Audited Annual Financial Report

RichmondPRA Limited

ACN 001 280 628

30 June 2024

RichmondPRA
Together, we're better.

flourish AUSTRALIA
Where mental wellbeing thrives

DIRECTORS' REPORT

The directors present their report for RichmondPRA Limited for the year ended 30 June 2024.

Directors

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

Professor Elizabeth More AM (Chair)

Andrew Pryor (Treasurer)

Dr Josephine Anderson

Tom Brideson

Theresa Effeney

Hugh de Kretser (resigned 30/6/24)

Paula Hanlon

Megan Still

Kareem Tawansi

Jeremy Thorpe

What do we do?

RichmondPRA Limited (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

People 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, southern Queensland, Victoria, the ACT and South Australia used by people we support every month to engage in the broader life of their communities. Run by the people we support 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 employment placement programs to 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, Broken Hill, Parramatta and Castle 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 FY24

Overall financial position

RichmondPRA has maintained a strong financial position, with $7.8m (2023: $12.4m) in cash equivalents and financial assets. We also hold a further $5.9m (2023: $6.0m) in investments which can be converted to cash in less than 1 week.

Our contract liabilities have decreased from $9.2m as at 30 June 2023 to $6.4m as at 30 June 2024. This decrease is primarily due to lower contract funds received in advance for the next financial year as at 30 June 2024 compared with 30 June 2023.

Operating result for the year

As detailed in this report, RichmondPRA's operating or trading result for the year was a deficit of $4.9m (2023: deficit $2.4m). This deficit was primarily due to continuing to provide the necessary support via the National Disability Insurance Scheme which was more than the income able to be recovered. This year we also began developing a new integrated client management and scheduling system which will position us to achieve efficiency improvements together with enabling greater business and customer insights. We are targeting completing the development and implementation of this system in 2024/25.

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 represents sound liquidity management.

Information on directors

Professor Elizabeth More AM BA (Hons), Grad Dip Mgt, M Com Law, PhD, MAICD	Elizabeth has been Chair of RichmondPRA Limited since 2015 and 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 has extensive experience on a number of NFP Boards (including NIDA) and in consulting to both private and public sector organisations. Professor More also has an extensive record of presentations and refereed publications, most recently in research on NFP's and NDIS issues. Professor More has worked in executive education and has been called upon for expert media comment on issues related to management practice and education. Professor More has also been a Councillor on the NSW State Council of the Australian Institute of Company Directors and is currently on its NFP Chairs' Forum. Before becoming a university academic, she worked as a classical ballet dancer in theatre and television, and in the advertising industry**.**
Andrew Pryor B Com, FCA, GAICD	Andrew is an experienced senior finance executive and leader. He has some 30 years of financial corporate experience, including over 20 years at Westfield Group, the industry leading ASX 20 property group, and over 5 years at Big 4 Accounting firm, PwC. Andrew is a Chartered Accountant Fellow (FCA) and a Graduate of the Australian Institute of Company Directors (GAICD). His professional experience at Westfield included 12 years as a Financial Group General Manager. He is passionate about improving the mental health systems and services, applying his skills and experience to improve mental health services, particularly for young people. Andrew is a Board Director and the Board Treasurer of Mental Health Carers NSW (MHCN), the peak body for the advocacy of such Carers. Andrew is a Carer representative in the NMHCCF and a member and previously the coordinator of the headspace FAFC Advisory Committee for headspace mental health services in Western Sydney. Andrew is also involved with Towards Zero Suicide initiatives and services with the Western Sydney LHD. Andrew is a Carer for his daughter, supporting her on her mental health recovery journey. This has provided experience and insight into the mental health system, including public and private hospitals. This lived experience as a carer has provided a base for being a strong advocate for people with lived experience of a mental health issue and their families and carers.
Dr Josephine (Josey) Anderson BA, B Med(Hons), M Med, M Health Law, Cert Child and Adol Psych, FRANZCP	Josey is a clinician, academic and teacher and is currently a consultant psychiatrist with the Early Psychosis Program at SESLHD, Conjoint Associate Professor at the UNSW Sydney and a Psychiatrist Member of the NSW Mental Health Review Tribunal. Josey has specialised in Child and Adolescent Psychiatry in the public health system for more than 30 years. She championed the development of young people's services in Western Sydney, including our highly successful Young People's Outreach Program, and three Headspace centres. Josey also chaired the Consortia of Headspace Bankstown and Headspace Bondi Junction since their inception until she stepped down at the end of 2023.
Tom Brideson Dip Hlth Sci (Mental Health), M Appl Epi (Indigenous Health), BA (Welfare Studies) (Part)	Tom is a Kamilaroi/Gomeroi man born in Gunnedah, NSW. Over the past 30 years Tom has been active in mental health and health policy, social and emotional wellbeing (SEWB), clinical mental health care, suicide prevention, education, and mental health leadership. He is a current Board Member of Suicide Prevention Australia, a Board Member of Flourish Australia since 2022, a member of the Red Chief Local Aboriginal Land Council, a member and previous board member of Indigenous Allied Health Australia, a part-time Deputy Commissioner of the Mental Health Commission of NSW. Tom undertakes consultancy work and is the External Chair of SANE Australia's Reconciliation Action Plan Committee. Most recently Tom was the inaugural Chief Executive Officer of Gayaa Dhuwi (Proud Spirit) Australia and was actively involved in the establishment and commencement of the organisation. Since 2018 Tom has been a part-time Deputy Commissioner of

