



RedR Australia Limited

ABN 89 068 902 821

Financial Statements for the year ended 30 June 2019

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REDR AUSTRALIA LIMITED
ABN 89 068 902 821
CORPORATE DIRECTORY

Directors

Elizabeth Taylor	Director
Michael Marley	Director
Malcolm Ralston	Director
Andrew Stevenson	Director
Nicole Hahn	Director
Anna Burke	Director
James Smart	Director
Nicholas Evans	Director
Robert Care	Director

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 2019

The Directors present their report with respect to the result of RedR Australia Limited as ("the Company") for the year ended 30 June 2019 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
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
Nicole Hahn BE (Civil Eng) (Hon)	2 February 2015 RedR Australia Roster Member & Associate Trainer	Board Nominee
Dinesh Jayasuriya BE (Elec & Comp Sys), Grad Dip & Post Grad Dip (Arts), MLaw (Pub & Int)	20 October 2014, resigned 22 October 2018 Director, Sunset President, Brimbank Hackerspace Inc Dep-Chair, EA SENG Vic	Board Nominee
Nicholas Evans BEc (Accounting & Economics) Fellow - Australian Institute of Company Directors	19 October 2018 Board Member - JB Were Charitable Endowment Fund	Board Nominee
Professor Robert Care AM, BE (Civil), PhD, FREng, HonFIEAust, FTSE, FIIM, MAICD, CPEng, EngExec, NER APEC Engineer IntPE(Aus)	19 October 2018 Trustee Director - Common Purpose Charitable Trust, Director - Care Collaborative Pty Ltd	Engineers Australia 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	
	Held while a Director	Attended
Elizabeth Taylor	4	4
Michael Marley	4	4
Malcolm Ralston	4	4
Andrew Stevenson	4	4
Nicole Hahn	4	3
Dinesh Jayasurlya	2	2
Anna Burke	4	3
James Smart	4	4
Nicholas Evans	2	2
Robert Care	2	2

COMPANY SECRETARY

James Smart was appointed as Secretary on 19 February 2018.

OBJECTIVES

In 2019, RedR's Board approved a new organisational three year strategy (2019-2021), which is underpinned by RedR's mission to build resilience and relieve suffering in times of humanitarian crisis and conflict.

To realise the new strategic framework, RedR has developed performance objectives across three key areas, including: to relieve suffering and build resilience; increase our impact; and to be accountable and fit-for-purpose

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 2019 was an operating surplus of \$309,959 compared with a surplus of \$1,333,368 for the year ended 30 June 2018.

The continued operations of the Company at the current level are dependent on continued funding support from the 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 initially totalled \$32,650,000 for an initial period to 30 June 2020, however, the agreement total for the three year period was increased to 34,000,000.

The four-year extension of the DFAT contract is to be negotiated throughout the year ended 2020. The contract extension is for a total amount of \$48,000,000.

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. RedR Australia will seek to reach a new agreement with UK Aid prior to 28 February 2020.

MEMBERS' GUARANTEE

The Company is a not for profit public company limited by guarantee. The total amount of members guarantee as at 30 June 2019 was \$8,000 based on a membership of 160 at a liability of \$50 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 \$368,806 (2018: \$767,887). 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: ELIZABETH TAYLOR

Date: 21.10.19


Signature

Name: NICHOLAS EVANS

Date: 21.10.2019

REDR AUSTRALIA LIMITED

ABN 89 068 902 821

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019**

	Note	2019 \$	2018 \$
REVENUE			
Donations and gifts:			
Monetary		142,581	146,978
Grants:			
Department of Foreign Affairs and Trade		11,854,545	12,176,774
Other overseas		1,192,902	551,082
Training and capability		867,021	1,442,971
Investment income		49,496	46,363
Other income		10,759	20,687
TOTAL REVENUE		<u>14,117,304</u>	<u>14,384,855</u>
EXPENDITURE			
International programs:			
Funds to international programs		(8,097,384)	(6,427,859)
Program support costs		(1,763,726)	(1,836,157)
Fundraising costs:			
Public fundraising		(24,689)	(4,855)
Government, multilaterals & private sector		(308,343)	(179,893)
Accountability and administration		(2,421,525)	(2,658,109)
Training and capability expenditure		(1,191,678)	(1,944,614)
TOTAL EXPENSES		<u>(13,807,345)</u>	<u>(13,051,487)</u>
SURPLUS FOR THE YEAR ATTRIBUTABLE TO THE MEMBERS OF REDR AUSTRALIA LIMITED	2	309,959	1,333,368
OTHER COMPREHENSIVE INCOME FOR THE YEAR		-	-
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO THE MEMBERS OF REDR AUSTRALIA LIMITED		<u>309,959</u>	<u>1,333,368</u>

