



*Reduced Disclosure
Requirements*
**Model Financial
Statements**

Financial years ending on
or after 30 June 2010

Released November 2010

Model reduced disclosure annual report for financial years ending on or after 30 June 2010

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About the model reduced disclosure annual report

Purpose

The AASB has released AASB 1053 *Application of Tiers of Australian Accounting Standards* and AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements* to implement its revised differential reporting regime. These Standards were made by the AASB out of session on 30 June 2010 and mandatorily apply to annual financial reporting periods beginning on or after 1 July 2013, however, early adoption is permitted for annual reporting periods beginning on or after 1 July 2009. This model reduced disclosure annual report has been designed by Deloitte Touche Tohmatsu to assist eligible entities adopting the reduced disclosure requirements prior to the mandatory application date.

While the reduced disclosure regime is available for early adoption by for-profit entities that do not have public accountability and not-for-profit entities, this model report does not provide guidance on the requirements applicable to not-for-profit entities. Note that at this stage, the AASB is yet to consider reduced disclosure requirements with respect to non-reporting entities currently preparing special purpose financial statements, and as such, this model report does not illustrate the requirements that would be required for such entities. Entities should also note that the AASB has not yet considered the requirements in AASB 4 *Insurance Contracts*, AASB 1023 *General Insurance Contracts*, AASB 1038 *Life Insurance Contracts* and AAS 25 *Financial Reporting by Superannuation Plans* in formulating the current reduced disclosure requirements, and as a result, additional disclosures may be eliminated at a later date.

The fictitious entity used in this model, RDR Holdings (Australia) Limited, is assumed to have transitioned to Australian Accounting Standards in June 2006. On transition to Australian Accounting Standards – Reduced Disclosure Requirements, RDR Holdings (Australia) Limited is not required to apply AASB 1 *First-time Adoption of Australian Accounting Standards*. However, entities moving from full Australian Accounting Standards (Tier 1) to Australian Accounting Standards – Reduced Disclosure Requirements (Tier 2) should carefully consider the need to readopt Tier 1 at a later stage (e.g. companies that will become listed in the near future) as they would be required to apply AASB 1 again on transition back to Tier 1. Similarly, where an entity has previously not complied with some or all of the recognition and measurement requirements of Australian Accounting Standards (i.e. some special purpose reporters) and adopts the reduced disclosure requirements, that entity will be required to apply AASB 1 in its first Australian-Accounting-Standards-Reduced- Disclosure-Requirements financial statements. Users should refer to AASB 1 *First-time Adoption of Australian Accounting Standards* for specific requirements regarding an entity's first Australian-Accounting-Standards financial statements and an entity's first Australian-Accounting-Standards-Reduced- Disclosure-Requirements financial statements.

In addition to the reduced disclosure requirements, the *Corporations Amendment (Corporate Reporting Reform) Act 2010* received Royal Assent on 28 June 2010 and the accompanying *Corporations Amendment Regulations 2010 (No.6)* were made on 29 June 2010. The amendments are effective from those dates (i.e. they apply for financial years ending on or after 30 June 2010) and remove the requirement to include the separate financial statements of the parent when consolidated financial statements are prepared. Instead, limited financial information about the parent is required to be disclosed in the notes. As such, the model financial statements illustrated in this document do not include the separate financial statements of the parent, and only include the limited disclosures required by Regulation 2M.3.01 of the *Corporations Regulations 2001*.

Implementation of accounting standards is done in the legal framework of the Act, and due to the way the amendments to the *Corporations Act 2001* have been worded, inclusion of parent entity financial statements when consolidated financial statements are prepared would result in a breach of the law. In response to this unintended outcome, the Australian Securities and Investments Commission (ASIC) has issued Class Order [CO 10/654] *Inclusion of parent entity financial statements in financial reports*, which provides general relief to permit entities to continue to include parent entity financial statements in financial reports, either because they simply choose to present this information or to assist entities that would otherwise be in breach of other legal requirements if they removed this information (e.g. Australian Financial Services licensees). Entities with a reporting mandate under other legislation should therefore consider that mandate before removing parent entity columns. Where an entity presents the separate financial statements of the parent, the requirements of AASB 127 *Consolidated and Separate Financial Statements* will apply to those financial statements, and separate statements of comprehensive income, financial position, changes in equity and cash flows for the parent will generally be required, together with supporting notes. For more information, refer to [Accounting alert 2010/08 - Financial reporting reforms](#).

