

**Reddam House Limited**  
**ABN 90 094 852 801**

**Annual report**  
**for the year ended 31 December 2017**

**Reddam House Limited ABN 90 094 852 801**  
**Annual report – 31 December 2017**

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These financial statements are for Reddam House Limited as an individual entity. The financial statements are presented in the Australian currency.

Reddam House Limited is a company limited by guarantee, incorporated and domiciled in Australia. Its registered office and the principal place of business is:

Reddam House Limited  
70-78 Edgecliff Road  
Woollahra NSW 2025

A description of the nature of the company's operations and its principal activities is included in the directors' report on pages 1 to 2, which is not part of these financial statements.

The financial statements were authorised for issue by the directors on 27<sup>th</sup> June 2018. The directors have the power to amend and reissue the financial statements.

# **Reddam House Limited ABN 90 094 852 801**

## **Directors' Report**

The directors present their report on the financial statements of Reddam House Limited (referred to hereafter as "the Company") at the end of, or during, the year ended 31 December 2017.

### **Directors**

The names of the directors of the company in office at any time during the year and up to the date of this report were:

Rabbi Mendel Kastel  
Alistair McKeough  
David Pitcairn  
Diane Pitcairn

Jonathan Stephens was appointed Company Secretary on the 14 December 2017.

### **Principal Activities and Significant Changes in State of Affairs**

The principal continuing activity of the company during the financial year was the operation of Primary and Secondary Educational Institutions. No significant changes in the nature of the company's activity occurred during the year.

### **Review of Operations and Results**

The surplus of the company for the financial year amounted to \$9,633,972 (2016: \$6,889,278).

A review of the operations of the company during the financial year and the results of those operations found that during the year, the company continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

### **Dividends**

No dividends have been or will be paid. The Constitution of the company does not permit any surpluses to be distributed by way of dividend.

### **Matters Subsequent to the End of the Financial Year**

Since 31 December 2017 the directors are not aware of any matter or circumstance not otherwise dealt with in the report that has significantly affected, or may significantly affect:

- (a) the entity's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the entity's state of affairs in future financial years.

### **Likely Developments and Expected Results of Operations**

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

### **Environmental Regulation**

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

### **Proceedings on behalf of the company**

No person has applied to the Court for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

**Reddam House Limited ABN 90 094 852 801**  
**Directors' Report (continued)**

**Insurance of officers and indemnities**

(a) Insurance of officers

During the financial year, Reddam House Limited paid a premium of \$3,601 (2016: \$3,656) to insure the directors and secretary of the company, and the general managers. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers in the company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty as officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

(b) Indemnity of auditors

Reddam House Limited has agreed to indemnify their auditors, PricewaterhouseCoopers, to the extent permitted by law, against any claim by a third party arising from Reddam House Limited's breach of their agreement. The indemnity stipulates that Reddam House Limited will meet the full amount of any such liabilities including a reasonable amount of legal costs.

**Auditors' Independence Declaration**

A copy of the auditors' independence declaration as required under section 60-40 of the Australian Charities and Not-For-Profit Commission (ACNC) Act 2012 is set out on page 3 and forms part of the Directors' Report.

**Auditor**

PricewaterhouseCoopers continues in office in accordance with section 325 of the Corporations Act 2001.

This report is made in accordance with a resolution of the directors.



Alistair McKeough  
Director

Sydney  
27<sup>th</sup> June 2018



## Auditor's Independence Declaration

As lead auditor for the audit of Reddam House Limited for the year ended 31 December 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'James McElvogue', is written over the printed name.

James McElvogue  
Partner  
PricewaterhouseCoopers

Sydney  
29 June 2018

**Reddam House Limited**  
**Statement of comprehensive income**  
**For the year ended 31 December 2017**

	2017	2016
		(Restated)*
Notes	\$	\$
<b>Revenue from continuing operations</b>		
Tuition income	<b>27,029,303</b>	23,324,943
Government grants	<b>5,077,193</b>	4,467,070
Other revenue	<b>2,496,158</b>	2,309,321
Interest income	<b>604,068</b>	390,764
<b>Total revenue from continuing operations</b>	<b>35,206,722</b>	30,492,098
Employee benefits expense	<b>(15,175,410)</b>	(13,907,856)
Depreciation and amortisation expense	<b>(847,644)</b>	(845,322)
Advertising	<b>(22,768)</b>	(19,215)
Rent & building expense	<b>(4,132,913)</b>	(4,092,240)
Administration expenses	<b>(2,593,812)</b>	(2,236,286)
Other expenses	<b>(2,612,304)</b>	(2,270,100)
Finance costs	<b>(187,899)</b>	(231,801)
<b>Surplus before income tax</b>	<b>9,633,972</b>	6,889,278
Income tax expense	-	-
<b>Surplus before income tax</b>	<b>9,633,972</b>	6,889,278
<b>Other comprehensive income for the year</b>	-	-
<b>Total comprehensive income for the year</b>	<b>9,633,972</b>	6,889,278

*The above statement of comprehensive income should be read in conjunction with the accompanying notes.*

\*Refer to Note 16 for further details.

**Reddam House Limited**  
**Statement of financial position**  
**As at 31 December 2017**

		2017	2016	2015
	Notes	\$	(Restated)*	(Restated)*
			\$	\$
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	5	<b>36,261,244</b>	24,449,412	13,575,371
Trade and other receivables	6	<b>498,017</b>	661,423	1,679,512
<b>Total current assets</b>		<b>36,759,261</b>	25,110,835	15,254,883
<b>Non-current assets</b>				
Property and equipment	7	<b>11,124,184</b>	9,883,077	9,817,447
<b>Total non-current assets</b>		<b>11,124,184</b>	9,883,077	9,817,447
<b>Total assets</b>		<b>47,883,445</b>	34,993,912	25,072,330
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	8	<b>13,200,272</b>	10,722,646	8,499,143
Lease accrual liabilities	9	<b>443,055</b>	540,130	649,423
Provisions	10	<b>534,229</b>	452,010	360,465
<b>Total current liabilities</b>		<b>14,177,556</b>	11,714,786	9,509,031
<b>Non-current liabilities</b>				
Lease accrual liabilities	11	<b>1,851,240</b>	1,163,017	437,680
Provisions	12	<b>762,816</b>	658,248	557,036
<b>Total non-current liabilities</b>		<b>2,614,056</b>	1,821,265	994,716
<b>Total liabilities</b>		<b>16,791,612</b>	13,536,051	10,503,747
<b>Net assets</b>		<b>31,091,833</b>	21,457,861	14,568,583
<b>Members Funds</b>				
Retained earnings	13	<b>31,091,833</b>	21,457,861	14,568,583
<b>Total Members Funds</b>		<b>31,091,833</b>	21,457,861	14,568,583

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

\*Refer to Note 16 for further details.

**Reddam House Limited**  
**Statement of changes in equity**  
**For the year ended 31 December 2017**

	Notes	Retained earnings \$	Total members fund \$
<b>Balance at 1 January 2015 (Restated)*</b>		10,059,888	10,059,888
Total comprehensive income for the year		4,508,695	4,508,695
Balance at 31 December 2015 (Restated)*		<u>14,568,583</u>	<u>14,568,583</u>
<b>Balance at 1 January 2016 (Restated)*</b>		14,568,583	14,568,583
Total comprehensive income for the year		6,889,278	6,889,278
Balance at 31 December 2016 (Restated)*		<u>21,457,861</u>	<u>21,457,861</u>
<b>Balance at 1 January 2017</b>		<b>21,457,861</b>	<b>21,457,861</b>
Total comprehensive income for the year		<b>9,633,972</b>	<b>9,633,972</b>
Balance at 31 December 2017	13	<u><b>31,091,833</b></u>	<u><b>31,091,833</b></u>

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

\*Refer to Note 16 for further details.