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 2019

	Note	2019 \$	2018 \$
ASSETS			
Current Assets			
Cash and cash equivalents	3	2,372,278	1,062,743
Trade and other receivables	4	1,117,508	2,516,854
Other financial assets	15	1,034,320	1,000,000
Other current assets	5	398,688	174,083
Total Current Assets		4,922,794	4,753,680
Non-Current Assets			
Property, plant and equipment	6	264,389	478,943
Intangibles	7	155,046	142,067
Total Non-Current Assets		419,435	621,010
TOTAL ASSETS		5,342,229	5,374,690
LIABILITIES			
Current Liabilities			
Trade and other payables	8	452,383	763,755
Other	9	74,210	99,495
Provisions	10	292,367	277,890
Total Current Liabilities		818,960	1,141,140
Non-Current Liabilities			
Provisions	10	66,965	87,205
Total Non-Current Liabilities		66,965	87,205
TOTAL LIABILITIES		885,925	1,228,345
NET ASSETS		4,456,304	4,146,345
EQUITY			
Restricted Reserves		821,801	861,778
General Reserves		937,381	937,381
Retained earnings		2,697,122	2,347,186
TOTAL EQUITY		4,456,304	4,146,345

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 2019

	Retained Surplus \$	Overseas Aid Fund Reserve ° \$	Gift Fund Reserve ° \$	Special Purpose Reserve ^ \$	Total \$
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
Transfer to/(from) reserve	(55,378)	(36,600)	91,978	-	-
Balance at 30 June 2018	2,347,186	769,800	91,978	937,381	4,146,345
Balance at 1 July 2018	2,347,186	769,800	91,978	937,381	4,146,345
Net surplus for the year	309,959	-	-	-	309,959
Other Comprehensive Income	-	-	-	-	-
Total Comprehensive Income for the Year	309,959	-	-	-	309,959
Transfer to/(from) reserve	39,977	-	(39,977)	-	-
Balance at 30 June 2019	2,697,122	769,800	52,001	937,381	4,456,304

° **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 2019

	Note	2019 \$	2018 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Government grants and other receipts		15,626,003	11,792,385
Payments to suppliers and employees		(14,346,122)	(14,045,239)
Interest received		49,496	46,363
Interest paid		(2,963)	-
Net cash provided by/(used in) operating activities		<u>1,326,414</u>	<u>(2,206,491)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for plant and equipment	6	(4,029)	(412,340)
Payments for intangible assets	7	(12,850)	(116,812)
Investment in term deposit		-	(1,000,000)
Net cash used in investing activities		<u>(16,879)</u>	<u>(1,529,152)</u>
Net movement in cash and cash equivalents		1,309,535	(3,735,643)
Cash and cash equivalents at beginning of year		1,062,743	4,798,386
Cash and cash equivalents at end of year	3	<u>2,372,278</u>	<u>1,062,743</u>

The accompanying notes form part of these financial statements.

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 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.

(c) New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

AASB 9

The adoption of this Accounting Standard did not have any significant impact on the financial performance or position of the company.

The company adopted AASB 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI').

REDR AUSTRALIA LIMITED
ABN 89 068 902 821
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

(c) New or amended Accounting Standards and Interpretations adopted (Cont'd)

AASB 9 (cont'd)

Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available and has been adopted.

	2019 \$	2018 \$
NOTE 2: SURPLUS FROM ORDINARY ACTIVITIES		
<i>Net surplus has been determined after:</i>		
Depreciation and amortisation of non-current assets:		
- plant and equipment	186,924	83,198
- software	31,530	24,345
Interest expense	2,963	-
Rental expense on operating leases	245,908	214,539
Payments to defined contribution superannuation plans	568,094	477,661
Foreign exchange loss/(gain)	6,850	(1,230)
Employee benefits expense	7,779,452	6,373,644

NOTE 3: CASH AND CASH EQUIVALENTS

Petty cash	6,612	1,500
Cash at bank	1,784,035	186,152
Cash on deposit	581,631	875,091
	<u>2,372,278</u>	<u>1,062,743</u>

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 approximately their carrying amount.

REDR AUSTRALIA LIMITED
ABN 89 068 902 821
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
NOTE 4: TRADE AND OTHER RECEIVABLES		
Trade and other debtors	1,117,508	2,516,854

Recognition and measurement

Receivables are recognised initially at fair value and subsequently measured at amortised cost, less any allowance for expected credit losses.

Key estimate and judgement

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent expenses and historical collection rates.

