



RedR Australia Limited

ABN 89 068 902 821

Financial Statements for the year ended 30 June 2018

Table of Contents

Corporate Directory	1
Directors' Report	2
Statement of Profit or Loss and Other Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements.....	9
Directors' Declaration	16
Independent Auditor's Report	17

REDR AUSTRALIA LIMITED
ABN 89 068 902 821
CORPORATE DIRECTORY

Directors

Elizabeth Taylor	Director
Michael Marley	Director
Andreas Marquardt	Director (Ceased in the 2018 financial year)
Malcolm Ralston	Director
Andrew Stevenson	Director
David Swan	Director (Ceased in the 2018 financial year)
Nicole Hahn	Director
Dinesh Jayasuriya	Director
Anna Burke	Director (Appointed in the 2018 financial year)
James Smart	Director (Appointed in the 2018 financial year)

Company Secretary

James Smart

Registered Office and Principal Place of Business

55-61 Barry Street
Carlton Victoria 3053

Auditor

BDO East Coast Partnership
Collins Square, Tower 4
Level 18, 727 Collins Street
Melbourne Vic 3008

Website address

www.redr.org.au

REDR AUSTRALIA LIMITED
ABN 89 068 902 821
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2018

The Directors present their report with respect to the result of RedR Australia Limited as ("the Company") for the year ended 30 June 2018 and the Independent Audit Report thereon.

DIRECTORS

The following persons were Directors of RedR Australia Limited during or since the end of the financial year.

Name & Qualification	Date of Appointment, Experience, and Other Directorships	Responsibility
Emeritus Professor Elizabeth Taylor, AO, BE, LLB (Hons), Hon FIEAust, FAICD	12 June 1998 Chair - Board of Directors, Engineers Australia Pty Ltd (trading as Engineers Media) Chair - Board of Professional Engineers of QLD to Dec 2011	Independent Chair 9 Dec 2010
Michael Marley BE, M Eng Sc, Hon FIEAust, FAICD, RPEQ	10 February 2009 Director, Principal, Golder Associates Pty Ltd	Consult Australia (CA) Nominee
Andreas Marquardt BE (Civil), ME, MBA, CPEng, FIEAust	21 March 2005 Treasurer, Manager Asset Management, ACTEW Water Canberra	Professionals Australia Nominee
Malcolm Ralston B Leg Studies	22 October 2012 Director, Emergency/Disaster Response Advisor; RedR Australia Deployments - UNOPS, Iraq & WFP/UNJLC, Banda Aceh Indonesia	Board Nominee
Andrew Stevenson BE (Civil) (Hon), Diploma of Management, Cert of Mediation, Cert of Arbitration Copland Leadership 2008 Board Orientation Series 2009 (Leadership Vic)	9 May 2011 Director, Principal, Alchimie Pty Ltd	Board Nominee
David Swan BE (Civil), MBA, (Tech Man), CPEng, JP	5 April 2002 Director, Swan Environmental Project Management RedR Deployment - UNHCR, Yemen; AusAID - Yogyakarta	Institute of Public Works Engineering Australia (IPWEA) nominee
Nicole Hahn	2 February 2015	Board Nominee
Dinesh Jayasuriya BE (Elec & Comp Sys), Grad Dip & Post Grad Dip (Arts), MLaw (Pub & Int)	20 October 2014 Director, Sunset President, Brimbank Hackerspace Inc Dep-Chair, EA SENG Vic	Board Nominee

REDR AUSTRALIA LIMITED
ABN 89 068 902 821
DIRECTORS' REPORT (CONT'D)

DIRECTORS (CONT'D)

Name & Qualification	Date of Appointment, Experience, and Other Directorships	Responsibility
Anna Burke	6 August 2017 Director, Former Federal MP and Speaker of the House, Current Member of Administrative Appeals Board	Board Nominee
James Smart	4 August 2017 Director, Maddocks Lawyers	Company Secretary Board Nominee

The number of meetings of Directors held during the year and the number of meetings attended by each is as follows:

Name	Meetings	
	Possible	Attended
Elizabeth Taylor	4	4
Michael Marley	4	2
Andreas Marquardt	4	2
Malcolm Ralston	4	4
Andrew Stevenson	4	4
David Swan	4	4
Nicole Hahn	4	4
Dinesh Jayasuriya	4	3
Anna Burke	4	4
James Smart	4	2

COMPANY SECRETARY

James Smart was appointed as Secretary on 19 February 2018.

