



north richmond
community health

Wulempuri - Kertheba

ACN 135 411 504/ ABN 21 820 901 634
Annual Directors' Report and Audited Financial
Statements
Year Ending 30 June 2017

Director's Report

Year Ending 30 June 2017

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. The table below lists all people who were Board Directors during the 2016-2017 financial year. The relevant dates of appointment and/or resignation, together with relevant qualifications and experience, are also included.

Name	Appointment as Director	Resignation as Director	Qualifications and Experiences
Tat Hian (Paul) Tchia Chairperson	16/02/2009 Re-elected 04/09/2015		Well-respected and very active member of the North Richmond community. Retired member of the Macau Police Force.
Dr Xue Li Zhao Deputy Chairperson Co-Independent Chair, Clinical Care Committee	27/11/2010 Re-elected 21/10/2016		Retired medical professional who is an active member of local North Richmond community groups.
Chris Altis Deputy Chairperson	Appointed 13/12/2011 Re-appointed 9/12/2014		Chris has worked in the health policy sector at senior levels for over two decades at state and federal government levels. He currently work in the University of Melbourne Faculty of Medicine, Dentistry and Health Sciences.
Kiang Seng Nheu	16/02/2009 Re-elected 04/09/2015		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 – this position held until date of resignation, as shown.	Appointed 27/04/2010 Re-appointed 26/04/2013	15/10/2016	Accounting, Chemical Engineering, Medical Research,



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Wei Bin Xia	23/07/2009 Re-elected 04/09/2015		Bachelor of Science in Textile Designing Engineering and active involvement in the Melbourne Chinese Singing and Dance Troupe Inc and Richmond Joy Choir Inc.
Hatice Yilmaz Chairperson Remuneration & Nomination Subcommittee (RANSC)	27/11/2012 Re-appointed 22/11/2016		Qualified electrician, Office of Housing Community Liaison Committee, volunteer for numerous community groups.
Shan E Shen	10/12/2013 Re-appointed 25/10/2016		Active member of local North Richmond community groups.
Hui Hui Zhang	Elected 22/10/2016		Retired senior engineer, volunteer of The Salvation Army, Richmond; Founder of the Chinese Elderly Association Richmond and current Vice President.
Tim O'Leary Chairperson, Financial Risk and Financial Audit Subcommittee, this position applicable from date of appointment, as shown.	Appointed 22/11/2016		Tim has experience as a CEO, board director and policy consultant in community and public health, acute hospitals, psychiatric services and local government.

Company Secretary

Demos Krouskos, CEO, continued to hold the position of Company Secretary at the end of the financial year for the reporting period. This additional role has been effective since 16 February 2009.



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Attendance by Directors at Board related meetings:

Attendance at Board Subcommittees

A summary of the board subcommittees held during the 2016-2017 financial year are as follows:

Name	Remuneration and Nomination Subcommittee	
Xue Li Zhao (Chairperson) July to October 2016, then member	Meetings Held during term: 1	Meetings Attended: 1
Kiang Seng Nheu -July to October 2016 only	Meetings Held during term: 1	Meetings Attended: 0
Shen E Shan – October 2016 to June 2017	Meetings Held during term: 1	Meetings Attended: 1
Hatice Yilmaz (Chairperson) November 2016 to June 2017	Meetings Held during term: 0	Meetings Attended: 0
Hui Hui Zhang –October 2016 to June 2017	Meetings Held during term: 0	Meetings Attended: 0

Name	Financial Risk and Financial Audit Subcommittee	
Leo Groenen (Chairperson) July 2016 to October 2016 only	Meetings Held during term: 2	Meetings Attended: 2
Paul Tchia – full year	Meetings Held during term: 6	Meetings Attended: 6
Wei Bin Xia – full year	Meetings Held during term: 6	Meetings Attended: 6
Hatice Yilmaz July 2016 to October 2016	Meetings Held during term: 2	Meetings Attended: 2
Tim O'Leary (Chairperson) November 2016 to June 2017	Meetings Held during term: 4	Meetings Attended: 4

Attendance at Board of Governance Meetings

The Board of Governance convened ten times during this financial year, the exceptions being January 2017 due to Board recess and April 2017 due to Anzac Day Public Holiday. The number of meetings attended by each board director are listed below. Directors are listed in alphabetical order.