	the Mental Health Commission of NSW and was previously State-wide Coordinator for the NSW Aboriginal Mental Health Workforce Program, a position he held between 2007 and 2021. Alongside Carole Koha (NZ), Tom is the Co-Chair of the Wharerata Group, an International Indigenous Mental Health Leadership Group part of the International Initiative for Mental Health Leadership (IIMHL). Tom with Jennifer Taylor Co-Chaired the National Mental Health Workforce Strategy Taskforce between 2020 and 2022.
Hugh de Kretser BA LLB (Hons)	Hugh has over two decades of human rights law experience advocating for positive change for people and communities whose rights are at risk. He commenced his five year term as the President of the Australian Human Rights Commission on 30 July 2024. He previously worked as the CEO of the Yoorrook Justice Commission and before that led the Human Rights Law Centre and the Victorian Federation of Community Legal Centres. Hugh has served as a Commissioner of the Victorian Law Reform Commission and a Director of the Sentencing Advisory Council and has performed a number of not-for-profit board and advisory roles.
Theresa Effeney BA (HR Mgt and Policy Studies)	Theresa's involvement in mental health began more than 10 years ago, as a carer for a family member with mental health issues. This experience has provided her with the passion and energy to advocate for people with a lived experience of a mental health issue, and their families and carers. She understands first hand the importance of supporting people with lived experience to participate in making decisions about their lives. Theresa is a seasoned commercial Human Resources Director with over 20 years experience in the areas of ethics and governance, strategic leadership and workforce planning, and people and culture across the Asia Pacific.
Paula Hanlon BA Psychology	Paula has worked as a peer worker for nearly 30 years in voluntary and employed positions. She has been employed in a position of Manager, Ryde Consumer Services for North Shore Ryde Mental Health Services for over 24 years. Paula has a strong focus on quality having served as an Assessor with the Australian Council on Health Care Standards, reviewing mental health services across Australia for 22 years. Paula is a member of The TheMHS Learning Network Board, holds a casual position with the Matilda Centre at the University of Sydney focussing on mental health and drug and alcohol research, recently becoming a Director of the Matilda Centre Board. 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. Paula is a person with a lived experience of mental health issues and was a resident in Richmond Fellowship housing in the original Blackwattle House in the 1980's and in another Glebe house in the 1990's.
Megan Still B App Sci and M App Sci (Research)	Megan is the Service Planning and Innovation Manager for Sydney Local Health District's Mental Health Services. Originally trained as an Occupational Therapist, Megan has worked clinically across inpatient and community services, and undertaken service planning and research, all with a strong commitment to consumer led, community oriented, rights based supports for people with lived experience.
Kareem Tawansi BA (Psychology, Comp Sci), GAICD	An experienced technology entrepreneur, Kareem brings over 30 years of Digital Transformation expertise, advocating for the use of innovation as an enabler and differentiator for organisations. Having built and run his own Digital Consultancy, Kareem's training in both computer science and psychology has enabled him to transform numerous businesses across many domains in Australia, the US, and the UK. This includes many world-first digital projects that utilise technology to help make a positive impact.

Jeremy Thorpe B Ec, LLB (Hons), Phd (Law, in progress)	Jeremy is an economist with more than 30 years of experience in the public and private sectors. He is currently a Director at Sapere, a leader in the provision of independent economic, forensic accounting and public policy services. He was formerly a Partner in PwC's National Economics & Policy team, and PwC's Chief Economist, and before that worked 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.

Meetings of Directors

The Directors meet on a bi-monthly basis and also hold a number of strategic discussions throughout the year, 11 meetings were held in the financial year to 30 June 2024. The number of meetings of the Company's board of directors held during the year ended 30 June 2024, 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)	11	11
Andrew Pryor	11	11
Dr Josephine Anderson	9	11
Tom Brideson	8	11
Theresa Effeney	9	11
Hugh de Kretser	10	11
Paula Hanlon	11	11
Megan Still	9	11
Kareem Tawansi	10	11
Jeremy Thorpe	11	11

In addition to attending Board meetings, the directors also attended bi-monthly meetings for the Finance, Audit and Risk Management, Services Quality and Safety and Digital Capability sub-committees, and the Flourish Foundation Australia, Nominations and Remuneration sub-committees meet as required.

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 2024 was $46,521(2023: $41,713).

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 Audit Pty Ltd continues in office.

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

Elizabeth More

Professor Elizabeth More AM
Director
Date: 25 September 2024

Andrew Pryor
Director
Date: 25 September 2024

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PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2024

	Ref.	2024 $'000	2023 $'000
Revenue from continuing operations	A1	91,981	89,226
Other income	A1	619	1,166
Total income		**92,600**	**90,392**
Cost of goods sold		(113)	(180)
Employee benefits expense		(78,338)	(72,461)
Depreciation and amortisation expense		(4,065)	(3,777)
Other expenses		(14,947)	(16,350)
Total expenses	A2	**(97,463)**	**(92,768)**
Deficit before income tax expense		**(4,863)**	**(2,376)**
Income tax expense		-	-
Deficit for the year		**(4,863)**	**(2,376)**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Gain on revaluation of land and buildings	B2	360	1,712
Items that may be reclassified to profit or loss			
Investments measured at fair value through other comprehensive income	D2	312	330
Total comprehensive loss for the year		**(4,191)**	**(334)**

