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Request Number 9977767.

Extracted from ASIC's Database on 03/02/2021 at 11:00.

Name: RARD NO 3 PTY LTD
ACN : 618 271 542

<i>Document ID</i>	<i>No. of Pages</i>	<i>Date Lodged</i>
7EBC59852	33	26/11/20

If this request is for financial accounts it may contain an XBRL version of the accounts in addition to the usual PDF version. To analyse the version of the accounts in XBRL format you will need to use XBRL reader software.
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Australian Securities & Investments Commission

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Form 388
Corporations Act 2001
294, 295, 298-300, 307, 308, 319, 321, 322
Corporations Regulations
1.0.08

Copy of financial statements and reports

Company details

Company name
RARD NO 3 PTY LTD

ACN
618 271 542

Lodgement details

Registered auditor number
300187

Registered auditor name
SHAUN JASON LINDEMANN

Reason for lodgement of statement and reports

A large proprietary company that is not a disclosing entity

Dates on which financial year ends

Financial year end date
30-06-2020

Details of large proprietary company

What is the consolidated revenue of the large proprietary company and the entities that it controls?
339933259

What is the value of the consolidated gross assets of the large proprietary company and the entities that it controls?
281227836

How many employees are employed by the large proprietary company and the entities that it controls?
111

How many members does the large proprietary company have?
1

Form 388 - Copy of financial statements and reports
RARD NO 3 PTY LTD ACN 618 271 542

Auditor's report

Were the financial statements audited?

Yes

Is the opinion/conclusion in the report modified? (The opinion/conclusion in the report is qualified, adverse or disclaimed)

No

Does the report contain an Emphasis of Matter and/or Other Matter paragraph?

Yes

Details of current auditor or auditors

Current auditor

Date of appointment **17-10-2018**
Given names **SHAUN JASON**
Family name **LINDEMANN**
Address **'PKF HACKETTS AUDIT' LEVEL 6
10 EAGLE STREET
BRISBANE QLD 4000**

Certification

I certify that the attached documents are a true copy of the original reports required to be lodged under section 319 of the Corporations Act 2001.

Yes

Signature

Select the capacity in which you are lodging the form
Agent

I certify that the information in this form is true and complete and that I am lodging these reports as, or on behalf of, the company.

Yes

Authentication

This form has been authenticated by
Name **SHAUN JASON LINDEMANN**
This form has been submitted by
Name **Shaun Jason LINDEMANN**
Date **26-11-2020**

For more help or information

Form 388 - Copy of financial statements and reports
RARD NO 3 PTY LTD ACN 618 271 542

Web	www.asic.gov.au
Ask a question?	www.asic.gov.au/question
Telephone	1300 300 630

**RARD No3 Pty Ltd and its
controlled entities**
ABN: 87618271542

SPECIAL PURPOSE FINANCIAL REPORT
For the year ended 30 June 2020

RARD NO3 PTY LTD AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

Your Directors present their report on the group for the year ended 30 June 2020.

Directors

The following persons were Directors of the group during the whole of the year and up to the date of this report:

Robin Anthony Murphy
Rory Patrick Murphy
Adrian John Murphy
Daniel James Murphy

Principal Activities

The group's principal activity during the year consisted of project and facilities management services. There has been no change in the group's principal activity during the year.

Operating Result and Review of Operations

The group recorded consolidated revenues of \$334,301,750 for the year ended 30 June 2020 compared to \$293,015,845 for the prior period. This result delivered a consolidated net profit after tax of \$101,056,932 compared to \$69,588,218 for the prior year.

The increase in profit was mainly attributable to stronger project revenue and contributions from investments delivered over the reporting period. The impact of COVID has had a significant impact to our operations, however, we have managed to mitigate this by changing operating procedures and the way we deliver our services.

Dividends Paid or Recommended

No dividends were declared or paid for the year ended 30 June 2020.

Environmental Regulations

The group is not affected by any significant environmental legislation.

Matters Subsequent to the end of the year

The impact of the COVID-19 pandemic is ongoing. It is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

There has not arisen in the interval between the end of the year and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the group, to affect significantly the operations of the group, results of those operations, or the state of affairs of the group, in subsequent years.

