redr
australia

RedR Australia Limited

ABN 89 068 902 821

Financial Statements - 30 June 2023

General information

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 are presented in Australian dollars, which is RedR Australia Limited's functional and presentation currency.

RedR Australia Limited is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

55/61 Barry Street
Carlton
VIC 3053

The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 October 2023. The directors have the power to amend and reissue the financial statements.

Directors	Andrew Stevenson (resigned on 17 October 2022) Anna Burke James Smart Nicholas Evans Robert Care Nigel Phair Jill Hannaford Arshinta Soemarsono (resigned on 15 August 2022) Natascha Hryckow
Company Secretary	James Smart
Registered office and Principal Place of Business	55-61 Barry Street Carlton Victoria 3053
Auditor	BDO Audit Pty Ltd Collins Square, Tower 4 Level 18, 727 Collins Street Melbourne Vic 3008
Website	www.redr.org.au

The Directors present their report with respect to the result of RedR Australia Limited as ("the company") for the year ended 30 June 2023 and the Independent Audit Report thereon.

Directors

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Name & Qualification	Date of Appointment, Experience, and Other Directorships	Responsibility
Professor Robert Care AM, BE (Civil), PhD, FREng, HonFIEAust, FTSE, FIML, MAICD, CPEng, EngExec, NER APEC Engineer IntPE(Aus)	19 October 2018 Director – Common Purpose Asia Pacific Limited Director – Care Collaborative Pty Ltd	Chair 4 August 2019 Engineers Australia 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 (resigned on 17 October 2022) Director, Principal, Alchimie Pty Ltd	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
Anna Burke BCom (University of Melbourne) B.A (Hons) (Monash University)	6 August 2017 Director, Former Federal MP and Speaker of the House, Current Member of Administrative Appeals Board	Board Nominee
James Smart B.A (Hons) (University of Melbourne) LLB (Hons) (University of Melbourne)	4 August 2017 Partner, Maddocks Lawyers	Deputy Chair Company Secretary Board Nominee
Nigel Phair B. Administration Leadership (University of New England), M. Public Policy (University of New England), Masters (The Australian National University), M. Governance & Commercial Law (ANU)	17 February 2020 Director - UNSW Canberra Cyber Non Executive Director - Canberra Institute of Technology Non Executive Director - Molonglo Financial Services Non Executive Director - ACT Public Cemeteries Authority Non Executive Director - .au Domain Administration Managing Director - Centre for Internet Safety Founder and Managing Director - Odin Case Management	Board Nominee

Directors (continued)

Name & Qualification	Date of Appointment, Experience, and Other Directorships	Responsibility
Jill Hannaford BSc (Applied Economic Geography) (Hons 1) - University of NSW, Masters of Urban and Region Planning - University of Sydney	17 February 2020 General Manager, Technical Services, APAC & Australia, GHD Executive Sponsor, Reconciliation and Indigenous Services, GHD Non Executive Director - Bridge Housing Limited Advisory Board Member - Henry Halloran Trust (University of Sydney) Founding Member and various committee roles - IAP2 International Association for Public Participation (Australasia)	Consult Australia Nominee
Arshinta Soemarsono Masters in Public Health - Gadjah Mada University B. Biology - Gadjah Mada University	29 October 2021 (resigned on 15 August 2022) Board Member – RedR Indonesia Director – YAKKUM's community development and humanitarian units	Board Nominee
Natascha Hryckow B. Agricultural Science – La Trobe University	29 May 2022 Independent Consultant: Political/Conflict Advisor	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	Meetings Attended
Andrew Stevenson (resigned on 17 October 2022)	2	2
Nicholas Evans	5	4
Robert Care	5	5
Anna Burke	5	5
James Smart	5	4
Nigel Phair	5	2
Jill Hannaford	5	4
Arshinta Soemarsono (resigned on 15 August 2022)	1	1
Natascha Hryckow	5	4

Company secretary
James Smart was appointed as Secretary on 19 February 2018.

Objectives
In 2022, RedR updated its organisational strategy with a new rolling three year strategy (2022-2025) underpinned by its mission to build resilience, relieve suffering, and strengthen institutions before, during and after crises and conflict. To realise the organisation's strategic goals, RedR executed an organisational restructure and developed performance objectives across three key areas, including: to relieve suffering and build resilience; increase our impact; and organisational resilience to meet our mission.

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.

Results and Review of Operations
The net result of operations for the year ended 30 June 2023 was an operating deficit of $353,258 compared with a surplus of $691,395 for the year ended 30 June 2022.

The Company’s capacity to continue to operate at the current level of output is 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 DFAT, commencing on 28 August 2017 and expiring on 30 June 2024. This agreement totalled $32,650,000 for an initial period to 30 June 2020, however, the agreement total for the three year period was increased to $32,737,280 during the year ended 30 June 2020.

The four year extension of the DFAT agreement was executed on 29 June 2020. The extension is for a total amount of $46,737,280.

On 22 August 2022, the company’s existing agreement with the Foreign, Commonwealth & Development Office (formerly the Department for International Development) (UK Aid) for funding through to 31 October 2022 for up to £1.5 million was extended to 31 October 2024.

Going concern
As at 30 June 2023, RedR Australia Limited's current scale of operations is economically dependent on the ongoing receipt of funds from The Department of Foreign Affairs and Trade (DFAT). The current DFAT contract is scheduled to expire on 30 June 2024.

The tender process for the next DFAT contract is expected to commence formally from November 2023 although the company have already started to plan their tender process. A decision is expected around February 2024.

If the new contract were to be awarded to RedR Australia Limited, it would result in funding of approximately $14 million per annum for a further 10 years.

Management has assessed the impact of the uncertain outcome of the tender process on the organisation's ability to continue as a going concern.

If the revised DFAT contract were not awarded to RedR Australia Limited from 30 June 2024, the entity would still hold estimated cash reserves as at this date of $2.6 million as well as $986 thousand in an overseas fund.

There are other business activity possibilities for the company should the DFAT contract not be awarded such as potential alliances with other similar organisations and leverage from existing relationships, rosters, and training programs.

Management have prepared detailed forecasts for 12 months from the date of this report which demonstrate 2 scenarios.

The first scenario demonstrates that where RedR Australia Limited are successful with the tender for the new DFAT contract that operations would continue on a similar scale of cash inflows and outflows to the existing business model.

The second scenario demonstrates that if RedR Australia Limited were not to be successful with the DFAT contract renewal, then the entity would still have sufficient funds to meet any necessary obligations post 30 June 2024 including employee and other admin costs, mitigated by cash inflows from other interim activities such as training and other programs, such that RedR Australia Limited would still hold significant cash reserves 12 months from the date of this report.

The ability of the company to continue as a going concern is dependent on various factors, including but not limited to the successful renewal of the DFAT contract or the successful implementation of alternative strategies and alliances in the event of non-renewal. Management is actively monitoring the situation, engaging with stakeholders, and taking necessary actions to ensure the organisation's sustainability.

Based on the information available and the plans in place, the Board of Directors and Management are confident that the company will be able to continue its operations as a going concern even if the DFAT contract is not renewed. Therefore, the Directors are confident that it is appropriate that the financial statements have been prepared on a going concern basis.

Members' Guarantee
The Company is a not for profit public company limited by guarantee. The total amount of members guarantee as at 30 June 2023 was $7,667 based on a membership of 97 at a median liability of $80 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 was $360,364 (2022: $430,265). Non-monetary contributions represent volunteer hours provided at a rate consistent with external costs should the company have paid for these services.

Matters Subsequent to the End of the Financial Year
No matter or circumstance has arisen since 30 June 2023 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.

Signed in accordance with a resolution of the Responsible Persons

Robert Care Director	Nicholas Evans Director

30 October 2023

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DECLARATION OF INDEPENDENCE BY TIM FAIRCLOUGH TO THE DIRECTORS OF REDR AUSTRALIA LIMITED

As lead auditor of RedR Australia Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

No contraventions of the auditor independence requirements of section 60-40 of the *Australian Charities and Not-for-profit Commission Act 2012* in relation to the audit; and

No contraventions of any applicable code of professional conduct in relation to the audit.

Tim Fairclough

Tim Fairclough
Director

BDO Audit Pty Ltd

Melbourne, 30 October 2023

RedR Australia Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

	Note	2023 $	2022 $
Revenue	3	19,384,287	16,695,424
Total revenue		19,384,287	16,695,424
Expenses			
International programs:			
Funds to international programs		(11,161,299)	(9,043,303)
Program support costs		(2,582,045)	(2,096,915)
Fundraising costs:			
Public fundraising		(23,297)	(22,993)
Government, multilaterals & private sector		(599,737)	(378,311)
Accountability and administration		(2,773,108)	(2,624,598)
Training and capability expenditure		(2,237,695)	(1,407,644)
Non-monetary expenditure		(360,364)	(430,265)
Total expenses		(19,737,545)	(16,004,029)
(Deficit)/surplus before income tax expense		(353,258)	691,395
Income tax expense		-	-
(Deficit)/surplus after income tax expense for the year attributable to the members of RedR Australia Limited		(353,258)	691,395
Other comprehensive surplus for the year, net of tax		-	-
Total comprehensive (deficit)/surplus for the year attributable to the members of RedR Australia Limited		(353,258)	691,395

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

RedR Australia Limited
Statement of financial position
As at 30 June 2023

	Note	2023 $	2022 $
Assets			
Current assets			
Cash and cash equivalents	5	4,227,341	2,315,359
Trade and other receivables	6	1,553,834	2,991,001
Other financial assets	7	1,073,076	1,061,581
Other current assets	8	463,226	1,113,526
Total current assets		7,317,477	7,481,467
Non-current assets			
Property, plant and equipment	9	133,769	116,700
Right-of-use assets	10	413,312	501,253
Intangibles	11	350,314	429,641
Total non-current assets		897,395	1,047,594
Total assets		8,214,872	8,529,061
Liabilities			
Current liabilities			
Trade and other payables	12	1,070,066	727,284
Unearned income	13	208,167	362,960
Lease liabilities	14	176,858	152,749
Employee benefits	15	292,510	374,312
Total current liabilities		1,747,601	1,617,305
Non-current liabilities			
Lease liabilities	14	225,223	330,897
Employee benefits	15	47,999	33,552
Total non-current liabilities		273,222	364,449
Total liabilities		2,020,823	1,981,754
Net assets		6,194,049	6,547,307
Equity			
Restricted reserves		831,138	823,996
Special purpose reserves		937,381	937,381
Retained surpluses		4,425,530	4,785,930
Total equity		6,194,049	6,547,307

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

RedR Australia Limited
Statement of changes in equity
For the year ended 30 June 2023

	Overseas Aid Fund Reserve* $	Gift Fund Reserve* $	Special Purpose Reserves^ $	Retained Surplus $	Total equity $
Balance at 1 July 2021	769,800	45,842	937,381	4,102,889	5,855,912
Surplus after income tax expense for the year	-	-	-	691,395	691,395
Other comprehensive surplus for the year, net of tax	-	-	-	-	-
Total comprehensive surplus for the year	-	-	-	691,395	691,395
Transfer to/(from) reserve	-	8,354	-	(8,354)	-
Balance at 30 June 2022	769,800	54,196	937,381	4,785,930	6,547,307

	Overseas Aid Fund Reserve* $	Gift Fund Reserve* $	Special Purpose Reserves^ $	Retained Surplus $	Total equity $
Balance at 1 July 2022	769,800	54,196	937,381	4,785,930	6,547,307
Deficit after income tax expense for the year	-	-	-	(353,258)	(353,258)
Other comprehensive surplus for the year, net of tax	-	-	-	-	-
Total comprehensive deficit for the year	-	-	-	(353,258)	(353,258)
Transfer to/(from) reserve	-	7,142	-	(7,142)	-
Balance at 30 June 2023	769,800	61,338	937,381	4,425,530	6,194,049