In these 2010 model financial statements, we have illustrated the impact of the adoption of a number of new and revised Standards and Interpretations (see note 2 to the financial statements for details).

AASB 101 (as revised in 2007) introduced a number of terminology changes, including revised titles for the financial statements (e.g. 'statement of financial position' instead of 'balance sheet'). The revised terminology has been adopted throughout these model financial statements. Preparers should be aware, however, that the new titles for the financial statements are not mandatory.

For the purposes of presenting the statements of comprehensive income and cash flows, the alternatives allowed under Australian Accounting Standards for those statements have been illustrated. Preparers should select the alternatives most appropriate to their circumstances.

Note that in these model financial statements, we have frequently included line items for which a nil amount is shown, so as to illustrate items that, although not applicable to RDR Holdings (Australia) Limited, are commonly encountered in practice. This does not mean that we have illustrated all possible disclosures. Nor should it be taken to mean that, in practice, entities are required to display line items for such 'nil' amounts.

This illustration is not designed to meet specific needs of specialised industries. Rather, it is intended to meet the needs of the majority of entities in complying with the annual reporting requirements of the *Corporations Act 2001*. Inquiries regarding specialised industries (e.g. life insurance companies, credit unions, etc.) should be directed to an industry specialist in your nearest Deloitte Touche Tohmatsu office.

Exclusions

This model does not, and cannot be expected to cover all situations that may be encountered in practice. Therefore, knowledge of the disclosure provisions of the *Corporations Act 2001*, Accounting Standards and Interpretations are pre-requisites for the preparation of annual reports.

Specifically, this illustration does not provide guidance on the 'not-for-profit' disclosure requirements of Accounting Standards, nor the disclosure requirements of the following Accounting Standards and Interpretations:

AASB 1	'First-time Adoption of Australian Accounting Standards'
AASB 4	'Insurance Contracts'
AASB 6	'Exploration for and Evaluation of Mineral Resources'
	Note: While this illustration does not provide guidance on the disclosure requirements of AASB 6, a number of example accounting policies applicable to mining entities are included in note 3 to the financial statements
AASB 129	'Financial Reporting in Hyperinflationary Economies'
AASB 134	'Interim Financial Reporting' (other than as noted)
AASB 141	'Agriculture'
AASB 1004	'Contributions'
AASB 1023	'General Insurance Contracts'
AASB 1038	'Life Insurance Contracts'
AASB 1049	'Financial Reporting by General Government Sectors'
AAS 25	'Financial Reporting by Superannuation Plans'
AAS 27	'Financial Reporting by Local Governments'
AAS 29	'Financial Reporting by Government Departments'
AAS 31	'Financial Reporting by Governments'
Int 2	'Members' Shares In Co-Operative Entities and Similar Instruments'
Int 129	'Disclosure – Service Concession Arrangements'
Int 1017	'Developer and Customer Contributions for Connection to a Price-Regulated Network'
Int 1019	'The Superannuation Contributions Surcharge'
Int 1047	'Professional Indemnity Claims Liabilities in Medical Defence Organisations'

Further, unless otherwise specified, this illustration only includes references to Standards not yet effective (and not early adopted) in the context of illustrating the disclosures specified by AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*.

We see this publication as an illustration and strongly encourage preparers of financial statements to ensure that disclosures made are relevant, practical and useful.

Source references

References to the relevant requirements are provided in the left hand column of each page of this illustration. Where doubt exists as to the appropriate treatment, examination of the source of the disclosure requirement is recommended.

Abbreviations used in this illustration are as follows:

s.	Section of the Corporations Act 2001
Reg	Regulation of the Corporations Regulations 2001
AASB	Accounting Standard issued by the Australian Accounting Standards Board
Int	Interpretation issued by the Australian Accounting Standards Board
ASA	Australian Auditing Standard issued by the Auditing and Assurance Standards Board
ASIC-CO	Australian Securities and Investments Commission Class Order issued pursuant to s.341(1) of the Corporations Act 2001
ASIC-RG	Australian Securities and Investments Commission Regulatory Guide

RDR Holdings (Australia) Limited
ACN 123 456 789
Annual report for the financial year ended 30 June 2010

