Audited Annual Financial Report

RichmondPRA Limited

ACN 001 280 628

30 June 2016

RichmondPRA
Together, we're better.

flourish
AUSTRALIA
Supporting Mental Health & Wellbeing

DIRECTORS' REPORT

The directors present their report for Flourish Australia, the consolidated entity consisting of RichmondPRA and its wholly owned subsidiary (RichmondPRA Services) for the year ended 30 June 2016.

Directors

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

- John Alan Hall (Chair) (Retired February 2016)
- Professor Elizabeth More AM (Chair)(Joined December 2015)
- Bruce Alcorn (Deputy Chair) (Retired November 2015)
- Stan G. Brogan (Treasurer)
- Robyn Carmody
- Paul Clenaghan
- Richard Gulley AM (Retired November 2015)
- Dr Neil Phillips (Retired March 2015)
- David Sharland (Retired October 2015)
- Paula Hanlon
- Rachel Slade (Joined August 2015)
- Dr Josey Anderson (Joined August 2015)
- Jeremy Thorpe (Joined October 2015)
- Professor Dan Howard SC (Joined December 2015)

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 5 Star employment placement programs to the ground breaking PreEmploy program, 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 problems and disorders 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 clients stay on the right track. This program integrates holistic care, 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 Bankstown providing comprehensive primary health, mental health and other psychosocial supports to young people. We will establish headspace Broken Hill in 2016-2017.

To support others

RichmondPRA values the lived experience of mental illness. Close to 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. Throughout the year we had a significant increase in the number of Peer Workers reaching 140 by the end of June 2016. Current recruitment action will see that number significantly increase in 2016-2017.

A review of our operations for FY16

Overall financial position

RichmondPRA has maintained a strong financial position, with approximately $5m in cash equivalents and financial assets.

Operating result for the year

As detailed in this report, RichmondPRA's operating or trading result for the year was a deficit of $166K.

Achieving the benefits of the merger

Good results have been achieved in reducing Head Office costs in a year of considerable income growth, while income/sales has grown to $56m in 2016 from $51m in 2015 (an increase of 9%).

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 down, this still remains as an important source of income as well as representing sound liquidity management. However our overall cash position has reduced this year, which is the result of reinvesting the sale of a factory in George Street Redfern into a new property development in Guildford and the purchase of a new property in Newcastle.

Reinvestment of property sale proceeds into new land

The construction of our affordable housing investment in Guildford is now well advanced. As at June 2016, the outline of the building is complete to the fourth floor and the roof structure well advanced. It is planned for completion by this Christmas now drawing construction costs from a CBA bank facility in place.

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.
Stan Brogan FCA, FGI, FAICD (Treasurer)	Stan continues to serve the RichmondPRA board, after having continuous service in the Mental Health industry from when he joined the Psychiatric Rehabilitation Australia's Board in 1995, after he retired as a partner of then Price Waterhouse. Stan holds a number of private company directorships.
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	Until recently, Rachel was General Manager, Global Transactional Services, Westpac Institutional Bank. As a member of Westpac Institutional Bank's Executive Team, Rachel oversaw global transactional and trade services for Westpac's corporate and institutional customers. She also managed all payment networks and corporate cash requirements for corporate customers. Prior to joining Westpac, Rachel worked as a financial services strategy consultant with Andersen Consulting. Throughout her career in both consulting and at Westpac, Rachel has focused on creating and executing successful strategies to drive business transformation. Rachel holds a Bachelor of Economics (Hons) from Macquarie University, is a graduate of the Australian Institute of Company Directors and a graduate of the Harvard Business School's Women's Leadership Program. She serves as a director on the Boards of Australian Network on Disability, RichmondPRA, BAFT/IFSA and NPP Australia Ltd. She is the Co-Chair of the BAFT Asia Council and a member of the Australian Payments Council. Rachel was the Westpac Group's 2013 General Manager of the Year. Rachel is currently in transition from one major Australian bank to another.
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.
Jeremy Thorpe	Jeremy is an economist with more than 20 years 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.
Dan Howard	Dan Howard has been the President of the NSW Mental Health Review Tribunal and an Acting Judge of the District Court of NSW since June 2012. He has recently retired from his role of President of the MHRT. Dan has had a long and stellar career in law and forensic psychiatry including experience as a Crown Prosecutor, and practice as a Barrister across a wide range of legal work. His involvement with the mental health field has been wide-ranging and extensive and included active roles in the formation of the NSW Mental health Commission and in legislative reviews of mental health and related legislation. Dan has written and published extensively in relation to mental health law, and is a regular speaker at Conferences relating to mental health and the law. He also has extensive experience as a teacher and academic.

