

north  
richmond  
community  
health  
limited

# ANNUAL REPORT AND FINANCIAL STATEMENTS FOR YEAR ENDING 30 JUNE 2009

NORTH RICHMOND COMMUNITY HEALTH LIMITED  
REGISTERED OFFICE:  
23 LENNOX STREET RICHMOND VIC 3121  
ACN: 135 411 504

Mr Stephen Kerr  
Dr Robert Baird  
Mr Tat Hian Tchia  
Mr Demos Krouskos

Chairperson  
Deputy Chairperson  
Deputy Chairperson  
CEO/Company Secretary

## **DIRECTORS' REPORT** for year ending 30 June 2009

### **Directors:**

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 financial year relating to this Annual Report the following people were listed as Board Members and/or Directors. The relevant dates of appointment and resignation are shown in the table below.

<b>Name</b>	<b>Appointment as Director</b>	<b>Resignation as Member (M) or Director (D)</b>
Doctor Robert Baird	16 February 2009	
Candice Charles		Co-opted (M) Jan 2009
Sue Corby		(M) February 2009
Janet Fitzell		(M) February 2009
Stephen Kerr	16 February 2009	
A. Heang Lay	16 February 2009	
Fiona McNabb	28 May 2009	Co-opted (M) Oct 2008 (D) 23 July 2009
Kiang Seng Nheu	16 February 2009	
Lise Pittman		Co-Opted (M) Oct 2008
Tat Hian Tchia	16 February 2009	
Miranda Thorpe		(M) January 2009

### **Board Sub-Committees**

A summary of the board sub-committees that were held and attended during the financial year relating to this Annual Report are as follows:

<b>Name</b>	<b>Financial Risk &amp; Financial Audit</b>
Doctor Robert Baird	3/3
Candice Charles	3/2
Sue Corby	3/2
Fiona McNabb	3/1
Tat Hian Tchia	3/1

**Attendance at Board of Governance Meetings:**

The number of meetings held and attended by each Board Member/Director throughout the financial year is shown below:

**2008 / 2009**

NAME:	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE
Doctor Robert Baird	1/0	1/1	1/1	1/1	0/0	1/1	2/2	1/0	1/1	1/1	1/1	1/1
Candice Charles	1/1	1/1	1/1	1/1	0/0	1/1	2/2					
Sue Corby	1/1	1/0	1/1	1/1	0/0	1/1	2/1					
Janet Fitzell	1/1	1/1	1/1	1/1	0/0	1/1	2/0					
Stephen Kerr	1/0	1/1	1/1	1/1	0/0	1/1	2/2	1/1	1/1	1/1	1/1	1/1
A. Heang Lay						1/1	2/2	1/1	1/1	1/1	1/0*	1/0*
Fiona McNabb	1/1	1/0	1/1	1/1							1/1	
Kiang Seng Nheu						1/1	2/2	1/1	1/1	1/1	1/1	1/1
Lise Pittman		1/1	1/1	1/1								
Tat Hian Tchia	1/0	1/1	1/1	1/1	0/0	1/1	2/2	1/1	1/1	1/1	1/1	1/1
Miranda Thorpe	1/1	1/1	1/1	1/1	0/0	1/1						

\*Mr A. Heang Lay permission for absence May 2009 to July 2009 (overseas travel)

## **CORPORATE GOVERNANCE STATEMENT**

### **Legislative Structure:**

NRCHL became a company limited by guarantee on the 16<sup>th</sup> 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.

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

Prior to 16<sup>th</sup> February 2009 North Richmond Community Health Centre Incorporated was also governed by voluntary Board members, many of whom continued on after company registration as founding Directors of NRCHL. The listing of Directors as shown previously incorporates all Board members including some co-opted positions, both prior, and subsequent to, the changeover to a company limited by guarantee.

### **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 defined by EMT within a clearly defined strategic plan, and gives recommendations for change and updates in consultation with EMT 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 charter and delegations policy
- Is aware of its duties and responsibilities, the need to comply with ASIC and *The Corporations Act* 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.
- Has active sub committees in the areas of Financial Risk /Financial Audit, and in Remuneration and Nomination
- Makes provision for succession planning

### **Code of Conduct**

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

### **Principal Activities**

The company provides community health and related services. There has been no change to the principal activities during the financial year.

### **Review of Operations and Likely Developments**

The financial result of operations for the financial year ended 30 June 2009 was a loss of \$260,745.

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.

### **Change in State of Affairs**

Other than mentioned elsewhere in this Report and the attached financial report, there were no significant changes in the state of affairs of the company during the year.

### **Dividends**

The Constitution of the company prohibits the payment of dividends.

### **Subsequent Events**

Other than any item mentioned in Note to the financial statements, there has been no matter that has arisen after the end of the financial year that has significantly affected or may significantly affect the company's operations, results of those operations or state of affairs in future financial years.