OBJECTIVES

In July 2018, the Board continued to support the three year Strategic Framework (2016-2018) to relieve suffering by selecting, training and deploying technical specialists across all phases of the disaster cycle. To further support this objective, in October 2017, the Company tendered for and was awarded management of the Australia Assists program, the flagship civilian deployment capability of the Australian Government.

To realise this three year Strategic Framework the performance objectives focus on the following areas: operations; maintenance of a strong, responsive and dynamic standby roster; greater international collaboration; and strong measures of accountability and governance.

PRINCIPAL ACTIVITIES

The principal activities of the Company are to relieve suffering by selecting, training and deploying technical specialists across all phases of the disaster cycle.

REDR AUSTRALIA LIMITED
ABN 89 068 902 821
DIRECTORS' REPORT (CONT'D)

RESULTS AND REVIEW OF OPERATIONS

The net result of operations for the year ended 30 June 2018 was an operating surplus of \$1,333,368 compared with a surplus of \$129,445 for the year ended 30 June 2017.

The continued operations of the Company at the current level are dependent on continued funding support from Department of Foreign Affairs and Trade (DFAT). On 28 August 2017, RedR Australia signed a seven year (three plus four year) agreement with the Department of Foreign Affairs and Trade (DFAT), commencing 28 August 2017 and expiring 30 June 2024. This agreement totals \$32,650,000 for an initial period to 30 June 2020.

On 23 November 2017, a new agreement was reached with the Department for International Development (UK Aid) for funding through to 28 February 2020 for up to £600,000 to be made available to RedR Australia.

MEMBERS' GUARANTEE

The Company is a not for profit public company limited by guarantee. The total amount of members guarantee as at 30 June 2018 was \$3,540 based on a membership of 177 at a liability of \$20 per member. This guarantee would be called upon to contribute towards meeting any outstanding obligations of the Company in the event of it being wound up.

NON-MONETARY DONATIONS

The value of pro bono services provided by advisors and volunteers during the financial year is \$767,887 (2017: \$578,386). Non-monetary contributions represent volunteer hours provided at a rate consistent with external costs should the Company have paid for these services.

The above amounts have not been included in the results of the Company as the related transactions would be recorded as revenue and a disbursement the same financial year and therefore the transaction has no effects on the results of the Company.

MATTERS SUBSEQUENT TO THE END OF FINANCIAL YEAR

No matters or circumstances have arisen since year end that have 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.

Signed in accordance with a resolution of the Responsible Persons



Signature

Name: Andrew Stevenson

Date: 22/10/18



Signature

Name: Elizabeth Taylor

Date: 22.10.18

REDR AUSTRALIA LIMITED

ABN 89 068 902 821

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018 \$	2017 \$
REVENUE			
Donations and gifts		136,978	35,000
DFAT funding		12,512,474	6,502,710
Other overseas grant income		561,082	913,860
Investment income		46,363	117,797
Membership income		7,331	7,207
Training income		1,107,271	1,043,215
Other income		12,126	57,391
Foreign exchange gain		1,230	4,937
TOTAL REVENUE		14,384,855	8,682,117
EXPENSES			
International programs			
Funds expended on international programs		(6,021,708)	(3,861,341)
Strategies and partnerships		(1,370,012)	(235,398)
Program support costs		(872,297)	(431,792)
Training		(2,094,157)	(1,558,171)
Government, multilaterals & private sector		(184,748)	(69,030)
Staffing costs		(1,495,005)	(1,489,491)
Other administrative costs		(1,013,560)	(907,448)
TOTAL EXPENSES		(13,051,487)	(8,552,671)
SURPLUS FOR THE YEAR ATTRIBUTABLE TO THE MEMBERS OF REDR AUSTRALIA LTD	2	1,333,368	129,445
OTHER COMPREHENSIVE INCOME FOR THE YEAR		-	-
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO THE MEMBERS OF REDR AUSTRALIA LTD		1,333,368	129,445

The accompanying notes form part of these financial statements.

