RDNS Charitable Trust

ABN 41 099 629 566

Special Purpose Financial Report
for the year ended 30 June 2024

Contents

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2024

	2024 $	2023 $
Revenue	**866**	-
Expenses	**-**	-
Surplus for the year attributable to beneficiaries of the Trust	**866**	-
Other comprehensive income for the year	**-**	-
Total comprehensive income for the year attributable to beneficiaries of the Trust	**866**	-

The above Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes to the financial statements.

Statement of Financial Position

As at 30 June 2024

	2024 **$**	2023 $
Current assets		
Cash and cash equivalents	**122,535**	121,669
Total current assets	**122,535**	121,669
Non-current assets		
Related party loan receivable	**32,097,145**	32,097,145
Property, plant and equipment	**945,000**	945,000
Total non-current assets	**33,042,145**	33,042,145
Total assets	**33,164,680**	33,163,814
Net assets	**33,164,680**	33,163,814
Equity		
Reserves	**19,329,226**	19,329,226
Paid up capital	**100**	100
Accumulated surplus	**13,835,354**	13,834,488
Total equity	**33,164,680**	33,163,814

The above Statement of Financial Position is to be read in conjunction with the accompanying notes to the financial statements.

Statement of Changes in Equity
For the year ended 30 June 2024

	Attributable to beneficiaries of the Trust			
	Reserves $	Paid up capital $	Accumulated surplus $	Total equity $
Balance at 30 June 2022	**19,329,226**	**100**	**13,834,488**	**33,163,814**
Total comprehensive income for the year	**-**	**-**	**-**	**-**
Balance at 30 June 2023	**19,329,226**	**100**	**13,834,488**	**33,163,814**
Surplus for the year	-	-	866	866
Total comprehensive income for the year	**-**	**-**	**866**	**866**
Balance at 30 June 2024	**19,329,226**	**100**	**13,835,534**	**33,164,680**

The above Statement of Changes in Equity is to be read in conjunction with the accompanying notes to the financial statements.

Statement of Cash Flows

For the year ended 30 June 2024

	2024 $	2023 $
Cash flows from operating activities	**-**	-
Cash flows from investing activities	**-**	-
Cash flows from financing activities		
Finance income	**866**	-
Net increase in cash and cash equivalents	**866**	-
Cash and cash equivalents at the beginning of the year	**121,669**	121,669
Cash and cash equivalents at the end of the year	**122,535**	121,669

The above Statement of Cash Flows is to be read in conjunction with the accompanying notes to the financial statements.

1. Corporate information

RDNS 2007 Pty Ltd ACN 128 743 402 is the Trustee of the RDNS Charitable Trust ('Trust').

2. Basis of preparation

(a) Statement of compliance

The Trust is not a reporting entity because in the opinion of the Directors of the Trustee, there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, these special purpose financial statements of the Trust have been prepared to satisfy the Trustee's reporting requirements under the Trust Deed.

These financial statements have been prepared in accordance with the Trust Deed, and the significant accounting policies disclosed in Note 3, which the Directors of the Trustee have determined are appropriate. Such accounting policies are consistent with the previous period unless stated otherwise.

The Trust is a not-for-profit entity for the purpose of preparing the financial statements.

These financial statements are presented in Australian dollars, which is the Trust's functional currency.

The financial statements were authorised for issue by the Directors of the Trustee on 24 October 2024.

(b) Basis of measurement

The financial statements have been prepared on an accruals basis and are based on historical cost, except for certain properties that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets.

The Trust's accounting policies and disclosures may require the measurement of fair values for both financial and non-financial assets and liabilities. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Fair value of non-financial assets and liabilities is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, other than in a forced or liquidation sale.

The Trust uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Financial assets and financial liabilities measured at fair value in the Statement of Financial Position are grouped into three levels of fair value hierarchy. This grouping is determined based on the lowest level of significant inputs used in fair value measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly, i.e. as prices, or indirectly i.e. derived from prices.
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2. Basis of preparation (continued)

(b) Basis of measurement (continued)

The following methods, assumptions and techniques used for the purpose of measuring fair value are:

- Cash and short-term deposits, related party loan receivable approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Fair value of property, plant and equipment is based on an independent valuation conducted at least every three years, based on Level 2 inputs.

3. Significant accounting policies

The significant accounting policies that have been used in the preparation of these financial statements are summarised below.

The financial statements have been prepared using the recognition and measurement bases specified by Australian Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

(a) Revenue and other income

The Trust recognises revenue under AASB 15 *Revenue from Contracts with Customers* and related interpretations and applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The Trust uses the five-step model as set out in AASB 15 to account for revenue arising from contracts with customers.

The transaction price is allocated to performance obligations on the basis of their relative standalone selling prices and recognised as revenue accordingly as those performance obligations are satisfied over time as the customer simultaneously receives and consumes the benefits provided by the Trust.

(i) Finance income

Finance income is recognised in profit or loss as it accrues, using the effective interest rate method. The effective interest rate method is described in note 3(d).

(b) Operating expenses

Operating expenses are recognised in the Statement of Profit or Loss and Other Comprehensive Income upon utilisation of the service or at the date of their origin. There were no expenses incurred in the current or prior financial year.

(c) Income tax and other taxes

(i) Income tax

No income tax liability exists as the Trust is exempt from income tax in accordance with Section 50-5 of the *Income Tax Assessment Act 1997* (C'th).

