Audited Annual Financial Report

RichmondPRA Limited

ACN 001 280 628

30 June 2017

RichmondPRA
Together, we're better.

flourish AUSTRALIA
Where mental wellbeing thrives

DIRECTORS' REPORT

The directors present their report for RichmondPRA Limited hereby known as RichmondPRA, the consolidated entity consisting of RichmondPRA and its wholly owned subsidiary (RichmondPRA Services Limited) for the year ended 30 June 2017.

Directors

The following persons were directors of the Company during the financial year:

- Professor Elizabeth More AM (Chair)
- Jeremy Thorpe (Treasurer)
- Stan G. Brogan (Retired February 2017)
- Robyn Carmody
- Paul Clenaghan
- Paula Hanlon
- Rachel Slade
- Dr Josey Anderson
- Professor Dan Howard SC (resigned June 2017)

What do we do?

RichmondPRA ('The Company') works in local communities to help people on their mental health recovery journey. RichmondPRA helps people:

To find somewhere to live that is safe and secure

Over 600 people every year live in stable accommodation linked to the support they need because of the services RichmondPRA provides. This keeps people out of hospital, helps them to live independently, connects them to their communities, families and friends, and provides the platform for personal growth and recovery. Tailored programs ensure that women with children, young people and Aboriginal people can also benefit from this help.

To make friends, get involved and learn new things

Unique to RichmondPRA is a network of services around New South Wales and southern Queensland used by over 1200 people every month to engage in the broader life of their communities. Run by the participants as much as the staff, these are places where recovery is enabled through member and staff led activities on site and in the community. People are able to feel safe while engaging in individual and group self-help programs around activities that the people themselves select because they are important to the individual's own recovery.

To get a job

RichmondPRA is the largest specialist employer of people with mental health issues in the country. We understand that finding a job can be the most important step on a person's recovery journey, and we understand what works best to help people get work ready. From 4 Star employment placement programs to social enterprises, our employment programs help with everything from getting skills up to date, right through to providing full or part-time work in one of our community businesses or social enterprises. We are a leader in running businesses that create work ready people and meaningful employment opportunities for people with a mental health issue.

To get well and stay well

Finding the right place to live, getting a job, being supported and staying connected are all important components of the recovery journey. But in Australia, people with mental health issues also face the reality of a drastically reduced life expectancy because of poor physical health. RichmondPRA's Back on Track Health (BOTH) Program aims to help people stay on the right track. This program integrates holistic support, with a flexible, coordinated individual support system to help people who use our services maintain and improve their general health. We are also the Lead Agency for headspace centres in Bankstown and Broken Hill providing comprehensive primary health, mental health and other psychosocial supports to young people.

To support others

RichmondPRA values the lived experience of mental illness. Over 50% of our staff disclose a lived experience of a mental health issue.

We have a commitment to ensuring access to a peer worker for support across RichmondPRA's geographic footprint. As such, RichmondPRA has a strategic goal of increasing the size of our peer workforce, providing a clear public statement of the value we place on the skills and understanding of people with lived experience, in the delivery of mental health supports.

A review of our operations for FY17

Overall financial position

RichmondPRA has maintained a strong financial position, with $8,177,345 in cash equivalents and financial assets. We also hold a further $5,316,239 in shares and bonds which can be converted to cash in less than 1 week.

Operating result for the year

As detailed in this report, RichmondPRA's operating or trading result for the year was a surplus of $1,152,822. This included the profit on sale of underutilised property assets of $1,099,953.

Using resources wisely

RichmondPRA continues to invest cash where, after risk assessment, the company will be able to maximise its investment income. Our Share Portfolio continues to pay good dividends and while interest income from Term Deposits is very low, this still represents sound liquidity management.

Reinvestment of property sale proceeds into new land

The construction of our 41unit affordable housing investment in Guildford is now all but complete. As at June 2017, the outside construction is complete, the building is roofed, external walls and windows installed, internal walls constructed, doors installed and internal completion of lifts, electrical works, plumbing and air-conditioning works well under way. It is anticipated that practical completion will be achieved by the end of August. It is the current plan to then sell 20 units and clear all debt and then to continue to own and rent the remaining units under the NRAS affordable housing scheme.

