

Team Rubicon Australia

ABN 44 614 474 010

Financial Statements

For the Year Ended 30 June 2019

Team Rubicon Australia

ABN 44 614 474 010

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For the Year Ended 30 June 2019

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Team Rubicon Australia

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Directors' Report

30 June 2019

The directors present their report on Team Rubicon Australia for the financial year ended 30 June 2019.

General information

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Names

Major General Michael D. Slater

Dr Elizabeth C. Rushbrook

Michaela R. Browning

Rodney M. Hyman

William B. McNulty

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

Principal activities

The principal activity of Team Rubicon Australia during the financial year was to act as a disaster response organisation in Australia and across the Asia Pacific.

No significant changes in the nature of the Company's activity occurred during the financial year.

Members' guarantee

Team Rubicon Australia is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 20 for members, subject to the provisions of the company's constitution.

At 30 June 2019 the collective liability of members was \$40 (2018: \$40).

Operating results and review of operations for the year

Review of operations

A review of the operations of the Company during the financial year and the results of those operations show that there has been a significant increase of grant and donation income in the amount of \$1.25M this year due to donation received for disaster relief projects and as a result of early adoption of AASB 1058 Income of Not-for-Profit Entities. Direct project costs have also increased proportionally by \$1.22M as these funds have been spent on the disaster relief projects.

Operating results

The surplus of the Company amounted to \$ 43,639 (2018: \$ 175,246).

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2019

		2019	2018
	Note	\$	\$
Donation - restricted		594,774	27,508
Donation - unrestricted		122,164	157,936
Government grant		238,100	143,658
Donation in kind		628,964	-
Project direct costs	5	(1,281,968)	(54,531)
Administrative expenses		(216,527)	(97,105)
Depreciation and impairment expense		(41,868)	(2,220)
Surplus for the year		43,639	175,246
Other comprehensive income, net of income tax		-	-
Total comprehensive income for the year		43,639	175,246

The accompanying notes form part of these financial statements.

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Statement of Financial Position

As At 30 June 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		316,049	350,464
Other receivables		14,370	11,163
Prepayments		25,200	-
TOTAL CURRENT ASSETS		<u>355,619</u>	<u>361,627</u>
NON-CURRENT ASSETS			
Property, plant and equipment	6	162,402	22,457
Intangible assets	7	-	16,319
TOTAL NON-CURRENT ASSETS		<u>162,402</u>	<u>38,776</u>
TOTAL ASSETS		<u><u>518,021</u></u>	<u><u>400,403</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	29,283	32,250
Other liabilities - unearned income		263,850	186,904
TOTAL CURRENT LIABILITIES		<u>293,133</u>	<u>219,154</u>
NON-CURRENT LIABILITIES			
TOTAL LIABILITIES		<u>293,133</u>	<u>219,154</u>
NET ASSETS		<u><u>224,888</u></u>	<u><u>181,249</u></u>
EQUITY			
Retained surplus		<u>224,888</u>	<u>181,249</u>
TOTAL EQUITY		<u><u>224,888</u></u>	<u><u>181,249</u></u>

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity

For the Year Ended 30 June 2019

2019

	Retained Surplus \$
Balance at 1 July 2018	181,249
Total comprehensive income for the year	43,639
Balance at 30 June 2019	<u>224,888</u>

2018

	Retained Surplus \$
Balance at 1 July 2017	6,003
Total comprehensive income for the year	175,246
Balance at 30 June 2018	<u>181,249</u>

The accompanying notes form part of these financial statements.

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Statement of Cash Flows For the Year Ended 30 June 2019

	2019	2018
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from donors	1,028,777	504,843
Payments to suppliers	(917,610)	(119,386)
Payments to employee	(46,629)	-
Net cash provided by/(used in) operating activities	<u>64,538</u>	<u>385,457</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payment for intangible asset	-	(16,319)
Purchase of property, plant and equipment	(98,953)	(24,677)
Net cash provided by/(used in) investing activities	<u>(98,953)</u>	<u>(40,996)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	-	-
Net increase/(decrease) in cash and cash equivalents held	(34,415)	344,461
Cash and cash equivalents at beginning of year	<u>350,464</u>	<u>6,003</u>
Cash and cash equivalents at end of financial year	<u><u>316,049</u></u>	<u><u>350,464</u></u>

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements

For the Year Ended 30 June 2019

The financial report covers Team Rubicon Australia as an individual entity. Team Rubicon Australia is a not-for-profit Company limited by guarantee, registered and domiciled in Australia.