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

STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Ref.	2024 $'000	2023 $'000
Current assets			
Cash and cash equivalents	C1	7,765	12,352
Trade and other receivables	C1	4,028	4,671
Contract assets	C1	3,515	4,326
Prepayments		1,267	2,064
Inventory		52	12
Total current assets		**16,627**	**23,425**
Non-current assets			
Bonds and deposits		984	1,433
Investments	B1	6,697	6,857
Investment properties	B3	9,293	9,564
Intangibles	B3	837	38
Property, plant and equipment	B2	23,798	23,824
Right of use assets	D1	7,671	7,087
Total non-current assets		**49,280**	**48,803**
Total assets		**65,907**	**72,228**
Current liabilities			
Trade and other payables	C1	4,471	4,537
Employee provisions	C1	7,526	7,204
Contract liabilities	C1	6,398	9,156
Lease liabilities	D1	3,041	2,629
Total current liabilities		**21,436**	**23,526**
Non-current liabilities			
Financial liabilities	C1	1,700	1,700
Employee provisions	C1	1,601	1,715
Lease liabilities	D1	5,238	5,164
Total non-current liabilities		**8,539**	**8,579**
Total liabilities		**29,975**	**32,105**
Net assets		**35,932**	**40,123**

Contributed equity			
Program participants reserve	D2	39	86
Reserves	D2	19,553	18,881
Accumulated funds	D2	16,340	21,156
Total contributed equity		**35,932**	**40,123**

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

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2024

	Ref.	Program Participants Reserve	Reserves	Accumulated Funds	Total
		$’000	**$’000**	**$’000**	**$’000**
Balance as at 30 June 2022		**114**	**22,353**	**17,990**	**40,457**
Deficit for the year		-	-	(2,376)	(2,376)
Revaluation of land and buildings	B2	-	1,712	-	1,712
Other comprehensive income					
Investment revaluation reserve	D2	-	330	-	330
Total comprehensive income		**-**	**2,042**	**(2,376)**	**(334)**
Transfer from reserve to accumulated funds	D2	(28)	(5,514)	5,542	-
Balance as at 30 June 2023		**86**	**18,881**	**21,156**	**40,123**
Deficit for the year		-	-	(4,863)	(4,863)
Revaluation of land and buildings	B2	-	360	-	360
Other comprehensive income					
Investment revaluation reserve	D2	-	312	-	312
Total comprehensive income		**-**	**672**	**(4,863)**	**(4,191)**
Transfer from reserve to accumulated funds	D2	**(47)**	**-**	**47**	**-**
Balance as at 30 June 2024		**39**	**19,553**	**16,340**	**35,932**

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

STATEMENT OF CASH FLOWS

For the year ended 30 June 2024

	Note	2024 $'000	2023 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		7,076	9,055
Payments to suppliers and employees (inclusive of goods and services tax)		(98,764)	(98,865)
Government grants and subsidies received (inclusive of goods and services tax)		89,602	83,680
Interest received		140	229
Interest paid		(410)	(268)
Rents received		1,507	1,382
Donations received		68	62
Net cash outflow from operating activities	E4	**(781)**	**(4,725)**
Cash flows from investing activities			
Payments for property, plant and equipment		(279)	(102)
Proceeds from sale of property, plant and equipment		622	2,785
Payments for intangible assets		(837)	-
Payments made for leasing arrangements		(3,192)	(2,466)
Proceeds from other financial investments		197	399
Payments for security deposits		(317)	(72)
Net cash (outflow) / inflow from investing activities		**(3,806)**	**544**
Cash flows from financing activities			
Repayment of borrowings		-	-
Net cash outflow from financing activities		**-**	**-**
Net decrease in cash held		(4,587)	(4,181)
Cash and cash equivalents at the beginning of the financial year		12,352	16,533
Cash and cash equivalents at the end of the financial year	C1	**7,765**	**12,352**

The above 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 contracts, together with National Disability Insurance Scheme (NDIS) revenue. We also receive some income from commercial sales through our social enterprises that provide employment opportunities for individuals with mental health issues.

	2024 $'000	2023 $'000
Revenue from contracts with funders		
National Disability Insurance Scheme	34,533	34,691
New South Wales Government Contracts	29,799	28,514
Commonwealth Government Contracts	16,127	13,779
Other revenue from Ordinary Activities	4,927	4,738
Business sales	3,792	5,403
Queensland Government Contracts	2,277	2,101
South Australia Government Contracts	526	-
Total revenue	**91,981**	**89,226**
Other income	**619**	**1,166**

For further analysis on specific funding sources, refer to section E4 Acknowledgement of funding.

What is the relevant accounting policy?

AASB 15 requires revenue to be recognised when control of a promised good or service is passed to the customer at an amount which reflects the expected consideration. The customer for these contracts is the fund provider. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer

2. Identify the performance obligations

3. Determine the transaction price

4. Allocate the transaction price

5. Recognise revenue

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Government contracts, NDIS and other revenue

Grant income arising from an agreement which contains enforceable and sufficiently specific performance obligations is recognised when control of each performance obligations is satisfied. This is generally the case for the monies received under Government contracts, NDIS and other revenue. The performance obligations are varied based on the agreement but may include services, events or education.

Within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract. Where control is transferred over time, generally the revenue is recognition based on either cost or time incurred which best reflects the transfer of control.

Business sales

Business sales revenue represents revenue earned from the sale of the Company's services and products, net of returns and trade allowances and taxes paid. The performance obligation is satisfied at a point in time when the products have been physically transferred to the customer.

Other income consists of the gain or loss on revaluation of land and buildings within Property, Plant and Equipment (B2)

Significant judgements and estimates applied

For many of the grant agreements received, the determination of whether the contract includes sufficiently specific performance obligations was a significant judgement involving discussions with several parties at the company, review of the proposal documents prepared during the grant application phase and consideration of the terms and conditions.

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.

