



north richmond
community health

ACN 135 411 504/ ABN 21 820 901 634

Annual Directors' Report and Audited Financial Statements
Year Ending 30 June 2015

Directors' Report

Year Ending 30 June 2015

Each of the directors of NRCHL is independent and serves on the Board of Governance in a voluntary capacity. NRCHL does not provide any remuneration for carrying out director's duties. During the 2014-2015 financial year the people included in the following table were listed as board directors. The relevant dates of appointment and/or resignation together with relevant qualifications and experience are also shown for each director.

Name	Appointment as Director	Resignation as Director	Qualifications and Experiences
Tat Hian (Paul) Tchia Chairperson	16/02/2009		Well respected and very active member of the North Richmond community. Retired member of the Macau Police Force.
Dr Xue Li Zhao Deputy Chairperson	27/11/2010		Retired medical professional who is an active member of local North Richmond community groups.
Chris Altis Deputy Chairperson	13/12/2011		Chris currently has experience in the Corporate sector as well as familiarity of the Commonwealth, State and Local Government sectors.
Kiang Seng Nheu Chairperson, Remuneration and Nomination Subcommittee	16/02/2009		Former school principal in East Timor and well respected by many former students and their families who now reside in the North Richmond community.
Leo Groenen Chairperson, Financial Risk and Financial Audit Subcommittee	27/04/2010		Accounting, Chemical Engineering, Medical Research, Association with East Timorese support groups.
Wei Bin Xia	23/07/2009		Bachelor of Science in Textile Designing Engineering and active involvement in the Melbourne Chinese Singing and Dance Troupe Inc.
Hatice Yilmaz	27/11/2012		Qualified electrician, Office of Housing Community Liaison Committee, volunteer for numerous community groups.
Shan E Shen	10/12/2013		Active member of local North Richmond community groups.

Company Secretary

Demos Krouskos, CEO, held the position of Company Secretary at the end of the financial year and was appointed to this role on 16 February 2009.



Attendance by Directors

Attendance at Board Subcommittees

A summary of the board subcommittees that were held and attended during the 2014-2015 financial year are as follows:

Name	Remuneration and Nomination Subcommittee	
Kiang Seng Nheu (Chairperson-July 2014 to October 2014)	Meetings Held during term: 1	Meetings Attended: 1
Xue Li Zhao (Chairperson November 2014 to June 2015)	Meetings Held during term: 1	Meetings Attended: 1
Hatice Yilmaz (July to October 2014)	Meetings Held during term: 1	Meetings Attended: 0
Shen E Shan (November 2014 to June 2015)	Meetings Held during term: 0	Meetings Attended: 0

Name	Financial Risk and Financial Audit Subcommittee	
Leo Groenen (Chairperson) full year	Meetings Held during term: 5	Meetings Attended: 4
Paul Tchia (full year)	Meetings Held during term: 5	Meetings Attended: 5
Wei Bin Xia (full year)	Meetings Held during term: 5	Meetings Attended: 4
Hatice Yilmaz (November 2014 to June 2015)	Meetings Held during term: 3	Meetings Attended: 2

Attendance at Board of Governance Meetings

The Board of Governance was convened eleven times during this financial year, the exception being January 2015.

The number of meetings attended by each board director is shown below. An asterisk (*) indicates directors granted leave of absence due to overseas travel.

Directors are listed in alphabetical order.

Name	Board of Governance Meeting Attendance	
Chris Altis	Meetings Held during term: 11	Meetings Attended: 8
Leo Groenen	Meetings Held during term: 11	Meetings Attended: 10
Kiang Seng Nheu	Meetings Held during term: 11	Meetings Attended: 10
Shan E Shen	Meetings Held during term: 11	Meetings Attended: 10
Tat Hian (Paul) Tchia	Meetings Held during term: 11	Meetings Attended: 10
Wei Bin Xia*	Meetings Held during term: 11	Meetings Attended: 8
Hatice Yilmaz	Meetings Held during term: 11	Meetings Attended: 11
Xue Li Zhao*	Meetings Held during term: 11	Meetings Attended: 8

Corporate Governance Statement

Legislative Structure

North Richmond Community Health Limited became a Company Limited by Guarantee on 16th February 2009, and is registered with the Australian Investments and Securities Commission (ASIC) under the *Corporations Act (Commonwealth) 2001*. This change also brought with it a change of name from North Richmond Community Health Centre Incorporated to North Richmond Community Health Limited (NRCHL).