Information on directors

Professor Elizabeth More AM	Professor Elizabeth More is the Dean of the Australian Institute of Management (AIM) School of Business. She has been a senior academic across a range of universities, including Dean of the Macquarie Graduate school of Management and Deputy Vice-Chancellor at Macquarie and Canberra Universities. She also has extensive experience on a number of NFP Boards (including NIDA) and in consulting to both private and public sector organisations. Professor More has worked in executive education, and has been called upon for expert media comment on issues related to management practice and education. Before becoming a university academic, she worked as a classical ballet dancer in theatre and television and in the advertising industry.
Jeremy Thorpe	Jeremy is an economist with more than 20 years of experience in the public and private sectors. He is currently a Partner at PwC in its national Economics & Policy team, and leads the firm's NSW Government team. He was previously a Director of a boutique economic consultancy and prior to that was at the Commonwealth Treasury and the Productivity Commission. Jeremy has particular experience in disability and mental health policy, having advised the NSW, Commonwealth and ACT Governments, as well as private not-for-profits on issues as diverse as organisational strategy, program evaluation, the transition to the NDIS and economic impacts of disability/mental health activities. Jeremy previously was on the board of a not-for-profit for seven years, four of which he was the Chair.
Robyn Carmody	Robyn's involvement with people with mental disabilities began more than 15 years ago when she was involved with the care of a person who was living with a mental illness. Robyn's involvement with the provision of facilities for those with mental illness and their carers has included a position on the Managing Board of Pioneer Clubhouse, as well as involvement with the provision of respite facilities for carers of people with a mental illness. Robyn brings a range of personal and industry experience and a community point of view about health services.
Rachel Slade	Rachel was appointed to the role of Executive General Manager, Deposits & Transaction Services for National Australia Bank in January 2017. Prior to joining NAB, Rachel was the General Manager, Global Transactional Services (GTS), Westpac Institutional Bank (WIB) between September 2014 and 2016. Rachel joined Westpac in July 1999 and held various roles including General Manager, Transformation and Delivery, Head of Group Strategy, General Manager Mergers & Acquisition, Head of International Trade and Payments, Group Head of Diversity and Flexibility. Prior to moving into banking, Rachel worked as a financial services strategy consultant with Andersen Consulting. Rachel holds a Bachelor of Economics (Hons) (Macquarie University), Graduate, Australian Institute of Company Directors and Graduate, Harvard Business School Women's Leadership Program. She serves as a director on the Boards of RichmondPRA and NPP Australia Ltd. and a member of the Australian Payments Council. Rachel was the Westpac Group's 2013 General Manager of the Year.
Paul Clenaghan	Paul Clenaghan is Community and Partnerships Manager for Mental Health Services in the area of Sydney stretching from Redfern to Bankstown. As a qualified psychiatric nurse, he holds a Masters in Nursing and a Post Graduate Diploma in Nursing Management. He has a long record of service to people experiencing psychosocial disadvantage, their care and support.
Paula Hanlon	Paula is employed as the Manager, Consumer Services for North Shore Ryde Mental Health Service. Paula has also worked for the Mental Health Association NSW Inc. and New Horizons Enterprises. Paula is a Surveyor for the Australian Council on Health Care Standards reviewing services across Australia. Paula has a BA majoring in Psychology, and together with her lived experience and personal recovery journey contributes to the progression of mental health reform in Australia She is a member of The MHS Learning Network Management Committee and the NSW Public Mental Health Consumer Workers Committee. Paula is also a Member of the NSW Mental Health Commission Community Advisory Council; and was Chair of the NSW Mental Health Consumer Workers Committee (2012-13)
Dr Josey Anderson	Dr Anderson is a highly experienced and qualified Child and Adolescent Psychiatrist, and has worked in child and youth psychiatry for over twenty years in several clinical settings. Josey has been an active leader in the development of community based services for young people, including the child and youth mental health services, and three headspace centres in western Sydney. Josey is highly regarded as a clinician, academic, teacher and administrator. She is a Consultant to a number of organisations including the Department of Juvenile Justice. She contributes to a wide range of formal Committees working in the area of child and youth mental health and juvenile crime prevention. Dr Anderson has worked in partnership with the former Richmond Fellowship of NSW and RichmondPRA for many years, initially in the early design of the highly successful Young People's Outreach Program. She currently chairs the Consortium for the RichmondPRA headspace service in Bankstown.

Meetings of directors

The Directors meet on a bi-monthly basis, 6 meetings were held in the financial year to 30 June 2017. The number of meetings of the Company's board of directors held during the year ended 30 June 2017, and the numbers of meetings attended by each director were:

	Number of meetings attended	**Number of meetings held during the time the director held office during the year**
Elizabeth More (Chair)	5	6
Stan Brogan	4	4
Robyn Carmody	5	6
Paul Clenaghan	6	6
Rachel Slade	4	6
Jeremy Thorpe (Treasurer)	6	6
Dan Howard	5	6
Paula Hanlon	5	6
Josey Anderson	6	6

In addition to attending Board meetings, the directors also attended bi-monthly meetings for the Finance, Risk and Audit and Services sub-Committees.

Insurance of Officers

During the financial year, RichmondPRA paid premiums to insure the directors and officers of the Company. The professional liability insurance paid in respect of directors and officers for the year ended 30 June 2017 was $4,400 (2016: $4,500).

Environmental Regulation

The Company is subject to normal State and Federal environmental legislation and does not operate within an industry with specific environmental guidelines or limits.

Proceedings on behalf of Company

No person has applied to the Court for leave to bring proceedings on behalf of the Company, or to 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 part of those proceedings.

Members’ guarantee

RichmondPRA Limited is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If RichmondPRA Limited is wound up, the liability of each member (during the time or within one year afterwards) is limited to ten dollars.

Auditor

BDO continues in office.

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

Elizabeth More AM
Director

Jeremy Thorpe
Director

Sydney, 20 September 2017

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CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2017

	Ref.	2017 $	2016 $
Revenue from ordinary activities	A1	58,081,071	56,792,400
Other income		1,418,916	205,816
Cost of sales of goods		(741,593)	(497,630)
Employee benefits expense		(42,298,897)	(40,595,487)
Depreciation and amortisation expenses	A2	(2,213,908)	(2,161,155)
Other expenses		(13,092,767)	(13,910,369)
Total expenses		(58,347,165)	(57,164,641)
Surplus/(deficit) before income tax expense		1,152,822	(166,425)
Income tax expense		-	-
Surplus/(deficit) for the year		**1,152,822**	**(166,425)**
Other comprehensive income/(loss)			
Items that may be reclassified to profit or loss			
Available-for-sale financial assets: equity securities	D2	168,314	(16,618)
Total comprehensive income/(loss) for the year		**1,321,136**	**(183,043)**

The above consolidated statement of profit and loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