RARD NO3 PTY LTD AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT (continued)

Likely Developments and Expected Results of Operations

Likely developments in the operations of the group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the group.

Significant Changes in State of Affairs

There were no significant changes in the state of affairs of the group during the year and although it is expected that there will be changes to the company's activities in the near future, it is still unclear as to the extent of the changes predicted and, therefore, no additional information can be provided at the time of this report.

Options

No options were issued during the year and there are no options over unissued shares as at the end of the year.

Indemnification of Officers

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the group.

Legal Proceedings

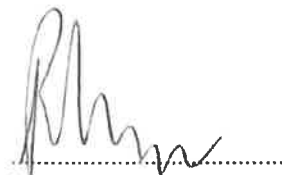
No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the group, or to intervene in any proceedings to which the group is a party, for the purpose of taking responsibility on behalf of the group for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the group with leave of the Court under section 237 of the *Corporations Act 2001*.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is provided with this report.

This report is signed in accordance with a resolution of the Directors.



Director

Brisbane, 25th November 2020

RARD NO3 PTY LTD AND ITS CONTROLLED ENTITIES

DIRECTORS' DECLARATION

The directors have determined that the group is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors of the group declare that:

- 1) The financial statements and notes, as set out on pages 4 to 27, are in accordance with the Corporations Act 2001 and:
 - a) Comply with Australian Accounting Standards to the extent outlined in Note 1
 - b) Give a true and fair view of the group's financial position as at 30 June 2020 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
- 2) In the directors' opinion there are reasonable grounds to believe that the group 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.



.....
Director

Brisbane, 25th November 2020

PKF Brisbane Audit



**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF RARD NO3 PTY LTD**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.

This declaration is in respect of RARD No3 Pty Ltd and the entities it controlled during the year.

PKF BRISBANE AUDIT

A handwritten signature in black ink, appearing to read 'S Lindemann', written over a light blue horizontal line.

SHAUN LINDEMANN
PARTNER

DATED THIS 25TH DAY OF NOVEMBER 2020
BRISBANE

RARD NO3 PTY LTD AND ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Sales Revenue	2	334,301,750	293,015,845
Cost of Sales		(168,474,141)	(147,424,487)
Gross Profit		<u>165,827,609</u>	<u>145,591,358</u>
Other Revenue	2	5,631,509	3,289,389
Employee benefits and on-costs		(32,343,024)	(44,095,274)
Depreciation and amortisation expenses		(831,540)	(18,215)
Finance costs		(76,422)	(60)
Other expenses		(8,026,245)	(13,255,991)
Profit before income tax	3	<u>130,181,887</u>	<u>91,511,207</u>
Income tax expense	4	(29,124,955)	(21,922,989)
Net Profit for the year		<u>101,056,932</u>	<u>69,588,218</u>
Other Comprehensive Income for the year			
Movement in asset revaluation reserve		(554,222)	982,175
Total Comprehensive Income		<u>100,502,710</u>	<u>70,570,393</u>
Profit Attributable to members		<u>100,502,710</u>	<u>70,570,393</u>
Total Comprehensive Income attributable to members		<u>100,502,710</u>	<u>70,570,393</u>

The accompanying notes form part of these financial statements.

RARD NO3 PTY LTD AND ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	152,812,202	124,540,171
Trade and other receivables	6	18,315,644	10,946,649
Inventories	7	1,550,251	1,298,486
Investments in financial assets	8	90,509,557	39,592,628
TOTAL CURRENT ASSETS		<u>263,187,654</u>	<u>176,377,934</u>
Property, plant and equipment	9	1,380,319	134,623
Investment property	10	16,659,815	-
Deferred tax asset	11	48	-
TOTAL NON-CURRENT ASSETS		<u>18,040,182</u>	<u>134,623</u>
TOTAL ASSETS		<u>281,227,836</u>	<u>176,512,557</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	56,743,323	46,388,051
Lease liabilities	13	822,764	-
Provisions	14	1,693,491	919,237
Current tax liabilities	15	7,404,648	15,477,493
TOTAL CURRENT LIABILITIES		<u>66,664,226</u>	<u>62,784,781</u>
NON -CURRENT LIABILITIES			
Lease liabilities	13	285,555	-
Deferred tax liability	11	47,568	-
TOTAL NON-CURRENT LIABILITIES		<u>333,123</u>	<u>-</u>
TOTAL LIABILITIES		66,997,349	62,784,781
NET ASSETS		<u>214,230,487</u>	<u>113,727,776</u>
EQUITY			
Contributed equity	16	8	8
Revaluation Reserve		427,954	982,175
Retained earnings		213,802,525	112,745,593
TOTAL EQUITY		<u>214,230,487</u>	<u>113,727,776</u>

The accompanying notes form part of these financial statements.