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 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 2016. The number of meetings of the Company's board of directors held during the year ended 30 June 2016, 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**
John Hall	4	4
Elizabeth More (Chair)	4	4
Bruce Alcorn (Deputy Chair)	2	2
Stan Brogan (Treasurer)	4	6
Robyn Carmody	6	6
Paul Clenaghan	5	6
Richard Gulley AM RFD., BA., LLB.	2	2
David Sharland	2	2
Rachel Slade	4	6
Jeremy Thorpe	4	4
Dan Howard	4	4
Paula Hanlon	4	6
Josey Anderson	5	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 2016 was $4,400 (2015: $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 is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If RichmondPRA 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

Elizabeth More AM
Director

Stan Brogan
Director
Sydney, 26 September 2016

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CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2016

	Ref.	2016 $	2015 $
Revenue from ordinary activities	A1	**56,792,400**	51,948,713
Other income		**205,816**	244,438
Cost of sales of goods		**(497,630)**	(601,033)
Employee benefits expense		**(40,595,487)**	(35,363,776)
Depreciation and amortisation expenses	A2	**(2,161,155)**	(2,219,851)
Other expenses		**(13,910,369)**	(13,886,998)
Total expenses		**(57,164,641)**	(52,071,658)
Surplus/(deficit) before income tax expense		**(166,425)**	121,493
Income tax expense		-	-
Surplus/(deficit) for the year		**(166,425)**	121,493
Other comprehensive income/(loss)			
Items that may be reclassified to profit or loss			
Available-for-sale financial assets: equity securities	D2	**(16,618)**	(23,962)
Total comprehensive income/(loss) for the year		**(183,043)**	97,531

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 2016

	Ref.	2016 $	2015 $
Current assets			
Cash and cash equivalents	C1	**5,254,367**	9,239,029
Receivables	C1	**1,339,240**	2,395,037
Inventories		**27,681**	28,577
Prepayments		**413,173**	477,792
Total current assets		**7,034,461**	12,140,435
Non-current assets			
Bonds and deposits		**204,937**	196,229
Available-for-sale financial assets	B1	**4,974,244**	4,794,709
Property, plant and equipment	B2	**19,899,786**	17,528,603
Total non-current assets		**25,078,967**	22,519,541
Total assets		**32,113,428**	34,659,976
Current liabilities			
Accounts payable	C1	**2,499,835**	3,061,112
Employee entitlements	C1	**4,019,270**	3,324,198
Other current liabilities	C1	**1,196,601**	3,382,612
Total current liabilities		**7,715,706**	9,767,922
Non-current liabilities			
Financial liabilities	C1	**2,302,667**	2,850,000
Employee entitlements	C1	**1,372,438**	1,136,394
Total non-current liabilities		**3,675,105**	3,986,394
Total liabilities		**11,390,811**	13,754,316
Net assets		**20,722,617**	20,905,660
Contributed equity			
Program participants reserve	D2	**451,846**	451,846
Other reserves	D2	**6,927,846**	6,944,464
Accumulated profits	D2	**13,342,925**	13,509,350
Total contributed equity		**20,722,617**	20,905,660

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 2016

	Ref.	Program Participants Reserve	Reserves $	Accumulated profits $	Total $
Balance as at 30 June 2014 (Restated)		**627,323**	**6,892,094**	**13,411,819**	**20,931,236**
Profit for the year		-	-	121,493	121,493
Under expended funds spent		(175,477)	-	-	(175,477)
Transfer of realised gains on investments		-	28,408	(23,962)	4,446
Other comprehensive income					
Available-for-sale financial asset reserve	D2	-	23,962	-	23,962
Total comprehensive income		**-**	**23,962**	**-**	**23,962**
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)
Transfer of realised gains on investments		-	-	-	-
Other comprehensive income					
Available-for-sale financial asset reserve	D2	-	(16,618)		(16,618)
Total comprehensive income/(loss)		**-**	**(16,618)**	**(166,425)**	**(183,043)**
Balance as at 30 June 2016		**451,846**	**6,927,846**	**13,342,925**	**20,722,617**