	Ref.	2017 $	2016 $
Current assets			
Cash and cash equivalents	C1	8,177,345	5,254,367
Receivables	C1	1,903,353	1,339,240
Inventories		112,379	27,681
Prepayments		659,675	413,173
Total current assets		10,852,752	7,034,461
Non-current assets			
Bonds and deposits		411,148	204,937
Available-for-sale financial assets	B1	5,316,239	4,974,244
Property, plant and equipment	B2	24,143,387	19,899,786
Total non-current assets		29,870,774	25,078,967
Total assets		40,723,526	32,113,428
Current liabilities			
Accounts payable	C1	2,626,275	2,499,835
Employee entitlements	C1	4,248,509	4,019,270
Other current liabilities	C1	3,576,104	1,196,601
Total current liabilities		10,450,888	7,715,706
Non-current liabilities			
Financial liabilities	C1	6,699,891	2,302,667
Employee entitlements	C1	1,528,994	1,372,438
Total non-current liabilities		8,228,885	3,675,105
Total liabilities		18,679,773	11,390,811
Net assets		**22,043,753**	**20,722,617**
Contributed equity			
Program participants reserve	D2	451,846	451,846
Other reserves	D2	7,096,160	6,927,846
Accumulated profits	D2	14,495,747	13,342,925
Total contributed equity		**22,043,753**	**20,722,617**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2017

	Ref.	Program Participants Reserve	Reserves $	Accumulated profits $	Total $
Balance as at 30 June 2015		**451,846**	**6,944,464**	**13,509,350**	**20,905,660**
Loss for the year		-	-	(166,425)	(166,425)
Other comprehensive income					
Available-for-sale financial asset reserve	D2	-	(16,618)	-	(16,618)
Total comprehensive loss		**-**	**(16,618)**	**(166,425)**	**(183,043)**
Balance as at 30 June 2016		**451,846**	**6,927,846**	**13,342,925**	**20,722,617**
Profit for the year		-	-	1,152,822	1,152,822
Other comprehensive income					
Available-for-sale financial asset reserve	D2	-	168,314	-	168,314
Total comprehensive income		**-**	**168,314**	**1,152,822**	**1,321,136**
Balance as at 30 June 2017		**451,846**	**7,096,160**	**14,495,747**	**22,043,753**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2017

	Ref.	2017 $	2016 $
Cash Flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		3,880,199	4,092,373
Payments to suppliers and employees (inclusive of goods and services tax)		(61,492,475)	(59,891,473)
Government grants and subsidies received		60,342,266	55,845,812
Interest received		304,208	318,611
Rents received		621,864	633,363
Donations received		288,181	37,475
Net cash inflow from operating activities	E4	3,944,243	1,036,161
Cash Flows from investing activities			
Payments for property, plant and equipment		(6,521,442)	(4,503,593)
Capitalised finance costs on construction projects		(164,918)	(73,924)
Proceeds from sale of property, plant and equipment		1,647,766	250,997
Payments for available for sale assets		(173,683)	(138,262)
Payments for security deposits		(206,211)	(8,708)
Net cash outflow from investing activities		(5,418,488)	(4,473,490)
Cash Flows from investing activities			
Net proceeds/(repayment) of borrowings		4,397,223	(547,333)
Net cash inflow/(outflow) from financing activities		4,397,223	(547,333)
Net increase/(decrease) in cash held		**2,922,978**	**(3,984,662)**
Cash and cash equivalents at the beginning of the financial year		5,254,367	9,239,029
Cash and cash equivalents at the end of the financial year	C1	**8,177,345**	**5,254,367**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

A. WHERE DO OUR FUNDS COME FROM AND HOW ARE THEY SPENT?

A1. What are our sources of revenue?

A2. Where has the funding been spent?

This section explains the main sources of our **revenue** and **expenditure** and how those are measured in accordance with the relevant accounting standards

A1. WHAT ARE OUR SOURCES OF REVENUE?

Our primary sources of revenue are State and Federal Government grants. We also receive some income from commercial sales through our social enterprises that provide employment opportunities for individuals with mental health issues. We also receive a small amount of 'Other Revenue' from investment of our reserves.

	2017 $	2016 $
Revenue from ordinary activities		
Commonwealth Government	**18,652,215**	14,922,987
NSW Government	**32,296,363**	35,264,761
Business Sales	**3,527,454**	3,333,127
Qld Government	**1,698,262**	1,654,094
Other Grants	**1,906,777**	1,617,431
Total revenue from ordinary activities	**58,081,071**[1]	56,792,400[1]
Other Income: Gain on sale of non-current assets	**1,418,916**	205,816

[1]For further analysis on specific funding sources, refer to section E4 (ii) Acknowledgement of funding.

What is the relevant accounting policy?

Grant revenue is recognised in the statement of profit and loss & other comprehensive income when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amounts of the grant can be measured reliable. If conditions are attached to the grant which must be satisfied, the recognition of grant revenue will be deferred until those conditions are satisfied.

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

Commercial sales revenue represents revenue earned from the sale of the Company's products, net of returns and trade allowances and taxes paid.

Other grants includes income from Medicare Locals (Partners in Recovery), the National Disability Insurance Scheme (NDIS), interest income on investments, donations from donors, dividends received from other corporations and fund raising income and grants and subsidies received from the government.

A2. WHERE HAS THE FUNDING BEEN SPENT?

We have spent the income we received over the course of this financial year on programs that support the following goals.

	2017 $	2016 $
Supporting people where they live	**24,374,778**	28,185,982
Working with people to find a job	**8,970,812**	9,452,548
Helping people make friends, get involved and learn new things	**21,257,422**	15,826,765
Other expenditure	**3,744,153**	3,699,346
Total expenditure	**58,347,165**	57,164,641

The main categories of expenditure were as follows:

	2017 **$**	2016 $
Depreciation	**2,213,908**	2,161,155
Annual leave	**142,685**	460,073
Long service leave	**254,565**	471,040
Workers compensation insurance	**633,903**	857,081
Bad debts expense	**20,000**	50,000
Salaries & Wages	**37,897,656**	35,486,281
Superannuation	**3,370,088**	3,211,918
Rental expense on operating leases	**3,053,928**	3,054,800
Motor vehicle expenses	**1,403,472**	1,330,311
Consultants and contractors	**2,125,492**	2,654,214
Client expenditure	**1,135,817**	1,991,090
Cost of goods sold	**741,593**	497,630
Other office costs	**2,936,743**	3,129,509
Other expenses	**2,417,315**	1,809,539
	58,347,165	57,164,641

Capitalised finance costs on construction projects	**164,918**	73,924

B. WHAT RESOURCES DO WE HAVE AND HOW DO WE MANAGE THEM?

B1. Shares and other financial assets

B2. Property, Plant & Equipment

This section sets out the **non-current assets** (that is, assets that are not for sale in the current financial year) held by RichmondPRA. These assets fall into two main categories: **shares** and **other financial assets** (known as 'available for sale financial assets') and **property plant and equipment**.