RARD NO3 PTY LTD AND ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Note	Issued Capital (Ordinary Shares) \$	Retained Earnings \$	Reserves \$	Total \$
Balance at 1 July 2018		8	43,157,374	-	43,157,382
Comprehensive income					
Profit for the year		-	69,588,218	-	69,558,218
Other comprehensive income for the year		-	-	982,175	982,175
Total comprehensive income for the year attributable to members of the entity		-	69,588,218	982,175	70,570,393
Balance at 30 June 2019		8	112,745,593	982,175	113,727,776
Comprehensive income					
Profit for the year		-	101,056,932	-	101,056,932
Other comprehensive income for the year		-	-	(554,222)	(554,222)
Total comprehensive income for the year attributable to members of the entity		-	101,056,932	(554,222)	100,502,710
Balance at 30 June 2020		8	213,802,525	427,954	214,230,487

The accompanying notes form part of these financial statements.

RARD NO3 PTY LTD AND ITS CONTROLLED ENTITIES

**CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		349,841,054	318,289,289
Payments to suppliers and employees		(212,263,855)	(207,658,332)
Interest paid		(76,423)	(60)
Interest received		4,287,050	2,966,330
Income tax paid		(37,150,232)	(7,079,302)
Net cash provided by operating activities	17(b)	104,637,594	106,517,925
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for investments in financial assets		(51,471,151)	(38,610,453)
Payment for investment property		(16,659,815)	-
Payment for plant and equipment		(202,519)	(104,351)
Net cash used in investing activities		(68,333,485)	(38,714,804)
CASH FLOWS FROM FINANCING ACTIVITIES			
Loans (to)/received from related parties	17(c)	(7,265,680)	(8,004,698)
Proceeds from (repayment of) borrowings	17(c)	(766,398)	-
Net cash used in financing activities		(8,032,078)	(8,004,698)
Net (decrease) increase in cash held		28,272,031	59,798,423
Cash at beginning of financial year		124,540,171	64,741,748
Cash at end of financial year	17(a)	152,812,202	124,540,171

The accompanying notes form part of these financial statements.

RARD NO3 PTY LTD AND ITS CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements and notes represent those of RARD NO3 Pty Ltd ('the company') and its controlled entities ('the group'). RARD NO3 Pty Ltd is a company limited by shares, incorporated and domiciled in Australia.

The financial statements were authorised for issue on 26th November 2020 by the directors of the company.

Basis for Preparation

The directors' have prepared the financial statements on the basis that the group is a non-reporting entity because there are no users dependent on general purpose financial reports. This financial report is therefore a special purpose financial report that has been prepared in order to meet the requirements of the *Corporations Act 2001*. The group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This financial report has been prepared in accordance with 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 the previous period 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.

The amounts presented in the financial statements are in Australian dollars and have been rounded to the nearest dollar.

The accounting policies that have been adopted in the preparation of this report are as follows:

Accounting Policies

(a) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (RARD No3 Pty Ltd) and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary details are provided in Note 19.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

RARD NO3 PTY LTD AND ITS CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as “non-controlling interests”. The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary’s net assets on liquidation at either fair value or at the non-controlling interests’ proportionate share of the subsidiary’s net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

(b) Revenue & Other Income recognition

The Group has applied AASB 15: *Revenue from Contracts with Customers* effective 1 July 2018.

Revenue recognition relating to the provision of services is recognised on a monthly basis as determined with reference to the contractual terms under the *Contract in relation to the provision of Garrison and Welfare Services on the Republic of Nauru*, as services are provided by the Group.

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.

Rental revenue from operating leases where the Group effectively retains substantially all the risks and benefits of ownership of the leased item, is recognised on a straight-line basis.

All revenue is stated net of goods and services tax.