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 2016

	Ref.	2016 $	2015 $
Cash Flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		**4,092,373**	4,529,971
Payments to suppliers and employees (inclusive of goods and services tax)		**(59,891,473)**	(54,626,889)
Government grants and subsidies received		**55,845,812**	50,667,105
Interest received		**318,611**	291,588
Rents received		**633,363**	579,166
Donations received		**37,475**	15,120
Net cash inflow/(outflow) from operating activities	E4	**1,036,161**	1,456,061
Cash Flows from investing activities			
Payments for property, plant and equipment		**(4,503,593)**	(5,057,572)
Capitalised finance costs on construction projects		**(73,924)**	(43,551)
Proceeds from sale of property, plant and equipment		**250,997**	389,415
Payments for available for sale assets		**(138,262)**	-
Payments for security deposits		**(8,708)**	(10,419)
Net cash (outflow)/inflow from investing activities		**(4,473,490)**	(4,722,127)
Cash Flows from investing activities			
Net proceeds/(repayment) of borrowings		**(547,333)**	1,100,000
Net cash inflow from financing activities		**(547,333)**	1,100,000
Net (decrease)/increase in cash held		**(3,984,662)**	(2,166,066)
Cash and cash equivalents at the beginning of the financial year		**9,239,029**	11,405,095
Cash and cash equivalents at the end of the financial year	C1	**5,254,367**	9,239,029

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.

	2016 $	2015 $
Revenue from ordinary activities		
Commonwealth Government	**14,922,987**	16,873,776
NSW Government	**35,264,761**	28,152,229
Business Sales	**3,333,127**	3,709,662
Qld Government	**1,654,094**	1,715,903
Other Income	**1,617,431**	1,497,143
Total revenue from ordinary activities	**56,792,400**[1]	51,948,713[1]
Other Income: Gain on sale of non-current assets	**205,816**	244,438

[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 revenue 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.

	2016 $	**2015 $**
Supporting people where they live	**28,185,982**	24,752,535
Working with people to find a job	**9,452,548**	9,536,943
Helping people make friends, get involved and learn new things	**15,826,765**	14,383,984
Other expenditure	**3,699,346**	3,398,196
Total expenditure	**57,164,641**	52,071,658

The main categories of expenditure were as follows:

	2016 $	2015 $
Depreciation	**2,161,155**	2,219,851
Annual leave	**460,073**	23,004
Long service leave	**471,040**	243,739
Workers compensation insurance	**857,081**	474,076
Bad debts expense	**50,000**	37,931
Salaries & Wages	**35,486,281**	31,796,813
Superannuation	**3,211,918**	2,826,144
Rental expense on operating leases	**3,054,800**	2,981,051
Motor vehicle expenses	**1,330,311**	1,294,902
Consultants and contractors	**2,654,214**	3,026,258
Client expenditure	**1,991,090**	2,040,061
Cost of goods sold	**497,630**	601,033
Other office costs	**3,129,509**	3,044,489
Other expenses	**1,809,539**	1,462,306
	57,164,641	52,071,658

Capitalised finance costs on construction projects	**73,924**	43,551

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.