B1. SHARES AND OTHER FINANCIAL ASSETS

From time to time, RichmondPRA will hold financial assets such as shares and other equity securities that can be traded on the market. We do this in order to manage our financial risk and produce returns that we can use to provide services to our clients.

	2017 $	2016 $
Non-Current		
Unlisted securities	**712,371**	734,724
Listed securities	**4,603,868**	4,239,520
Total Non-Current Investments	**5,316,239**	4,974,244

What is the relevant accounting policy?

Available for sale financial assets, comprising principally marketable equity securities, are non derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the end of the reporting period. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss as gains and losses from investment securities.

At initial recognition, the Company measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Available for sale financial assets are subsequently carried at fair value. Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available for sale are recognised in equity in the available for sale investments revaluation reserve.

B2. PROPERTY, PLANT & EQUIPMENT

	Land $	Lease hold improvement $	Construction Work in Progress[1] $	Plant and Equipment $	Motor Vehicles $	Total $
Year ended 30 June 2016						
Opening net book amount	5,009,154	3,437,654	3,980,761	1,810,483	3,290,551	17,528,603
Additions	568,707	108,055	2,743,619[1]	482,703	657,167	4,560,251
Disposals	-	-	-	-	(27,913)	(27,913)
Depreciation expense	(3,545)	(456,922)	-	(705,181)	(995,507)	(2,161,155)
Closing net book amount	**5,574,316**	**3,088,787**	**6,724,380**	**1,588,005**	**2,924,298**	**19,899,786**
At 30 June 2016						
Cost	**5,577,861**	**4,624,639**	**6,724,380**	**4,135,162**	**6,832,381**	**27,894,423**
Accumulated depreciation	**(3,545)**	**(1,535,852)**	**-**	**(2,547,157)**	**(3,908,083)**	**(7,994,637)**
Net book amount	**5,574,316**	**3,088,787**	**6,724,380[1]**	**1,588,005**	**2,924,298**	**19,899,786**
Year ended 30 June 2017						
Opening net book amount	**5,574,316**	**3,088,787**	**6,724,380**	**1,588,005**	**2,924,298**	**19,899,786**
Additions	-	191,823	6,721,928	379,390	779,406	8,072,547
Disposals	(1,386,185)	(76,450)	-	(114,745)	(37,658)	(1,615,038)
Depreciation expense	(14,218)	(503,373)	-	(683,229)	(1,013,088)	(2,213,908)
Closing net book amount	**4,173,913**	**2,700,787**	**13,446,308**	**1,169,421**	**2,652,958**	**24,143,387**
At 30 June 2017						
Cost	**4,191,675**	**4,420,702**	**13,446,308**	**4,254,590**	**7,027,243**	**33,340,518**
Accumulated depreciation	**(17,762)**	**(1,719,915)**	**-**	**(3,085,169)**	**(4,374,285)**	**(9,197,131)**
Net book amount	**4,173,913**	**2,700,787**	**13,446,308**	**1,169,421**	**2,652,958**	**24,143,387**

[1] The Construction work in progress represents a development to create affordable housing under the National Rental Affordability Scheme. This development is a reinvestment of funds received as a result of the sale of the Redfern property in FY13.

What is the relevant accounting policy?

Land and buildings are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Property held to meet service delivery objectives rather than to earn rental or for capital appreciation is accounted for as property plant and equipment in accordance with accounting standard AASB 116 Property, Plant and Equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

- Machinery	*5-12 years*
- Vehicles	*4-15 years*
- Furniture, fittings and equipment	*3-10 years*
- Leasehold improvements	*3-40 years*

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is the company policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

C. HOW DO WE MANAGE OUR RISK AND WORKING CAPITAL?

C1. Capital management

C2. Financial risk management

This section explains the risk that RichmondPRA is exposed to, the policies we apply to reduce those risks and also provides the users with information on how we manage our working capital.

C1. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to:

- Safeguard their ability to continue as a going concern so they can continue to provide services to the community, and
- Maintain an optimal capital structure to support efficient and effective service delivery

(i) Working Capital

	2017 $	2016 $
Current Assets (includes cash, receivables, inventories and prepayments)	**10,852,752**	7,034,461
Current Liabilities	**(10,450,888)**	(7,715,706)
Net Current Assets	**401,864**	(681,245)

(ii) Current Assets – Cash and receivables

	2017 $	2016 $
Cash and cash equivalents		
Cash on hand	**8,528**	13,031
Cash at bank		
Interest bearing deposits	**1,277,433**	1,408,170
Cash management call accounts	**6,891,384**	3,833,166
Total cash and cash equivalents	**8,177,345**	5,254,367

		2017 $	2016 $
Trade receivables			
Trade debtors		**1,887,013**	1,422,364
Provision for doubtful debts	D1	**(1,011)**	(100,000)
		1,886,002	1,322,364
Other debtors		**17,351**	16,876
Total receivables		**1,903,353**	1,339,240

(iii) Current Liabilities

	2017 $	2016 $
Trade payable and accruals	**1,357,178**	1,779,549
Other payables and accruals	**942,865**	673,482
GST payable	**326,232**	46,804
Total accounts payable	**2,626,275**	2,499,835

	2017 $	2016 $
Employee entitlements	**4,248,509**	4,019,270
Total current employee entitlements	**4,248,509**	4,019,270

	2017 $	2016 $
Income in Advance	**3,576,104**	1,196,601
Total other current liabilities	**3,576,104**	1,196,601

(IV) Non-Current Liabilities

	2017 $	2016 $
Employee entitlements	**1,528,994**	1,372,438
Total non-current employee entitlements	**1,528,994**	1,372,438

(V) Financial liabilities

	2017 $	2016 $
Loans*	**6,699,891**	2,302,667
Total non-current financial liabilities	**6,699,891**	2,302,667

*Assets pledged as security - loans are secured by first registered mortgages over RichmondPRA's land and buildings.