Name	Board of Governance Meeting Attendance	
Chris Altis	Meetings Held during term: 10	Meetings Attended: 7
Leo Groenen	Meetings Held during term: 3	Meetings Attended: 3
Kiang Seng Nheu	Meetings Held during term: 10	Meetings Attended: 9
Tim O'Leary	Meetings Held during term: 5	Meetings Attended: 5
Shan E Shen	Meetings Held during term: 10	Meetings Attended: 10
Tat Hian (Paul) Tchia	Meetings Held during term: 10	Meetings Attended: 10
Wei Bin Xia*	Meetings Held during term: 10	Meetings Attended: 6
Hatice Yilmaz	Meetings Held during term: 10	Meetings Attended: 9
Hui Hui Zhang*	Meetings Held during term: 7	Meetings Attended: 3
Xue Li Zhao*	Meetings Held during term: 10	Meetings Attended: 10

*Director absent with permission of Chairperson: overseas travel commitments

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). ACNC Annual Information Statements have been lodged for each calendar year since 2013 in accordance with prescribed time lines.

Annual compliance has also been received by the Department of Health and Human Services (DHHS) 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 2017 totalled 241, therefore, the total amount that members of the company were liable to contribute at that date was \$241.00.

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.



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- 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 and 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. The Board endorses NRCHL's zero tolerance of all forms of child abuse and directors, together with all other NRCHL personnel, are required to contact authorities if they are concerned about a child's safety.

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 Quality Improvement Council (QIC), National Safety and Quality Health Service Standards (NSQHSS), Home and Community Care (HACC), and Australian General Practice Accreditation Limited (AGPAL). NRCHL is also a registered NDIS provider and services have commenced with self-managed NDIS clients

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 the financial year ending 30 June 2017 and include:

- Growth of services through expansion and strategic positioning, particularly with the introduction of NDIS.

- 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

Broad ranges of strategies have been implemented to achieve the short-term objectives.

Training and development for the board directors during this reporting period has included Our Community Board Builder Conference and internally led board effectiveness survey.

Governance Policies and Procedures, as adopted from the Australian Centre for Healthcare Governance (ACHG) to align with online training modules, were also reviewed and updated by the Remuneration and Nomination Sub-Committee. Ongoing benchmark results from ACHG indicate that NRCHL directors continue to be at par with their peers for the majority of governance areas and slightly above the average performance rate on certain components.

A new Investment policy has been developed, whilst both the Risk Management and Legislative Compliance policies have been reviewed to ensure a centralised NRCHL wide policy for each rather than separate Governance and organisation policies, as was the case previously. The Delegations of Authority Schedule now reflects the greater responsibility allocated to program managers in the oversight of individual program budgets. Work on the next Strategic Planning phase has commenced with Board involvement in both working parties and attendance at presentations from selected sector representatives as part of the preparation and review of strategic directions for the way forward.

The financial result of operations for the year ending 30 June 2017 was a deficit of **(\$24,910)**.

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, and 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. Director's Information Kits are provided in both English and Mandarin to optimise understanding of the broad aspects of governance



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related matters and responsibilities. Increasing gender diversity has been addressed by having women comprising 55% 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 Health and Human Services (DHHS) 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 2017.

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

.....
Tat Hian (Paul) Tchia
Chairperson

Dated at Richmond this 26th day of September 2017.



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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) Act 2012*, including:
 - i) Giving a true and fair view of the company's financial position as at 30 June 2017 and of its performance for the year ended on that date; and
 - ii) Complying with Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission (ACNC) Regulation 2013.
- 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:

.....
Tat Hian (Paul) Tchia
Chairperson

Dated at Richmond this 26th day of September, 2017

North Richmond Community Health Limited

Independent auditor's report to members

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial report of North Richmond Community Health Limited (the Company), which comprises the statement of financial position as at 30 June 2017 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.

In our 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:

- a) Giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
- b) Complying with Australian Accounting Standards – Reduced Disclosure Regime 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 Company in accordance with the auditor independence requirements of the Australian charities and Not-for-profits Commission Act 2012 (ACNC Act) and the ethical 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.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

CHARTERED ACCOUNTANTS & ADVISORS

Level 20, 181 William Street
Melbourne VIC 3000

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In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we concluded that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Regime and the ACNC Act and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

The Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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 the 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 Company'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 Company'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 Company 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.