	2016 $	2015 $
Non-Current		
Unlisted securities	**734,724**	210,614
Listed securities	**4,239,520**	4,584,095
Total Non-Current Investments	**4,974,244**	4,794,709

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 2015						
Opening net book amount	2,782,077	3,921,480	3,583,961	1,817,723	2,609,676	14,714,917
Additions	2,227,077	101,481	396,800[1]	682,702	1,693,063	5,101,123
Disposals	-	-	-	-	(67,586)	(67,586)
Depreciation expense	-	(585,307)	-	(689,942)	(944,602)	(2,219,851)
Closing net book amount	**5,009,154**	**3,437,654**	**3,980,761**	**1,810,483**	**3,290,551**	**17,528,603**
At 30 June 2015						
Cost	**5,009,154**	**4,516,584**	**3,980,761[1]**	**3,652,459**	**6,725,593**	**23,884,551**
Accumulated depreciation	**-**	**(1,078,930)**	**-**	**(1,841,976)**	**(3,435,042)**	**(6,355,948)**
Net book amount	**5,009,154**	**3,437,654**	**3,980,761**	**1,810,483**	**3,290,551**	**17,528,603**
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**

[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 119 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

	2016 $	2015 $
Current Assets	**7,034,461**	12,140,435
Current Liabilities	**(7,715,706)**	(9,767,922)
Net Current Assets	**(681,245)**	2,372,513

(ii) Current Assets

	2016 $	2015 $
Cash and cash equivalents		
Cash on hand	**13,031**	8,443
Cash at bank		
Interest bearing deposits	**1,408,170**	5,841,079
Cash management call accounts	**3,833,166**	3,389,507
Total cash and cash equivalents	**5,254,367**	9,239,029

	2016 $	2015 $
Trade receivables		
Trade debtors	**1,422,364**	2,422,209
Provision for doubtful debts	**(100,000)**	(50,000)
	1,322,364	2, 372,209
Other debtors	**16,876**	22,828
Total receivables	**1,339,240**	2,395,037

(iii) Current Liabilities

	2016 $	2015 $
Trade payable and accruals	**1,779,549**	1,576,507
Other payables and accruals	**673,482**	1,373,943
Sundry creditors	**46,804**	110,662
Total accounts payable	**2,499,835**	3,061,112

	2016 $	2015 $
Employee entitlements	**4,019,270**	3,324,198
Total current employee entitlements	**4,019,270**	3,324,198

	2016 $	2015 $
Income in Advance	**1,196,601**	3,284,851
Under expended funds	**-**	97,761
Total other current liabilities	**1,196,601**	3,382,612

(IV) Non-Current Liabilities

	2016 $	2015 $
Employee entitlements	**1,372,438**	1,136,394
Total non-current employee entitlements	**1,372,438**	1,136,394

(V) Financial liabilities

	2016 $	2015 $
Loans*	**2,302,667**	**2,850,000**
Total non-current financial liabilities	**2,302,667**	**2,850,000**

*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 balance sheet.

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:

	2016 **$**	2015 $
Financial assets		
Cash and cash equivalents	**5,254,367**	9,239,029
Trade and other receivable	**1,339,240**	2,395,037
Available-for-sale financial assets (current and non-current)	**4,974,244**	4,794,709
Financial liabilities		
Trade and other payables	**2,499,835**	3,061,112
Loans	**2,302,667**	2,850,000

D. APPENDICES

D1. Other non-financial assets & liabilities

D2. Reserves

D3. Unrecognised items

D4. Financial Risks

D1. OTHER NON-FINANCIAL ASSETS AND LIABILITIES

Impaired trade receivables

As at 30 June 2016 current trade receivables of the Company with a nominal value of $100,000 (2015: $50,000) 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:

	2016 **$**	2015 $
At 1 July	**50,000**	12,069
Provision for impairment recognised during the year	**50,000**	
Receivables written off during the year as uncollectible	**-**	-
Unused amount reversed	**-**	37,931
	100,000	50,000

As of 30 June 2016, trade receivables of $337,038 (2015 – $1,517,175) 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:

	2016 **$**	2015 $
Up to 30 days	**152,086**	238,317
31-60 days	**75,953**	642,983
Over 60 days	**108,998**	635,875
	337,038	1,517,175

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

	2016 $	2015 $
Accumulated profits		
Balance at 1 July	**13,509,350**	13,411,819
Net (deficit)/surplus for the year	**(166,425)**	97,531
Balance at 30 June	**13,342,925**	13,509,350
Other Reserves		
Capital subsidies reserve	**633,322**	633,322
Asset revaluation reserve	**40,205**	40,205
Available-for-sale financial assets investment revaluation reserve	**739,992**	756,610
Capital reserve	**5,514,327**	5,514,327
Program participants reserve	**451,846**	451,846
	7,379,692	7,396,310
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	**756,610**	704,239
Revaluation of available-for-sale financial assets	**(16,618)**	23,962
Transfer to accumulated profits	**-**	28,409
Balance at 30 June	**739,992**	756,610
Capital reserve		
Balance at 1 July	**5,514,327**	5,514,327
Balance at 30 June	**5,514,327**	5,514,327