	2024 $'000	2023 $'000
Helping people make friends, get involved and learn new things	35,117	31,484
Supporting people where they live	29,377	28,584
Working with people to find a job	16,457	17,700
Other expenditure	16,512	15,000
Total expenditure	**97,463**	**92,768**

The main categories of expenditure were as follows:

	2024 $'000	2023 $'000
Employee benefits expense including workers compensation	72,116	66,765
Other office costs	5,856	5,519
Annual leave	5,385	5,130
Depreciation and amortisation	4,065	3,777
Other expenses	3,472	3,968
Motor vehicle expenses	1,673	1,675
Rental expense on short term leasing	1,241	1,498
Consultants and contractors	1,161	2,513
Long service leave	837	566
Client expenditure	793	667
Finance costs	410	285
Allowance for impairment of receivables and bad debts	338	213
Cost of goods sold	113	180
Bad debts expense	3	12
Total Expenses	**97,463**	**92,768**

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

B1. Investments

B2. Property, Plant and Equipment

B3. Intangible Assets and Investment Properties

This section sets out the **non-current assets** (that is, assets that are not for sale in the current financial year) held by RichmondPRA.

B1. INVESTMENTS

From time to time, RichmondPRA will hold financial assets such as shares and other equity securities that can be traded in financial markets. We do this in order to manage our financial risk and produce returns that we can use to provide services to our clients. The fair value is determined by reference to quoted market bid prices at the close of business on the reporting date.

	2024 $'000	2023 $'000
Non-Current Investments		
Fair value through other comprehensive income (FVOCI)		
Australian equities	2,181	-
Managed investments	4,418	6,506
Cash held in investment account	-	40
Social bonds	72	268
Others	26	43
Total Non-Current Investments	**6,697**	**6,857**

What is the relevant accounting policy?

Listed securities, comprising marketable equity securities, are non-derivatives and are included in non-current assets unless management intends to dispose of the investment within 12 months of the end of the reporting period. The entity has made an irrevocable election to present changes in the fair value of equity instruments through other comprehensive income in accordance with AASB 9. The shares have no fixed maturity date or coupon rate. In 2022/23 all investments in listed securities were transitioned to managed investments.

Managed investments include investments in debt instruments that are solely interest and principal which are held to collect or sell, from 2019/20 also includes investments in global equity funds and a small investment in a direct office fund, and from 2022/23 also includes a small investment in a private infrastructure fund. Managed investments are accounted for through fair value through other comprehensive income.

The debt instruments are held by a third party and can be redeemed on an at-call basis at the market value of the investments at the date of redemption less certain fees and charges.

The global equity funds are held by a third party and can be redeemed at the market value of the investments at the date of redemption less certain fees and charges.

The direct office fund is managed by a third party and has limited ongoing liquidity redemption events. The next liquidity event is expected to occur in December 2024. In addition to liquidity events, limited withdrawal offers are intended to be made by the fund every six months, subject to the fund having available liquid assets.

The private infrastructure fund is also managed by a third party and currently offers no fund redemptions. Lock-up is for the first five years until March 2026.The first redemption window is expected to open in June 2026, subject to 5% cap of net asset value each calendar quarter.

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. Investments at fair value through other comprehensive income are subsequently carried at fair value.

Unrealised gains and losses arising from changes in the fair value of non-monetary securities are recognised in equity in the investments revaluation reserve. On disposal any balance in the reserve is transferred to accumulated funds and is not reclassified to profit or loss.

Dividends relating to these investments are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Significant judgements and estimates applied

All financial investments are actively traded in financial markets except as noted and the fair value is determined by reference to quoted market bid prices at the close of business on the reporting date.

B2. PROPERTY, PLANT AND EQUIPMENT

	Land $'000	Building $'000	Lease hold improvement $'000	Plant and Equipment $'000	Motor Vehicles $'000	Total $'000
Year ended 30 June 2023						
Opening net book amount	18,450	2,500	1,038	413	1,573	23,974
Additions	-	-	56	46	-	102
Revaluation	1,750	(38)	-	-	-	1,712
Disposals	-	-	-	-	(957)	(957)
Depreciation expense	-	(62)	(330)	(215)	(400)	(1,007)
Closing net book amount	**20,200**	**2,400**	**764**	**244**	**216**	**23,824**
At 30 June 2023						
Cost /Fair Value	20,200	2,400	2,179	1,829	2,674	29,282
Accumulated depreciation	-	-	(1,415)	(1,585)	(2,458)	(5,458)
Net book amount	**20,200**	**2,400**	**764**	**244**	**216**	**23,824**
Year ended 30 June 2024						
Opening net book amount	20,200	2,400	764	244	216	23,824
Additions	-	-	253	26	-	279
Revaluation	200	160	-	-	-	360
Disposals	-	-	-	-	(3)	(3)
Depreciation expense	-	(60)	(270)	(168)	(164)	(662)
Closing net book amount	**20,400**	**2,500**	**747**	**102**	**49**	**23,798**
At 30 June 2024						
Cost/ Fair Value	20,400	2,500	2,397	1,665	1,383	28,345
Accumulated depreciation	-	-	(1,650)	(1,563)	(1,334)	(4,547)
Net book amount	**20,400**	**2,500**	**747**	**102**	**49**	**23,798**

What is the relevant accounting policy?

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.

Land and buildings are recognised and measured at fair value less accumulated depreciation on buildings less any impairment losses recognised after the date of the revaluation.

As at 30 June 2024 the revaluation on land and buildings was an increase in the carrying value of $0.4m and a corresponding increase in the revaluation reserve. The valuation was last completed in May 2024 by an independent valuation expert, in which Management do not believe there has been a material movement since.

Land and buildings carried at cost would amount to $4.6m (2023: $4.6m).