### **Environmental Regulation**

The company's operations are not subject to any particular and significant environmental regulation under a law of the Commonwealth or of a State or Territory.

### **Insurance**

NRCHL maintains the following insurance covers: Directors' and Officers' Liability; Professional Indemnity; Public and Products Liability; Industrial Special Risks; Volunteers; Construction Risks; Medical Indemnity and Personal Accident.

The cost of premiums is paid by the Department of Human Services (DHS) to the Victorian Managed Insurance Association (VMIA).

### **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 for costs of defence of such proceedings.

### **Auditor's Independence Declaration**

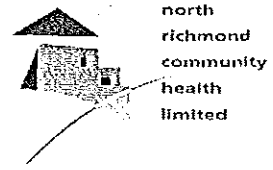
The auditor's independence declaration is set out at the conclusion of the financial statements and is part of the overall directors' report for the financial year ending 30 June 2009.

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



Stephen Kerr  
Chairperson

Dated at Richmond on the 24th day of September, 2009.



## 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 Corporations Act 2001, including:
  - i) Giving a true and fair view of the company's financial position as at 30 June 2009, and of their 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:

  
Stephen Kerr  
Chairperson

Director

Dated this 24th day of September 2009

## **INDEPENDENT AUDIT 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 2009, and the income statement, statement of recognised income and expense and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

#### *Directors' Responsibility for the Financial Report*

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. The director's responsibility also includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free of material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *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. These Auditing Standards require that I 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.

.../2

**David Sauer, Chartered Accountant**  
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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 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.

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

*Independence*

In conducting my audit, I have complied with the independence requirements of the *Corporations Act 2001*. I have given the directors of the company a written Auditor's Independence Declaration, a copy of which accompanies the financial report.

*Audit opinion*

In my opinion, the financial report of North Richmond Community Health Limited is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2009 and of its performance and cash flows for the year ended on that date; and
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.



David Sauer  
Chartered Accountant

Opinion formed on 24 September 2009

**NORTH RICHMOND COMMUNITY HEALTH LIMITED.**  
**ACN 135 411 504**

**OPERATING STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2009**

	notes	2009 \$	2008 \$
<b>INCOME</b>			
Government grants		7,085,372	6,549,530
Consultancy contracts		116,548	161,667
Rental		81,356	78,370
Client's fees		509,479	376,908
Donations		1,996	4,690
Interest		109,965	141,640
Proceeds from sale/trade-in of fixed assets		30,909	44,301
Other sources		1,420	3,064
<b>Total income</b>	[3]	<b>7,937,045</b>	<b>7,360,170</b>
<b>EXPENSES</b>			
Personnel cost		5,374,529	5,064,553
Agency staff and consultant		1,121,915	801,067
Purchased care		512,860	542,822
Employee benefit provisions		93,425	50,031
Depreciation		174,066	174,696
Residual value written-off on disposal of fixed assets		4,259	29,161
Finance costs		-	-
Other recurrent costs		916,736	788,431
<b>Total expenses</b>	[4]	<b>8,197,790</b>	<b>7,450,761</b>
<b>NET SURPLUS (DEFICIT) FOR THE YEAR</b>		<b>(260,745)</b>	<b>(90,591)</b>

**NORTH RICHMOND COMMUNITY HEALTH LIMITED**  
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**BALANCE SHEET**  
**AT 30 JUNE 2009**

	notes	2009 \$	2008 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	[7]	2,447,390	2,038,798
Receivables	[8]	127,192	165,746
Inventories	[9]	9,650	9,650
Other financial assets	[10]	917,467	871,988
<b>Total Current Assets</b>		<b>3,501,699</b>	<b>3,086,182</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	[12]	1,682,045	1,706,065
Other financial assets	[10]	0	0
<b>Total Non-current Assets</b>		<b>1,682,044</b>	<b>1,706,065</b>
<b>TOTAL ASSETS</b>		<b>5,183,743</b>	<b>4,792,247</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Payables	[13]	1,193,956	635,140
Provisions	[14]	914,185	844,070
<b>Total Current Liabilities</b>		<b>2,108,141</b>	<b>1,479,210</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	[14]	369,896	346,586
<b>Total Non-current Liabilities</b>		<b>369,896</b>	<b>346,586</b>
<b>TOTAL LIABILITIES</b>		<b>2,478,037</b>	<b>1,825,796</b>
<b>NET ASSETS</b>		<b>2,705,706</b>	<b>2,966,451</b>
<b>EQUITY</b>			
Restricted funds		1,284,081	1,190,656
Accumulated surpluses (deficits)		1,421,625	1,775,795
<b>Total equity at end of period</b>		<b>2,705,706</b>	<b>2,966,451</b>