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

RedR Australia Limited
Statement of cash flows
For the year ended 30 June 2023

	Note	2023 $	2022 $
Cash flows from operating activities			
Government grants and other receipts		22,299,417	15,487,808
Payments to suppliers and employees		(20,173,239)	(15,535,229)
Interest received		19,341	3,360
Interest paid on leases	14	(12,925)	(14,335)
Net cash from/(used in) operating activities		2,132,594	(58,396)
Cash flows from investing activities			
Payments for property, plant and equipment	9	(100,240)	(93,422)
Payments for intangibles	11	(27,312)	(252,348)
Investment in term deposit		(11,495)	-
Net cash used in investing activities		(139,047)	(345,770)
Cash flows from financing activities			
Repayment of lease liabilities		(81,565)	(170,729)
Net cash used in financing activities		(81,565)	(170,729)
Net increase/(decrease) in cash and cash equivalents		1,911,982	(574,895)
Cash and cash equivalents at the beginning of the financial year		2,315,359	2,890,254
Cash and cash equivalents at the end of the financial year	5	4,227,341	2,315,359

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

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 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.

Going concern

As at 30 June 2023, RedR Australia Limited's current scale of operations is economically dependent on the ongoing receipt of funds from The Department of Foreign Affairs and Trade (DFAT). The current DFAT contract is scheduled to expire on 30 June 2024.

The tender process for the next DFAT contract is expected to commence formally from November 2023 although the company have already started to plan their tender process. A decision is expected around February 2024.

If the new contract were to be awarded to RedR Australia Limited, it would result in funding of approximately $14 million per annum for a further 10 years.

Management has assessed the impact of the uncertain outcome of the tender process on the organisation's ability to continue as a going concern.

If the revised DFAT contract were not awarded to RedR Australia Limited from 30 June 2024, the entity would still hold estimated cash reserves as at this date of $2.6 million as well as $986 thousand in an overseas fund.

There are other business activity possibilities for the company should the DFAT contract not be awarded such as potential alliances with other similar organisations and leverage from existing relationships, rosters, and training programs.

Management have prepared detailed forecasts for 12 months from the date of this report which demonstrate 2 scenarios.

The first scenario demonstrates that where RedR Australia Limited are successful with the tender for the new DFAT contract that operations would continue on a similar scale of cash inflows and outflows to the existing business model.

The second scenario demonstrates that if RedR Australia Limited were not to be successful with the DFAT contract renewal, then the entity would still have sufficient funds to meet any necessary obligations post 30 June 2024 including employee and other admin costs, mitigated by cash inflows from other interim activities such as training and other programs, such that RedR Australia Limited would still hold significant cash reserves 12 months from the date of this report.

The ability of the company to continue as a going concern is dependent on various factors, including but not limited to the successful renewal of the DFAT contract or the successful implementation of alternative strategies and alliances in the event of non-renewal. Management is actively monitoring the situation, engaging with stakeholders, and taking necessary actions to ensure the organisation's sustainability.

Based on the information available and the plans in place, the Board of Directors and Management are confident that the company will be able to continue its operations as a going concern even if the DFAT contract is not renewed. Therefore, the Directors are confident that it is appropriate that the financial statements have been prepared on a going concern basis.

Note 1. Significant accounting policies (continued)

Basis of preparation
These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB'), the Australian Charities and Not-for-profits Commission Act 2012 and the Australian Council for International Developments (ACFID) reporting requirements and associated regulations and the Corporations Act 2001, as appropriate for not-for profit oriented entities.

Historical cost convention
The financial statements have been prepared under the historical cost convention.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. 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.