All other plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

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	*5 years*
- Furniture, fittings and equipment	*3-10 years*
- Buildings	*40 years*
- Leasehold improvements	*3-10 years*

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

Impairment indicators over property, plant and equipment and considered at each reporting date. If indicators exist, then the recoverable amount of the relevant asset/cash-generating unit is determined. The recoverable amount is the higher of fair value less costs of disposal and value in use. 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.

Significant judgements and estimates applied

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event.

Valuation of land and buildings

The basis of the valuation of land and buildings is fair value. The land and buildings were last revalued in May 2024 by an independent valuation expert. The directors do not believe that there has been a material movement in fair value since the revaluation date. Valuations are based on current prices for similar properties in the same location and condition. Refer to C2 for the valuation techniques.

B3. INTANGIBLE ASSETS AND INVESTMENT PROPERTIES

	Investment Property $’000	Intangible Assets $’000	Total $’000
Year ended 30 June 2023			
Opening net book amount	**9,791**	**109**	**9,900**
Additions	-	-	-
Reclassification	-	(2)	(2)
Depreciation expense	(227)	(69)	(296)
Closing net book amount	**9,564**	**38**	**9,602**
At 30 June 2023			
Cost	10,696	202	10,898
Accumulated depreciation	(1,132)	(164)	(1,296)
Net book amount	**9,564**	**38**	**9,602**
Year ended 30 June 2024			
Opening net book amount	9,564	38	9,602
Additions	-	837	837
Depreciation expense	(271)	(38)	(309)
Closing net book amount	**9,293**	**837**	**10,130**
At 30 June 2024			
Cost	10,696	1,039	11,735
Accumulated depreciation	(1,403)	(202)	(1,605)
Net book amount	**9,293**	**837**	**10,130**

What is the relevant accounting policy for intangible assets?

Costs incurred in the development and implementation of new software applications are only capitalised when the software will deliver a future economic benefit to the company and these benefits can be measured reliably.

Capitalised software costs have a finite useful life and are amortised on a systematic basis based on future economic benefits over the useful life of the software which is estimated to be 10 years. Amortisation occur when the asset is available for use.
Software residual value and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Where an adjustment is appropriate these adjustments are included in profit or loss.

What is the relevant accounting policy for investment properties?

Investment property, comprising freehold residential dwellings, are held to generate long-term rent yields. All tenant leases are on an arm's length basis.

Investment properties are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition and construction of the residential dwellings. The directors have opted to account for investment properties at cost in accordance with accounting standard AASB 140 Investment Property.

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.

Depreciation on investment properties is calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives of 40 years.

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

An investment property'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.

Significant judgements and estimates applied

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its finite life intangible assets and investment properties. The useful lives could change significantly as a result of technical innovations or some other event.

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 Company'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

Working Capital

	2024 $'000	2023 $'000
Current Assets (includes cash, receivables, contract assets, inventories, and prepayments)	16,627	23,425
Current Liabilities	(21,436)	(23,526)
Net Current Assets / (Liabilities)	**(4,809)**	**(101)**

The net current liabilities are more than offset by the $5.9m (2023: $6.0m) in investments classified as non-current assets for accounting purposes, which can be converted to cash in less than 1 week. In addition, the Company owns $9.3m in investment property that can be converted to cash over time.

Current Assets

	2024 $'000	2023 $'000
Cash and cash equivalents		
Cash on hand	8	10
Cash at bank		
Interest bearing deposits	1,048	921
Cash management call accounts	6,709	11,421
Total cash and cash equivalents	**7,765**	**12,352**

		2024 $'000	2023 $'000
Trade and other receivables			
Trade debtors		4,537	5,714
Allowance for receivables impairment	C2	(528)	(1,057)
		4,009	**4,657**
Other debtors		19	14
Total trade and other receivables		**4,028**	**4,671**

Current assets continued

	2024 $'000	2023 $'000
Contract assets		
Amounts unbilled and accrued	3,515	4,326
Total contract assets	**3,515**	**4,326**

Current Liabilities

	2024 $'000	2023 $'000
Trade and other payables		
Trade payables	1,222	1,614
Other payables and accruals	3,151	2,810
GST payable	98	113
Total trade and other payables	**4,471**	**4,537**

	2024 $'000	2023 $'000
Employee provisions		
Provision for annual leave	4,706	4,612
Provision for long service leave	2,820	2,592
Total current employee entitlements	**7,526**	**7,204**

	2024 $'000	2023 $'000
Contract liabilities		
Amounts received in advance	6,398	9,156
Total contract liabilities	**6,398**	**9,156**

Contract liabilities relate to performance obligations to be settled within 12 months, for which funds have already been received.

Non-Current Liabilities

	2024 $'000	2023 $'000
Provision for long service leave	1,601	1,715
Total non-current employee provisions	**1,601**	**1,715**

Financial liabilities

	2024 $'000	2023 $'000
Loans*	1,700	1,700
Total financial liabilities	**1,700**	**1,700**

	2024 $'000	2023 $'000
Opening balance	1,700	1,683
Interest	-	17
Closing balance	**1,700**	**1,700**

	2024 $'000	2023 $'000
Non-current liability	1,700	1,700
Total financial liabilities	**1,700**	**1,700**

*Assets pledged as security - loans are secured by first registered mortgages over RichmondPRA's investment properties. The loan is repayable in full by 27 April 2026 and attracts interest at 4.50%. The balance as at 30 June 2024 of $1.7m is presented as non-current liability given that the repayment date is on 27 April 2026.