NORTH RICHMOND COMMUNITY HEALTH LIMITED  
ACN 135 411 504

STATEMENT OF CHANGES IN EQUITY  
FOR PERIOD FROM 1 JULY 2008 TO 30 JUNE 2009

	Restricted funds – allocated to meet employee benefit obligations 2009 \$	Balance of accumulated surplus 2009 \$	Total Equity 2009 \$	Restricted funds – allocated to meet employee benefit obligations 2008 \$	Balance of accumulated surplus 2008 \$	Total Equity 2008 \$
<b>TOTAL AT BEGINNING OF PERIOD</b>	1,190,656	1,775,795	2,966,451	823,267	2,233,775	3,057,042
Surplus (Deficit) for year		(260,745)	(260,745)		(90,591)	(90,591)
Allocation to fund employee benefit obligations	93,425	(93,425)		367,389	(367,389)	-
<b>TOTAL AT END OF PERIOD</b>	<b>1,284,081</b>	<b>1,421,625</b>	<b>2,705,706</b>	<b>1,190,656</b>	<b>1,775,795</b>	<b>2,966,451</b>

notes

**NORTH RICHMOND COMMUNITY HEALTH LIMITED**  
**ACN 135 411 504**

**STATEMENT OF CASH FLOWS**  
**FOR PERIOD FROM 1 JULY 2008 TO 30 JUNE 2009**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	notes	<b>2009</b>	<b>2008</b>
		\$	\$
Receipts from fund providers and clients		9,022,367	8,244,137
Payments of GST and PAYG deductions to ATO		(953,924)	(1,097,194)
Payments to suppliers and employees		(7,602,577)	(6,968,274)
Interest received		109,965	141,640
<b>Net cash provided/(used) by operating activities</b>	[16b]	<b>575,831</b>	<b>320,309</b>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed assets purchases		(152,669)	(162,407)
Cash (invested)/withdrawn		(45,479)	(56,946)
Proceeds on sale of fixed assets		30,909	44,301
<b>Net cash provided/(used) by investing activities</b>		<b>(167,239)</b>	<b>(175,052)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>408,592</b>	<b>145,257</b>
Cash held at 1 July		2,038,798	1,893,541
<b>Cash held at 30 June</b>	[16a]	<b>2,447,390</b>	<b>2,038,798</b>

**NORTH RICHMOND COMMUNITY HEALTH LIMITED**  
**ACN 135 411 504**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

**NOTE [1] – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

These financial statements of the single entity, *North Richmond Community Health Limited*, are a general purpose financial report prepared in accordance with the requirements of the Corporations Act (2001), Australian Accounting Standards and Interpretations and other mandatory professional requirements. Accounting Standards include Australian equivalents to International Financial Reporting Standards (A-IFRS).

The financial statements were authorised for issue by the Board of Directors on 24 September 2009.

**Basis of preparation**

The financial report has been prepared on an accrual basis in accordance with the historical cost convention, except for financial instruments measured at fair value. Cost is based on the fair value of consideration given in exchange for assets.

In the application of A-IFRS, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision, and future periods if the revision affects both current and future periods.

Judgments made by management in the application of A-IFRS that have significant effects on the financial statements and estimates with a risk of material adjustments in the next year are disclosed throughout the notes in the financial statements.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2009 and the comparative information presented for the year ended 30 June 2008.

**Reporting entity**

The entity is an individual company limited by guarantee incorporated in Victoria, Australia. The company is a not-for-profit entity whose principal activity is that of a Community Health Centre. It is a public benevolent institution and is therefore exempt from income tax. The registered office/principal place of business is 23 Lennox St, Richmond North Vic 3121. The association's Australian Registered Body Number is A0021519G and its Australian Business Number is 21820901634.

The following is a summary of the significant accounting policies adopted in the preparation of the statements, including the comparative information.

**(a) Currency and rounding**

The statements are presented in Australian dollars rounded to the nearest whole dollar.

**(b) Income recognition**

**NORTH RICHMOND COMMUNITY HEALTH LIMITED**  
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Grants from funding bodies are recognised as income when the Centre gains control of the underlying assets. For reciprocal grants, the Centre is deemed to have assumed control when the performance has occurred under the grant. For non-reciprocal grants, the Centre is deemed to have assumed control when the grant is received or receivable under the terms of the grant. Conditional grants may be reciprocal or non-reciprocal depending on the terms of the grant.

Revenue from provision of services is recognised on a percentage completion basis when the services are provided and it is probable the Centre will benefit from the revenues.

Rental income is recognised on a straight-line basis over the lease term.

Interest income is recognised on a time basis with reference to the effective interest rate.

**(c) Resources received free of charge or for nominal consideration**

Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not donated.

**(d) Goods and Services tax**

Income, expenses and assets are recognised net of the amount of associated GST, except:

- (i) where the amount of GST incurred is not recoverable from the taxation authority, in which case it is recognised as part of the related asset or expense; or
- (ii) where receivables or payables are presented including GST. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

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 taxation authority, are presented as operating cash flow.

