agreements only the 12 months commitments are listed, where applicable. They cover two premises namely 35 Johnstone St Broadmeadows and 12-14 Bluebird Way Roxburgh Park.

Notes to the Financial Statements cont.

13. Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable. The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

		2015	2014
	<i>Note</i>	\$	\$
<i>Financial Assets</i>			
Cash and Cash Equivalents	4	7,003,150	9,781,968
Loans and receivables	5	276,480	98,899
		7,279,630	9,880,067
<i>Financial Liabilities</i>			
Financial Liabilities at amortised cost			
-Trade and other payables	8a	1,261,957	1,408,239
-Borrowings	9	4,361,320	2,640,000
		5,623,277	4,048,239

14. Retirement Benefit Obligations

At 30 June 2015 two of Dianella Community Health's employees will receive defined benefit post-employment benefits from First State Super. First State Super is a defined benefit multi-employer plan. Sufficient information is not available to account for First State Super as a defined benefit plan as each employer is exposed to actuarial risks associated with current and former employees of other entities. As a result there is no consistent and reliable basis for allocating the obligation, assets and cost to individual entities. Therefore, Dianella Community Health has adopted defined contribution accounting for these employees.

Based on the 30 June 2015 Actuarial overview First State Super had net assets of \$86.5 million. Net Assets is the difference between assets, valued at the fair market value, and liabilities. Liabilities are determined to be the greater of the actuarial present value of all future expected benefit payments accrued by members at the valuation date, ("present value of accrued benefits") and the benefit that has vested to members at the valuation date ("vested benefits"). Dianella's notional excess is \$109,503.

15. Segment Reporting

The company operates predominantly in one business and geographical segment being the community health services sector, providing community health services throughout North West Melbourne.

16. Contingent Liabilities and Contingent Assets

There are no contingent liabilities or assets to be disclosed in the financial report.

17. Events after the Reporting Period

The directors are not aware of any significant events since the end of the reporting period.

18. Key Management Personnel Compensation

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

The totals of remuneration paid to key management personnel (KMP) of the company during the year are as follows:

	2015	2014
	\$	\$
Key management personnel compensation	861,420	896,310

19. Company Details

The registered office of the company is:

21-27 Hudson Circuit, Meadow Heights Vic 3048

Principal place of business is:

42-48 Coleraine Street, Broadmeadows Vic 3047

Directors' declaration

In accordance with a resolution of directors of Dianella Community Health, the directors declare that:

1. The financial statements and notes, as set out on pages 9 to 23, 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 2015 and of the performance for the year ended on that date.
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.



J. HODGSON
Director



J. BUSCH
Director

Dated this 6th day of October 2015

Independent Auditor's report



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DIANELLA COMMUNITY HEALTH

Report on the Financial Report

We have audited the accompanying financial report of Dianella Community Health (the company), which comprises the statement of financial position as at 30 June 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the director's declaration.

The Responsibility of the Directors for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (including the Australian Accounting Interpretations) 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.

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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 judgment, 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 entity's preparation and fair presentation of the financial report 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 entity'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.

CHARTERED ACCOUNTANTS & ADVISORS

Melbourne Office
Level 20, 181 William Street
Melbourne VIC 3000

Hawthorn Office
Level 1, 465 Auburn Road
Hawthorn East VIC 3123

PO Box 185, Toorak VIC 3142
Telephone: +61 3 9824 8555
willambuck.com

Independent Auditor's Report cont.



Independence

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

Auditor's Opinion

In our opinion, the financial report of Dianella Community Health 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 company's financial position as at 30 June 2015, and its performance for the year ended on that date; and
- (b) Complying with Australian Accounting Standards' reduced disclosure requirements (including Australian Accounting Interpretations) as described in Note 1 and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report of Dianella Community Health for the year ended 30 June 2015 included on of Dianella Community Health's website. The board of directors are responsible for the integrity of Dianella Community Health's website. We have not been engaged to report on the integrity of the Dianella Community Health's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

A handwritten signature in black ink, appearing to read 'Will RB'.

William Buck Audit (Vic) Pty Ltd

A.B.N. 59 116 151 136

A handwritten signature in black ink, appearing to read 'A.P. Marks'.

