



RedR Australia Limited

ABN 89 068 902 821

Financial Statements for the year ended 30 June 2016

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REDR AUSTRALIA LIMITED
ABN 89 068 902 821
CORPORATE DIRECTORY

Directors

| | |
|-------------------|-----------------------------------|
| Elizabeth Taylor | Director |
| Michael Marley | Director |
| Andreas Marquardt | Director |
| Joanna O'Brien | Director (Resigned on 26.10.2015) |
| Malcolm Ralston | Director |
| Andrew Stevenson | Director |
| David Swan | Director |
| Nicole Hahn | Director |
| Dinesh Jayasuriya | Director |

Company Secretary

Kirsten Sayers

Registered Office and Principal Place of Business

55-61 Barry Street
Carlton Victoria 3053

Auditor

BDO East Coast Partnership
Level 14
140 William Street
Melbourne Vic 3000

Website address

www.redr.org.au

REDR AUSTRALIA LIMITED
ABN 89 068 902 821
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2016

Your directors present their report with respect to the result of RedR Australia Limited as ("the company") for the year ended 30 June 2016 and the state of the company's affairs at that date.

DIRECTORS

The following persons held office during the year ended 30 June 2016 or at the date of this report:

| Director (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 | Engineers Australia (EA) nominee 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 | APESMA Nominee |
| Joanna O'Brien BE (Civil), Diploma of Environmental Studies | 26 October 2009 Director, Environmental and Humanitarian Engineer; RedR Australia Deployments - UNHCR, Banda Aceh, Indonesia, Maldives | Board Nominee |
| Malcolm Ralston B Leg Studies | 22 October 2012 Director, Emergency/Disaster Response Advisor; RedR Australia Deployments - UNOPS, Iraq & WFP/UNJLC, Banda Aceh Indonesia | Elected by Financial Member |
| 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 |

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

| Director (Name & Qualification) | Date of Appointment, Occupation, and Other Directorships | Responsibility |
|--|--|--|
| 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 | 02 February 2015 | Elected by Financial Member |
| Dinesh Jayasuriya | 02 February 2015 | Elected by Financial Member |

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

During the financial year, four meetings of directors were held. The number of meetings attended and number of meetings eligible to attend were:

| Directors | Possible | Meetings Attended |
|---|-----------------|------------------------------|
| Elizabeth Taylor | 4 | 4 |
| Michael Marley | 4 | 3 |
| Andreas Marquardt | 4 | 4 |
| Joanna O'Brien (Resigned on 26.10.2015) | 2 | 0 |
| Malcolm Ralston | 4 | 3 |
| Andrew Stevenson | 4 | 4 |
| David Swan | 4 | 3 |
| Nicole Hahn | 4 | 4 |
| Dinesh Jayasuriya | 4 | 4 |

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

COMPANY SECRETARY

Kirsten Sayers was appointed as Secretary on 29 April 2013.

OBJECTIVES

RedR Australia provides suitably trained and experienced personnel to relief agencies in order to help them relieve people from the debilitating conditions that occur when disasters disrupt the normal pattern of life.

Short Term:

To relieve suffering in disasters by selecting, training and providing competent and committed personnel to humanitarian relief agencies worldwide.

Long term objective:

The three year Strategic Framework provides targeted direction for RedR Australia's operations, highlighting our four primary goals of a strong, responsive and dynamic Standby Register; greater International Collaboration; Engagement and Visibility; and Accountability and Governance.

RedR Australia's strategic objectives required to achieve these targets revolve around the need to maintain and utilise skills and experience of personnel on our Standby Register; identify new partnerships and funding opportunities (including cost-sharing arrangements); increase our public profile; strengthen our engagement with partners, stakeholders, donors and the Australia public; remain a leader in the humanitarian space; continuously measure RedR Australia's impact of projects and programs; and to be best placed to respond to where there is the greater humanitarian need, with particular focus on operations in the Southern Hemisphere, and primarily in the Asia-Pacific region where we are best geographically placed to respond.

STRATEGY FOR ACHIEVING THE OBJECTIVES

Strategic Goals:

1. Enhance position of RedR Australia as an essential service within the international disaster/humanitarian emergency discipline.
2. Recruit, select and retain high calibre personnel on the Standby Register, primarily using information from UN agencies on anticipated needs.
3. Train and prepare personnel for RedR involvement and non-RedR roles.
4. Deploy and support personnel during and after deployment.
5. Ensure service delivery is backed by strong and efficient administration and finance support.
6. Communicate with all interested parties to lift awareness of RedR mission, needs, services and opportunities.

PRINCIPAL ACTIVITIES

The principal activities of the company are the relief of suffering caused by disasters, through the selection, training and provision of competent and committed personnel to humanitarian programmes.

There is emphasis on assistance via engineering and related disciplines, together with delivery and distribution of relief supplies and shelter materials, and attention to water and sanitation needs among others.

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

PERFORMANCE MEASURES

Administration ratio

A useful measure of the entity's administrative efficiency is its administration cost ratio, which RedR Australia aims to keep below 10%. The ratio expresses administrative costs (including depreciation) as a percentage of total revenue.

Deployments

Number of deployments and duration each year as a percentage of revenue.

RESULTS AND REVIEW OF OPERATIONS

The net result of operations for 30 June 2016 was an operating surplus of \$190,715 compared to a surplus of \$196,944 for the year ended 30 June 2015.

The continued operations of the Company at the current level are dependent on continued funding support from Department of Foreign Affairs and Trade (DFAT). The Partnership Deed of Agreement between RedR and DFAT has been extended to 30 June 2017. The DFAT Funding for 2017 is being paid in two tranches with \$1.9 million paid in May 2016 and \$3.2 million paid in July 2016. DFAT Funding for 2018 is currently contracted to receive funding of 2.55 million paid in July 2017.

In 25 March 2015 an agreement was reached with the Department for International Development (UK Aid) for funding through to 30th June 2017 for up to £3,000,000 to be made available to RedR Australia, an additional £750,000 is also available to fund 20 global emergency deployments.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There was no significant change in the state of affairs of the company during the financial year.

DIVIDENDS

The company is limited by guarantee and is prohibited by its objects from distributing any surplus to the members. Accordingly no dividend has been paid or declared by the company since the end of the previous financial year and up to the date of this report.

ENVIRONMENTAL REGULATION

The company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Information on likely developments in the operations of the company and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the company.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 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.

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

MEMBERS' GUARANTEE

The company is a not for profit public company limited by guarantee. The total amount of members guarantee as at 30 June 2016 was \$9,638 based on a membership of 275 at a liability of \$30-\$45 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 \$392,495 (2015: \$320,307). Non-monetary contributions represent volunteer hours provided at a rate consistent with external costs should the company have paid for these services. This amount has been calculated by reference to the fair value of the assets received when the company gains control of the contribution.

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

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the operations of the company.

DIRECTORS' BENEFIT

Since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the company or a related corporation with the director or with a firm of which he/she is a member, or with a company in which he/she has a substantial financial interest, except any benefit that may be deemed to accrue by reason of professional costs paid in the ordinary course of business.

INDEMNIFICATION OF OFFICERS OR AUDITORS

Every member of the Board, Audit Committee, Secretary and other officer for the time being of the company shall be indemnified out of the assets of the company against any liability arising out of the execution of the duties of their office which is incurred by them in defending any proceedings, whether civil or criminal, in which judgement is given in their favour or in which they are acquitted or in connection with any application under the Law in which relief is granted to them by the Court in respect of any negligence, default, breach of duty or breach of trust.

The company has paid a premium of \$2,839 during the financial year in respect of an insurance contract insuring the directors and officers against a liability as an officer for the costs or expenses to defend legal proceedings.

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

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under s.307C of the Corporations Act 2001 is included in page 8 of this financial report and forms part of the Directors' Report.

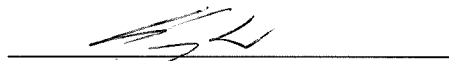
Signed in accordance with a resolution of the Directors



Signature

Name: *Andreas Marguorath*

14th October 2016



Signature

Name: *ELIZABETH TAYLOR*

14th October 2016

DECLARATION OF INDEPENDENCE BY SIMON SCALZO TO THE DIRECTORS OF REDR AUSTRALIA LIMITED

As lead auditor of RedR Australia Limited for the year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

Simon Scalzo
Partner

BDO East Coast Partnership

Melbourne, 14th October 2016

REDR AUSTRALIA LIMITED
ABN 89 068 902 821
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

| | Note | 2016 \$ | 2015 \$ |
|--------------------------------------|-------|------------------|------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | 3 | 5,677,272 | 4,879,756 |
| Trade and other receivables | 4 | 255,214 | 748,602 |
| Other current assets | 5 | 202,099 | 240,419 |
| Total Current Assets | | <u>6,134,585</u> | <u>5,868,777</u> |
| Non Current Assets | | | |
| Property, plant and equipment | 6 | 277,257 | 76,448 |
| Total Non Current Assets | | <u>277,257</u> | <u>76,448</u> |
| TOTAL ASSETS | | <u>6,411,842</u> | <u>5,945,225</u> |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Trade and other payables | 7 | 580,795 | 551,692 |
| Unearned income | 8 | 2,863,086 | 2,655,785 |
| Provisions | 9 | 245,869 | 216,287 |
| Total Current Liabilities | | <u>3,689,750</u> | <u>3,423,764</u> |
| Non Current Liabilities | | | |
| Provisions | 9 | 38,560 | 28,644 |
| Total Non Current Liabilities | | <u>38,560</u> | <u>28,644</u> |
| TOTAL LIABILITIES | | <u>3,728,310</u> | <u>3,452,408</u> |
| NET ASSETS | | <u>2,683,532</u> | <u>2,492,817</u> |
| EQUITY | | | |
| Reserves | 16(b) | 937,381 | 937,381 |
| Retained Earnings | 16(a) | 1,746,151 | 1,555,436 |
| TOTAL EQUITY | | <u>2,683,532</u> | <u>2,492,817</u> |

The accompanying notes form part of these financial statements.

REDR AUSTRALIA LIMITED**ABN 89 068 902 821****STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHESIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016**

| | 2016 \$ | 2015 \$ |
|--|--------------------|--------------------|
| REVENUE | | |
| Donations and gifts | 188,524 | 74,223 |
| DFAT Grant | 5,790,090 | 6,703,877 |
| Other Overseas | 1,012,878 | 793,166 |
| Investment Income | 138,997 | 108,244 |
| Membership | 9,638 | 8,256 |
| Training | 673,019 | 627,600 |
| Sundry | 4,317 | 16,657 |
| Foreign exchange gain | 74,072 | 8,673 |
| TOTAL REVENUE | <u>7,891,535</u> | <u>8,340,966</u> |
| EXPENSES | | |
| International Programs | | |
| Funds expended on international programs | (4,000,313) | (4,799,200) |
| Program Support Costs | (433,259) | (472,185) |
| Training | (1,241,222) | (1,516,206) |
| Government, multilaterals & private sector | (67,874) | (40,595) |
| Staffing costs | (1,221,946) | (846,634) |
| Bad & Doubtful Debts | (23,000) | - |
| Other administrative costs | (713,206) | (469,202) |
| TOTAL EXPENSES | <u>(7,700,820)</u> | <u>(8,144,022)</u> |
| INCOME TAX EXPENSE | - | - |
| SURPLUS AFTER INCOME TAX EXPENSE FOR THE YEAR ATTRIBUTABLE TO THE MEMBERS OF REDR AUSTRALIA LTD | <u>190,715</u> | <u>196,944</u> |
| OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX | | - |
| TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO THE MEMBERS OF REDR AUSTRALIA LTD | <u>190,715</u> | <u>196,944</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 2016

| | Retained Surplus \$ | Special Purpose Reserve^ \$ | Total \$ |
|---------------------------------------|------------------------|-----------------------------------|-------------|
| Balance at 1 July 2014 | 1,358,492 | 937,381 | 2,295,873 |
| Other Comprehensive Income Net of Tax | - | - | - |
| Net surplus for the year | 196,944 | - | 196,944 |
| Balance at 30 June 2015 | 1,555,436 | 937,381 | 2,492,817 |

| | Retained Surplus \$ | Special Purpose Reserve^ \$ | Total \$ |
|---------------------------------------|------------------------|-----------------------------------|-------------|
| Balance at 1 July 2015 | 1,555,436 | 937,381 | 2,492,817 |
| Other Comprehensive Income Net of Tax | - | - | - |
| Net surplus for the year | 190,715 | - | 190,715 |
| Balance at 30 June 2016 | 1,746,151 | 937,381 | 2,683,532 |

^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 2016

| | Note | 2016 \$ | 2015 \$ |
|--|------|-------------------------|-------------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Government grants and other receipts | | 7,692,181 | 6,262,630 |
| Payments to suppliers and employees | | (6,764,780) | (7,382,628) |
| Interest received | | 138,997 | 108,245 |
| Net cash used from operating activities | 17 | <u>1,066,398</u> | <u>(1,011,753)</u> |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Payments for plant and equipment | | (268,882) | (48,837) |
| Net cash (used) from investing activities | | <u>(268,882)</u> | <u>(48,837)</u> |
| Net movement in cash and cash equivalents | | 797,516 | (1,060,590) |
| Cash and cash equivalents at beginning of year | | 4,879,756 | 5,940,346 |
| Cash and cash equivalents at end of year | 3 | <u><u>5,677,272</u></u> | <u><u>4,879,756</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 2016

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 and Interpretations 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, limited by guarantee, incorporated in Australia 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.

Reduced disclosure

The financial statements of RedR Australia Limited comply with Australian Accounting Standards - Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board ('AASB').

New, revised or amending Accounting Standards and Interpretations adopted

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.

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

REDR AUSTRALIA LIMITED
 ABN 89 068 902 821
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and deposits held at call with banks or financial institutions.

(c) Cash flows

For the purposes of the statement of cash flows, cash includes cash on hand, cash at bank and term deposits maturing within one year.

(d) Property, Plant and Equipment

Each class of plant and equipment is carried at cost less, where applicable any accumulated depreciation and impairment losses. Plant and equipment are 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.

The depreciation amount of all assets are 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:

| <i>Class of fixed assets</i> | <i>Depreciation rates</i> |
|--|--|
| 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.

(e) Employee Benefits

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.

REDR AUSTRALIA LIMITED
ABN 89 068 902 821
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Employee Benefits (Cont'd)

Recognition

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.

(f) 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.

(g) Comparative figures

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

(h) 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.

(i) 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.

(j) Goods and Services Tax

All revenue and expenses are stated net of the amount of goods and services tax, except where in 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 acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of goods and services tax.

(k) 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.

REDR AUSTRALIA LIMITED
ABN 89 068 902 821
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) 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.

(m) Key estimates - Impairment

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Should an impairment indicator exist, the determination of the recoverable amount of the asset may require incorporation of a number of key estimates.

(n) 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.

(o) Going concern

The continued operations of the Company at the current level are dependent on continued funding support from DFAT. The funding agreement between RedR Australia and DFAT will expire on 30 June 2017.

The Directors believe that the going concern basis of the financial statements is appropriate for the following reasons:

- The Directors are confident they will be successful in obtaining an extension from DFAT.
- In the event that DFAT funding is not renewed, the Company could seek alternative grant funding sources or scale back operations and international deployments.

In the highly unlikely event that DFAT funding is not provided beyond 2017, this could create a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern which contemplates continuity of normal business activities. The Directors are confident that grant funds will be provided by DFAT based upon DFAT's track record of funding being provided over a number of years.

Should the company be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might result should the company be unable to continue as a going concern and meet its debts as and when they fall due

REDR AUSTRALIA LIMITED
ABN 89 068 902 821
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

| | 2016 \$ | 2015 \$ |
|---|------------|------------|
| NOTE 2: SURPLUS FROM ORDINARY ACTIVITIES | | |
| <i>Net surplus has been determined after:</i> | | |
| <i>(a) Expenses:</i> | | |
| Depreciation and amortisation of non-current assets: | | |
| - plant and equipment | 68,073 | 75,883 |
| Rental expense on operating leases | 140,396 | 109,074 |
| Payments to defined contribution superannuation plans | 308,592 | 297,722 |

NOTE 3: CASH AND CASH EQUIVALENTS

| | | |
|-----------------|------------------|------------------|
| Petty cash | 2,000 | 2,475 |
| Cash at bank | 478,512 | 1,202,281 |
| Cash on deposit | 5,196,760 | 3,675,000 |
| | <u>5,677,272</u> | <u>4,879,756</u> |

NOTE 4: TRADE AND OTHER RECEIVABLES

CURRENT

| | | |
|--------------------------------|----------------|----------------|
| Trade and other debtors | 278,214 | 754,858 |
| Less: allowance for impairment | (23,000) | (6,256) |
| | <u>255,214</u> | <u>748,602</u> |

At 30 June, the ageing analysis of trade receivables is as follows:

| | 2016 | | 2015 | |
|------------------|----------------|-----------------|----------------|-----------------|
| | Gross \$ | Allowance \$ | Gross \$ | Allowance \$ |
| Current | 250,099 | - | 148,064 | - |
| 31 - 60 days | 2,415 | - | 4,360 | - |
| 61 days and over | 25,700 | (23,000) | 602,434 | (6,256) |
| Closing balance | <u>278,214</u> | <u>(23,000)</u> | <u>754,858</u> | <u>(6,256)</u> |

REDR AUSTRALIA LIMITED
ABN 89 068 902 821
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

| | 2016 \$ | 2015 \$ |
|-------------------------------------|----------------|----------------|
| NOTE 5: OTHER CURRENT ASSETS | | |
| Prepayments | 118,833 | 111,146 |
| Other Debtors | 83,266 | 129,273 |
| | <u>202,099</u> | <u>240,419</u> |

NOTE 6: PROPERTY, PLANT AND EQUIPMENT

| | | |
|--|-----------------------|----------------------|
| Office Equipment - at cost | 382,650 | 225,655 |
| Accumulated depreciation | (202,337) | (151,095) |
| | <u>180,313</u> | <u>74,560</u> |
| Deployment Assets - at cost | 72,427 | 72,427 |
| Accumulated depreciation | (72,386) | (70,539) |
| | <u>41</u> | <u>1,888</u> |
| Leasehold Improvements - at cost | 111,888 | 40,532 |
| Accumulated depreciation | (14,985) | (40,532) |
| | <u>96,903</u> | <u>-</u> |
| Philippines USAR Assets - at cost | - | 31,859 |
| Accumulated depreciation | - | (31,859) |
| | <u>-</u> | <u>-</u> |
| Total Property, Plant and Equipment | <u>277,257</u> | <u>76,448</u> |

Reconciliations

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 2015 | 74,560 | 1,888 | - | 76,448 |
| Additions | 156,995 | - | 111,887 | 268,882 |
| Depreciation expense | (51,242) | (1,847) | (14,984) | (68,073) |
| Balance at 30 June 2016 | <u>180,313</u> | <u>41</u> | <u>96,903</u> | <u>277,257</u> |

REDR AUSTRALIA LIMITED
ABN 89 068 902 821
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

| | 2016 \$ | 2015 \$ |
|---|----------------|----------------|
| NOTE 7: TRADE AND OTHER PAYABLES | | |
| CURRENT | | |
| <i>Unsecured liabilities:</i> | | |
| Accrued Expenses | 278,877 | 243,705 |
| Sales tax liability | 164,435 | 116,007 |
| Trade Creditors | 137,483 | 191,980 |
| | <u>580,795</u> | <u>551,692</u> |

| | | |
|------------------------|----------------|----------------|
| Ageing Schedule | | |
| Current | 137,483 | 191,968 |
| 31 - 60 days | - | 2,491 |
| 61 days and over | - | (2,479) |
| Closing balance | <u>137,483</u> | <u>191,980</u> |

NOTE 8: UNEARNED INCOME

| | | |
|----------------------------|------------------|------------------|
| Unexpended project grants | 2,820,251 | 2,626,870 |
| Unexpended training income | 42,835 | 28,915 |
| | <u>2,863,086</u> | <u>2,655,785</u> |

NOTE 9: PROVISIONS

| | | |
|---------------------|----------------|----------------|
| CURRENT | | |
| Annual leave | 127,659 | 125,707 |
| Long service leave | 99,473 | 71,843 |
| Make good provision | 18,737 | 18,737 |
| | <u>245,869</u> | <u>216,287</u> |

NON-CURRENT

| | | |
|--------------------|---------------|---------------|
| Long service leave | <u>38,560</u> | <u>28,644</u> |
|--------------------|---------------|---------------|

NOTE 10: TABLE OF CASH MOVEMENTS FOR DESIGNATED PURPOSES

| | Cash available at beginning of year \$ | Cash raised during year \$ | Cash disbursed during year \$ | Cash available at end of year \$ |
|--------------------------------------|--|----------------------------------|--|---|
| DFAT Grants | 2,568,160 | 6,000,000 | (5,747,909) | 2,820,251 |
| DFID Grants | - | (783,699) | 783,699 | - |
| UN Agency Charges | - | (229,180) | 229,180 | - |
| Total for designated purposes | 2,568,160 | 4,987,121 | (4,735,030) | 2,820,251 |
| Total for undesignated purposes | 2,309,121 | 2,825,321 | (2,277,421) | 2,857,021 |
| TOTAL | 4,877,281 | 7,812,442 | (7,012,451) | 5,677,272 |

REDR AUSTRALIA LIMITED
ABN 89 068 902 821
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 11: MEMBERS' GUARANTEE

The company is a not for profit public company limited by guarantee. The total amount of members guarantee as at 30 June 2016 was \$9,638 based on a membership of 275 at a liability of \$30-\$45 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.