**(e) Employee Benefits**

Employee benefits expenses include all costs related to employment including wages and salaries, leave entitlements, redundancy payments and superannuation contributions. These are recognised when incurred.

Liability for employee benefits arising from services rendered by employees to the reporting date is recognised when it is probable that settlement will be required and the amounts may be measured reliably.

Where the settlement of employee benefits legally cannot be deferred beyond twelve months after reporting date, they are classified as current liabilities.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Centre in respect of services provided by employees up to reporting date using the remuneration rate expected to apply at the time of settlement. Provisions expected to be settled within 12 months are measured at nominal amounts.

Superannuation contributions are made by the organisation on behalf of employees in accordance with statutory requirements and/or salary packaging agreements. These contributions were paid to the superannuation funds nominated by the employees as per legislative requirements applicable to the Centre and charged as expenses when incurred.

Contributions were also paid on behalf of a small number of employees to a defined benefit scheme administered by Health Super Pty Ltd. and, as at 30 June 2009, there were no

**NORTH RICHMOND COMMUNITY HEALTH LIMITED**  
**ACN 135 411 504**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

outstanding contributions owed in this respect. As the Centre is unable to identify its share as an employer of the net surplus or deficit of this scheme, the accounting policy applied has been as if the fund were a defined contributions fund.

**(f) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, cash held in bank and credit card accounts, as well as on-call bank deposits.

**(g) Receivables**

Receivables consist predominantly of debtors in relation to grants and services, advances, accrued investment income and GST input tax credits recoverable.

Receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest rate method, less any accumulated impairment.

A provision for doubtful receivables is made when there is objective evidence that the debts will not be collected. Receivables known to be uncollectible are written off.

**(h) Inventories**

Inventories are held for distribution and consist of medical supplies, materials and stationery purchased, but unused at balance date. They are measured at the lower of actual cost and net replacement cost

**(i) Other financial assets**

Other financial assets are bank term deposits. These have a fixed term to maturity and are stated at their amortised cost, with interest derived from them recognised as income over that term based on their effective interest rate.

**(j) Intangibles assets**

Application software is recognised at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over the estimated useful life, which is an average of 3 years.

**(k) Property, plant & equipment**

Property, plant & equipment is measured at cost less depreciation. The depreciable amount of all fixed assets, including buildings, but excluding land, is depreciated on a straight-line basis over each asset's useful life as follows:

Buildings	10 to 50 years
Office equipment	3 to 15 years
Dental and medical	5 to 10 years
Furniture	10 to 20 years
Plant and machinery	3 to 20 years
Motor vehicles	6 to 10 years
Other equipment	5 to 25 years

The assets' useful lives, residual values and amortisation methods are reviewed and adjusted, if appropriate, at each financial year end.

The Centre's North Richmond premises are situated on land made available by the Victorian State Government at no charge. The Centre has not been able to reliably measure the fair value of this land at the time the arrangement commenced, and it is not recognised as part of the Centre's assets.

**NORTH RICHMOND COMMUNITY HEALTH LIMITED**  
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**(l) Impairment of assets**

At each reporting date, the Centre reviews the carrying amounts of tangible and intangible assets for indicators of any impairment loss. If there is any indicator, assets are written down to the depreciated replacement cost where this is lower than the carrying amount.

**(m) Leases**

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as an expense on a straight-line basis over the term of the lease.

**(n) Payables**

Payables represent liabilities for goods and services provided to the Centre prior to the end of the financial year and which are unpaid. They are recognised when the Centre becomes obliged to make future payments resulting from the purchase of goods and services and are measured at nominal value.

**(o) Provisions**

Provisions are recognised when the Centre has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

**(p) Restricted funds**

The Centre designates accumulated funds as restricted when it decides a specific purpose should be supported by an allocation. Currently, employee benefit obligations have been designated as restricted, as they are a major liability commonly settled in later financial periods to that in which they accrue and in which they may have been funded.

**(q) New Accounting Standards and Interpretations made but not applied**

New Accounting Standards and Interpretations have been made which are not mandatory for the financial year ended 30 June 2009. The company has not elected to adopt these rules ahead of their mandatory application date. They will be applied in the company's first financial year after the mandatory application date. These standards and interpretations and their expected impacts are:

Statement	Expected Impact	Applies in periods beginning on or after
AASB 101 Presentation of Financial statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101 and AASB 2007-10 Further Amendments to Australian Accounting Standards arising from AASB 101	(a)	1 Jan 2009
AASB 3 Business Combinations and AASB 2008-3 Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 and AASB 2008-11 Amendments to Australian Accounting Standard -- Business Combinations Among Not-for-Profit Entities	(d)	1 July 2009
AASB 127 Consolidated and Separate Financial Statements	(b)	1 July 2009
AASB 1 First-time Adoption of Australian Accounting Standards	(b)	1 July 2009
AASB 2008-5 Amendments to Australian Accounting Standards arising		