**Reddam House Limited**  
**Statement of cash flows**  
**For the year ended 31 December 2017**

	Notes	2017 \$	2016 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of goods and services tax)		<b>38,740,126</b>	28,984,847
Payments to suppliers and employees (inclusive of goods and services tax)		<b>(25,419,811)</b>	(17,587,247)
		<b>13,320,315</b>	11,397,600
Interest received		<b>581,828</b>	390,764
Interest paid		<b>(1,560)</b>	(3,371)
<b>Net cash inflow from operating activities</b>		<b>13,900,583</b>	11,784,993
<b>Cash flows from investing activities</b>			
Payments for property and equipment		<b>(2,088,751)</b>	(910,952)
<b>Net cash (outflow) from investing activities</b>		<b>(2,088,751)</b>	(910,952)
<b>Net increase in cash and cash equivalents</b>		<b>11,811,832</b>	10,874,041
<b>Cash and cash equivalents at the beginning of the financial year</b>		<b>24,449,412</b>	13,575,371
<b>Cash and cash equivalents at end of financial year</b>	5	<b>36,261,244</b>	24,449,412

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

**Reddam House Limited**  
**Notes to the financial statements**  
**31 December 2017**

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## **Note 1 Summary of 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.

### **(a) Basis of preparation**

#### *(i) General purpose financial report*

This general purpose financial report has been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board and Australian Charities and Not-for-profits Commission Act 2012 (ACNC). Reddam House Limited is a not-for-profit entity for the purpose of preparing the financial statements.

#### *(ii) Compliance with Australian Accounting Standards – Reduced Disclosure Requirements*

The financial statements for Reddam House Pty Ltd comply with Australian Accounting Standards – Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB).

#### *(iii) New and amended standards adopted by the Company*

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 January 2017 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

#### *(iv) Early adoption of standards*

The company has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 January 2017.

#### *(v) Historical cost convention*

These financial statements have been prepared under the historical cost basis.

#### *(vi) Critical accounting estimates*

The preparation of financial statements requires the use of certain accounting estimates. Management also needs to exercise judgement in applying the entity's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included in Note 3.

### **(b) Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any discounts allowed.

#### *(i) Tuition fees*

Tuition fees and other educational material related revenue are recognised as the service is provided. Non-refundable administration fees relating to tuition are recognised upon receipt.

#### *(ii) Interest income*

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

#### *(ii) Government Grants*

Grants from the Government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the entity will comply with all attached conditions.

Government grants relating to cost are deferred and recognised in the profit or loss over the period necessary to match them with costs they are intended to compensate.

All revenue is stated net of the amount of goods and services tax (GST), if any.

**Note 1 Summary of significant accounting policies (continued)**

**(c) Income tax**

The company is exempt from liability to pay income tax under the provisions of the *Income Tax Assessment Act*.

**(d) Leases**

Leases of plant and equipment where the company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases (note 9 and note 12). Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance costs. The finance cost is charged to the profit or loss over the period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The plant and equipment acquired under the finance leases is depreciated over the assets useful life.

**(e) Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

**(f) Trade receivables**

Trade receivables are recognised initially at fair value, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

**Note 1 Summary of significant accounting policies (continued)**

**(g) Property and equipment**

Each class of property, motor vehicles, furniture and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Motor vehicles, furniture and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of motor vehicles, furniture and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets.

- Leasehold improvements	15 to 20 years
- Furniture, fittings and equipment	5 to 7 years
- Machinery and vehicles	7 to 10 years
- Audio visual, musical and sports equipment	3 to 5 years
- Computer equipment	3 to 5 years

The depreciable amount of all fixed assets, excluding leasehold improvements, are depreciated on a straight line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use.

Leasehold improvements are amortised over the unexpired period of the lease and the option period.

The assets' residual value and useful lives are reviewed, and adjusted if appropriate, at each financial reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement.

**(h) Trade and other payables**

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

**(i) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

**(j) Provisions**

Provisions for make good obligations are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

**Note 1 Summary of significant accounting policies (continued)**

**(k) Employee benefits**

*(i) Short term obligations*

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

*(ii) Other long term employee benefit obligation*

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period 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 end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

**(l) 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 Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

**(m) Segment reporting**

The Company's strategic steering committee consists of the Board of Directors, CEO and CFO and they manage the Company's performance on both an operational and geographic basis and has identified one reporting and operational segment, that being the Reddam School which operates across two campuses but is measured and reported as one operating segment.

The Board of Directors primarily uses a measure of surplus before tax and revenue to measure performance of the operating segment. However, the Board of Directors also receives information about the assets on a quarterly basis. Information about the segment revenue and expenses are disclosed in the Statement of Comprehensive Income.

## **Note 2 Financial risk management**

### **(a) Financial risk**

The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company. The company uses ageing analysis to measure credit risk.

Risk management is carried out by the Board of Directors who provide principles for overall risk management, as well as policies covering specific areas, such as interest rate risk and credit risk.

### **(b) Liquidity risk**

The company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate liquid funds are available.

### **(c) Credit risk**

The exposure to credit risk at reporting date is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets.

### **(d) Interest rate risk**

The company is exposed to interest rate risk through balances held with banks. The company considers that its exposure to interest rate risk is minimal.

## **Note 3 Critical accounting estimates**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

### *Critical accounting estimates and assumptions*

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements.

**Reddam House Limited**  
**Notes to the financial statements**  
**31 December 2017**  
**(continued)**

**Note 4 Expenses**

	2017	2016
	\$	\$
<b>Profit before income tax includes the following specific expenses:</b>		
<i>Depreciation</i>		
Motor vehicles	7,313	29,534
Computer equipment	82,942	92,778
Furniture and equipment	177,014	141,245
Audio visual, musical instruments and sports equipment	82,835	74,490
Leasehold improvements	497,540	507,275
Total depreciation	<u>847,644</u>	<u>845,322</u>
<i>Finance expense</i>		
Interest and finance charges paid/payable	<u>1,559</u>	<u>3,371</u>

**Note 5 Current assets – Cash and cash equivalents**

	2017	2016
	\$	\$
Cash at bank and in hand	<u>36,261,244</u>	<u>24,449,412</u>

(a) Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

	2017	2016
	\$	\$
Balances as above	36,261,244	24,449,412
Bank overdraft	-	-
Cash and cash equivalents balance per statement of cash flows	<u>36,261,244</u>	<u>24,449,412</u>

**Note 6 Current assets – Trade and other receivables**

	2017	2016
	\$	\$
Outstanding fees	-	-
Provision for doubtful receivables	496,528	542,997
	<u>(336,100)</u>	<u>(349,549)</u>
Other receivables	160,428	193,448
Prepayments	227,121	369,515
	<u>110,468</u>	<u>98,460</u>
	<u>498,017</u>	<u>661,423</u>



**Reddam House Limited**  
**Notes to the financial statements**  
**31 December 2017**  
**(continued)**

**Note 6 Current assets – Trade and other receivables (continued)**

The ageing of the outstanding fees follows:

	2017	2016
	\$	\$
0 – 30 days	-	-
31 – 60 days	21,266	35,913
60+ days	475,262	507,084
	<u>496,528</u>	<u>542,997</u>

Movement in allowance for doubtful debts follows:

	2017	2016
	\$	\$
Opening balance	349,549	349,549
Provision during the year	(123,687)	-
Reversal	-	-
Bad debts written off during the year	110,238	-
Closing balance	<u>336,100</u>	<u>349,549</u>