What is the relevant accounting policy?

Cash and Cash Equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and for the purpose of the cash flow statement, bank overdrafts. Bank overdrafts are shown within due to other financial institutions on the statement of financial position.

Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are due for settlement no more than 30 days for debtors. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade receivables is reviewed on an ongoing basis. Debtors which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Trade Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

C2. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and aging analysis for credit risk.

The Company holds the following financial instruments:

	2017 **$**	2016 $
Financial assets		
Cash and cash equivalents	**8,177,345**	5,254,367
Trade and other receivable	**1,903,353**	1,339,240
Available-for-sale financial assets (current and non-current)	**5,316,239**	4,974,244
Financial liabilities		
Trade and other payables	**2,626,275**	2,499,835
Loans	**6,699,891**	2,302,667

D. APPENDICES

D1. OTHER NON-FINANCIAL ASSETS AND LIABILITIES

Impaired trade receivables

As at 30 June 2017 current trade receivables of the Company with a nominal value of $1,011 (2016: $100,000) were impaired. The individually impaired receivables mainly relate to individuals, who are experiencing unexpected difficult economic situations. Movements in the provision for impairment of receivables are as follows:

	2017 **$**	2016 $
At 1 July	**100,000**	50,000
Provision for impairment recognised during the year	**20,000**	50,000
Unused amount reversed	**(118,989)**	-
	1,011	100,000

As of 30 June 2017, trade receivables of $494,891 (2016: $337,038) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2017 **$**	2016 $
Up to 30 days	**288,891**	152,086
31-60 days	**86,214**	75,953
Over 60 days	**119,786**	108,998
	494,891	337,038

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value. The maximum exposure to credit risk at the end of each reporting period is the carrying amount of each class of receivables mentioned above. Refer to section C2 for more information on the risk management policy of the Company and the credit quality of the entity's trade receivables.

What is the relevant accounting policy?

The amount of the impairment loss is recognised in the income statement within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

D2. RESERVES AND ACCUMULATED PROFITS

	2017 $	2016 $
Accumulated profits		
Balance at 1 July	**13,342,925**	13,509,350
Net (deficit)/surplus for the year	**1,152,822**	(166,425)
Balance at 30 June	**14,495,747**	13,342,925
Other Reserves		
Capital subsidies reserve	**633,322**	633,322
Asset revaluation reserve	**40,205**	40,205
Available-for-sale financial assets investment revaluation reserve	**908,305**	739,992
Capital reserve	**5,514,328**	5,514,327
	7,096,160	6,927,846
Program participants reserve	**451,846**	451,846
	451,846	451,846
Movements		
Capital subsidies reserve		
Balance at 1 July	**633,322**	633,322
Balance at 30 June	**633,322**	633,322
Asset revaluation reserve		
Balance at 1 July	**40,205**	40,205
Balance at 30 June	**40,205**	40,205
Available-for-sale financial asset investment revaluation reserve		
Balance at 1 July	**739,991**	756,609
Revaluation of available-for-sale financial assets	**168,314**	(16,618)
Transfer to accumulated profits	**-**	-
Balance at 30 June	**908,305**	739,991
Capital reserve		
Balance at 1 July	**5,514,327**	5,514,327
Balance at 30 June	**5,514,327**	5,514,327

	2017 **$**	2016 $
Program Participants Reserve		
Balance at 1 July	**451,846**	451,846
Funds transferred to reserve from operating surplus	**-**	-
Funds consumed during the year	**-**	-
Balance at 30 June	**451,846**	451,846

What is the nature and purpose of the other reserves?

(i) Revaluation surplus – property, plant and equipment

The property, plant and equipment revaluation surplus is used to record increments and decrements on the revaluation of non-current assets. In the event of a sale of an asset, any balance in the reserve in relation to the assets is transferred to retained earnings.

(ii) Available-for-sale financial assets

Changes in the fair value arising on translation of investments, such as equities, classified as available-for-sale financial assets, are recognised in other comprehensive income and accumulated in a separate reserve within equity. Amounts are reclassified to profit or loss when the associated assets are sold or impaired.

(iii) Capital reserve

Capital reserve represents membership interests given to members of RFNSW as consideration for acquisition.

(iv) Program Participants Reserve

The reserve represents non-specific grants received and recognised as revenue immediately during previous financial years. These funds have been provided by the funders with no specific purpose however the company has the intention of utilising these funds in a future period for the benefit of its program participants and therefore RichmondPRA treats these funds as restricted.

Refer to A1 for further details of the revenue recognition policy of the RichmondPRA.

(v) Capital subsidies reserve

Capital subsidies reserve represents restricted funds designated for capital purchase for the clients or RichmondPRA.

D3. UNRECOGNISED ITEMS

(i) Contingencies

The Company lease office and client properties under operating lease agreements. The bond deposits for leases have been satisfied by the provision of banker's undertaking issued by St George Bank and ANZ Banking Group Limited. The banker's undertakings are secured by cash deposits which in aggregate amount to $1,019,012 (2016: $1,150,964).