In early 2013 NRCHL became a registered Charity with the Australian Charities and Not-For-Profits Commission (ACNC). The ACNC Annual Information Statement was lodged in accordance with prescribed time lines.

Annual compliance has also been received by Department of Health and Human Services for monitoring of community health centres registered under *The Health Services Act 1988*.

The Board of Directors has ultimate responsibility for governance at NRCHL and aligns themselves with the basic corporate governance principles of accountability, transparency, risk management, confidentiality and fiduciary duties.

Membership

Membership of NRCHL is divided into the following classes of membership: Voting Members, Associate Members (non-voting) and Life Members.

There is no annual subscription fee for any class of membership.

Liability of Members and Winding Up Guarantee

As a Company Limited by Guarantee, the liability of all classes of membership is limited. Every member undertakes to contribute \$1.00 to the assets of the Company if it is wound up while he or she is a member, or within one year afterwards of the time of current membership.

Current membership numbers as at 30 June 2015 totalled 252, therefore the total amount that members of the company were liable to contribute at that date was \$252.00.

The Board's Role at NRCHL

The Board at NRCHL has the following main objectives:

- Reviews the medium and long term goals of NRCHL as outlined within a clearly defined strategic plan and accompanying operational plan, and gives recommendation for change and updates in consultation with the executive management team as needed.
- Approves budgets.
- Monitors business performance and ensures that NRCHL is compliant with regulatory obligations.
- Appoints and evaluates the role of CEO.
- Has a clearly defined delegations policy.
- Is aware of its duties and responsibilities, such as the need to comply with ASIC, ACNC, and other community health sector related regulatory bodies.
- Has a range of skills, knowledge and experience to achieve NRCHL's purposes, directions, and representation of the local community.
- Ensures there is adequate financial management reporting and regular updated financial statements.
- Establishes subcommittees in areas of Financial Risk/Financial Audit, and Remuneration and Nomination.
- Makes provision for succession planning.

Code of Conduct

Each director of NRCHL joins with management, staff and volunteers in complying with the NRCHL Code of Conduct is expected to carry out their duties with integrity, honesty and fairness. The underlying corporate governance principles of accountability, confidentiality and privacy are adhered to as well as with ethical practice standards and compliance with relevant legislative requirements.

Principal Activities and Objectives

NRCHL's principal activities continue to be the delivery of community health and related services. These include medical; nursing; allied health; dental; counselling; diabetes education; language services including interpreters and translation; health promotion; and community building programs. State wide training and resources for the sector are provided by the Centre for Culture, Ethnicity and Health (CEH).

Short and long term objectives of NRCHL are determined by the collective input of the board, management, staff and community. This input informs the company's strategic plan and the complementary operational and program plans. The current Strategic Plan for 2013-2017 is progressing according to identified goals and directions. NRCHL has achieved continuing successful external accreditation against QIC, NSQHS, HACCC, and AGPAL standards.

Long term objectives of the company are to plan and manage sustainable growth through innovation, collaboration and opportunity; promote and foster a culture of quality and safety and improve health outcomes by addressing key issues that create health inequalities.

Short term objectives have been reviewed throughout financial year ending 30 June 2015 and include:

- Growth of services through expansion and strategic positioning
- Improving and strengthening organisational structures and processes
- Working collaboratively with the local community to address key community priorities
- Strengthening the clinical governance framework
- Increasing health promotion and education to the local community
- Improving health literacy of CALD communities
- Strengthening training and development opportunities for board directors

A broad range of strategies have been implemented to achieve the short term objectives.