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 maturities of six months or less after balance sheet date 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. The expected credit loss model as per C2 is considered in determining the impairment allowance. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Contract assets

Contract assets arise when work has been performed on a particular program and goods or services have been transferred to the customer but the invoicing milestone has not been reached and the rights to the consideration are not unconditional.

Impairment loss for trade receivables and contract assets

The amount of the impairment loss is recognised in the income statement within other expenses. When a trade receivable or contract asset 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

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.

Employee provisions

Current employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Non-current employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Contract liabilities

Contract liabilities generally represent the unspent grants or other fees received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided, or the conditions usually fulfilled within 12 months of receipt of the grant / fees.

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:

	2024 $’000	2023 $’000
Financial assets		
Cash and cash equivalents	7,765	12,352
Trade and other receivables	4,028	4,671
Contract assets	3,515	4,326
Investments	6,697	6,857
Bonds and deposits	984	1,433
Financial liabilities		
Trade and other payables	4,471	4,537
Contract liabilities	6,398	9,156
Lease liabilities	8,280	7,793
Loans	1,700	1,700

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 investments. 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 financial assets measured at fair value through other comprehensive income had increased by +/-10% from the year end price with all other variables held constant, equity would have increased/decreased by $0.67m (2023: $0.68m).

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. Richmond PRA Australia does not consider the impact from interest rate change to its operations to be material.

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.

Credit risk- Impaired trade receivables and contract assets

The Company measures the loss allowance for trade receivables and contract assets at an amount equal to lifetime expected credit loss (ECL). The ECL on trade receivables and contract assets are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. This involves judgement and estimates.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings or when the trade receivables are no longer considered collectable, whichever occurs first.

As at 30 June 2024 current trade receivables and contract assets of the Company with a value of $0.53m (2023: $1.1m) were considered impaired. The impaired receivables mainly relate to a subset of trade receivables. Concerted efforts continue to collect as much of this debt as possible and minimise any write-offs during 2023/24.

Movements in the provision for impairment of receivables are as follows:

	2024 $'000	**2023 $'000**
At 1 July	1,057	1,610
Provision for impairment recognised during the year	338	213
Written-off during the year	(867)	(766)
Total allowance for expected credit losses	**528**	**1,057**

As of 30 June 2024, trade receivables of $2.5m (2023: $2.3m) were past due date but not impaired. They relate to a number of independent customers for whom there is no recent history of default and government funding bodies. The ageing analysis of these trade receivables is as follows:

	2024 $'000	**2023 $'000**
31 - 60 days	173	588
60 - 90 days	1,481	632
Over 90 days	872	1,053
Total aged trade receivables and contract assets	**2,526**	**2,273**

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. The trade receivables plus contract assets have decreased from $9.0m as at 30 June 2023 to $7.5m as at 30 June 2024.

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 2024	1 year or less $'000	Between 1 and 5 years $'000	Over 5 years $'000	Total contractual cash flows $'000	Carrying amount (assets)/ liabilities $'000
Non-derivatives (non-interesting bearing)					
Trade and other payables	4,471	-	-	4,471	4,471
Contract liabilities	6,398	-	-	6,398	6,398
Lease liability	3,041	5,238	-	8,279	8,279
Loans with banks	-	1,700	-	1,700	1,700
Total non-derivatives	**13,910**	**6,938**	**-**	**20,848**	**20,848**
At 30 June 2023					
Non-derivatives (non-interesting bearing)					
Trade and other payables	4,537	-	-	4,537	4,537
Contract liabilities	9,156	-	-	9,156	9,156
Lease liability	2,629	5,164	-	7,793	7,793
Loans with banks	-	1,700	-	1,700	1,700
Total non-derivatives	**16,322**	**6,864**	**-**	**23,186**	**23,186**

Fair value hierarchy

The following tables detail the Company's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

At 30 June 2024	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Land and buildings	-	-	22,900	22,900
Investments at fair value through other comprehensive income	-	6,625	-	6,625
Total	-	6,625	22,900	29,525
At 30 June 2023				
Land and buildings	-	-	22,600	22,600
Investments at fair value through other comprehensive income	-	6,589	-	6,589
Total	-	6,589	22,600	29,189

D. APPENDICES

D1. Other non-financial assets and liabilities

D2. Reserves and accumulated funds

D3. Unrecognised items

D1. OTHER NON-FINANCIAL ASSETS AND LIABILITIES

Right of use asset

Year ended 30 June 2023	Properties	Motor Vehicle	Total
	$'000	$'000	$'000
Brought forward	4,219	1,664	5,883
Additions	2,102	1,575	3,677
Amortisation	(1,816)	(657)	(2,473)
Total right of use asset	**4,505**	**2,582**	**7,087**

	Properties	Motor Vehicle	Total
Year ended 30 June 2024	$'000	$'000	$'000
Brought forward	4,505	2,582	7,087
Additions	1,052	2,627	3,679
Amortisation	(2,108)	(987)	(3,095)
Total right of use asset	**3,449**	**4,222**	**7,671**

Lease liabilities

Current	2024 $'000	2023 $'000
Properties	1,684	1,685
Motor Vehicle	1,357	944
Total current lease liability	**3,041**	**2,629**

Non-current	2024 $'000	2023 $'000
Properties	1,994	2,987
Motor Vehicle	3,244	2,177
Total non-current lease liability	**5,238**	**5,164**

Movement of lease liability during the year	Properties 2024	Properties 2023	Motor Vehicle 2024	Motor Vehicle 2023
	$'000	**$'000**	**$'000**	**$'000**
Brought forward	4,672	4,218	3,121	1,702
Additions	1,052	2,102	2,627	2,237
Lease payments	(2,046)	(1,648)	(1,146)	(818)
Total	**3,678**	**4,672**	**4,602**	**3,121**

What is the relevant accounting policy?