Foreign currency translation
Foreign currency transactions
Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Income tax
As the company is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 1. Significant accounting policies (continued)

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 written down replacement cost. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

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.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets
The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

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

Note 3. Revenue

	2023 $	2022 $
Revenue from contracts with customers		
Grants:		
Department of Foreign Affairs and Trade	16,520,971	14,778,415
Other overseas	1,151,468	584,682
Training and capability	1,236,907	792,372
Other income	8,094	17,977
	18,917,440	16,173,446
Other revenue		
Donations and gifts - monetary	87,142	88,353
Donations and gifts - non-monetary	360,364	430,265
Investment income	19,341	3,360
	466,847	521,978
Revenue	19,384,287	16,695,424

Disaggregation of revenue
The disaggregation of revenue from contracts with customers is as follows:

	2023 $	2022 $
Timing of revenue recognition		
Services transferred over time	18,917,440	16,173,446

Revenue recognition
The company recognises revenue as follows:

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

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.

Note 3. Revenue (continued)

Non-monetary donations
Non-monetary donations are recorded and valued in line with the in-kind revenue and expenses recognition policy. Goods and services donated at zero cost but that the company would otherwise need to purchase are included at the fair value to the company where this can be quantified and a third party is bearing the costs. Services performed by volunteers are recorded at hourly rates consistent with the external costs should the Company have paid for these services. Through the Company's rigorous management of non-monetary donations, a fair measurement for the volunteer services can be determined.

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 4. Expenses

	2023 $	2022 $
(Deficit)/surplus before income tax includes the following specific expenses:		
Depreciation		
Leasehold improvements	1,734	1,733
Office equipment	61,392	57,062
Deployment assets	20,045	29,833
Buildings right-of-use assets	198,918	146,160
Amortisation		
Intangibles	106,639	124,559
Total depreciation and amortisation of non-current assets	388,728	359,347
Finance costs		
Interest and finance charges paid/payable on lease liabilities	12,925	14,335
Superannuation expense		
Defined contribution superannuation expense	696,477	593,678
Employee benefits expense excluding superannuation		
Employee benefits expense excluding superannuation	10,239,651	8,270,256

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Note 5. Cash and cash equivalents

	2023 $	2022 $
Current assets		
Petty cash	7,829	2,674
Cash at bank	4,098,104	1,717,825
Cash on deposit	121,408	594,860
	4,227,341	2,315,359

Note 5. Cash and cash equivalents (continued)

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.

Note 6. Trade and other receivables

	2023 $	2022 $
Current assets		
Trade and other receivables	1,553,834	2,991,001

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

Note 7. Borrowing facilities

The company has available the following bank facilities:

(a) Bank overdraft facility of $1,000,000 (2022: $1,000,000) which is undrawn at 30 June 2023. The facility is secured by a $1,073,076 (2022: $1,061,581) term deposit held with the bank;

(b) A debtor finance facility whereby up to $1,000,000 (2022: $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 8. Other current assets

	2023 $	2022 $
Current assets		
Prepayments	274,188	972,200
Other debtors	189,038	141,326
	463,226	1,113,526

Note 9. Property, plant and equipment

	2023 $	2022 $
Non-current assets		
Leasehold improvements - at cost	122,073	122,073
Less: Accumulated depreciation	(116,630)	(114,896)
	5,443	7,177
Office equipment - at cost	771,192	725,074
Less: Accumulated depreciation	(680,804)	(619,412)
	90,388	105,662
Deployment assets - at cost	171,934	117,812
Less: Accumulated depreciation	(133,996)	(113,951)
	37,938	3,861
	133,769	116,700

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

	Leasehold Improvements $	Office Equipment $	Deployment Assets $	Total $
Balance at 1 July 2022	7,177	105,662	3,861	116,700
Additions	-	46,118	54,122	100,240
Depreciation expense	(1,734)	(61,392)	(20,045)	(83,171)
Balance at 30 June 2023	5,443	90,388	37,938	133,769

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.

Note 10. Right-of-use assets

	2023 $	2022 $
Non-current assets		
Buildings - 55 Barry Street	991,048	913,535
Less: Accumulated depreciation	(610,846)	(438,486)
	380,202	475,049
Buildings - Fiji Office	84,231	26,204
Less: Accumulated depreciation	(67,853)	-
	16,378	26,204
Buildings - Jordan Office	33,464	-
Less: Accumulated depreciation	(16,732)	-
	16,732	-
	413,312	501,253

Additions to the right-of-use assets during the year were $169,004 and depreciation charged to profit or loss was $198,918.