A.P. MARKS
Director

Dated: Melbourne 6th October 2015

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Locations

1. Hume GP Super Clinic

42-48 Coleraine Street, Broadmeadows
Phone (03) 8301 8888

2. Dianella Dental Services

35 Johnstone Street, Broadmeadows
Phone (03) 8345 5410

3. Dianella Community Health

21-27 Hudson Circuit, Meadow Heights
Phone (03) 9302 8888

4. Dianella Community Health

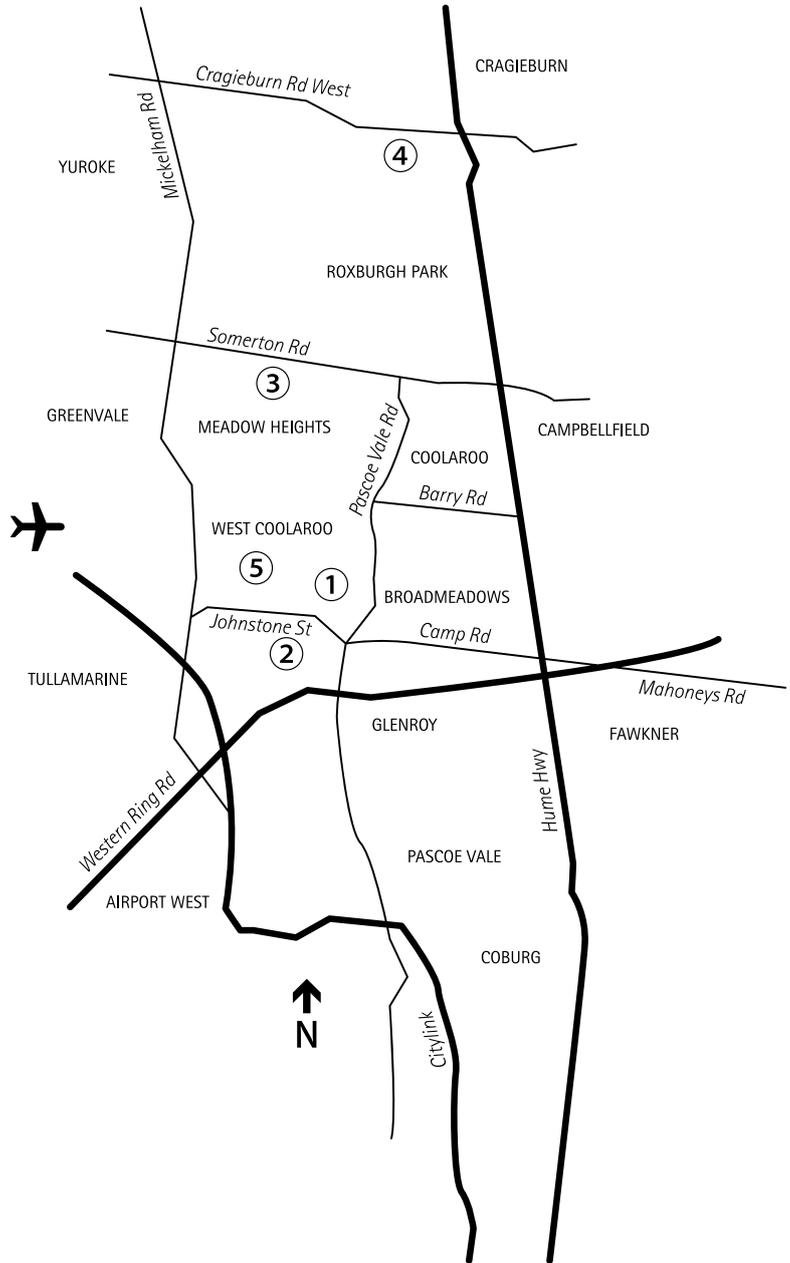
55 Craigieburn Road, Craigieburn
Phone (03) 9308 1222

Dental Services (Craigieburn Clinic)

Phone (03) 9303 0571

5. Broad Insight Group (BIG)

Corner Rosebud Crescent
and Sorrento Street, Broadmeadows
Phone (03) 9309 9200



Melbourne



Dianella Community Health
acknowledges the support of the
Victorian Government.



Your opinion is important to us

- What is your opinion about this report?
- Can you make any suggestions to improve it?

You can give us your feedback in several ways. Either:

- complete this feedback form and place into the 'Suggestions' box near reception at your nearest Dianella location; or
- give feedback online via our website www.dianella.org.au/contact-us/feedback; or
- send us an email at feedback@dianella.org.au.

Your feedback:
