
TEAM RUBICON AUSTRALIA LIMITED

ABN: 44 614 474 010

FOR THE YEAR ENDED 30 JUNE 2018



Prepared by Ice Edge Consulting

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Team Rubicon Australia Limited

Report on the Financial Report

I have reviewed the accompanying financial report of Team Rubicon Australia Limited, which comprises the statement of financial position as at 30 June 2018, statement of comprehensive income, statement of financial position, statement of changes in equity, and the statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the director's declaration.

Directors Responsibility for the Financial Report

The directors of the entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 / ACNC Act 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.

Auditors responsibility

My responsibility is to express a conclusion on the financial report based on my review. I conducted my review in accordance with Auditing Standard on Review Engagements ASRE 2415 *Review of a Financial Report: Company Limited by Guarantee or an Entity Reporting under the ACNC Act or Other Applicable Legislation or Regulation*, in order to state whether, on the basis of the procedure described, I have become aware of any matter that makes me believe that the financial report is not in accordance with the *Corporations Act 2001 / ACNC Act* including: giving a true and fair view of the entity's financial position as at 30 June 2018 and its performance for the year ended on that date; and complying with the Australian Accounting Standards [and Corporations Regulation 2001]. ASRE 2415 requires that I comply with the ethical requirements relevant to the review of the financial report.

A review of a financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than and audit conducted in accordance with the Australian Auditing Standard and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

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

Conclusion

Based on my review, which is not an audit, I have not become aware of any matter that makes me believe that the financial report of Team Rubicon Australia Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the entity's financial position as at 30 June 2018 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards [and *Corporations Regulations 2001*].

M.S. Welton MIPA, CFE, CIA

Dated: 24/10/2018

83C Warrigal Road
Mentone
VIC, 3196

DIRECTORS DECLARATION

The directors of the registered entity declare that, in the directors' opinion:

- 1) The financial statements and notes, as set out, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and:
 - a) comply with Australian Accounting Standards; and
 - b) give a true and fair view of the financial position of the registered entity as at 30 June 2017 and of its performance for the year ended on that date.
- 2) There are reasonable grounds to believe that the registered entity will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with subs 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013.

NAME:

DATED: This _____ Day of _____ 2018

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2018

	2018	2017
	\$	\$
REVENUE		
Government Grants	330,562	-
Restricted Donations	122,937	-
Unrestricted Donations	62,506	7,582
TOTAL REVENUE	516,006	7,582
OPERATIONAL EXPENSES		
Operational Administration	10,839	-
Supplies and Equipment	24,342	-
Training and Development	67,527	-
Contractor Expenses	26,727	-
Travel	17,956	-
TOTAL SPECIFIED OPERATIONAL EXPENSES	147,392	-
GENERAL EXPENSES		
Administration Expenses	2,553	1,579
Development	2,790	-
Salaries and Wages	-	-
Depreciation	3,305	-
Interest Expense	-	1
TOTAL GENERAL EXPENSES	8,648	1,580
TOTAL EXPENSES	156,040	1,580
Other Income		
Interest earned	-	-
Total Other Income	-	-
Net current year surplus	359,966	6,003

Statement of Financial Position

As at 30 June 2018

ASSETS	Note	2018 \$	2017 \$
Current Assets			
Cash at Bank	4	350,414	6,003
Total Current Assets		350,414	6,003
Non-Current Assets			
Property Plant and Equipment	5	21,372	-
Intangible Assets	6	16,319	-
Total Non-Current Assets		37,691	-
TOTAL ASSETS		388,105	6,003
LIABILITIES			
Current Liabilities			
Accounts Payable		32,359	-
Accrued Expense Claims		136	-
GST		(10,360)	-
Total Current Liabilities		22,136	-
Non-Current Liabilities			
Total Non-Current Liabilities		-	-
TOTAL LIABILITIES		22,136	-

Statement of Changes in Equity

For the year ended 30 June 2017

	Notes	Reserves	Retained Earnings	Total Equity
Balance at 01 July 2017		-	6,003	6,003
Net Surplus for the year		-	359,966	359,966
Other comprehensive income		-	-	-
Total comprehensive income for the year		-	-	-
Balance at 01 July 2017		-	365,969	365,969