The company leases land and buildings for its offices under agreements of between two to five years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset. Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company leases office equipment under agreements of less than one year. These leases are either short-term or low-value, so have been expensed as incurred and not capitalised as right-of-use assets.

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred. Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Significant judgements and estimates applied

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

D2. RESERVES AND ACCUMULATED FUNDS

	2024 $'000	2023 $'000
Accumulated funds		
Balance at 1 July	21,156	17,990
Net (deficit) / surplus for the year	(4,863)	(2,376)
Transfer from reserve to accumulated funds	47	5,542
Balance at 30 June	**16,340**	**21,156**
Reserves		
Capital subsidies reserve	633	633
Asset revaluation reserve	18,099	17,739
Investment revaluation reserve	821	509
Total reserves	**19,553**	**18,881**
Program participants reserve	39	86
Total program participants reserves	**39**	**86**
Movement in reserves		
Capital subsidies reserve		
Balance at 1 July	633	633
Balance at 30 June	**633**	**633**
Asset revaluation reserve		
Balance at 1 July	17,739	16,027
Revaluation of land and buildings	360	1,712
Balance at 30 June	**18,099**	**17,739**
Investment revaluation reserve		
Balance at 1 July	509	179
Revaluation of investments through other comprehensive income	312	330
Balance at 30 June	**821**	**509**
Capital reserve		
Balance at 1 July	-	5,514
Transfer from reserve to accumulated funds	-	(5,514)
Balance at 30 June	**-**	**-**

	2024 $'000	2023 $'000
Program participants reserve		
Balance at 1 July	86	114
Transfer from reserve to accumulated funds	(47)	(28)
Balance at 30 June	**39**	**86**

What is the nature and purpose of the other reserves?

(i) Asset revaluation reserve

The asset revaluation reserve 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) Investment revaluation reserve

Changes in the fair value arising on translation of investments, such as equities, classified as fair value through other comprehensive income financial assets, are recognised in other comprehensive income and accumulated in a separate reserve within equity.

(iii) Capital reserve

Capital reserve represents membership interests given to members of RFNSW as consideration for acquisition. RichmondPRA Services Ltd ceased operating in previous year, thus the relevant capital reserve from previous acquisition has been transferred to accumulated funds during the year.

(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 clients or RichmondPRA

D3. UNRECOGNISED ITEMS

Contingencies

The Company leases 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 the Commonwealth Bank. The banker's undertakings are secured by cash deposits which in aggregate amount to $497k (2023: $497k).

Commitments for expenditure

	2024 $'000	2023 $'000
Total supplier's commitment contracted for at reporting date but not recognised in the financial statements relating to other expenditure		
Payable no later than one year	685	39
Payable later than one, not later than five years	55	-
Payable later than five years	-	-
Total commitments	**740**	**39**

E. OTHER INFORMATION

E1. Related parties

E2. Summary of material accounting policies

E3. 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)
- Andrew Pryor (Treasurer)
- Dr Josephine Anderson
- Tom Brideson
- Theresa Effeney
- Hugh de Kretser
- Paula Hanlon
- Megan Still
- Kareem Tawansi
- Jeremy Thorpe

Since the end of the previous financial year directors of the Company have received remuneration in the form of honorariums totalling $107,064(2023: $74,912). Remuneration for the second half of 2023/24 was not paid until 2024/25 but was accrued for in 2023/24 and will be included in the 2024/25 honorariums received note. This remuneration is in accordance with the guidelines and review undertaken annually by an Independent Directors Remuneration Committee.

Key management personnel compensation

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

	2024 $'000	2023 $'000
Short-term employee benefits	2,437	2,288
Total compensation	**2,437**	**2,288**

E2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

RichmondPRA Limited is a company limited by guarantee, incorporated and domiciled in Australia. The company is a not-for-profit entity registered charity with the Australian Charities and Not-for-Profit Commission which holds deductible gift recipient status and is exempt from income tax.

The financial report of RichmondPRA Limited for the year ended 30 June 2024 was authorised for issue in accordance with a resolution of the directors on 25 September 2024.

The registered office of the Company and its principal place of business is:

Suite 3.01, Level 3, Quad 3, 102 Bennelong Parkway
Sydney Olympic Park NSW 2127
Australia

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.

Basis for preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB'), the Australian Charities and Not-for-profits Commission Act 2012 and the Corporations Act 2001, as appropriate for not-for-profit oriented entities.

The functional and presentation currency is Australian Dollars and are rounded to the nearest dollar unless otherwise stated.

Where an accounting policy is specific to one note, the policy is included in the note to which it relates.

Historical cost convention

These financial statements have been prepared under the historical cost convention (which is based on the fair value of the consideration given in exchange for assets), except for:

- Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses.
- Equity instruments measured at fair value.

New and amended standards adopted by the Company

The Company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

New accounting standards and interpretations

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company.

Significant accounting estimates and judgements

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. Information on significant and specific accounting estimates and judgements are stated throughout these financial statements. The estimations and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates. Specific accounting judgements and estimates are discussed in the relevant note.

Income Tax

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

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.

a. Asset carried at amortised cost

For loans and receivables, the Company applies the AASB 9 simplified approach to measuring expected credit losses, which requires expected lifetime credit losses to be recognised from initial recognition of trade and other receivables with maturities of 12 months or less.

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.

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.

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.

Fair Value Measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Reclassification of prior year presentation

Where necessary, comparative information has been restated and reclassified to conform to changes in presentation in the current year. These reclassifications had no effect on the reported results of operations. Certain prior year amounts have been reclassified for consistency with the current year presentation.

Events after the reporting period

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

E3. OTHER REQUIRED DISCLOSURES

Acknowledgement of funding

	2024 $'000	2023 $'000
Revenue from ordinary activities by funding source		
National Disability Insurance Agency	34,533	34,691
NSW Ministry of Health	21,008	18,884
Business Sales	3,792	5,403
Central and Eastern Sydney PHN	3,590	2,244
WentWest Limited	3,102	2,611
Department of Social Services	2,813	2,508
Other Income	2,581	2,747
Queensland Department of Health	2,277	2,101
SVA Nominees	1,600	3,031
Coordinare Limited	1,591	1,207
Wentworth Healthcare	1,530	1,096
Western Sydney LHD	1,299	1,133
Sydney LHD	1,297	1,148
Western Health Alliance Limited	1,235	1,010
South Western Sydney PHN	1,199	1,258
Department of Communities and Justice (FACS)	1,161	1,091
Hunter New England Central Coast Limited	1,034	989
One Door Mental Health	1,015	929
South Eastern Sydney LHD	757	742
Murrumbidgee LHD	691	434
Hunter New England LHD	651	630
Capital Health Network	549	577
Nepean Blue Mountains LHD	468	464
Southern NSW LHD	424	385
headspace National	387	692
Department of Health and Wellbeing	311	-
Illawarra Shoalhaven LHD	273	258
Community Mental Health Australia	215	-
Grant Pacific Health Ltd	185	-
South Western Sydney LHD	172	-
Department of Health	166	413
Neami Ltd	75	235
Western NSW LHD	-	234
Other Operational Grants	-	81
Total Funding	**91,981**	**89,226**

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 $10.

Auditor's Remuneration

Assurance Services	2024 $'000	2023 $'000
Audit of financial statements and acquittals	123	128
Total fees – Assurance Services	**123**	**128**
Non assurance services		
Assistance with preparation of financial statements	7	6
Total fees – Non assurance services	**7**	**6**
Total fees	**130**	**134**

Reconciliation of deficit for the year to net cash flows from operating activities

	2024 $'000	2023 $'000
Deficit for the year	(4,863)	(2,376)
Depreciation and amortisation	4,065	3,777
Allowance for receivables impairment	341	225
Gain on sale of non-current assets	(619)	(1,166)
Investment income/(loss)	275	(244)
Utilisation of security deposits	766	-
(Increase)/decrease in inventories	(40)	(5)
(Increase) /decrease in receivables	302	229
(Increase) /decrease in contract assets	811	(210)
(Increase) / decrease in prepayments	797	(768)
Increase/(decrease) in payables	(66)	863
Increase / (decrease) in other current liabilities	(2,758)	(4,908)
Increase/(decrease) in provisions	208	(142)
Net cash flows from operating activities	**(781)**	**(4,725)**

Disclosure under NSW *Charitable Fundraising Act 1991*

Fundraising appeals conducted by the Organisation during the year led to a number of donations. Details as what is required per the Act and Regulations is below.

No fundraising appeal generated a loss.

The net surplus from fundraising was applied to unfunded initiatives, like providing social events for our young people and women and children programs and supporting mental health research projects.

No traders were engaged in the generation of fundraising income.

The directors as detailed in the directors report receive remuneration in the form of honorariums together with reasonable out-of-pocket expenses.

	2024 $'000	**2023 $'000**
Aggregate income from bequest*	-	10
Aggregate income from donations	68	52
Total fundraising	**68**	**62**

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

RESPONSIBLE PERSONS' DECLARATION

In the Responsible Persons' opinion:

1. The financial statements and notes set out on pages 1 to 45 are in accordance with Australian Accounting Standards - Simplified Disclosures, the Australian Charities and Not-For-Profits Commission Act 2012 and Corporations Regulations 2001 and other mandatory professional reporting requirements;
2. Giving a true and fair view of the Company's financial position as at 30 June 2024 and of its performance for the financial year ended on that date, and
3. There are reasonable grounds to believe that the Company will be able to pay all of its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the responsible persons in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2022.

Elizabeth More

Professor Elizabeth More AM
Director
Date: 25 September 2024

Andrew Pryor
Director
Date: 25 September 2024

DECLARATION BY CHIEF EXECUTIVE OFFICER IN RESPECT TO FUNDRAISING APPEALS

I, Mark Orr, Chief Executive Officer of RichmondPRA Limited declare that in my opinion:

1. The 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 statement of financial position gives a true and fair view of the state of affairs with respect 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 provisions of the Collections Act 1966 (QLD), the regulations under the Act and the conditions attached to the authority have been complied with; and
5. 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.

Mark Orr AM
Chief Executive Officer
Date: 25 September 2024

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DECLARATION OF INDEPENDENCE BY LEAH RUSSELL TO THE DIRECTORS OF RICHMONDPRA LIMITED

As lead auditor of RichmondPRA Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

Leah Russell
Director

BDO Audit Pty Ltd

Sydney

25 September 2024

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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) which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, 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 registered entity's financial position as at 30 June 2024 and of its financial performance for the year then ended; and

(ii) Complying with Australian Accounting Standards – Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

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 registered entity 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 (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

The responsible entities of the registered entity are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Directors' report, but does not include the financial report and our auditor's report thereon.

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

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 – Simplified Disclosures 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 registered entity'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 registered entity or to cease operations, or has no realistic alternative but to do so.

The responsible entities of the registered entity 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/ar4.pdf
This description forms part of our auditor's report.

BDO Audit Pty Ltd

BDO

L Russell

Leah Russell
Partner

Sydney, 30 September 2024