(c) Expenses

Expenditure is recognised when goods and services are provided to the group and are recognised upon incurrence as a liability.

(d) Income tax

Current income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

RARD NO3 PTY LTD AND ITS CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Income tax (continued)

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only when it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

(e) Cash & Cash Equivalents

Cash and cash equivalents include cash on hand, deposits at call with banks, other short-term highly liquid investments that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(f) Receivables

All trade debtors are recognised at the amounts receivable as they are due for settlement within normal trading terms of 30 days or in accordance with contractual terms. The Group's impairment policy is outlined in Note 1(g).

RARD NO3 PTY LTD AND ITS CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense to profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

Financial assets

Financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- Amortised cost
- Fair value through profit or loss (FVPL)
- Equity instruments at fair value through other comprehensive income (FVOCI)

The group's investments in debt and equity instruments of other companies are classified as Fair value through other comprehensive income (FVOCI) in accordance with AASB 9 – Financial Instruments, if they meet the following conditions (and are not designated as FVPL):

- They are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

RARD NO3 PTY LTD AND ITS CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Financial Instruments (continued)

Financial assets designated as FVPL and FVOCI are subsequently measured at fair value. Financial assets at amortised costs are subsequently measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instrument.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables, which is presented within other expenses.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Group no longer controls the asset (i.e. it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

RARD NO3 PTY LTD AND ITS CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Financial Instruments (continued)

Impairment

The Group recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Group uses the simplified approach to impairment, as applicable under AASB 9: *Financial Instruments*.

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to trade receivables that result from transactions that are within the scope of AASB 15: *Revenue from Contracts with Customers*, and which do not contain a significant financing component.

In measuring the expected credit loss, a provision matrix for trade receivables is used, taking into consideration various data to get to an expected credit loss (i.e. diversity of its customer base, appropriate groupings of its historical loss experience, etc).

Recognition of expected credit losses in financial statements

At each reporting date, the Group recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

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

Cash flows are presented in the cash flow statement on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

RARD NO3 PTY LTD AND ITS CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Employee Benefits

Provision is made for the group's liability for employee benefits arising from services rendered by employees to balance date.

Employee benefits have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

(j) Provisions

Provisions are recognised when the group 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 reporting date.

(k) Inventories

Inventories are measured at the lower of cost and net realisable value, and represent stock on hand and stock in transit as at reporting date. Inventories are valued according to the First in First out method of valuation.

(l) Trade and other creditors

These amounts represent liabilities for goods and services provided to the group prior to the end of the year and which are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition.

(m) Interest bearing liabilities

Loans, lease liabilities and hire purchase obligations are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and is recorded as part of the borrowing balance.

(n) Comparative Figures

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

RARD NO3 PTY LTD AND ITS CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

(i) Provision for the impairment of receivables

The trade receivables reported as at the end of the reporting period are considered to be recoverable therefore the directors believe that no provision for impairment is required

(ii) Provision for the termination of contract costs

The group's single contract with the Commonwealth of Australia is due to expire on the 31st December 2020 with an option to extend for another six months. As such, provisions have been recognised in relation to expected costs based on directors estimates of the expected cost and probability of the contract concluding.

(iv) COVID-19 impacts

Judgement has been exercised in considering the impacts the COVID-19 pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the services offered, customers, supply chain, staffing and geographic regions in which the Group operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the COVID-19 pandemic. The board continues to actively monitor the situation.

(p) Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in 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).

RARD NO3 PTY LTD AND ITS CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Investment Property

Investment property comprises investment interests in land and buildings (including integral plant and equipment) held for the purpose of letting to produce rental income or for capital appreciation or both. Initially, investment property is measured at cost including transaction costs. Subsequent to initial recognition, investment property is then stated at fair value at each balance date with any gain or loss arising from a change in fair value of investment property recognised in the statement of comprehensive income in the period in which it arises. Fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties have each acted knowledgeably, prudently and without compulsion.

External independent valuations are commissioned at least once every three years or when the directors are of the opinion there has been a material movement in the market. Internal valuations are also undertaken by suitably experienced and qualified appraisers for those properties not externally valued at each balance date.

Investment property is derecognised when disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal. Any gain or loss on derecognition of an investment property is recognised in the statement of comprehensive income in the period of derecognition.