(ii) Commitments for expenditure

	2017 **$**	2016 $
Total lease expenditure contracted for at reporting date but not recognised in the financial statements:		
Payable no later than one year	**3,100,557**	2,625,663
Payable later than one, not later than five years	**5,063,575**	5,594,728
Payable later than five years	**-**	488,325
Total commitments	**8,164,132**	8,708,716

(Iii) Capital Commitments

	2017 **$**	2016 $
Total capital committed expenditure which was contracted as at reporting date but not recognised in the financial statements:		
Capital commitment payable no later than one year	**310,078**	6,268,032
Capital commitments payable later than one, not later than five years	**-**	-
Capital commitments payable later than five years	**-**	-
Total capital commitments	**310,078**	6,268,032

D4. FINANCIAL RISK

(i) Market risk

Price risk

The Company is exposed to equity securities price risk. This arises from investments held by the Company and classified on the balance sheet as available-for-sale. The Company is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company. The majority of the Company's equity investments are publicly traded.

If the unit price of available-for-sale financial assets had increased by +/-10% from the year end price with all other variables held constant, equity would have increased/decreased by $531,453 (2016: $497,253).

Interest rate risk

The Company's main interest rate risk arises from cash equivalents, bank deposits, held to maturity investments, loans and other receivables with variable interest rates. At 30 June 2017, if interest rates had changed by -/+ 100 basis points from the year end rates with all other variables held constant, profit would have been $37,728 lower/higher (2016 – change of 100 bps: $33,867 lower/higher) as a result of lower/higher interest income from these financial assets.

(ii) Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks, as well as credit exposures to customers, including outstanding receivables and committed transactions. For customers, management assesses the credit quality of the customer, taking into account their financial position, past experience and other factors. Compliance with credit limits by customers is regularly monitored by management. The maximum exposure to credit risk at the end of each reporting period is the carrying amount of the financial assets.

(iii) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Surplus funds are generally only invested in instruments that are tradable in highly liquid markets.

The tables below analyse the Company's financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

At 30 June 2017	1 year or less	Between 1 and 5 years	Over 5 years	Total Contractual cash flows	Carrying Amount (assets)/ liabilities
Non-derivatives (non-interesting bearing)					
Trade and other creditors	**2,626,275**	**-**	**-**	**2,626,275**	**2,626,275**
Loans with banks	**-**	**6,699,891**	**-**	**6,699,891**	**6,699,891**
Total non-derivatives	**2,626,275**	**6,699,891**	**-**	**9,326,166**	**9,326,166**
At 30 June 2016					
Non-derivatives (non-interesting bearing)					
Trade and other creditors	2,499,835	-	-	2,499,835	2,499,835
Loans with banks	-	2,302,667	-	2,302,667	2,302,667
Total non-derivatives	2,499,835	2,302,667	-	4,802,502	4,802,502

E. OTHER INFORMATION

E1. Related parties

E2. Parent entity financial information

E3. Summary of significant accounting policies

E4. Other required disclosures

This section covers other information that is not directly related to items in the financial statements, including information about related party transactions, parent entity financial information, significant accounting policies not disclosed elsewhere and other statutory information.

E1. RELATED PARTIES

Directors

The names of persons who were directors of the Company during the financial year:

- Professor Elizabeth More AM (Chair)
- Stan G. Brogan (Treasurer)(Resigned February 2017)
- Robyn Carmody
- Paul Clenaghan
- Paula Hanlon
- Rachel Slade
- Dr Josey Anderson
- Jeremy Thorpe (Treasurer from February 2017)
- Professor Dan Howard SC (Retired June 2017)

Since the end of the previous financial year directors of the Company have remuneration in the form of honorariums totalling $74,000 (2016: $28,000).

Key management personnel compensation

The aggregate compensation made to key management personnel of the company is set out below.

	2017 **$**	2016 $
Short-term employee benefits	**2,076,570**	1,823,706
Total compensation	**2,076,570**	1,823,706

E2. PARENT ENTITY FINANCIAL INFORMATION

(i) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts

	2017 $	2016 $
Statement of Financial Position		
Current assets	**10,850,651**	7,020,755
Non-current assets	**29,870,774**	25,078,967
Total assets	**40,721,425**	32,099,722
Current liabilities	**(10,432,008)**	(7,685,221)
Non-current liabilities	**(8,228,885)**	(3,675,105)
Total liabilities	**(18,660,893)**	(11,360,326)
Net assets	**22,060,532**	20,739,396
Contributed equity		
Under-expended contract funds reserve	**451,846**	451,846
Other reserves	**7,096,160**	6,927,846
Accumulated profits	**14,512,526**	13,359,704
Total equity	**22,060,532**	20,739,396
Surplus/(Deficit) for the year	**1,152,822**	(166,425)
Available-for-sale financial assets	**168,314**	(16,618)
Total comprehensive (loss)/income for the year	**1,321,136**	(183,043)

(ii) Contingent liabilities of the parent entity

As at 30 June 2017, the parent entity did not have any contingent liabilities (2016: $nil).

(iii) Contractual commitments for the acquisition of property, plant or equipment

As at 30 June 2017, the parent entity had contractual capital commitments for the construction of property, plant and equipment of $310,078 (2016: $6,268,032).

(iv) Details of the Group and Subsidiaries

Name of Entity	Entity Type	Notes	Part of ACNC Reporting Group	ACNC & DGR Status	Percent of shares held* 2017	2016
					%	%
RichmondPRA	Parent	(1) (2)	Yes	Yes – endorsed	N/A	N/A
RichmondPRA Services	Subsidiary	(1) (2) (3)	Yes	Yes - endorsed	N/A	N/A

(1) The above entities are consolidated in the financial statements (refer to Note E3 for detailed accounting policy)
(2) Both entities are companies limited by guarantee and therefore do not have issued capital.
(3) The parent entity acquired control over RichmondPRA Services Limited in the merger of the two companies. Refer to Note D2 for details of the capital reserve which represents membership interests given to members of RFNSW as consideration for acquisition.
* Both entities are limited by guarantee

E3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of RichmondPRA and its subsidiary, RichmondPRA Services.