**NORTH RICHMOND COMMUNITY HEALTH LIMITED**  
**ACN 135 411 504**  
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Statement	Expected Impact	Applies in periods beginning on or after
from the Annual Improvements Project	(c)	1 Jan 2009
AASB 2008-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project	(c)	1 Jul 2009
AASB 8 Operating segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8	(e)	1 Jan 2009
AASB 123 Borrowing Costs and AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 and AASB 2009-1 Amendments to Australian Accounting Standards – Borrowing Costs of Not-for-Profit Public Sector Entities	(f)	1 Jan 2009
AASB 1049 Financial Reporting of General Government Sectors by Governments	(b)	1 Jan 2009
AASB 1039 Concise Financial Reports	(g)	1 Jan 2009
AASB 1048 Interpretation and Application of Standards	(b)	1 Oct 2008
AASB 2008-1 Amendments to Australian Accounting Standard – Share-based payments: Vesting Conditions and Cancellations	(b)	1 Jan 2009
AASB 2008-2 Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations arising on Liquidation	(b)	1 Jan 2009
AASB 2008-7 Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	(b)	1 Jul 2009
AASB 2008-8 Amendments to Australian Accounting Standards – Eligible Hedged Items	(b)	1 Jul 2009
AASB 2008-13 Amendments to Australian Accounting Standards arising from AASB Interpretation 17 – Distributions of Non-cash Assets to Owners	(b)	1 Jul 2009
AASB 2009-2 Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments	(a) (h)	1 Jan 2009
AASB 2009-4 Amendments to Australian Accounting Standards arising from the Annual Improvements Project	(c)	1 Jul 2009
AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project	(i)	1 Jan 2010
AASB 2009-6 Amendments to Australian Accounting Standards	(i)	1 Jan 2009
AASB 2009-7 Amendments to Australian Accounting Standards	(i)	1 Jan 2009
AASB 2009-8 Amendments to Australian Accounting Standards – Group Cash-settled Share-based Payment Transactions	(b)	1 Jan 2010
Interpretation 12 Service Concession Arrangements (amended)	(b)	1 Jan 2009
Interpretation 15 Agreements for the Construction of Real Estate	(b)	1 Jan 2009
Interpretation 16 Hedges of a Net Investment in a Foreign Operation	(b)	1 Oct 2008
Interpretation 17 Distributions of Non-cash Assets to Owners	(c)	1 Jul 2009
Interpretation 18 Transfers of Assets from Customers	(b)	Period ending on or after 1 Jul 2009

Expected impacts on future financial reports:

- (a) Statement primarily amends the disclosures that will be provided, but will not have an effect on the operating result or financial position
- (b) Statement addresses material that is not relevant to the company's financial statements
- (c) Statement is not expected to have material impact on the company's financial statements
- (d) Should the company enter into any mergers or acquisitions in future periods, there will be changes to the way the consideration offered and acquired assets and liabilities are measured. Such transactions are not anticipated at present.
- (e) Statement is not applicable to the company because it is a not-for-profit organisation.
- (f) Statement does not require a change of accounting policy from those currently applied.
- (g) Statement is not applicable because the company does not produce a concise financial report.
- (h) Depending on the investments or any other financial instruments held, the company may expand the disclosures detailing the nature and relationship to risk management of these items.
- (i) The company has not yet evaluated the effects of these Standards.

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**NOTE [2] - ECONOMIC DEPENDENCY**

The organisation receives most of its income as Government grants from the Victorian Department of Human Services. Without that funding or finding alternative sources of income, the program and services offered would be substantially curtailed.