Statement of Cash Flows

For the year ended 30 June 2017

	Notes	2018	2017
Operating Services			
Receipts from:			
Donations and Appeals	3	185,444	7,582
Bequests			
Government Grants	3	330,562	
Other Income			
Payments to clients, suppliers and employees		(130,599)	(1,580)
Net cash provided by operating activities		385,407	6,003
Investing Activities			
Purchase of Property Plant and Equipment	5	(24,677)	-
Investment in Software Integration	6	(16,319)	-
Net cash provided by /(used in) investing activities		(40,995)	-
Financing Activities			
Proceeds from bank loans		-	-
Repayment of bank loans		-	-
Net cash from / (used in) financing activities		-	-
Net change in cash and cash equivalents		344,411	6,003
Cash and cash equivalents, beginning of year		6,003	-
Cash and cash equivalents, end of year		350,414	6,003

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

The financial statements cover Team Rubicon Australia as an individual entity, incorporated and domiciled in Australia. Team Rubicon Australia is a company limited by guarantee.

1. Nature of Operations

Team Rubicon's primary mission is providing disaster relief to those affected by natural disasters, be they domestic or international. By pairing the skills and experiences of military veterans with first responders, medical professionals, and technology solutions, Team Rubicon aims to provide the greatest service and impact possible.

2. Summary of Significant Accounting Policies

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the Corporations Act 2001. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Corporations Act 2001 and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous periods unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar.

2.1. Revenue

Non-reciprocal grant revenue is recognised in profit or loss when the entity obtains control of the grant and 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.

If conditions are attached to the grant which must be satisfied before the entity is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity 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.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.

All revenue is stated net of the amount of goods and services tax.

2.2. Inventories on hand

Inventories are measured at the lower of cost and current replacement cost.

Inventories acquired at no cost or for nominal consideration are measured at the current replacement cost as at the date of acquisition.

2.3. Fair Value of Assets and Liabilities

The company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

2.3.1. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable,

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

Plant and equipment that have been contributed at no cost or for nominal cost are recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a diminishing value basis over the asset's useful life to the entity commencing from the time the asset is available for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are as determined by the **ATO TR 2018/4**

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised as income in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

2.4. Leases

Leases of property, plant and equipment, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the entity, are classified as finance leases.

Finance leases are capitalised, recognising an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

2.5. Impairment of Assets

At the end of each reporting period, the entity reviews the carrying amounts 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 of disposal and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

2.6. Cash on Hand

Cash on hand includes cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

2.7. Accounts receivable and other debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

2.8. Goods and Services Tax (GST)

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

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 ATO is included with other receivables or 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 ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

2.9. Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

2.10. Intangible Assets

Software

Software is initially recognised at cost. It has a finite life and is carried at cost less any accumulated amortisation and any impairment losses. Software has an estimated useful life of between 3 and 5 years. It is assessed annually for impairment.

2.11. Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of reporting period.

2.12. Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

When the company retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period, in addition to the minimum comparative financial statements, must be disclosed.

2.13. Accounts Payable and Other Payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

3. Revenue and Other Income

The organisation's revenue can be analysed as follows for each major donor and grant segment:

	2018 \$	2017 \$
REVENUE		
Government Grants	330,562	-
Restricted Donations	122,937	-
Unrestricted Donations	62,506	7,582
TOTAL REVENUE	516,006	7,582

4. Cash on Hand

Cash and cash equivalents consist of the following. When determining the liquidity of the organisation for day to day administration and operations it is important to consider the unrestricted cash on hand.