William Buck Audit (Vic) Pty Ltd

A.B.N. 59 116 151 136



A.P. MARKS

Director

Dated: Melbourne 26th September 2017

NORTH RICHMOND COMMUNITY HEALTH LIMITED
ACN 135 411 504

**STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017**

	Note	2017 \$	2016 \$
INCOME			
Government grants		8,783,654	8,891,219
Client's fees		659,662	706,352
Consultancy contracts		343,568	388,883
Service fees		276,241	254,362
Interest		91,775	113,951
Rental		252,786	218,739
Proceeds from sale/trade-in of fixed assets		21,029	13,904
Donations		4,740	4,705
Other sources		153,653	129,578
Total Income	[3]	10,587,108	10,721,693
EXPENSES			
Personnel cost		(7,740,869)	(8,082,340)
Agency staff and consultants		(1,424,028)	(1,466,687)
Employee benefit provisions		57,147	162,530
Depreciation		(207,936)	(209,869)
Residual value written-off on disposal of fixed assets		(16,871)	(4,181)
Other recurrent costs		(1,279,461)	(1,270,886)
Total Expenses	[4]	(10,612,018)	(10,871,433)
Surplus (Deficit) from operating activity		(24,910)	(149,740)
Surplus (Deficit) for the year		(24,910)	(149,740)
Other comprehensive income		0	0
Total comprehensive income		(24,910)	(149,740)

NORTH RICHMOND COMMUNITY HEALTH LIMITED
ACN 135 411 504

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	[7]	1,221,364	588,597
Receivables	[8]	563,009	538,843
Inventories	[9]	24,124	27,081
Other financial assets	[10]	3,073,207	3,523,969
Total current assets		4,881,704	4,678,490
NON-CURRENT ASSETS			
Intangible assets		0	0
Property, plant and equipment	[11]	658,582	843,750
Total non-current assets		658,582	843,750
TOTAL ASSETS		5,540,286	5,522,240
LIABILITIES			
CURRENT LIABILITIES			
Payables	[12]	979,543	872,474
Provisions	[13]	1,292,414	1,352,312
Total current liabilities		2,271,957	2,224,786
NON-CURRENT LIABILITIES			
Provisions	[13]	281,472	285,687
Total non-current liabilities		281,472	285,687
TOTAL LIABILITIES		2,553,429	2,510,474
NET ASSETS		2,986,857	3,011,767
EQUITY			
Accumulated surplus		2,936,857	3,011,767
Capital reserves		50,000	0
TOTAL EQUITY		2,986,857	3,011,767

This statement should be read in conjunction with the accompanying notes

NORTH RICHMOND COMMUNITY HEALTH LIMITED
ACN 135 411 504

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
ACCUMULATED SURPLUS & TOTAL EQUITY			
Total surplus & equity at 1st July		3,011,767	3,161,507
Surplus (Deficit) for year		(24,910)	(149,740)
Transfer from surplus to capital reserve		(50,000)	0
Total accumulated surplus		2,936,857	3,011,767
Accumulated Surplus		2,936,857	3,011,767
Capital Reserve		50,000	0
Total surplus & equity at 30th June		2,986,857	3,011,767

NORTH RICHMOND COMMUNITY HEALTH LIMITED
ACN 135 411 504

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from fund providers and clients		11,423,519	11,247,034
Payments of GST and PAYG deductions to ATO		(1,686,035)	(1,582,514)
Payments to suppliers and employees		(9,628,645)	(10,113,932)
Interest received		91,775	113,951
Net cash (used) by operating activities	[15b]	200,614	(335,461)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed assets purchases		(39,638)	(186,816)
Net Term deposit (invested)/withdrawn		450,762	427,949
Proceeds on sale of fixed assets		21,029	13,904
Net cash provided/(used) by investing activities		432,153	255,037
NET (DECREASE) IN CASH HELD			
		632,767	(80,424)
Cash held at 1 st July		588,597	669,021
Cash held at 30th June	[15a]	1,221,364	588,597

**AUDITOR'S INDEPENDENCE DECLARATION
IN ACCORDANCE WITH SECTION 60-40 OF THE AUSTRALIAN CHARITIES
AND NOT-FOR-PROFITS COMMISSION ACT 2012
TO THE DIRECTORS OF NORTH RICHMOND COMMUNITY HEALTH LIMITED**

I declare that, to the best of my knowledge and belief during the year ended 30 June 2017 there have been:

- 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
- 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



A.P. Marks
Director

Dated this 26th day of September, 2017

**CHARTERED ACCOUNTANTS
& ADVISORS**

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