	<b>Note</b>	<b>2009</b>	<b>2008</b>
		<b>\$</b>	<b>\$</b>
<b>NOTE [3] – INCOME</b>			
<i>Projects and programs</i>			
Community health service	[5]	3,127,853	2,731,664
Youth welfare service		64,890	64,890
Vietnamese welfare service		0	0
Arts & culture program		189,009	153,986
Centre for culture, ethnicity and health		1,756,698	1,595,586
Post-acute care program		968,309	971,096
Dental health service		1,749,683	1,690,790
Psychiatric disabilities program		152,856	140,603
Drug safety program		742,894	806,097
Young people's recreation & sport activities		6,000	12,900
Sundry small projects	[6]	11,956	18,681
Interest on investments		109,965	141,640
Miscellaneous items (including donations)		0	0
<b>Total income (non-consolidated value)</b>		<b>8,880,113</b>	<b>8,327,933</b>
less internal charges for cross-subsidisation		(943,068)	(967,763)
<b>Total consolidated income</b>		<b>7,937,045</b>	<b>7,360,170</b>
<b>NOTE [4] – EXPENSES</b>			
<i>Projects and programs</i>			
Community health service	[5]	3,324,959	2,730,996
Youth welfare service		56,859	51,314
Vietnamese welfare service		0	0
Arts & culture program		240,276	285,776
Centre for culture, ethnicity and health		1,652,664	1,633,839
Post-acute care program		1,003,660	947,193
Dental health service		2,084,426	1,805,729
Psychiatric disabilities program		166,119	126,408
Drug safety program		594,707	802,841
Young people's recreation & sport activities		3,795	12,405
Sundry small projects	[6]	9,494	11,181
Buses - depreciation and change-over cost		3,89	10,842
Miscellaneous items		0	0
<b>Total expenses (non-consolidated value)</b>		<b>9,140,858</b>	<b>8,418,524</b>
less internal charges for cross-subsidisation		(943,068)	(967,763)
<b>Total consolidated expenses</b>		<b>8,197,790</b>	<b>7,450,761</b>

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<b>Note</b>	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE [5] - COMMUNITY HEALTH SERVICE INCOME AND EXPENDITURE</b>		
<i>Income</i>		
Government grants	1,904,931	1,503,734
Rental from various occupants	78,656	77,771
Consultancy fees	87,508	106,104
Client's fees	90,212	36,512
Administration fees from other programs	949,794	967,587
Miscellaneous income	16,752	39,956
<b>Total income</b>	<b>3,127,853</b>	<b>2,731,664</b>
<i>Expenses</i>		
Personnel cost (incl. overhead cost)	2,296,522	1,911,797
Variation in leave provisions	1,165	33,830
Medical supplies and diagnostic facilities	12,405	11,845
Power (gas and electricity)	29,850	26,459
Linen, laundry and cleaning	26,567	13,989
Repairs and maintenance	83,488	50,370
Consultants' fees	261,546	182,076
Auditor's fees for audit of financial statements <sup>1</sup>	8,000	8,250
Staff recruitment cost	10,556	8,143
Membership dues and subscription	12,474	15,717
Insurances	9,045	11,889
Stationary, photocopying and computer supplies	46,758	8,897
Books, audio-visual & health education materials	288	174
Telecommunication cost (incl. ISP)	75,158	57,514
Postage and courier services	9,371	7,925
Motor vehicles cost	20,853	15,974
Travelling cost	11,057	7,415
Rent and rates (incl. equipment rental)	127,899	99,983
Public relations	9,587	4,678
Staff development cost	30,529	27,233
Security and fire alarm system	6,337	10,431
Translation and interpreting cost	43,559	33,081
Depreciation of fixed assets (incl. write-down on disposal)	95,227	110,420
Bad debts written off	0	1,096
Miscellaneous expenses	96,718	71,810
<b>Total expenses</b>	<b>3,324,959</b>	<b>2,730,996</b>
<b>Result for period</b>	<b>(197,106)</b>	<b>668</b>

1. The auditor received no remuneration for any other services.

**NOTE [6] – SMALL PROJECTS**

<i>Income</i>		
Senior citizens' group activities	1,610	1,433
Social activities for residents	1,900	12,994
Timorese group activities	3,000	0
Vietnamese women's group activities	5,446	4,254
<b>Total income</b>	<b>11,956</b>	<b>18,681</b>
<i>Expenses</i>		
Senior citizens' group activities	3,175	1,988
Social activities for residents	985	4,447
Timorese group activities	2,509	0
Vietnamese women's group activities	2,825	4,746

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<i>Total expenses</i>	9,494	11,181
<b>Note</b>	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE [7] - CASH AND CASH EQUIVALENTS</b>		
Cash on hand	7,824	7,200
Cash at bank – cheque account	735,999	47,548
Cash at bank - credit card account	0	0
Cash at bank - cash management account	1,703,567	1,984,050
	<b>2,447,390</b>	<b>2,038,798</b>
<b>NOTE [8] - RECEIVABLES</b>		
Current receivables		
Trade debtors	78,257	116,468
Accrued income	41,458	46,432
Prepayments	7,478	2,846
<b>Total Receivables</b>	<b>127,192</b>	<b>165,746</b>
<b>NOTE [9] - INVENTORIES</b>		
Medical supplies, materials and stationery at cost	9,605	9,650
	<b>9,605</b>	<b>9,650</b>
<b>NOTE [10] - OTHER FINANCIAL ASSETS</b>		
Current		
Bank term deposits (maturing within 12 months)	917,467	817,988
	<b>917,467</b>	<b>871,988</b>
Non-current		
Bank term deposits (maturing later than 12 months)	0	0
	<b>0</b>	<b>0</b>
<b>Total Other Financial Assets</b>	<b>917,467</b>	<b>871,988</b>
<b>NOTE [12] - PROPERTY, PLANT &amp; EQUIPMENT</b>		
Building at cost	1,643,429	1,643,429
Less accumulated depreciation	(411,250)	(388,458)
	<b>1,232,179</b>	<b>1,254,971</b>
Office & computer equipment at cost	537,203	464,481
Less accumulated depreciation	421,301	(345,822)
	<b>115,902</b>	<b>118,659</b>
Dental & medical equipment at cost	162,902	162,042
Less accumulated depreciation	127,293	(111,853)
	<b>35,609</b>	<b>50,189</b>
Furniture at cost	154,261	149,159
Less accumulated depreciation	100,309	(93,300)
	<b>53,952</b>	<b>55,859</b>
Plant & machinery at cost	110,869	98,616
Less accumulated depreciation	76,423	(69,034)
	<b>34,446</b>	<b>29,582</b>
Motor vehicles at cost	405,304	423,653
Less accumulated depreciation	205,212	(244,514)
	<b>200,092</b>	<b>179,139</b>
Other equipment at cost	28,677	51,487
Less accumulated depreciation	18,811	(33,821)
	<b>9,866</b>	<b>17,666</b>