During this reporting period the board directors have completed an online training and development course with Australian Centre for Healthcare Governance (ACHG) that is directly linked to NRHCL's governance manual and procedures. Participation in the ACHG modules provides a comparison of the board's performance with other participating non-profit organisations within Victoria. To date, results have indicated that NRCHL directors are at par with their peers for the majority of governance areas and slightly above the average performance rate on certain components.

The financial result of operations for the year ending 30 June 2015 was a budget deficit of (\$250,923).

Measurement of Performance

Performance is monitored and measured at regular intervals throughout the year through a range of reporting exercises that are determined by funding agreements, accreditation reviews and reports, financial measures, client and community satisfaction feedback.

Strategic plans focus on three year projections whilst five year projections are incorporated within the financial management process to provide guidance on areas such as cash flow management, investment opportunities, and solvency of the company for trading.

The company is expected to continue to provide community health and related services in future years on behalf of the Victorian State Government and other parties.

Diversity

NRCHL takes an active role in promoting diversity in all forms. The board is a true reflection of the cultural diversity of NRCHL. Timorese Hakka, Mandarin and Turkish interpreters provide language interpretation for some board directors in executing all of their responsibilities, which has encouraged active participation by all directors. A Mandarin speaking volunteer was engaged to assist in board training and development exercises. Directors Information Kits are provided in both English and Mandarin to optimise understanding of the broad aspects of governance related matters and responsibilities. Increasing gender diversity is also identified as a key goal and has been addressed by having women comprising 50% of the current board membership.

Insurance

NRCHL holds the following insurance policies: Directors' and Officers' Liability; Professional Indemnity; Public and Products Liability; Medical Indemnity and Personal Accident; Industrial Special Risks; Volunteers; Construction Risks. Insurance premiums are paid by the Department of Human Services (DHS) to Victorian Managed Insurance Association (VMIA).

Proceedings on Behalf of the Company

No person has applied leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not party to any such proceeding during the year.

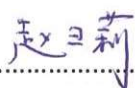
Indemnification of Officers and Auditor

The company has not offered officers or the auditor any indemnity against their liability which may arise under civil or criminal proceedings involving them acting in that capacity, and has not paid for any insurance policy providing officers or the auditor cover of the costs of defence of such proceedings.


Auditor's Independence Declaration

The auditor's independence declaration is set out as part of the accompanying financial statements and is part of the overall Directors' Report for the financial year ending 30 June 2015.

This report is signed in accordance with a resolution of the directors.



Xue Li Zhao
Deputy Chairperson



Chris Altis
Deputy Chairperson

On behalf of Tat Hian (Paul) Tchia, Chairperson

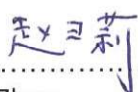
Dated at Richmond this 22nd day of September 2015.

Statement by the Board of Directors


In accordance with a resolution made by the Directors of North Richmond Community Health Limited, we state that in the opinion of the Directors:

- a) The financial statements and the notes of the company are in accordance with the Australian Charities and Not-for-profits Commission (ACNC) and the Corporations Act 2001, including:
 - i) Giving a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
 - ii) Complying with Accounting Standards and the Corporation Regulations 2001; and
- b) There are reasonable grounds to believe that the company will be able to pay its debts as they become due and payable.

Signed on behalf of the Board by:



.....
Xue Li Zhao
Deputy Chairperson



.....
Chris Altis
Deputy Chairperson

On behalf of Tat Hian (Paul) Tchia, Chairperson

Dated at Richmond this 22nd day of September, 2015

INDEPENDENT AUDITOR'S REPORT

To the members of North Richmond Community Health Limited

Report on the Financial Report

I have audited the accompanying financial report of North Richmond Community Health Limited (the company), which comprises the Balance Sheet as at 30 June 2015, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, notes comprising a statement of significant accounting policies and other explanatory information, and the responsible entities' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for:

- the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)*; and
- the maintenance of adequate financial records and such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the directors' preparation of the financial report that gives a true and fair view in

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David Sauer, Chartered Accountant

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order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial report of North Richmond Community Health Limited has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2015 and of its financial performance and cash flows for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-Profits Commission Regulation 2013*.