	2016 **$**	2015 $
Program Participants Reserve		
Balance at 1 July	**451,846**	627,323
Funds transferred to reserve from operating surplus	**-**	(175,477)
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 this financial year and 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 clients and therefore RichmondPRA treats these funds as restricted.

Refer to A1 for further details of the revenue recognition policy of the 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 $1,150,964 (2015: $1,133,123).

(ii) Commitments for expenditure

	2016 $	2015 $
Total lease expenditure contracted for at balance date but not recognised in the financial statements:		
Payable no later than one year	**2,625,663**	1,545,108
Payable later than one, not later than five years	**5,594,728**	5,057,815
Payable later than five years	**488,325**	1,422,773
Total commitments	**8,708,716**	8,025,696

(Iii) Capital Commitments

	2016 $	2015 $
Total capital committed expenditure which was contracted as at balance date but not recognised in the financial statements:		
Capital commitment payable no later than one year	**6,268,032**	-
Capital commitments payable later than one, not later than five years	**-**	-
Capital commitments payable later than five years	**-**	-
Total capital commitments	**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 $497,253 (2015: $479,471).

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 2016, if interest rates had changed by -/+ 100 basis points from the year end rates with all other variables held constant, profit would have been $33,867 lower/higher (2015 – change of 100 bps: $103,220 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 2016	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	**2,499,835**	**-**	**-**	**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**
At 30 June 2015					
Non-derivatives (non-interesting bearing)					
Trade and other creditors	3,061,112	-	-	3,061,112	3,061,112
Loan with banks	-	2,850,000	-	2,850,000	2,850,000
Total non-derivatives	3,061,112	2,850,000	-	5,911,112	5,911,112

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:

- John Alan Hall (Chair) (Retired February 2016)
- Professor Elizabeth More AM (Chair)(Joined December 2015)
- Bruce Alcorn (Deputy Chair) (Retired November 2015)
- Stan G. Brogan (Treasurer)
- Robyn Carmody
- Paul Clenaghan
- Richard Gulley AM (Retired November 2015)
- Dr Neil Phillips (Retired March 2015)
- David Sharland (Retired October 2015)
- Paula Hanlon
- Rachel Slade (Joined August 2015)
- Dr Josey Anderson (Joined August 2015)
- Jeremy Thorpe (Joined October 2015)
- Professor Dan Howard SC (Joined December 2015)

Since the end of the previous financial year directors of the Company have remuneration in the form of honorariums totalling $28,000 (2015: $nil).

Key management personnel compensation

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

	2016 **$**	2015 $
Short-term employee benefits	**1,823,706**	1,783,032
Total compensation	**1,823,706**	1,783,032

E2. PARENT ENTITY FINANCIAL INFORMATION

(i) Summary financial information

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

	2016 $	2015 $
Balance sheet		
Current assets	**7,020,755**	12,137,126
Non-current assets	**25,078,967**	22,519,541
Total assets	**32,099,722**	34,656,667
Current liabilities	**(7,685,221)**	(9,747,834)
Non-current liabilities	**(3,675,105)**	(3,986,394)
Total liabilities	**(11,360,326)**	(13,734,228)
Net assets	**20,739,396**	20,922,439
Contributed equity		
Under-expended contract funds reserve	**451,846**	451,846
Other reserves	**6,927,846**	6,944,464
Accumulated profits	**13,359,704**	13,526,129
Total equity	**20,739,396**	20,922,439
(Deficit)/Surplus for the year	**(166,425)**	121,493
Available-for-sale financial assets	**(16,618)**	(23,962)
Total comprehensive (loss)/income for the year	**(183,043)**	97,531

(ii) Contingent liabilities of the parent entity

As at 30 June 2016, the parent entity did not have any contingent liabilities (2015: $nil).