(r) New and Amended Accounting Policies Adopted by the Group

AASB 16: Leases

The Group has applied AASB 16 *Leases* from 1 July 2019 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 July 2019. Accordingly, the comparative information presented for the year ended 30 June 2019 is not restated – i.e. it is presented, as previously reported under AASB 117 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in AASB 16 have not generally been applied to comparative information.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

RARD NO3 PTY LTD AND ITS CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

On transition to AASB 16, the Group recognised right-of-use assets and liabilities of \$1,874,717 in respect to all leases to which it was a lessee, that had commenced as at that date, and that did not meet the necessary criteria to be classified as short-term or low value leases. There was no impact to opening retained earnings.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term

(s) New Accounting Standards for Application in Future Periods

There are no standards or amendments that have been issued but not yet effective that are expected to have a significant impact on the Group.

The Group does not anticipate adopting any standards prior to their effective dates

(t) Significant contract with the Commonwealth of Australia.

The majority of project revenue for the current reporting period has been received under a single contract between the group and the Commonwealth of Australia. This contract has an expiry date of 31 December 2020 with an option to extend for another six months.

RARD NO3 PTY LTD AND ITS CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

2. REVENUE	2020	2019
	\$	\$
Sales Revenue:		
Construction revenue	334,301,750	293,015,845
Other revenue:		
Interest	4,287,050	2,966,330
Dividend Income	660,233	323,059
Other revenue	684,226	-
Total other revenue	<u>5,631,509</u>	<u>3,289,389</u>
Total Revenue	<u>339,933,259</u>	<u>3,289,389</u>

3. NET PROFIT

The net profit before income tax expense includes the following specific net gains and expenses:

Revenue and Net gains		
Interest	4,287,050	2,966,330
Dividend Income	660,233	323,059
Expenses		
Depreciation/amortisation	831,540	18,215
Consultant expense	1,250,000	2,950,000
Rent expense	12,338	845,313
Interest Expense	76,423	-
Insurance	3,120,355	5,962,753
Audit Fees	23,000	19,500

RARD NO3 PTY LTD AND ITS CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

4. INCOME TAX EXPENSE	2020	2019
	\$	\$
(a) The aggregate amount of income tax expense includes the following net gains and expenses:		
Net profit/(loss) before income tax expense	<u>130,181,887</u>	<u>91,511,207</u>
At the statutory income tax rate of 30% (2019: 30%) Tax effect of amounts which are not deductible (taxable) in calculating taxable income:	39,054,566	27,453,362
Non-assessable non-exempt income	(2,541,401)	(594,037)
Tax offset for Franked Dividends/Foreign Income	(1,891,626)	(1,150,915)
Trust distributions	(19,320)	5,380
Other	3,761	(1)
	<u>34,605,980</u>	<u>25,713,789</u>
Difference in overseas tax rates	(5,481,026)	(4,097,942)
Adjustments for current tax of prior periods	-	307,141
Income Tax Expense	<u>29,124,955</u>	<u>21,922,989</u>
(b) The components of income tax expense:		
Current tax	29,077,435	21,615,847
Deferred tax	47,520	-
Adjustment for current tax of prior periods	-	307,142
	<u>29,124,955</u>	<u>21,922,989</u>
Deferred income tax (revenue) expense included in tax expense comprises:		
Decrease (increase) in deferred tax assets (Note 11)	(48)	-
(Decrease) increase in deferred tax liabilities (Note 11)	47,568	-
	-	-
	<u>47,520</u>	<u>-</u>
Franking credits available for use in subsequent financial years	<u>3,336,763</u>	<u>1,531,262</u>