**Note 7 Non-current assets – Property and equipment**

	Freehold and leasehold improvements	Furniture, fittings and equipment	Motor vehicles	Audio visual & Musical equipment	Computer equipment	Total
	\$	\$	\$	\$	\$	\$
<b>Year ended 31 December 2016</b>						
Opening net book amount	8,349,155	651,421	230,058	261,682	325,131	9,817,447
Additions	314,892	363,152	-	97,206	135,702	910,952
Depreciation charge	(507,275)	(141,245)	(29,534)	(74,490)	(92,778)	(845,322)
Closing net book amount	<u>8,156,772</u>	<u>873,328</u>	<u>200,524</u>	<u>284,398</u>	<u>368,055</u>	<u>9,883,077</u>
<b>At 31 December 2016</b>						
Cost or fair value	14,952,765	1,861,900	484,243	593,008	944,045	18,835,961
Accumulated depreciation	(6,795,993)	(988,572)	(283,719)	(308,609)	(575,991)	(8,952,884)
Net book amount	<u>8,156,772</u>	<u>873,328</u>	<u>200,524</u>	<u>284,399</u>	<u>368,054</u>	<u>9,883,078</u>
<b>Year ended 31 December 2017</b>						
Opening net book amount	8,156,772	873,328	200,524	284,399	368,054	9,883,078
Additions	1,671,107	185,521	-	205,942	58,975	2,121,545
Disposal	-	-	-	(81,100)	-	(81,100)
Depreciation on disposal	-	-	-	48,246	-	48,304
Depreciation charge	(497,540)	(177,014)	(7,313)	(82,835)	(82,942)	(847,644)
Closing net book amount	<u>9,330,399</u>	<u>881,835</u>	<u>193,211</u>	<u>374,652</u>	<u>344,087</u>	<u>11,124,184</u>
<b>At 31 December 2017</b>						
Cost or fair value	16,623,872	2,047,421	484,243	717,849	1,003,021	20,876,406
Accumulated depreciation	(7,293,533)	(1,165,586)	(291,032)	(343,197)	(658,932)	(9,752,222)
Net book amount	<u>9,330,339</u>	<u>881,835</u>	<u>193,211</u>	<u>374,652</u>	<u>344,087</u>	<u>11,124,184</u>

**Reddam House Limited**  
**Notes to the financial statements**  
**31 December 2017**  
**(continued)**

**Note 8 Current liabilities – Trade and other payables**

	2017	2016
	\$	\$
Fees received in advance	12,882,770	540,725
Sundry creditors and accruals	317,502	10,181,921
	<u>13,200,272</u>	<u>10,722,646</u>

**Note 9 Current liabilities – Lease accrual liabilities**

	2017	2016	2015
	\$	(Restated)*	(Restated)*
	\$	\$	\$
<i>Secured</i>			
Lease liabilities	443,055	540,130	649,423

\*Refer to Note 16 for further details.

**Note 10 Current liabilities – Provisions**

	2017	2016
	\$	\$
Employee benefits – long service leave	534,229	452,010

**Note 11 Non-current liabilities – Lease accrual liability**

	2017	2016	2015
	\$	(Restated)*	(Restated)*
	\$	\$	\$
Lease accrual liability	1,851,240	1,163,017	437,680

\*Refer to Note 16 for further details.

**Note 12 Non-current liabilities – Provisions**

	2017	2016
	\$	\$
Employee benefits – long service leave	762,816	658,248

**Reddam House Limited**  
**Notes to the financial statements**  
**31 December 2017**  
**(continued)**

**Note 13 Retained earnings**

	2017	2016	2015
	(Restated)*	(Restated)*	
	\$	\$	\$
Balance 1 January	21,457,861	14,568,583	10,059,888
Surplus for the year	<b>9,633,972</b>	6,889,278	4,508,695
Balance 31 December	<b>31,091,833</b>	21,457,861	14,568,583

\*Refer to Note 16 for further details.

**Note 14 Remuneration of auditors**

During the year the following fees were paid or payable for services provided by the auditor of the company

	2017	2016
	\$	\$
<i>Audit services</i> - Audit and review of financial statements	55,000	62,000
<i>Non-audit services</i>	-	-
Total remuneration of PwC Australia	<b>55,000</b>	62,000

**Note 15 Contingencies**

The company had no contingent liabilities at 31 December 2017 (2016: \$nil).