Reconciliation of Cash at Bank	2018	2017
ANZ Account	347,294	5,808
PayPal Account	3,120	195
	<u>350,414</u>	<u>6,003</u>
Grant Funds Introduced	330,562	-
Grant Funds Expensed	108,384	-
Grant Funds Available	<u>222,178</u>	<u>-</u>
Restricted Funds Introduced	122,937	-
Restricted Funds Expensed	57,867	-
Restricted Funds Available	<u>65,070</u>	<u>-</u>
Unrestricted Funds Introduced	62,506	7,582
Unrestricted Funds Expensed	5,343	1,580
Unrestricted Funds Available	<u>63,166</u>	<u>6,003</u>

5. Property, Plant & Equipment

	Office Equipment	Operations Plant & Equipment	TOTAL
Opening Balance	-	-	-
Additions	5,633	19,044	24,677
Disposals	-	-	-
Depreciation	762	2,542	3,305
Accumulated Depreciation	762	2,542	3,305
Closing Balance	<u>4,871</u>	<u>16,502</u>	<u>21,372</u>

6. Intangible Assets

The organisation has been in the process of implementing a software application for their fund-raising activities in order to integrate Salesforce, Classy and Campaign monitoring systems. As at financial year end the project has not been completed. As there is no tax implication and we expect the integration to generate value for the organisation for at least three years after implementation we have capitalised the integration expenses to date. No amortisation expense has been applied in this financial year.

7. Contingent Liabilities

The Statement of Commitment between Team Rubicon Global and Team Rubicon Australia indicates that a *non-recurring organization set-up fee of US \$75,000 will be charged. This enables the right to use the Brand and to receive toolkits, set-up training, and advice. TRA will have 12 months to pay commencing from the date they are granted Deductible Gift Recipient Status from the Australian Taxation Office.*

A recurring annual management charge of 5% of annual funds raised, paid at the end of each Financial Year. TRG will not charge until a threshold of \$200,000 is reached.

To ensure fairness and enable Team Rubicon Australia to plan effectively, the management charge will not be applied on annual funds raised above \$5,000,000.

The boards of both Team Rubicon Australia and Team Rubicon Global have agreed that these liabilities will not fall due in the next twelve months and are contingent to a decision to waive the above.

8. Team Rubicon Global – Financial Support

During the course of the year Team Rubicon Global has provided financial support to Team Rubicon Australia. These financial transactions have been recorded in the books and records of Team Rubicon Global. The support has consisted of direct payments to suppliers and the CEO of Team Rubicon Australia. The payments made to the CEO of Team Rubicon Australia have been made as a subsistence stipend in lieu of him drawing a salary against the revenue of Team Rubicon Australia.

Financial support reconciliation

Administration	66,264
Operations	66,493
Salaries (CEO stipend)	18,000
Training	2,140
Total financial support	108,897

9. Detailed Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2018

	2018	2017
	\$	\$
REVENUE		
Government Grants	330,562	-
Restricted Donations	122,937	-
Unrestricted Donations	62,506	7,582
TOTAL REVENUE	516,006	7,582
OPERATIONAL EXPENSES		
Ops Administration	452	-
Supplies and Equipment	5,069	-
Sustainment	5,552	-
Training	311	-
Travel	17,956	-
Contractor Expense	26,727	-
Operations	10,107	-
Personal Protective Equipment	12,352	-
Low value tools and equipment for operational use	1,271	-
Repairs and Maintenance	98	-
Operational Communications Costs	280	-
Certification Costs	26,400	-
Training Delivery	32,336	-
Training Course Codes	8,480	-
TOTAL SPECIFIED OPERATIONAL EXPENSES	147,392	-
GENERAL EXPENSES		
ADMINISTRATION EXPENSES		
Accounting and Bookkeeping Fees	1,704	-
Development	2,790	-
Bank Fees	353	150
Filing Fees	-	387
Insurance	-	909
Other Expenses	46	56
Payment Processing Fees	236	77
Postage and Shipping	214	-
OTHER EXPENSES		
Depreciation	3,305	-
Interest Expense	-	1
TOTAL GENERAL EXPENSES	8,648	1,580
TOTAL EXPENSES	156,040	1,580
Other Income		
Interest earned	-	-
Total Other Income	-	-
Net current year surplus	359,966	6,003
Net current year surplus attributable to members of the entity	359,966	6,003