1. Basis for preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by Australia Accounting Standards Board and the Australian Charities and Not-for-profit Commission Act 2012 (*ACNC ACT*). RichmondPRA is a not-for-profit entity for the purpose of preparing the financial statements.

The consolidated financial statements of RichmondPRA group comply with Australian Accounting Standards – Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB). The functional and presentation currency is Australian Dollars.

The Directors of RichmondPRA consider the group to be a non-reporting entity as defined by AASB1053 and the general purpose financial statement of RichmondPRA has been prepared under Section 60-95 of the ACNC Act. In preparing these financial statements RichmondPRA has consolidated all its controlled entities as required by AASB10. Detailed in Note E2 is a table of all controlled entities of the group.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets.

Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. There are no critical accounting estimates and judgements as at 30 June 2017.

2. Income Tax

The Company has been granted exemption from income tax under section 50-10 of the Income Tax Assessment Act 1997.

3. Investments

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting period which are classified as non-current assets. Loans and receivables are included in receivables (C1) in the balance sheet. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Available for sale financial assets

Refer to section B1.

Impairment

The Company assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more event that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably measured. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of a security below its cost is considered an indicator that the assets are impaired.

a. Asset carried at amortised cost

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

b. Assets classified as available-for-sale

If there is objective evidence of impairment for available for sale financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss is removed from equity and recognised in profit or loss.

Impairment losses on equity instruments that were recognised in profit or loss are not reversed through profit or loss in a subsequent period.

4. Employee entitlements

a. Wages and Salaries, Annual Leave

Liabilities for wages and salaries, including annual leave expected to be settled within 12 months of the end of each reporting period are recognised in other payables in respect of employees' services up to the end of each reporting period and are measured at the amounts expected to be paid when the liability is settled.

b. Long Service Leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of each reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

c. Superannuation fund

Contributions to employee superannuation funds are charged against the income statement as an expense when they occur.

d. Employee benefits on-costs

Employee benefit on-costs are recognised and included in employee benefit liabilities and measured at amounts expected to be paid when the liabilities are settled discounted to net present value.

5. Impairment of assets

At the end of each reporting period, the Company reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. An impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable amount.

6. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of 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 in the cash flow statement on a gross basis, except for the GST components of investing and financing activities, which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

7. Leases

Leases of property, plant and equipment where the company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases (Note D3(ii)). Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term. The respective leased assets are included in the balance sheet based on their nature.

8. New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2017 reporting periods. These have been outlined below:

AASB 15 – Revenue from Contracts with Customers

This standard provides a single comprehensive framework for determining whether, how much and when revenue is recognised. The core principle of the standard is that an entity will recognise revenue when control of goods and services is transferred rather than when the risk and rewards as is currently the case under AASB118 – Revenue.

Minimal impact is expected by RichmondPRA as the milestone basis already aligns with the performance obligations required by the new standard.

AASB 16 – Leases

This standard requires all leases to be included in the balance sheet of lessees as right-of-use assets (non-current assets). In addition to rent expense will no longer be treated as an operating expense but will be split between amortisation (operating) and interest (financing).

The impact on the financial statements will mean an asset (right to occupy) being recognised and a corresponding liability (future lease obligations). These rights to occupy will be amortised in the Statement of Profit and Loss over the life of the lease.

AASB 1058 – Income of Not-for-Profit Entities

This new standard deals with income recognition for annual reporting periods ending on or after 1 January 2019.

The main areas of impact for AASB 1058 will be when accounting for the receipt of volunteer services and transactions where the consideration to acquire an asset is significantly less than its fair value.

The combined operation of AASB 1058, AASB 15 and AASB 16 will come in to affect for periods commencing after 1 January 2019.

9. Parent entity financial information

The financial information for the parent entity, RichmondPRA has been prepared on the same basis as the consolidated financial statements, except as set out below.

10. Investments in subsidiaries

Investments in subsidiaries are accounted for at cost in the financial statements of RichmondPRA. No purchase consideration was paid by the Group for the acquisition of RFNSW.

11. Principles of Consolidation

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

12. Changes in comparative figures

When required by Accounting Standards, comparative figures have been adjusted in presentation for the current financial year.

E4. OTHER REQUIRED DISCLOSURES

(i) Guaranteed Capital

Pursuant to the Memorandum of Company every member has undertaken in the event of a deficiency on winding up to contribute an amount not exceeding $50.

(ii) Acknowledgement of funding

	2017 $	2016 $
Revenue from ordinary activities by funding source		
National Disability Insurance	**7,462,450**	5,658,443
NSW Health	**17,747,705**	18,397,806
NSW Health Grants Program	**2,466,344**	2,401,422
Hunter New England LHD	**1,140,436**	1,130,536
Southern LHD	**638,635**	622,846
Southern Eastern LHD	**224,896**	327,789
Murrumbidgee LHD	**469,999**	469,999
South West Sydney LHD	**830,138**	1,412,628
Illawarra-Shoalhaven LHD	**-**	298,242
Nepean-Blue Mountains LHD	**857,762**	1,025,900
Western Sydney LHD	**141,741**	576,625
Sydney West Area Health Service	**1,436,358**	-
Queensland Health	**1,698,262**	1,654,094
Department of Families and Community Services	**3,366,547**	3,587,991
Department of Social Services	**1,558,567**	1,882,209
Department of Health	**3,651,209**	3,794,344
Other MHC Income	**8,955,792**	8,600,968
Business Sales	**3,527,454**	3,333,127
Other Grants	**1,906,776**	1,617,431
Total revenue from ordinary activities	**58,081,071**	56,792,400
Other Income: Gain on sale of property	**1,418,916**	205,816