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Source	RDR Holdings (Australia) Limited																
s.1308(7)	<p>Directors' report</p> <p>Where the directors' report contains information in addition to that required by the Corporations Act 2001, the information will be regarded as part of the directors' report for the purposes of s.1308 'False or misleading statements'.</p>																
	<p>Transfer of information from the directors' report into another document forming part of the annual report</p>																
s.300(2)	<p>Information required by s.300 need not be included in the directors' report where such information is disclosed in the financial statements.</p>																
ASIC-CO 98/2395	<p>Information required by s.298(1AA)(c) or s.298(1AB)(b) [companies limited by guarantee], s.298(1A), s.299 and s.300 (other than s.300(11C) insofar as those sections require certain information to be included in the directors' report or in the financial statements pursuant to s.300(2)) may be transferred to a document attached to the directors' report and financial statements where a clear cross reference to the pages containing the excluded information exists and certain conditions are satisfied. The information required by s.298(1AA)(c) or s.298(1AB)(b) [companies limited by guarantee], s.298(1A) and s.299 may not be transferred into the financial statements. Where information is transferred into the financial statements it will be subject to audit.</p>																
	<p>The directors of RDR Holdings (Australia) Limited submit herewith the annual report of the company for the financial year ended 30 June 2010. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:</p>																
	<p>Information about the directors and senior management</p>																
s.300(1)(c), s.300(10)(a)	<p>The names and particulars of the directors of the company during or since the end of the financial year are:</p>																
	<table border="1"> <thead> <tr> <th data-bbox="395 1048 614 1077">Name [all entities]</th> <th data-bbox="614 1048 1484 1077">Particulars [public companies only]</th> </tr> </thead> <tbody> <tr> <td data-bbox="395 1077 614 1189">Mr C.J. Chambers</td> <td data-bbox="614 1077 1484 1189">Chairman, Chartered Accountant, joined the Board in 2001 in a non-executive capacity and is a non-executive director of the ultimate holding company, ELC Ultimate Limited. Mr C.J. Chambers is also a director of Eastwood Limited. He is a member of the audit committee and the risk management committee.</td> </tr> <tr> <td data-bbox="395 1189 614 1249">Mr P.H. Taylor</td> <td data-bbox="614 1189 1484 1249">Chief Executive Officer, joined the Board in 1998. Mr P.H. Taylor was previously the CEO at a large manufacturing company.</td> </tr> <tr> <td data-bbox="395 1249 614 1339">Ms F.R. Ridley</td> <td data-bbox="614 1249 1484 1339">Chartered Accountant, joined the Board in 2007 in a non-executive capacity. Ms F.R. Ridley is a member of the nomination and remuneration committee, and of the audit committee.</td> </tr> <tr> <td data-bbox="395 1339 614 1400">Mr A.K. Black</td> <td data-bbox="614 1339 1484 1400">Industrial Engineer, joined the Board in July 2010. He previously held various senior management positions in manufacturing and wholesale companies.</td> </tr> <tr> <td data-bbox="395 1400 614 1512">Mr B.M. Stavrinidis</td> <td data-bbox="614 1400 1484 1512">Director of Merchant Bank Limited, joined the Board in 2006 in a non-executive capacity. Mr B.M. Stavrinidis is a member of the nomination and remuneration committee, the audit committee, and the risk management committee.</td> </tr> <tr> <td data-bbox="395 1512 614 1601">Mr W.K. Flinders</td> <td data-bbox="614 1512 1484 1601">Practicing Solicitor, joined the Board in 2003 in a non-executive capacity and resigned during the year. Mr W.K. Flinders was a member of the nomination and remuneration committee until his resignation.</td> </tr> <tr> <td data-bbox="395 1601 614 1704">Ms S.M. Saunders</td> <td data-bbox="614 1601 1484 1704">Practicing Solicitor, joined the Board in 2009 in a non-executive capacity and resigned after year end. Ms S.M. Saunders was a member of the nomination and remuneration committee and the risk management committee until her resignation.</td> </tr> </tbody> </table>	Name [all entities]	Particulars [public companies only]	Mr C.J. Chambers	Chairman, Chartered Accountant, joined the Board in 2001 in a non-executive capacity and is a non-executive director of the ultimate holding company, ELC Ultimate Limited. Mr C.J. Chambers is also a director of Eastwood Limited. He is a member of the audit committee and the risk management committee.	Mr P.H. Taylor	Chief Executive Officer, joined the Board in 1998. Mr P.H. Taylor was previously the CEO at a large manufacturing company.	Ms F.R. Ridley	Chartered Accountant, joined the Board in 2007 in a non-executive capacity. Ms F.R. Ridley is a member of the nomination and remuneration committee, and of the audit committee.	Mr A.K. Black	Industrial Engineer, joined the Board in July 2010. He previously held various senior management positions in manufacturing and wholesale companies.	Mr B.M. Stavrinidis	Director of Merchant Bank Limited, joined the Board in 2006 in a non-executive capacity. Mr B.M. Stavrinidis is a member of the nomination and remuneration committee, the audit committee, and the risk management committee.	Mr W.K. Flinders	Practicing Solicitor, joined the Board in 2003 in a non-executive capacity and resigned during the year. Mr W.K. Flinders was a member of the nomination and remuneration committee until his resignation.	Ms S.M. Saunders	Practicing Solicitor, joined the Board in 2009 in a non-executive capacity and resigned after year end. Ms S.M. Saunders was a member of the nomination and remuneration committee and the risk management committee until her resignation.
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s.300(1)(c)	<p>The above named directors held office during the whole of the financial year and since the end of the financial year except for:</p> <ul style="list-style-type: none"> • Mr W.K. Flinders – resigned 20 July 2009 • Ms S.M. Saunders – appointed 1 August 2009, resigned 30 July 2010 • Mr A.K. Black – appointed 21 July 2010 																
s.300(10)(a) s.300(10)	<p>Particulars include each director's qualifications, experience and special responsibilities. Disclosure of directors' particulars is not required for a public company which is a wholly-owned controlled entity of another company.</p>																