(ii) Other taxes

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax ("GST") except:

- When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.
- Receivables and payables, which are stated with the amount of GST included.

3. Significant accounting policies (continued)

(c) Income tax and other taxes (continued)

(ii) Other taxes (continued)

The gross amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows 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 part of operating cash flows.

(d) Financial instruments

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(i) Non-derivative financial assets

Financial assets are classified into the following specified categories: financial assets "at fair value through profit or loss" (FVTPL), "fair value through other comprehensive income" (FVTOCI) or "amortised cost". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The Trust initially recognises loans and receivables on the date that they originate. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Trust becomes a party to the contractual provisions of the instrument.

The Trust derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Trust is recognised as a separate asset or liability.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

Financial assets and liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the Trust has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The effective interest rate method is a method of calculating the amortised cost of a financial asset or financial liability and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments, without consideration of future credit losses, over the expected life of the financial instrument, or through to the next market-based repricing date, to the net carrying amount of the financial instrument on initial recognition.

Income is recognised on an effective interest rate basis for debt instruments other than those financial assets classified as at FVTPL.

3. Significant accounting policies (continued)

(d) Financial instruments (continued)

(i) Non-derivative financial assets (continued)

The Trust has the following non-derivative financial assets: cash and cash equivalents, loans and receivables.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call within financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest rate method, less any impairment losses.

The effective interest rate amortisation is included in finance income in the Statement of Profit or Loss and Other Comprehensive Income. The losses arising from impairment are recognised in the Statement of Profit or Loss and Other Comprehensive Income in finance costs for loans and in other operating expenses for receivables.

The related party loan receivable is with the Parent entity and is not recoverable within the next 12 months. No interest is payable under the terms of this loan.

(ii) Impairment of financial assets

The Trust recognises a loss allowance for expected credit losses on trade receivables and financial assets. The amount of expected credit losses ("ECL") is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Trust recognises lifetime ECL for financial assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Trust's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Trust recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Trust measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Trust recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

(e) Property, plant and equipment

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

3. Significant accounting policies (continued)

(e) Property, plant and equipment (continued)

(i) Property

Freehold land and buildings are measured at fair value, being the amount for which an asset could be exchanged between knowledgeable and willing parties in an arm's length transaction. Valuations are regularly performed by an external independent valuer to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Any revaluation surplus is recorded in other comprehensive income and hence, credited to the asset revaluation reserve in equity, except to the extent that it reverses a revaluation decrease of the same asset class previously recognised in profit or loss, in which case, the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset class recognised in the asset revaluation reserve.

An item of property and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised. Upon disposal, any revaluation reserve relating to that particular asset being sold is retained in the revaluation reserve.

As no finite life for land can be determined, related carrying amounts are not depreciated.

(ii) Depreciation

The depreciable amount of all buildings assets is depreciated on a straight-line basis over their estimated useful lives commencing from the time the asset is held ready for use. The depreciation rate for buildings is 5%. The assets' residual values, useful lives and depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

The carrying amount of property, plant and equipment in the current and prior financial year relates to land which is not depreciated.

(iii) Significant judgement – property valuations

Freehold land and buildings are independently valued on a rotational basis, at least every three years. The resulting movement in property values has been taken to the Asset Revaluation Reserve. The directors have concluded no material movement in the fair value of property values during the year.

4. Events subsequent to reporting date

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report that is expected to affect the operations of the Trust, the results of those operations or the state of affairs of the Trust significantly.

Directors' Declaration

As detailed in Note 2 to the financial statements, the Trust is not a reporting entity because in the opinion of the Directors of the Trustee, there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, this 'special purpose financial report' has been prepared to satisfy the Trustee's reporting requirements under the Trust Deed.

The Directors of the Trustee declare that:

1. The attached financial statements and notes thereto are in accordance with the Trust Deed, including giving a true and fair view of the financial position and performance of the Trust.
2. In the Directors' opinion there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the board of Directors of the Trustee.

Mr Anthony Crawford
Chairman

Adelaide, 24 October 2024

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Independent Auditor's Report to the directors of RDNS 2007 Pty Ltd, as the trustee of RDNS Charitable Trust (the "directors")

Opinion

We have audited the financial report, being a special purpose financial report, of the RDNS Charitable Trust (the "Entity"), which comprises the statement of financial position as at 30 June 2024, 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 statements, including material accounting policy information and other explanatory information, and the directors' declaration (the "financial report").

In our opinion, the accompanying financial report presents fairly, in all material respects, the Entity's financial position as at 30 June 2024 and its financial performance and its cash flows for the year then ended in accordance with the financial reporting requirements of the trust deed and the accounting policies as described in Note 2.

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 Entity in accordance with the ethical requirements of the Accounting Professional & 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.

Emphasis of Matter – Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 2 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the RDNS Charitable Trust to meet the financial reporting requirements of the trust deed. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the directors and should not be distributed or used by parties other than the directors. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Directors for the Financial Report

Management of the Entity is responsible for the preparation and fair presentation of the financial report and has determined that the basis of preparation and accounting policies described in Note 2 to the financial report is appropriate to meet the requirements of the trust deed and is appropriate to meet the needs of the directors. Management's responsibility also includes such internal control as management determine is necessary to enable the

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preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the ability of the Entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

The directors are responsible for overseeing the 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

R. D. Wanstall

Richard Wanstall
Partner
Chartered Accountants
Brisbane, 24 October 2024