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Note	2009	2008
	\$	\$

TOTAL	<b>1,682,045</b>	<b>1,706,065</b>
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**NOTE [12] - PROPERTY, PLANT & EQUIPMENT (con't)**

Reconciliations of the carrying amount of each class of property, plant and equipment asset at the beginning and end of the previous and current financial year is set out below:

	Balance 1 July 2007	Additions	Disposals	Depreciation	Balance 30 June 2008
Buildings	1,278,391	-	-	(23,420)	1,254,971
Office equipment	110,386	68,918	-	(53,141)	126,163
Dental & medical	57,982	7,599	-	(15,392)	50,189
Furniture	62,859	300	-	(7,300)	55,859
Plant and machinery	36,177	-	-	(6,595)	29,582
Motor vehicles	187,170	85,379	(29,161)	(64,249)	179,139
Other equipment	2,889	11,873	-	(4,599)	10,163
<b>Total</b>	<b>1,735,853</b>	<b>174,069</b>	<b>(29,161)</b>	<b>(174,696)</b>	<b>1,706,065</b>

	Balance 1 July 2008	Additions	Disposals	Depreciation	Balance 30 June 2009
Buildings	1,254,971	0	0	(22,792)	1,232,179
Office equipment	126,163	45,737	0	(55,998)	108,398
Dental and medical	50,189	860	0	(15,440)	35,609
Furniture	55,859	5,102	0	(7,009)	53,952
Plant and machinery	29,582	12,253	0	(7,390)	34,445
Motor vehicles	179,139	86,180	(4,259)	(60,967)	200,092
Other equipment	10,163	4,173	0	(4,470)	17,369
<b>Total</b>	<b>1,706,065</b>	<b>154,205</b>	<b>(4,259)</b>	<b>(174,066)</b>	<b>1,682,045</b>

Note	2009	2008
	\$	\$

**NOTE [13] - PAYABLES**

Trade creditors	338,185	228,597
Accrued expenses	73,767	30,230
Unearned Income (including grants received in advance)	782,004	376,313
	<b>1,193,956</b>	<b>635,140</b>

**NOTE [14] - PROVISIONS**

*Current*

Annual leave	403,377	365,451
Long service leave	510,808	478,619
<b>Total current provisions</b>	<b>914,185</b>	<b>844,070</b>

*Non-current*

Long service leave	369,896	346,586
<b>Total non-current provisions</b>	<b>369,896</b>	<b>346,586</b>

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	<b>Note</b>	<b>2009</b>	<b>2008</b>
Total Provisions		\$ 1,284,081	\$ 1,190,656

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Note	2009	2008
	\$	\$

**NOTE [15] - OPERATING LEASES**

**a) Commitments**

Non-cancellable operating leases contracted for at balance date but not provided for in the accounts, payable:

Less than one year	122,454	121,012
Later than one year but not later than five years	49,584	166,700
	<b>172,038</b>	<b>287,711</b>

**b) Expenses**

Office equipment	25,402	25,402
Office space	102,788	90,000
	<b>128,190</b>	<b>115,402</b>

The Centre has leased property space at two different locations for some of its staff which cannot be accommodated in its own premises. The lease is for a 5-year term and expiring in 2010. It also leases a photocopier for a term of 4 years.