REDR AUSTRALIA LIMITED
ABN 89 068 902 821
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Note	2018 \$	2017 \$
ASSETS			
Current Assets			
Cash and cash equivalents	3	1,062,743	4,798,386
Trade and other receivables	4	2,516,854	274,469
Other financial assets - term deposit	15	1,000,000	-
Other current assets	5	174,083	222,734
Total Current Assets		<u>4,753,680</u>	<u>5,295,589</u>
Non-Current Assets			
Property, plant and equipment	6	478,943	149,801
Intangibles	7	142,067	49,600
Total Non-Current Assets		<u>621,010</u>	<u>199,401</u>
TOTAL ASSETS		<u>5,374,690</u>	<u>5,494,990</u>
LIABILITIES			
Current Liabilities			
Trade and other payables	8	763,755	511,301
Unearned income	9	99,495	1,818,942
Provisions	10	277,890	267,477
Total Current Liabilities		<u>1,141,140</u>	<u>2,597,720</u>
Non-Current Liabilities			
Provisions	10	87,205	84,293
Total Non-Current Liabilities		<u>87,205</u>	<u>84,293</u>
TOTAL LIABILITIES		<u>1,228,345</u>	<u>2,682,013</u>
NET ASSETS		<u>4,146,345</u>	<u>2,812,977</u>
EQUITY			
Reserves		1,799,159	1,743,781
Retained earnings		2,347,186	1,069,196
TOTAL EQUITY		<u>4,146,345</u>	<u>2,812,977</u>

The accompanying notes form part of these financial statements.

REDR AUSTRALIA LIMITED
ABN 89 068 902 821
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

	Retained Surplus \$	Overseas Aid Fund Reserve ° \$	Gift Fund Reserve ° \$	Special Purpose Reserve ^ \$	Total \$
Balance at 1 July 2016	1,746,151	-	-	937,381	2,683,532
Net surplus for the year	129,445	-	-	-	129,445
Other Comprehensive Income	-	-	-	-	-
Total Comprehensive Income for the Year	129,445	-	-	-	129,445
Transfer to reserve	(806,400)	806,400	-	-	-
Balance at 30 June 2017	1,069,196	806,400	-	937,381	2,812,977
Balance at 1 July 2017	1,069,196	806,400	-	937,381	2,812,977
Net surplus for the year	1,333,368	-	-	-	1,333,368
Other Comprehensive Income	-	-	-	-	-
Total Comprehensive Income for the Year	1,333,368	-	-	-	1,333,368
Transactions with owners, in their capacity as owners, and other transfers	(55,378)	(36,600)	91,978	-	-
Balance at 30 June 2018	2,347,186	769,800	91,978	937,381	4,146,345

° **Restricted Reserves**

The Overseas Aid Fund reserve represents unspent donations to RedR. The donations are quarantined in the Overseas Aid Fund for a humanitarian aid project to be identified.

The Gift Fund Reserve represents donations received in advance from donors for specified future periods or purposes.

^ **Unrestricted Reserves**

The Special Purpose Reserve represents an unconditional grant allocation which has been designated for on-going working capital use.

The accompanying notes form part of these financial statements.