	2019 \$	2018 \$
NOTE 5: OTHER CURRENT ASSETS		
Prepayments	209,562	93,953
Other debtors	189,126	80,130
	<u>398,688</u>	<u>174,083</u>

NOTE 6: PROPERTY, PLANT AND EQUIPMENT

Office Equipment - at cost	591,915	755,930
Accumulated depreciation	(373,424)	(376,092)
	<u>218,491</u>	<u>379,838</u>
Deployment Assets - at cost	46,393	110,792
Accumulated depreciation	(40,030)	(73,903)
	<u>6,363</u>	<u>36,889</u>
Leasehold Improvements - at cost	122,073	122,073
Accumulated depreciation	(82,538)	(59,857)
	<u>39,535</u>	<u>62,216</u>
Total Property, Plant and Equipment	<u>264,389</u>	<u>478,943</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 2018	379,838	36,889	62,216	478,943
Additions	1,602	2,427	-	4,029
Depreciation expense	(131,331)	(32,912)	(22,681)	(186,924)
Reallocation to computer software	(31,618)	(41)	-	(31,659)
Balance at 30 June 2019	<u>218,491</u>	<u>6,363</u>	<u>39,535</u>	<u>264,389</u>

REDR AUSTRALIA LIMITED
ABN 89 068 902 821
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 6: PROPERTY, PLANT AND EQUIPMENT (Continued)

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.

	2019 \$	2018 \$
NOTE 7: INTANGIBLES		
Computer Software	242,436	178,812
Accumulated amortisation	(87,390)	(36,745)
	<u>155,046</u>	<u>142,067</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 2018	142,067
Additions	12,850
Amortisation expense	(31,530)
Reallocation from office equipment and deployment assets	31,659
Balance at 30 June 2019	<u>155,046</u>

Recognition and measurement

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

Key estimate and judgement

The 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.

REDR AUSTRALIA LIMITED
ABN 89 068 902 821
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
NOTE 8: TRADE AND OTHER PAYABLES		
CURRENT		
<i>Unsecured liabilities:</i>		
Accrued expenses	32,356	173,822
GST liability	397,680	457,112
Trade creditors	22,347	132,821
	<u>452,383</u>	<u>763,755</u>

NOTE 9: UNEARNED INCOME

Membership fees in advance	1,780	1,045
Training fees in advance	72,430	98,450
	<u>74,210</u>	<u>99,495</u>

The funding agreement with DFAT, which commenced in October 2017, requires monthly invoicing in arrears of actual costs incurred.

NOTE 10: PROVISIONS

CURRENT		
Annual leave	206,376	213,512
Long service leave	85,991	64,378
	<u>292,367</u>	<u>277,890</u>

NON-CURRENT		
Long service leave	<u>66,965</u>	<u>87,205</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.

REDR AUSTRALIA LIMITED
ABN 89 068 902 821
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 11: KEY MANAGEMENT PERSONNEL COMPENSATION

Key management received compensation totalling \$1,238,687 during the financial year (2018: \$1,151,279).

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 2019 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.

NOTE 14: LEASE COMMITMENTS

The Company has the following commitments as at 30 June 2019:

Operating Lease Commitments

	2019 \$	2018 \$
Within 1 year	167,663	164,863
Within 1 to 5 years	35,022	202,684
	<u>202,685</u>	<u>367,547</u>

NOTE 15: BORROWING FACILITIES

The company has available the following bank facilities:

- (a) Bank overdraft facility of \$1,000,000 (2018: \$1,000,000) which is undrawn at 30 June 2019. The facility is secured by a \$1,000,000 (2018: \$1,000,000) term deposit held with the bank;
- (b) A debtor finance facility whereby up to \$1,000,000 (2018: \$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.

REDR AUSTRALIA LIMITED
ABN 89 068 902 821
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 16: OTHER ACCOUNTING POLICIES (CONT'D)

(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.

(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.

Other financial assets and trade and other receivables

These 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: ELIZABETH TAYLOR

Date: 21.10.19


Signature

Name: NICHOLAS EVANS

Date: 21.10.2019

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 (the registered entity), which comprises the statement of financial position as at 30 June 2019, 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 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 the registered entity's financial position as at 30 June 2019 and of its financial performance for the year then ended; 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 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* (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 the directors for the Financial Report

The directors of the registered entity 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 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, the directors 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 directors either intend to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the Financial Report

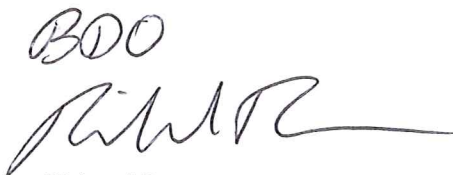
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that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

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

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO East Coast Partnership



Richard Dean
Partner

Melbourne, 21 October 2019