David Sauer
Principal
David Sauer, Chartered Accountant

Opinion formed in Melbourne, 22 September 2015

NORTH RICHMOND COMMUNITY HEALTH LIMITED
ACN 135 411 504

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$	2014 \$
INCOME			
Government grants		8,650,820	9,816,173
Client's fees		746,558	451,648
Consultancy contracts		370,705	366,083
Service fees		222,776	192,580
Interest		149,086	159,257
Rental from current period	[14c]	140,371	58,600
Rental from prior period		99,842	-
Proceeds from sale/trade-in of fixed assets		28,200	8,105
Donations		843	200
Other sources		81,148	112,958
Total Income	[3]	10,490,349	11,165,604
EXPENSES			
Personnel cost		(7,770,358)	(7,429,142)
Agency staff and consultants		(1,343,103)	(1,596,573)
Employee benefit provisions		(122,458)	(115,194)
Depreciation		(182,798)	(202,198)
Residual value written-off on disposal of fixed assets		(16,170)	(2,159)
Other recurrent costs		(1,306,385)	(1,297,415)
Total Expenses	[4]	(10,741,272)	(10,642,681)
Surplus (Deficit) from operating activity		(250,923)	522,923
Surplus (Deficit) for the year		(250,923)	522,923
Other comprehensive income		0	0
Total comprehensive income		(250,923)	522,923

NORTH RICHMOND COMMUNITY HEALTH LIMITED
ACN 135 411 504

BALANCE SHEET
AT 30 JUNE 2015

	Note	2015 \$	2014 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	[7]	669,021	1,261,122
Receivables	[8]	305,086	217,660
Inventories	[9]	17,522	19,009
Other financial assets	[10]	3,951,919	3,855,375
Total current assets		4,943,548	5,353,166
NON-CURRENT ASSETS			
Property, plant and equipment	[11]	870,985	759,225
Total non-current assets		870,985	759,225
TOTAL ASSETS		5,814,533	6,112,391
LIABILITIES			
CURRENT LIABILITIES			
Payables	[12]	855,401	1,024,794
Provisions	[13]	1,314,834	1,200,624
Total current liabilities		2,170,235	2,225,418
NON-CURRENT LIABILITIES			
Provisions	[13]	482,791	474,543
Total non-current liabilities		482,791	474,543
TOTAL LIABILITIES		2,653,026	2,699,961
NET ASSETS		3,161,507	3,412,430
EQUITY			
Accumulated surplus (deficit)		3,161,507	3,412,430
Total equity at end of period		3,161,507	3,412,430

NORTH RICHMOND COMMUNITY HEALTH LIMITED
ACN 135 411 504

STATEMENT OF CHANGES IN EQUITY
FOR PERIOD FROM 1 JULY 2014 TO 30 JUNE 2015

	Note	2015 \$	2014 \$
ACCUMULATED SURPLUS & TOTAL EQUITY			
Total surplus & equity at 1st July		3,412,430	2,889,507
Surplus (Deficit) for year		(250,923)	522,923
Total surplus & equity at 30th June		3,161,507	3,412,430

NORTH RICHMOND COMMUNITY HEALTH LIMITED
ACN 135 411 504

STATEMENT OF CASH FLOWS
FOR PERIOD FROM 1 JULY 2014 TO 30 JUNE 2015

	Note	2015 \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from fund providers and clients		11,100,112	11,920,068
Payments of GST and PAYG deductions to ATO		(1,461,146)	(1,501,202)
Payments to suppliers and employees		(10,001,080)	(9,573,235)
Interest received		149,086	159,257
Net cash provided/(used) by operating activities	[15b]	(213,028)	1,004,888
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed assets purchases		(310,728)	(136,596)
Term deposit (invested)		(9,101,926)	(6,760,942)
Term deposit redemption		9,005,381	6,619,161
Proceeds on sale of fixed assets		28,200	8,105
Net cash provided/(used) by investing activities		(379,073)	(270,272)
NET INCREASE/(DECREASE) IN CASH HELD		(592,101)	734,616
Cash held at 1 st July		1,261,122	526,506
Cash held at 30th June	[15a]	669,021	1,261,122