The principal activity of Team Rubicon Australia during the financial year was to act as a disaster response organisation in Australia and across the Asia Pacific.

The functional and presentation currency of Team Rubicon Australia is Australian dollars.

The financial report was authorised for issue by those charged with governance on 15 January 2020.

The Company has elected to early adopt AASB 1058 Income of Not-for-Profit Entities and therefore the comparatives have been restated. Refer to note 2.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012*.

2 Change in Accounting Policy

Adoption of AASB 9 Financial Instruments

The Company has adopted AASB 9 *Financial Instruments* for the first time in the current year with a date of initial adoption of 1 July 2018.

AASB 9 sets out new requirements for the classification and measurement of financial assets and liabilities and include forward-looking expected loss impairment model. This standard replaces AASB 139 Financial Instruments: Recognition and Measurement. The adoption of AASB 9 did not have a significant effect on the Company's accounting policy relating to financial liabilities. Trade and other receivables is the only financial asset that has been impacted by the adoption of the standard, specifically the measurement basis for the impairment of trade receivables which is now based on expected credit loss (ECL). When determining the credit risk for trade and other receivables, the Company uses quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward looking information. The company did not have any trade receivables at balance date other than GST receivable. The Company did not need to adjust the estimated recoverability of trade and other receivables on transition to AASB 9.

Notes to the Financial Statements

For the Year Ended 30 June 2019

2 Change in Accounting Policy (continued)

Adoption of AASB 1058 Income of Not-for-Profit Entities

Management has elected to early adopt AASB 1058 in conjunction with AASB 15 Revenue from Contracts with Customers.

Management has also identified a prior period error in relation to the following balance sheet accounts. These errors were identified during the audit this year.

The comparatives have been restated to reflect the unearned Government grant and the prior period error.

	Signed 2018 FY Financials statements \$	Retrospective application \$	Prior period error \$	Restated \$
Cash at bank	350,414	-	50	350,464
Plant and equipment	21,372	-	1,085	22,457
Trade and other payables	(32,496)	-	246	(32,250)
GST receivable	10,360	-	803	11,163
Unearned income	-	(186,904)	-	(186,904)
Net assets	365,969	(186,904)	2,184	181,249
Government grant income	330,562	(186,904)	-	143,658
Total expenses	(156,040)	-	2,184	(153,856)
Surplus for the year	359,966	(186,904)	2,184	175,246

Notes to the Financial Statements

For the Year Ended 30 June 2019

3 Summary of Significant Accounting Policies

(a) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(b) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Grant revenue

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the Company obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

When grant revenue is received whereby the Company incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Team Rubicon Australia receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of profit or loss and other comprehensive income.

Donations

Donations and bequests are recognised as revenue when received.

Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

(c) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Notes to the Financial Statements

For the Year Ended 30 June 2019

3 Summary of Significant Accounting Policies

(d) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Plant and equipment is depreciated on a straight-line basis or diminishing value basis over the assets useful life to the Company, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Plant and Equipment	2 years - 3 years
Motor Vehicles	5 years

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(e) Financial instruments

For comparative year

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

Notes to the Financial Statements

For the Year Ended 30 June 2019

3 Summary of Significant Accounting Policies

(e) Financial instruments

Financial assets

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Company's trade and other receivables fall into this category of financial instruments.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired.

The Company's financial liabilities include trade and other payables which are measured at amortised cost using the effective interest rate method.

Impairment of Financial Assets

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

For current year

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Notes to the Financial Statements

For the Year Ended 30 June 2019

3 Summary of Significant Accounting Policies

(e) Financial instruments

Financial assets

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Notes to the Financial Statements

For the Year Ended 30 June 2019

3 Summary of Significant Accounting Policies

(e) Financial instruments

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade and other payables.

(f) Intangibles

Software

Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between one and three years.

(g) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(h) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 30 June 2019, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company or refer to Note 2 for details of the changes due to standards adopted.