Source	RDR Holdings (Australia) Limited																												
	<p>Former partners of the audit firm</p>																												
s.300(1)(ca)	<p>The directors' report must disclose the name of each person who:</p> <ul style="list-style-type: none"> • is an officer of the company, registered scheme or disclosing entity at any time during the year; • was a partner in an audit firm, or a director of an audit company, that is an auditor of the company, disclosing entity or registered scheme for the year; and • was such a partner or director at a time when the audit firm or the audit company undertook an audit of the company, disclosing entity or registered scheme. 																												
	<p>Share options granted to directors and senior management</p>																												
s.300(1)(d)	<p>The directors' report should include details of options that are:</p> <ol style="list-style-type: none"> granted over unissued shares or unissued interests during or since the end of the financial year; and granted to any of the directors or any of the 5 most highly remunerated officers of the company (other than the directors); and granted to them as part of their remuneration. 																												
s.300(3)	<p>The disclosures required by s.300(1)(d) (refer below), s.300(1)(e) and s.300(1)(f) cover:</p> <ol style="list-style-type: none"> options over unissued shares and interests of the company, registered scheme or disclosing entity; and if consolidated financial statements are required – options over unissued shares and interests of any controlled entity that is a company, registered scheme or disclosing entity. 																												
s.300(5)	<p>The details of an option granted during or since the end of the financial year should include:</p> <ol style="list-style-type: none"> the identity of the company, registered scheme or disclosing entity granting the option; the name of the person to whom the option is granted; and the number and class of shares or interests over which the option is granted. 																												
s.300(1)(d), s.300(5)	<p>During and since the end of the financial year an aggregate 140,870 share options were granted to the following directors and to the five highest remunerated officers of the company as part of their remuneration:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #002060; color: white;">Directors and senior management</th> <th style="background-color: #002060; color: white;">Number of options granted</th> <th style="background-color: #002060; color: white;">Issuing entity</th> <th style="background-color: #002060; color: white;">Number of ordinary shares under option</th> </tr> </thead> <tbody> <tr> <td>P.H. Taylor</td> <td style="text-align: center;">88,000</td> <td>RDR Holdings (Australia) Limited</td> <td style="text-align: center;">88,000</td> </tr> <tr> <td>T.L. Smith</td> <td style="text-align: center;">32,036</td> <td>RDR Holdings (Australia) Limited</td> <td style="text-align: center;">32,036</td> </tr> <tr> <td>W.L. Lee</td> <td style="text-align: center;">6,250</td> <td>RDR Holdings (Australia) Limited</td> <td style="text-align: center;">6,250</td> </tr> <tr> <td>L.J. Jackson</td> <td style="text-align: center;">6,250</td> <td>RDR Holdings (Australia) Limited</td> <td style="text-align: center;">6,250</td> </tr> <tr> <td>C.P. Daniels</td> <td style="text-align: center;">4,167</td> <td>RDR Holdings (Australia) Limited</td> <td style="text-align: center;">4,167</td> </tr> <tr> <td>N.W. Wright</td> <td style="text-align: center;">4,167</td> <td>RDR Holdings (Australia) Limited</td> <td style="text-align: center;">4,167</td> </tr> </tbody> </table>	Directors and senior management	Number of options granted	Issuing entity	Number of ordinary shares under option	P.H. Taylor	88,000	RDR Holdings (Australia) Limited	88,000	T.L. Smith	32,036	RDR Holdings (Australia) Limited	32,036	W.L. Lee	6,250	RDR Holdings (Australia) Limited	6,250	L.J. Jackson	6,250	RDR Holdings (Australia) Limited	6,250	C.P. Daniels	4,167	RDR Holdings (Australia) Limited	4,167	N.W. Wright	4,167	RDR Holdings (Australia) Limited	4,167
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	<p>Company secretary [public companies only]</p>																												
s.300(10)(d)	<p>Mr A.B. Grey, Chartered Accountant, held the position of company secretary of RDR Holdings (Australia) Limited at the end of the financial year. He joined RDR Holdings (Australia) Limited in 2005 and previously held the company secretary position at a large manufacturing company. He is a member of the Chartered Institute of Company Secretaries in Australia.</p>																												
s.300(10)	<p>Disclosure of the company secretary's qualifications and experience is not required for a public company which is a wholly-owned controlled entity of another company.</p>																												