RARD NO3 PTY LTD AND ITS CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
5. CASH		
Cash at bank and on hand	152,812,202	124,540,171
	<u>152,812,202</u>	<u>124,540,171</u>
6. RECEIVABLES		
Trade debtors	2,232,833	2,802,644
Sundry debtors	196,102	137,107
Accrued Income	600,973	-
Prepayments	8,598	2,200
Deposits Paid	6,760	-
Loan Accounts - Related Parties	15,270,378	8,004,698
	<u>18,315,644</u>	<u>10,946,649</u>
7. INVENTORIES		
Stock on Hand	1,440,124	1,191,457
Stock in Transit	110,127	107,029
	<u>1,550,251</u>	<u>1,298,486</u>
8. INVESTMENT IN FINANCIAL ASSETS		
Investments – Financial Assets at FVTOCI	90,509,557	39,592,628
	<u>90,509,557</u>	<u>39,592,628</u>
9. PROPERTY, PLANT & EQUIPMENT		
Plant & equipment – at cost	128,354	128,354
Less accumulated depreciation	(23,534)	(11,887)
	<u>104,820</u>	<u>116,467</u>
Office equipment – at cost	230,126	27,607
Less accumulated depreciation	(40,198)	(9,451)
	<u>189,928</u>	<u>18,156</u>
Right of Use of Asset– at cost	1,874,717	-
Less accumulated depreciation	(789,146)	-
	<u>1,085,571</u>	<u>--</u>
	<u>1,380,319</u>	<u>134,623</u>

RARD NO3 PTY LTD AND ITS CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

9. PROPERTY, PLANT & EQUIPMENT (continued)

Reconciliations of the carrying amounts of each class of plant and equipment at the beginning and end of the current financial year are set out below:

	Plant and equipment	Office equipment	ROU Asset	Total
Carrying amount	116,466	18,156	-	134,622
Addition	-	202,520	1,874,717	2,077,237
Disposals	-	-	-	-
Transfers	-	-	-	-
Depreciation	(11,646)	(30,748)	(789,146)	(831,540)
Closing balance	<u>104,820</u>	<u>189,928</u>	<u>1,085,571</u>	<u>1,380,319</u>

10. INVESTMENT PROPERTY (at Fair Value)	2020	2019
	\$	\$
Investment Property	<u>16,659,815</u>	<u>-</u>

Three investment properties were acquired during the year. The acquisition costs which the Directors considered as fair value as at reporting date is supported by recent market sales evidence.

RARD NO3 PTY LTD AND ITS CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
11. DEFERRED TAX ASSETS/LIABILITIES	\$	\$
The balance comprises temporary differences attributable to:		
<i>Amounts recognised in profit and loss</i>		
Provisions	48	-
Total deferred tax assets	48	-
The balance comprises temporary differences attributable to:		
<i>Amounts recognised in profit and loss</i>		
Property, Plant and Equipment	47,568	-
Other	-	-
Total deferred tax liabilities	47,568	-
Set-off of deferred tax asset pursuant to set-off provisions (Note 11)	(48)	-
Net deferred tax liabilities	47,520	-
Deferred tax liabilities expected to be settled within 12 months	47,520	-
Deferred tax liabilities expected to be settled after more than 12 months	-	-
	47,520	-
 12. PAYABLES		
Trade creditors	28,399,582	15,857,630
Creditors accruals	28,807,789	23,350,380
Deposits Received	27,517	-
PAYG Clearing	29,652	4,142,666
Payroll clearing	-	4,394,200
Superannuation payable	134,413	39,311
GST Payable (receivable)	(655,630)	(1,481,547)
FBT Payable	-	85,411
	56,743,323	46,388,051

RARD NO3 PTY LTD AND ITS CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
13. LEASE LIABILITIES		
Lease Liability – Current	822,764	-
Lease Liability – Non Current	285,555	-
14. PROVISIONS - CURRENT		
Employee entitlements	1,693,491	919,237
	1,693,491	919,237
15. TAX LIABILITIES - CURRENT		
Provision for income tax	7,404,648	15,477,493
	7,404,648	15,477,493
16. CONTRIBUTED EQUITY		
8 fully paid ordinary shares	8	8

Ordinary shares participate in dividends and the proceeds on winding up of the group in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on show of hands.