REDR AUSTRALIA LIMITED
ABN 89 068 902 821
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Government grants and other receipts		11,792,385	6,416,544
Payments to suppliers and employees		(14,045,239)	(7,341,738)
Interest received		46,363	117,797
Net cash used in operating activities		<u>(2,206,491)</u>	<u>(807,397)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for plant and equipment	6	(412,340)	(71,489)
Payments for intangible assets	7	(116,812)	-
Investment in term deposit		(1,000,000)	-
Net cash used in investing activities		<u>(1,529,152)</u>	<u>(71,489)</u>
Net movement in cash and cash equivalents		(3,735,643)	(878,886)
Cash and cash equivalents at beginning of year		4,798,386	5,677,272
Cash and cash equivalents at end of year	3	<u><u>1,062,743</u></u>	<u><u>4,798,386</u></u>

The accompanying notes form part of these financial statements.

REDR AUSTRALIA LIMITED
ABN 89 068 902 821
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements issued by the Australian Accounting Standards Board ('AASB') and the Australian Charities and Not-for-Profits Commission Act 2012 and the Australian Council for International Development (ACFID) reporting requirements as appropriate for non-profit entities. The financial report has been prepared in Australian dollars on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

Any new Accounting Standards that have been issued but are not yet effective at balance date have not been applied in the preparation of this financial report.

The financial report covers RedR Australia Limited ("the Company") as an individual entity. The Company is a public company, limited by guarantee, incorporated in Australia and registered under the Australian Charities and Not-for-Profits Commission Act 2012.

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

The following is a summary of the significant accounting policies adopted by the Company in the preparation of this financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in this financial report.

(b) Critical accounting estimates and judgements

The Company evaluates estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

REDR AUSTRALIA LIMITED
ABN 89 068 902 821
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

2018	2017
\$	\$

NOTE 2: SURPLUS FROM ORDINARY ACTIVITIES

Net surplus has been determined after:

Depreciation and amortisation of non-current assets:

- plant and equipment

83,198	136,945
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- software

24,345	12,400
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Rental expense on operating leases

214,539	168,090
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Payments to defined contribution superannuation plans

477,661	391,904
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NOTE 3: CASH AND CASH EQUIVALENTS

Petty cash

1,500	2,000
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Cash at bank

186,152	1,425,845
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Cash on deposit

875,091	3,370,541
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1,062,743	4,798,386
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Recognition and measurement

Cash and cash equivalents comprise cash on hand, cash at bank and call deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, normally when they have a maturity of three months or less from the date of acquisition. The fair value at the reporting date of cash and cash equivalents is the same as their carrying amount.

2018	2017
\$	\$

NOTE 4: TRADE AND OTHER RECEIVABLES

Trade and other debtors

2,516,854	274,469
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Recognition and measurement

Receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method, less an allowance for impairment.

Key estimate and judgement

A provision is made for doubtful debts (if there are any) when there is objective evidence that the debts may not be collected and bad debts are written off when identified.

2018	2017
\$	\$

NOTE 5: OTHER CURRENT ASSETS

Prepayments

93,953	147,413
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Other debtors

80,130	75,321
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174,083	222,734
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REDR AUSTRALIA LIMITED
ABN 89 068 902 821
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
NOTE 6: PROPERTY, PLANT AND EQUIPMENT		
Office Equipment - at cost	755,930	381,955
Accumulated depreciation	(376,092)	(317,092)
	<u>379,838</u>	<u>64,863</u>
Deployment Assets - at cost	110,792	72,427
Accumulated depreciation	(73,903)	(72,386)
	<u>36,889</u>	<u>41</u>
Leasehold Improvements - at cost	122,073	122,073
Accumulated depreciation	(59,857)	(37,176)
	<u>62,216</u>	<u>84,897</u>
Total Property, Plant and Equipment	<u>478,943</u>	<u>149,801</u>

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Office Equipment \$	Deployment Assets \$	Leasehold Improvements \$	Total \$
Balance at 1 July 2017	64,863	41	84,897	149,801
Additions	373,975	38,365	-	412,340
Depreciation expense	(59,000)	(1,517)	(22,681)	(83,198)
Balance at 30 June 2018	<u>379,838</u>	<u>36,889</u>	<u>62,216</u>	<u>478,943</u>

Recognition and measurement

Each class of plant and equipment is carried at cost less, where applicable any accumulated depreciation and impairment losses. Plant and equipment is measured on the cost basis. All other non-current assets are carried at cost.