(iii) Auditor's Remuneration

Assurance Services	2017 $	2016 $
Audit of financial statements	**90,200**	85,150
Total fees – Assurance Services	**90,200**	85,150

Non assurance services		
Indirect taxation advice and the identification of needs for a new Finance System	**60,394**	75,233
Assistance with preparation of financial statements	**4,750**	4,000
Total fees – Non assurance services	**65,144**	79,233
Total fees	**155,344**	164,383

(iv) Reconciliation of (deficit)/surplus for the year to net cash flows from operating activities

	2017 $	2016 $
(Deficit)/surplus for the year	**1,152,822**	(166,425)
Depreciation	**2,213,908**	2,161,155
Bad debts expense	**20,000**	50,000
Net Unrealised gain/(loss) on sale of investments	**168,314**	(16,618)
Investment income	**(246,843)**	(211,399)
Management fee on available-for-sale financial assets	**58,533**	55,579
Net gain on sale of non-current assets	**(1,418,916)**	(41,273)
(Increase)/decrease in inventories	**(84,698)**	896
(Increase)/decrease in receivables	**(564,113)**	1,005,797
(Increase)/decrease in prepayments	**(246,502)**	64,619
Increase/(decrease) in payables	**2,505,943**	(561,275)
Increase/(decrease) in provisions	**385,795**	(1,304,895)
Net cash flows from operating activities	**3,944,243**	1,036,161

(v) Australian Charities and Not-for-profit Commission Act 2012

The Australian Charities and Not-for-profit Commission Act 2012 (Cth) ('the ACNC Act') passed through the Commonwealth Parliament on 1 November 2012 and received royal assent on 3 December 2012. As a consequence, RichmondPRA is required to provide annual information statements and annual financial reports together with auditor's report to the ACNC by 31 December 2017.

(vi) Disclosure under *Charitable Fundraising Act 1991*

Fundraising appeals conducted by the Organisation during the year led to a number of donations. Comparisons of certain monetary figures and percentages in accordance with the requirements of the Charitable Fundraising Act 1991 are set below:

	2017 **$**	2016 $
Aggregate gross income from bequest*	**269,954**	-
Aggregate gross income from donations	**18,227**	37,475
Less total direct costs of fundraising	**(911)**	(1,874)
Total fundraising	**287,270**	35,601

	2017		**2016**	
	$	%	$	%
Total costs of fundraising/aggregate gross income from fundraising	911 / 288,181	-	1,874 / 37,475	5
Net surplus from fundraising/aggregate gross income from fundraising	287,270 / 288,181	100	37,475 / 35,601	95
Total cost of services provided/total expenditure	911 / 58,347,195	-	1,874 / 57,164,641	-
Total cost of services provided/total gross income received	911 / 59,500,017	-	1,874 / 56,998,216	-

* Bequests are excluded from the *Charitable Fundraising Act 1991*

END OF THE AUDITED FINANCIAL STATEMENTS

DIRECTORS' DECLARATION

In the directors' opinion:

1. The financial statements and notes set out on pages 1 to 33 are in accordance with the Australian Charities and Not-For-Profits Commission Act 2012, including:
   a. Complying with Accounting Standards. The Australian Charites and Not-for-profit Commission Regulation 2013 (ACNC Regulation 2013), and other professional reporting requirements; and
   b. Giving a true and fair view of the Company's financial position as at 30 June 2017 and of its performance for the financial year ended on that date, and
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Elizabeth More AM
Director

Sydney, 20 September 2017

Jeremy Thorpe
Director

Sydney, 20 September 2017

DECLARATION BY CHIEF EXECUTIVE OFFICER IN RESPECT TO FUNDRAISING APPEALS

I, Pamela Rutledge, Chief Executive Officer of RichmondPRA Limited declare that in my opinion:

1. The consolidated statement of profit and loss and other comprehensive income gives a true and fair view of all income and expenditure of RichmondPRA Limited with respect to fundraising appeals; and
2. The consolidated statement of financial position gives a true and fair view of the state of affairs with repect to fundraising appeals; and
3. The provisions of the Charitable Fundraising Act 1991 (NSW), the regulations under the Act and the conditions attached to the authority have been complied with; and
4. The internal controls exercised by RichmondPRA Limited are appropriate and effective in accounting for all income received and applied by RichmondPRA Limited from any of its fundraising appeals.

Pamela Rutledge

Chief Executive Officer

Sydney, 20 September 2017

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INDEPENDENT AUDITOR'S REPORT

To the members of RichmondPRA Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of RichmondPRA Limited (the registered entity) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the responsible entities' declaration.

In our opinion the accompanying financial report of RichmondPRA Limited, is 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 Group's financial position as at 30 June 2017 and of its financial performance for the year then ended; and

(ii) Complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *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

Those charged with governance are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the RichmondPRA Limited annual report, but does not include the financial report and our auditor's report thereon.

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

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 on the other information obtained prior to the date of this auditor's report, we conclude 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 responsible entities for the Financial Report

The responsible entities of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the registered entity's financial reporting process.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf

This description forms part of our auditor's report.

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Report on Other Legal and Regulatory Requirements

We also report that:

(a) The financial statements show a true and fiar view of the financial result of the fundraising appeals for the year ended 30 June 2017, as required by the Charitable Fundraising Act 1991;

(b) The accounting and associated records of RichmondPRA Limited have been kept in accordance with the Charitable Fundraising Act 1991 and the Regulations for the year ended 30 June 2017;

(c) Money received as a result of fundraising appeals conducted during the year have been properly kept in accordance with the Charitable Fundraising Act 1991 and the Regulations; and

(d) As at the date of this report, there are reasonable grounds to believe that RichmondPRA Limited will be able to pay its debts as and when they fall due.

BDO East Coast Partnership

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Paul Bull
Partner

Sydney, 20 September 2017

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