Source	RDR Holdings (Australia) Limited
s.299(1)(c)	<p>Principal activities</p> <p>The consolidated entity's principal activities in the course of the financial year were the manufacture of electronic equipment and leisure goods, and the construction and renovation of residential properties.</p> <p>During the financial year the consolidated entity sold its toy business. Details of the sale are contained in note 11 to the financial statements. During the year the board of directors decided to dispose of the bicycle business. Details of the planned disposal are contained in note 11 to the financial statements.</p>
s.299(1)(a),	<p>Review of operations</p> <p>The directors' report must contain a review of the consolidated entity's operations during the financial year and the results of those operations.</p>
s.299(1)(b)	<p>Changes in state of affairs</p> <p>During the financial year, the consolidated entity disposed of its toy business. The consolidated entity is also seeking to dispose of its bicycle business, in order to focus its operations towards the manufacture and distribution of electronic equipment and leisure goods as proposed and agreed at the company's last Annual General Meeting. Other than the above, there was no significant change in the state of affairs of the consolidated entity during the financial year.</p>
s.299(1)(d)	<p>Subsequent events</p> <p>On 18 July 2010, the premises of Subfive Limited were seriously damaged by fire. Insurance claims are in process, but the cost of refurbishment is currently expected to exceed the amount that will be reimbursed by \$8.3 million.</p> <p>Other than the above, there has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.</p>
s.299(1)(e), s.299(3)	<p>Future developments</p> <p>Disclosure of information regarding likely developments in the operations of the consolidated entity in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the consolidated entity. Accordingly, this information has not been disclosed in this report.</p>
s.299(1)(e), s.299(3)	<p>Directors must bring likely developments in the operations of the consolidated entity in future financial years and the expected results of those operations to the attention of the users of the annual report. These disclosures are not required where they would result in unreasonable prejudice to the entity.</p>
s.299(1)(f)	<p>Environmental regulations</p> <p>If the consolidated entity's operations are subject to any particular and significant environmental regulation under a law of the Commonwealth or of a State or Territory, the directors' report should disclose details of the consolidated entity's performance in relation to the environmental regulation.</p>
ASIC-RG 68	<p>The ASIC has provided the following guidance on completing environmental regulations disclosures:</p> <ul style="list-style-type: none"> • prima facie, the requirements would normally apply where an entity is licensed or otherwise subject to conditions for the purposes of environmental legislation or regulation; • the requirements are not related specifically to financial disclosures (e.g. contingent liabilities and capital commitments) but relate to performance in relation to environmental regulation. Hence, accounting concepts of materiality in financial statements are not applicable; • the information provided in the directors' report cannot be reduced or eliminated because information has been provided to a regulatory authority for the purposes of any environmental legislation; and • the information provided in the director's report would normally be more general and less technical than information which an entity is required to provide in any compliance reports to an environmental regulator.