4 Critical Accounting Estimates and Judgments

Those charged with governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - Donations in kind

Due to the early adoption of AASB 1058 Income of Not-for-Profit Entities, Management has recorded donations in kind provided by external suppliers at fair value. These fair values have been determined based on the best information at the transaction date. Major part of Donations in kind were mainly in the form of fixed assets, flights and accommodation and training courses (Medical first response).

Notes to the Financial Statements

For the Year Ended 30 June 2019

5 Project direct costs

The result for the year includes the following specific expenses:

	2019	2018
	\$	\$
Other expenses:		
Equipment costs	288,169	17,677
Travel and accommodation	346,230	3,994
Training costs	372,095	-
Project management fee	118,547	26,727
Other direct costs	156,927	6,133
	<u>1,281,968</u>	<u>54,531</u>

6 Property, plant and equipment

	2019	2018
	\$	\$
Plant and equipment		
At cost	105,519	24,677
Accumulated depreciation	(24,198)	(2,220)
Total plant and equipment	<u>81,321</u>	<u>22,457</u>
Motor vehicles		
At cost	84,653	-
Accumulated depreciation	(3,572)	-
Total motor vehicles	<u>81,081</u>	<u>-</u>
Total property, plant and equipment	<u><u>162,402</u></u>	<u><u>22,457</u></u>

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year:

	Plant and Equipment	Motor Vehicles	Total
	\$	\$	\$
Year ended 30 June 2019			
Balance at the beginning of year	22,457	-	22,457
Additions	80,841	84,653	165,494
Depreciation expense	(21,977)	(3,572)	(25,549)
Balance at the end of the year	<u><u>81,321</u></u>	<u><u>81,081</u></u>	<u><u>162,402</u></u>

Notes to the Financial Statements

For the Year Ended 30 June 2019

7 Intangible Assets

	2019	2018
	\$	\$
Intangible assets – work in progress		
Cost	16,319	16,319
Accumulated amortisation and impairment	(16,319)	-
Total Intangibles	-	16,319

(a) Movements in carrying amounts of intangible assets

	Intangible assets- work in progress \$
Year ended 30 June 2019	
Balance at the beginning of the year	16,319
Impairment loss	(16,319)
Closing value at 30 June 2019	-

8 Trade and Other Payables

	2019	2018
	\$	\$
Current		
Trade payables	10,600	32,250
Sundry payables and accrued expenses	17,000	-
Other payables	1,683	-
	29,283	32,250

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

9 Members' Guarantee

The Company is incorporated under the *Australian Charities and Not-for-profits Commission Act 2012* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstanding and obligations of the Company. At 30 June 2019 the number of members was 2 (2018: 2).

Notes to the Financial Statements

For the Year Ended 30 June 2019

10 Key Management Personnel Remuneration

The total remuneration paid to key management personnel of the Company is \$120,568 (2018: \$ -).

11 Contingencies

In the opinion of those charged with governance, the Company did not have any contingencies at 30 June 2019 (30 June 2018: None).

12 Related Parties

(a) The Company's main related parties are as follows:

Key management personnel - refer to Note 10.

(b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

	Expenses	Income	Balance outstanding	
	\$	\$	Owed to the company	Owed by the company
			\$	\$
KMP related parties				
Consulting fee	7,036	-	-	1,800
Other related parties				
Team Rubicon Global	15,101	150,079	-	-
Team Rubicon UK	6,919	-	-	-

13 Events after the end of the Reporting Period

The financial report was authorised for issue on 15 January 2020 by those charged with governance.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

14 Statutory Information

The registered office and principal place of business of the company is:

Team Rubicon Australia
Level 1, 299 Elizabeth Street
Sydney NSW 2000

Team Rubicon Australia

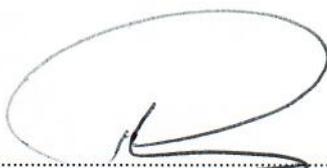
ABN 44 614 474 010

Responsible Persons' Declaration

The directors of the Company (being the responsible persons) declare that in the responsible persons' opinion:

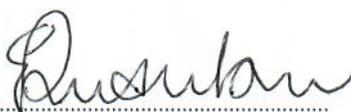
- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

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

Director 

Major General Michael D. Slater

Rodney M. Hyman

Director 

Dr Elizabeth C. Rushbrook

Dated this 24 day of January 2020