Recognition and measurement
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Note 11. Intangibles

	2023 $	2022 $
Non-current assets		
Computer software - at cost	832,123	804,811
Less: Accumulated amortisation	(481,809)	(375,170)
	350,314	429,641

Note 11. Intangibles (continued)

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

	Computer Software $
Balance at 1 July 2022	429,641
Additions	27,312
Amortisation expense	(106,639)
Balance at 30 June 2023	350,314

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.

Note 12. Trade and other payables

	2023 $	2022 $
Current liabilities		
Trade creditors	261,249	98,644
Accrued expenses	128,275	114,262
GST liability	680,542	512,409
Other payables	-	1,969
	1,070,066	727,284

Recognition and measurement
These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 13. Unearned income

	2023 $	2022 $
Current liabilities		
Training fees in advance	208,167	360,845
Other deferred revenue	-	2,115
	208,167	362,960

Note 14. Lease liabilities

	2023 $	2022 $
Current liabilities		
Lease liabilities	176,858	152,749
Non-current liabilities		
Lease liabilities	225,223	330,897
	402,081	483,646
Future lease payments		
Future lease payments are due as follows:		
Within one year	184,428	179,252
One to five years	224,471	362,694
	408,899	541,946

	2023 $	2022 $
Reconciliation		
Balance at the beginning of the year	483,646	654,375
Interest expense	12,925	14,335
Lease repayments	(94,490)	(185,064)
Total lease liabilities	402,081	483,646

Recognition and measurement
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Note 15. Employee benefits

	2023 $	2022 $
Current liabilities		
Annual leave	221,493	239,280
Long service leave	71,017	135,032
	292,510	374,312
Non-current liabilities		
Long service leave	47,999	33,552
	340,509	407,864

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

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

Note 16. Key management personnel disclosures

Compensation
The aggregate compensation made to directors and other members of key management personnel of the company is set out below:

	2023 $	2022 $
Aggregate compensation	1,465,186	1,161,462

Note 17. Contingent assets

The company had no contingent assets as at 30 June 2023 and 30 June 2022.

Note 18. Contingent liabilities

The company had no contingent liabilities as at 30 June 2023 and 30 June 2022.

Note 19. Commitments

The company has no commitments as at 30 June 2023 and 30 June 2022.

Note 20. Related party transactions

Key management personnel
Disclosures relating to key management personnel are set out in note 16.

Note 20. Related party transactions (continued)

Transactions with related parties
There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Note 21. Economic dependency

The company is dependent upon the ongoing receipt of funds from the Department of Foreign Affairs and Trade (DFAT) to ensure the continuance of its deployment operations. RedR Australia Limited have a deployment agreement in place with DFAT until 30 June 2024.

Note 22. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by BDO Audit Pty Ltd, the auditor of the company, and its network firms:

	2023 **$**	**2022** **$**
Audit services - BDO Audit Pty Ltd		
Audit of the financial statements	41,500	36,500
Other services - network firms		
Preparation of the financial statements	4,400	4,000

Note 23. Events after the reporting period

No matter or circumstance has arisen since 30 June 2023 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.

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In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Simplified Disclosures, the Australian Charities and Not-for-profits Commission Act 2012 and Australian Council for International Developments (ACFID) reporting requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and

- 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 subsection 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulations 2022:*

On behalf of the directors

Robert Care
Director

Nicholas Evans
Director

30 October 2023

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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 2023, 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 responsible entities' 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 2023 and of its financial performance for the year then ended; and

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

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the registered entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

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

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of responsible entities for the Financial Report

The responsible entities of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Simplified Disclosures and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, responsible entities are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

The responsible entities of the registered entity are responsible for overseeing the registered entity's financial reporting process.

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd

BDO
Tim Fairclough

Tim Fairclough
Director

Melbourne, 30 October 2023