The carrying amount of property, plant and equipment is reviewed annually by management to ensure it is not in excess of the remaining service potential of these assets.

Key estimate and judgement

The depreciable amount of all assets is depreciated on a straight line basis over the useful lives of the assets to the Company commencing from the time the asset is held ready for use.

All classes of property, plant and equipment are depreciated using the straight line method.

The depreciation rates used for each class of depreciable assets are:

Class of fixed assets	Depreciation rates
Office equipment and fittings	25% - 50%
Equipment used on overseas deployments	Dependant on length of overseas deployment
Leasehold Improvements	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

REDR AUSTRALIA LIMITED
ABN 89 068 902 821
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
NOTE 7: INTANGIBLES		
Computer Software	178,812	62,000
Accumulated amortisation	(36,745)	(12,400)
	<u>142,067</u>	<u>49,600</u>

Reconciliations of the written down value at the beginning and end of the current financial year is set out below:

Balance at 1 July 2017	49,600
Additions	116,812
Amortisation expense	(24,345)
Balance at 30 June 2018	<u>142,067</u>

Recognition and measurement

Computer software represents identifiable non-monetary assets without physical substance.

Key estimate and judgement

The in-house software is being amortised over a period of 5 years. Amortisation begins when the asset is ready for use, that is, when it is in the condition necessary for it to be capable of operating in the manner intended by management.

	2018 \$	2017 \$
NOTE 8: TRADE AND OTHER PAYABLES		
CURRENT		
<i>Unsecured liabilities:</i>		
Accrued expenses	173,822	375,658
Sales tax liability	457,112	55,579
Trade creditors	132,821	80,064
	<u>763,755</u>	<u>511,301</u>

NOTE 9: UNEARNED INCOME

Unexpended project grants	-	1,712,474
Membership fees in advance	1,045	3,677
Unexpended training income	98,450	102,791
	<u>99,495</u>	<u>1,818,942</u>

The funding agreement with DFAT, which commenced in October 2017, requires monthly invoicing in arrears of actual costs incurred. These are therefore no longer unexpended project grants.

REDR AUSTRALIA LIMITED
ABN 89 068 902 821
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
NOTE 10: PROVISIONS		
CURRENT		
Annual leave	213,512	184,400
Long service leave	64,378	83,077
	<u>277,890</u>	<u>267,477</u>
NON-CURRENT		
Long service leave	<u>87,205</u>	<u>84,293</u>

Recognition and measurement

Employee benefits comprise wages and salaries, annual, non-accumulating sick and long service leave and contributions to superannuation plans.

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year, together with benefits arising from wages and salaries and annual leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Long service leave benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the Company to employees' superannuation funds and are charged as recognised when they are due. Liabilities for employee benefits expected to be settled within 12 months of balance date are recognised in current payables. The liability for long service leave is recognised in non-current provisions.

NOTE 11: KEY MANAGEMENT PERSONNEL COMPENSATION

Key management received compensation in the form of short term benefits totalling \$1,151,279 during the financial year (2017: short term benefits totalling \$773,369).

NOTE 12: RELATED PARTIES

Related parties include key management personnel as described above. No other transactions occurred with related parties.

NOTE 13: EVENTS OCCURRING AFTER THE REPORTING PERIOD

No matters or circumstances has arisen since 30 June 2018 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.

REDR AUSTRALIA LIMITED
ABN 89 068 902 821
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 14: CONTINGENT LIABILITIES

The Company has the following contingent liabilities as at 30 June 2018.