NOTE 12: OPERATING ACTIVITIES

The principal activities of the Company were the recruitment, preparation of personnel to deliver emergency and disaster relief assistance and deployment of personnel on assignment outside Australia.

NOTE 13: ECONOMIC DEPENDENCY

The continued operations of the Company at the current level are dependent on continued funding support from DFAT. A one year funding agreement between RedR and DFAT will expires on 30 June 2017.

NOTE 14: KEY MANAGEMENT PERSONNEL COMPENSATION

Key management received compensation in the form of short term benefits totalling \$546,797 during the financial year (2015: short term benefits totalling \$524,750). The directors are comfortable that funds in place are sufficient to continue operations 12 months from the date of issue of the Financial Statements.

NOTE 15: RELATED PARTIES

Related parties include its key management personnel as described above.

| NOTE 16: EQUITY | 2016 \$ | 2015 \$ |
|-------------------------------------|--------------------|--------------------|
| (a) Retained earnings | | |
| Opening balance | 1,555,436 | 1,358,492 |
| Surplus during the year | 190,715 | 196,944 |
| | <u>1,746,151</u> | <u>1,555,436</u> |
| (b) ^Special Purpose Reserve | | |
| Opening balance | 937,381 | 937,381 |
| Closing balance | <u>937,381</u> | <u>937,381</u> |

^The special purpose reserve represents an unconditional grant allocation which has been designated for on-going working capital use.

REDR AUSTRALIA LIMITED
ABN 89 068 902 821
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

| | 2016 \$ | 2015 \$ |
|--|------------------|--------------------|
| NOTE 17: CASH FLOW INFORMATION | | |
| <i>(a) Reconciliation of cash</i> | | |
| Cash at the end of the financial year as shown in the cash flow statement is represented by the following items: | | |
| Petty cash | 2,000 | 2,475 |
| Cash at bank and on hand | 478,512 | 1,202,281 |
| Cash on deposit | 5,196,760 | 3,675,000 |
| | <u>5,677,272</u> | <u>4,879,756</u> |
| <i>(b) Reconciliation of net cash relating to operating activities to net (deficit)/surplus</i> | | |
| Net (deficit)/surplus | 190,715 | 196,944 |
| Non-cash flows in operating surplus: | | |
| - Depreciation and amortisation (Note 2) | 68,073 | 75,883 |
| Changes in assets and liabilities: | | |
| - Receivables | 493,388 | (224,134) |
| - Inventories | - | 5,408 |
| - Other current assets | 38,320 | 58,950 |
| - Payables | 29,103 | (69,313) |
| - Unearned revenue | 207,300 | (1,103,238) |
| - Provisions | 39,499 | 47,747 |
| Net cash relating to operating activities | <u>1,066,398</u> | <u>(1,011,753)</u> |

NOTE 18: CAPITAL MANAGEMENT

The directors manage cash to ensure that adequate cash flows are generated to fund the operations of the Company. Management procedures include estimation of operating cash flows and future cash requirements.

NOTE 19: EVENTS OCCURRING AFTER THE REPORTING PERIOD

No matter or circumstances has arisen since 30 June 2016 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 21: CONTINGENT LIABILITIES

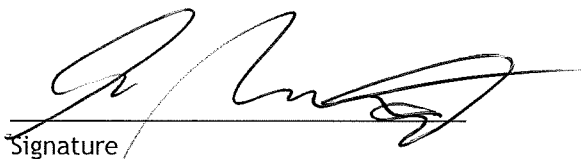
The Company had no contingent liabilities as at 30 June 2016.

REDR AUSTRALIA LIMITED
ABN 89 068 902 821
DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes are in accordance with the Australian Charities and Not-for-profits Commission Act 2012; and
 - (a) comply with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (b) give a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the year ended on that date;
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors



Signature

Name: *Andreas Margu ardt*

14th October 2016



Signature

Name: *ELIZABETH TAYLOR*

14th October 2016

INDEPENDENT AUDITOR'S REPORT

To the members of RedR Australia Limited

Report on the Financial Report

We have audited the accompanying financial report of RedR Australia Limited, which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of RedR Australia Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion, the financial report of RedR Australia Limited has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

BDO East Coast Partnership

Simon Scalzo
Partner

Melbourne, 14th October 2016