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

As at 30 June 2016, the parent entity had contractual capital commitments for the construction of property, plant and equipment of $6,268,032 (2015: $nil).

(iv) Details of the Group and Subsidiaries

Name of Entity	Entity Type	Notes	ACNC Registered Entity	Part of ACNC Reporting Group	Percent of shares held 2016	2015
					%	%
RichmondPRA Ltd	Parent	(1) (2)	Yes - PBI	Yes	100	100
RichmondPRA Services Ltd	Subsidiary	(1) (2) (3)	Yes - PBI	Yes	100	100

(1) Both entities are consolidated into the this financial statements (refer to Note E2 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.

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.

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 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 2016.

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 balance 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 2016 reporting periods. The Group's assessment is that there was no material impact in the current or future reporting periods.

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

	2016 $	2015 $
Revenue from ordinary activities by funding source		
National Disability Insurance	**5,658,443**	**2,892,153**
NSW Health	**18,397,806**	**20,967,879**
NSW Health Grants Program	**2,401,422**	**3,497,157**
Hunter New England LHD	**1,130,536**	**1,509,829**
Southern LHD	**622,846**	**876,364**
Southern Eastern LHD	**327,789**	**270,713**
Murrumbidgee LHD	**469,999**	**470,000**
South West Sydney LHD	**1,412,628**	**1,424,229**
Illawarra-Shoalhaven LHD	**298,242**	**223,516**
Nepean-Blue Mountains LHD	**1,025,900**	**302,518**
Western Sydney LHD	**576,625**	**528,771**
Queensland Health	**1,654,094**	**1,715,903**
Department of Families and Community Services	**3,587,991**	**1,850,490**
Department of Social Services	**1,882,209**	**3,929,262**
Department of Health	**3,794,344**	**4,900,352**
Other MHC Income	**8,600,968**	**1,382,771**
Business Sales	**3,333,127**	**3,709,662**
Other Income	**1,617,431**	**1,497,144**
Total revenue from ordinary activities	**56,792,400**	**51,948,713**
Other Income: Gain on sale of property	**205,816**	**244,437**

(iii) Auditor's Remuneration

Assurance Services	2016 $	2015 $
Audit of financial statements	**85,150**	76,000
Total fees – Assurance Services	**85,150**	76,000

Non assurance services		
Indirect taxation advice and the identification of needs for a new Finance System	**75,233**	5,000
Assistance with preparation of financial statements	**4,000**	4,000
Total fees – Non assurance services	**79,233**	9,000
Total fees	**164,383**	85,000

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

	2016 $	2015 $
(Deficit)/surplus for the year	**(166,425)**	97,531
Depreciation	**2,161,155**	2,219,851
Bad debts expense	**50,000**	37,931
Net Unrealised gain/(loss) on sale of investments	**(16,618)**	(244,438)
Investment income	**(211,399)**	(282,836)
Management fee on available-for-sale financial assets	**55,579**	52,360
Net gain on sale of non-current assets	**(41,273)**	(175,477)
(Increase)/decrease in inventories	**896**	34,423
Decrease/(increase) in receivables	**1,005,797**	(680,836)
Decrease/(increase) in prepayments	**64,619**	(247,834)
Increase/(decrease) in payables	**(561,275)**	271,322
Increase/(decrease) in provisions	**(1,304,895)**	374,062
Net cash flows from operating activities	**1,036,161**	1,456,061

(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 2016.

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 2016 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

Elizabeth More AM
Director

Stan Brogan
Director
Sydney, 26. September 2016

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INDEPENDENT AUDITOR'S REPORT

To the members of RichmondPRA (Trading as Flourish Australia)

Report on the Financial Report

We have audited the accompanying financial report of RichmondPRA (Trading as Flourish Australia), which comprises the consolidated statement of financial position as at 30 June 2016, 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, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entity it controlled at the year's end.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the financial report of RichmondPRA (Trading as Flourish Australia) has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its financial performance and cash flows for the year ended on that date; and

(b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

BDO East Coast Partnership

BDO

Paul Bull
Partner

Sydney, 26 September 2016