RARD NO3 PTY LTD AND ITS CONTROLLED ENTITIES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

17. CASH FLOW INFORMATION

(a) Reconciliation of Cash	2020	2019	
	\$	\$	
For the purposes of the statement of cash flows, cash includes cash on hand and in banks, net of outstanding bank overdrafts. Cash at the end of the period, as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:			
Cash at bank and on hand (Note 5)	152,812,202	124,540,171	
Cash as per statement of cash flows	<u>152,812,202</u>	<u>124,540,171</u>	
 (b) Reconciliation of Cash Flow from Operations with Profit after Income Tax			
Profit after income tax	101,056,932	69,588,218	
Non-cash flows in profit:			
– Depreciation	831,540	18,215	
Changes in assets and liabilities:			
– (increase)/decrease in trade and other receivables	(105,564)	8,301,506	
– (increase)/decrease in inventories	(251,765)	1,274,497	
– (increase)/decrease in other current assets	2,201	508,697	
– increase/(decrease) in trade and other payables	10,355,273	13,336,362	
– increase/(decrease) in employee entitlements	774,254	(1,353,258)	
– increase/(decrease) in income tax liabilities	(8,025,277)	14,843,688	
Net Cash provided by Operating activities	<u>104,637,594</u>	<u>106,517,925</u>	
 (c) Changes in Liabilities Arising from Financing Activities			
	Related Party Loans Receivable	Lease Liabilities	Total
Balance at 1 July 2019	8,004,698	-	8,004,698
Cash outflow – Loan to related parties	7,265,680	-	7,265,680
Cash outflow – Payment of lease liabilities	-	766,398	766,398
Non cash changes – Additions to PPE	-	(1,874,717)	(1,874,717)
Balance as at 30 June 2020	<u>15,270,378</u>	<u>(1,108,319)</u>	<u>14,162,059</u>

RARD NO3 PTY LTD AND ITS CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

18. COMMITMENTS	2020	2019
	\$	\$
Non-cancellable commitments contracted for but not recognised in the financial statements:		
Payable:		
- not later than 12 months	-	-
- between 12 months and five years	25,671,555	35,504,576
- later than five years	-	-
Total	25,671,555	35,504,576

19. INFORMATION INTERESTS IN SUBSIDIARIES

(a) Information about Principal Subsidiaries

The subsidiaries listed below have share capital consisting solely of ordinary shares, which are held directly by the parent entity. The assets, liabilities, income and expenses of the subsidiaries have been consolidated on a line-by-line basis in the consolidated financial statements of the Group. Each subsidiary's principal place of business is also its country of incorporation or registration.

Name of Subsidiary	Place of incorporation and operation	Ownership Interest Held by the Group	
		2020	2019
		%	%
Canstruct International Pty Ltd	Australia	100	100
MFIC Infrastructure Pty Ltd*	Australia	100	100
MFIC Property Pty Ltd	Australia	100	100
MFIC Private Equity Pty Ltd	Australia	100	100
MFIC Securities Pty Ltd	Australia	100	100

* Companies were dormant at 30 June 2020.

Subsidiary financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Group's financial statements.

20. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The group has no contingent liabilities or assets as at 30 June 2020.

RARD NO3 PTY LTD AND ITS CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

21. EVENTS SUBSEQUENT TO BALANCE SHEET DATE

The impact of the COVID-19 pandemic is ongoing. It is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

The directors are not aware of any other significant events since the end of the reporting period.

22. COMPANY DETAILS

The registered office of the company is:

Vincent's Chartered Accountants
Level 34, 32 Turbot Street
BRISBANE
QLD 4000

The principal place of business is:

769 Fairfield Road
Yeerongpilly,
BRISBANE
QLD, 4076

PKF Brisbane Audit



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RARD NO3 PTY LTD

Report on the Financial Report

Opinion

We have audited the accompanying financial report, being a special purpose financial report, of RARD No3 Pty Ltd (the company) and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company and the consolidated group, comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

In our opinion the financial report of the RARD No3 Pty Ltd is in accordance with the *Corporations Act 2001*, including:

- a) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the year ended on that date; and
- b) Complying with Australian Accounting Standards to the extent described in Note 1 and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the Auditor's Responsibility 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 consolidated entity in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (including Independence Standards) (the code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Emphasis of Matter – Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the director's financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose.

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Directors' Responsibilities for the Financial Report

The directors of the consolidated entity are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report are appropriate to meet the needs of the members.

The directors' responsibilities also includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. 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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individual or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

PKF BRISBANE AUDIT

A handwritten signature in black ink, appearing to read 'S Lindemann', written over a light blue horizontal line.

SHAUN LINDEMANN
PARTNER

BRISBANE
DATE: 25 NOVEMBER 2020