Note	2009	2008
------	------	------

**NOTE [16] - CASH FLOW INFORMATION**

**a) Reconciliation of cash**

Cash on hand and deposit	2,447,390	2,038,798
Bank overdraft	0	0
	<b>2,447,390</b>	<b>2,038,798</b>

**b) Reconciliation of net cash used in operating activities with net result in Operating Statement**

Result as per <i>Operating Statement</i>	(257,511)	(90,591)
Non-cash flows in result:		
Depreciation	174,066	174,696
Net (Profit) / Loss on sale of assets	(26,650)	(15,140)
Changes in assets and liabilities:		
(Increase)/Decrease in receivables	38,521	19,395
(Increase)/Decrease in inventories	0	0
(Increase)/(Decrease) in creditors	557,180	181,918
(Increase)/(Decrease) in provisions	93,425	50,031
	<b>579,031</b>	<b>320,309</b>

Note	2009	2008
	\$	\$

**NOTE [17] - KEY MANAGEMENT PERSONNEL COMPENSATION**

The compensation paid to key management personnel during the year was:

Short-term benefits	95,577	114,143
Post-employment benefits (superannuation contributions)	11,395	11,196
Long-term benefits	3,128	3,036
<b>TOTAL</b>	<b>110,100</b>	<b>128,375</b>

Members of the Committee of Management are appointed on an honorary basis and do not receive compensation for their services.

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**NOTE [18] - RELATED PARTY TRANSACTIONS**

There were no transactions with related parties during the reporting period.

**NOTE [19] - SUBSEQUENT EVENTS**

There have been no material or significant events occurring after the reporting date up to the date of authorisation for issue of this report.

**NOTE [20] - MEMBERS' GUARANTEE**

The company has no share capital and is limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$10.00 each towards meeting any outstandings and obligations of the entity. At 30 June 2009 the number of members was 6.

**NOTE [21] - FINANCIAL INSTRUMENTS**

(a) Risk management objectives and policies

The nature of the operations of the Centre do not result in substantial financial risk. The assessed risks lie primarily in credit risk, liquidity risk and interest rate risk. The entity considers that there limited risk means there is no need to enter into risk management strategies involving derivative instruments. The Centre does not enter into or trade financial instruments for speculative purposes.

(b) Significant accounting policies and terms and conditions

Details of:

- the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised; and
  - any significant terms and conditions
- in respect of each class of financial asset and financial liability are identified in Note 1 to the accounts.

(c) Credit risk exposure

There is no provision for doubtful debts included in the accounts at 30 June 2009, as all identified bad debts have been written off and there are no significant exposures in the remaining receivables.

(d) Fair Value of Financial Assets and Liabilities

The carrying amount of financial assets and liabilities contained within these financial statements is representative of the fair value of each financial asset or liability.

(e) Liquidity risk

Management arranges for an appropriate mix between funds at call and on deposit to ensure adequate liquidity. Where payables have a contractual maturity, it is usually within 30 days or equivalent standard trading terms.

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**NOTE [21] - FINANCIAL INSTRUMENTS (con't)**

(e) Interest rate risk exposure

The Centre places short-term surplus cash funds in to money market investments earning a market rate of interest. The Centre's exposure to interest rate risk and effective weighted average interest rate by maturity periods is set out in the following table. Exposures arise predominantly from assets and liabilities bearing variable interest rates.

<b>Interest rate exposure at 30 June 2009</b>	<b>Floating interest rate \$</b>	<b>Fixed interest rate (maturing in 1 year or less) \$</b>	<b>Non interest bearing \$</b>	<b>TOTAL \$</b>	<b>Weighted average Interest rate %</b>
<b>Financial assets</b>					
Cash at bank	2,439,566	-	7,824	2,447,390	3.79
Receivables	-	-	127,192	127,192	
Other financial assets	-	917,467	-	917,467	4.61
<b>Total financial assets</b>	<b>2,439,566</b>	<b>917,467</b>	<b>135,015</b>	<b>3,492,049</b>	
<b>Financial liabilities</b>					
Payables	-	-	1,193,956	1,193,956	
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>1,193,956</b>	<b>1,193,956</b>	

<b>Interest rate exposure at 30 June 2008</b>	<b>Floating interest rate \$</b>	<b>Fixed interest rate (maturing in 1 year or less) \$</b>	<b>Non interest bearing \$</b>	<b>TOTAL \$</b>	<b>Weighted average Interest rate %</b>
<b>Financial assets</b>					
Cash and cash equivalents	2,031,598	-	7,200	2,038,798	5.12
Receivables	-	-	165,746	165,747	
Other financial assets	-	871,988	-	871,988	6.95
<b>Total financial assets</b>	<b>2,031,598</b>	<b>871,988</b>	<b>172,946</b>	<b>3,076,533</b>	
<b>Financial liabilities</b>					
Payables	-	-	635,140	635,140	
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>635,140</b>	<b>635,140</b>	

**Auditor's Independence Declaration to the Directors of North Richmond Community Health Limited**

In relation to my audit of the financial report of North Richmond Community Health Limited for the financial year ended 30 June 2009 to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.



David Sauer  
24 September 2009

**David Sauer, Chartered Accountant**  
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