Operating Lease Commitments

	2018 \$	2017 \$
Within 1 year	272,997	223,768
Within 1 to 5 years	419,894	677,591
	<u>692,891</u>	<u>901,359</u>

NOTE 15: BORROWING FACILITIES

The company has available the following bank facilities:

- (a) Bank overdraft facility of \$1,000,000 (2017: \$Nil) which is undrawn at 30 June 2018. The facility is secured by a \$1,000,000 (2017: \$Nil) term deposit held with the bank;
- (b) A debtor finance facility whereby up to \$1,000,000 (2017: \$1,000,000) at a loan ratio of 80% per debtor may be borrowed against approved debtors. The facility was not drawn upon at balance date.

NOTE 16: OTHER ACCOUNTING POLICIES

(a) **Income Tax**

As the Company is a not-for-profit entity in terms of subsection 50-5 of the Income Tax Assessment Act of 1997, as amended, it is exempt from paying income tax.

(b) **Leases**

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(c) **Revenue Recognition**

Fee for service income:

Fee for service income including income received as project grants is brought to account as revenue in the year in which the related services are performed. Any revenue which has been received but which is unearned at balance date is carried forward as unearned fee for service income (current liability) at year end. Grant income for which the conditions of the grant are not met and therefore the Company does not control the revenue are deferred.

Sponsorship income and donations:

Sponsorship income is recognised as income in full when the sponsorship funds have been formally committed by the sponsor. Where the value can be reliably estimated, non-monetary donations and gifts are recognised as income, with an equal amount of expenditure being brought to account.

Other income:

All other sources of income are brought to account as income when the related goods or services have been provided and the income earned. Interest is accrued as it is earned.

NOTE 16: OTHER ACCOUNTING POLICIES (CONT'D)

(d) Foreign Currency Transactions and Balances

Foreign currency transactions during the year are converted to Australian Currency at the rates of exchange applicable at the dates of the transactions. Amounts receivable and payable in foreign currencies at balance date are converted at the rates of exchange ruling at that date.

(e) Goods and Services Tax

All revenue and expenses are stated net of the amount of goods and services tax, except where the amount of goods and services tax incurred is not recoverable from the Australian Taxation Office. In these circumstances the goods and services tax is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the statement of financial position are shown inclusive of goods and services tax.

(f) Impairment

At each reporting date, the Company reviews the carrying values of its tangible and intangible 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. As a not-for-profit entity, value in use for the Company according to Accounting Standard AASB 136 Impairment of Assets, is depreciated replacement cost. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

(g) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and receivables

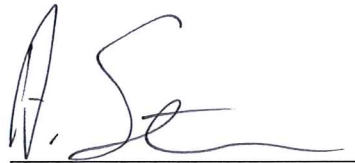
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

REDR AUSTRALIA LIMITED
ABN 89 068 902 821
DIRECTORS' DECLARATION

The Directors declare that in their opinion:

- (a) There are reasonable grounds to believe that RedR Australia Limited is able to pay all of its debts, as and when they become due and payable; and
- (b) The financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and Australian Accounting Standards.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*:



Signature

Name: Andrew Stevenson

Date: 22/10/18



Signature

Name: ELIZABETH TAYLOR

Date: 22.10.18

INDEPENDENT AUDITOR'S REPORT

[to be inserted]



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Level 18, 727 Collins Street
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Australia

INDEPENDENT AUDITOR'S REPORT

To the members of RedR Australia Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of RedR Australia Limited, which comprises the statement of financial position as at 30 June 2018, the statement of profit and 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 a summary of significant accounting policies, and the directors declaration.

In our opinion the accompanying financial report of RedR Australia 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 RedR Australia Limited's financial position as at 30 June 2018 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the 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* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

Those charged with governance are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the 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 directors for the Financial Report

The directors of RedR Australia Limited are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the ACNC Act, and for such internal control as the directors 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, directors are responsible for assessing RedR Australia Limited's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing RedR Australia Limited's financial reporting process.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

This description forms part of our auditor's report.

BDO East Coast Partnership

A handwritten signature in black ink, appearing to read 'Richard Dean', is written over the BDO logo.

Richard Dean
Partner

Melbourne, 22 October 2018