**Note 16 Commitments**

Commitments in relation to leases contracted for at the operating date but not recognised as liabilities are as follows:

	2017	2016	2015
	(Restated)*	(Restated)*	(Restated)*
	\$	\$	\$
Commitments in relation to operating leases are payable as follows:			
Not later than one year;	2,439,335	2,335,411	2,235,92
Later than one year but not later than five years;	13,633,965	13,336,679	12,763,17
Later than five years	<b>18,020,828</b>	20,757,449	23,666,36
	<b>34,094,128</b>	36,429,540	38,665,46

\*Balance has been restated to align lease commitments and liabilities with the terms of the lease agreements which have been entered into by Reddam House Limited.

**Reddam House Limited**  
**Notes to the financial statements**  
**31 December 2017**  
**(continued)**

**Note 17 Related party transactions**

**(a) Directors**

The following persons were directors of the company during the year ended 31 December 2017:

Rabbi Mendel Kastel  
Alistair McKeough  
David Pitcairn  
Diane Pitcairn  
Jonathan Stephens (Company Secretary appointed 14<sup>th</sup> December 2017)

**(b) Other key management personnel**

There are no other key management personnel of the company.

**(c) Other transactions with key management personnel or entities related to them**

There are no other transactions with key management personnel of the company.

**Note 19 Events occurring after the reporting period**

No matter or circumstance has occurred subsequent to the year end that has significantly affected, or may significantly affect, the operations of the company, the results of those operations or the state of affairs of the company or economic entity in subsequent financial years.

**Note 20 Reconciliation of profit after income tax to net cash inflow from operating activities**

	2017	2016
	\$	\$
Surplus for the year	9,633,972	6,889,278
Add depreciation and amortisation	847,643	845,322
Change in operating assets and liabilities		
Decrease (increase) in trade and other debtors	163,406	1,018,088
Increase in trade and other creditors	2,477,626	2,223,503
Increase/(decrease) in other provisions	186,787	192,759
Increase/(decrease) in lease accrual liabilities	591,149	616,043
Net cash inflow from operating activities	<u>13,900,583</u>	<u>11,784,993</u>

**Reddam House Limited**  
**Directors' declaration**  
**31 December 2017**

The financial report has been prepared in accordance with Accounting Standards and mandatory professional reporting requirements to the extent described in Note 1(a).

In the directors' opinion:

- (a) The consolidated financial statements and notes are in accordance with the *Corporations Act 2001*, including:
- i. complying with Account Standards – Reduced Disclosure Requirements, the Australian Charities and Not-for-profits Commission Act 2012 (ACNC) and other mandatory professional reporting requirements; and
  - ii. giving a true and fair view of the entity's financial position as at 31 December 2017 and of its performance for the financial year ended on that date; and
- (b) There are reasonable grounds to believe that the company 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 directors.



Alistair McKeough  
Director

Sydney

27<sup>th</sup> June 2018



## *Independent auditor's report*

To the members of Reddam House Limited

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### *Our opinion*

In our opinion:

The accompanying financial report of Reddam House Limited (the Company) is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

- (a) giving a true and fair view of the Company's financial position as at 31 December 2017 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

### ***What we have audited***

The financial report comprises:

- the statement of financial position as at 31 December 2017
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the directors' declaration.

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

### ***Independence***

We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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.

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**PricewaterhouseCoopers, ABN 52 780 433 757**

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### *Other information*

The directors are responsible for the other information. The other information comprises the information included in the Company's Annual report for the year ended 31 December 2017, including the Directors' 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 identified above 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.

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### *Responsibilities of the directors for the financial report*

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

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

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### *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 the 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 at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.

A handwritten signature in black ink, appearing to read 'Anthony', written over the printed name 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'James McElvogue', written over the printed name 'James McElvogue'.

James McElvogue  
Partner

Sydney  
29 June 2018