Source	RDR Holdings (Australia) Limited															
	<p>Dividends</p> <p>s.300(1)(a) In respect of the financial year ended 30 June 2009, as detailed in the directors' report for that financial year, a final dividend of 19.36 cents per share franked to 100% at 30% corporate income tax rate was paid to the holders of fully paid ordinary shares on 12 October 2009.</p> <p>s.300(1)(a) In respect of the financial year ended 30 June 2010, an interim dividend of 17.85 cents per share franked to 100% at 30% corporate income tax rate was paid to the holders of fully paid ordinary shares on 5 March 2010.</p> <p>s.300(1)(a) In respect of the financial year ended 30 June 2010, a dividend of 10.00 cents per share franked to 100% at 30% corporate income tax rate was paid to the holders of convertible non-participating preference shares on 20 June 2010.</p> <p>s.300(1)(a) In respect of the financial year ended 30 June 2010, an interim dividend of 20.33 cents per share franked to 100% at 30% corporate income tax rate was paid to the holders of redeemable cumulative preference shares on 20 June 2010.</p> <p>s.300(1)(b) In respect of the financial year ended 30 June 2010, the directors recommend the payment of a final dividend of 26.31 cents per share franked to 100% at 30% corporate income tax rate to the holders of fully paid ordinary shares on 3 October 2010.</p> <p>Where no dividends have been paid or declared since the start of the financial year, and/or the directors do not recommend the payment of a dividend in respect of the financial year, the directors' report should disclose that fact.</p> <p>Shares under option or issued on exercise of options</p> <p>The directors' report should include details of:</p> <p>(a) shares or interests issued during or since the end of the financial year as a result of the exercise of an option over unissued shares or interests; and</p> <p>(b) unissued shares or interests under option as at the date of the directors' report.</p> <p>The disclosures required by s.300(1)(d) (illustrated on page B2), s.300(1)(e) and s.300(1)(f) cover:</p> <p>(a) options over unissued shares and interests of the company, registered scheme or disclosing entity; and</p> <p>(b) if consolidated financial statements are required – options over unissued shares and interests of any controlled entity that is a company, registered scheme or disclosing entity.</p> <p>The details of unissued shares or interests under option should include:</p> <p>(a) the company, registered scheme or disclosing entity that will issue shares or interests when the options are exercised;</p> <p>(b) the number and classes of those shares or interests;</p> <p>(c) the issue price, or the method of determining the issue price, of those shares or interests;</p> <p>(d) the expiry date of the options; and</p> <p>(e) any rights that option holders have under the options to participate in any share issue or interest issue of the company, registered scheme or disclosing entity or of any other body corporate or registered scheme.</p> <p>The details of shares and interests issued as a result of the exercise of any option should include:</p> <p>(a) the company, registered scheme or disclosing entity issuing the shares or interests;</p> <p>(b) the number of shares or interests issued;</p> <p>(c) if the company, registered scheme or disclosing entity has different classes of shares or interests, the class to which each of those shares or interests belongs;</p> <p>(d) the amount unpaid on each of those shares or interests; and</p> <p>(e) the amount paid, or agreed to be considered as paid, on each of those shares or interests.</p> <p>Details of unissued shares or interests under option as at the date of this report are:</p> <table border="1"> <thead> <tr> <th>Issuing entity</th> <th>Number of shares under option</th> <th>Class of shares</th> <th>Exercise price of option</th> <th>Expiry date of options</th> </tr> </thead> <tbody> <tr> <td>RDR Holdings (Australia) Limited</td> <td>136,000</td> <td>Ordinary</td> <td>\$1.00</td> <td>30 September 2010</td> </tr> <tr> <td>RDR Holdings (Australia) Limited</td> <td>60,000</td> <td>Ordinary</td> <td>\$1.00^(a)</td> <td>27 March 2011</td> </tr> </tbody> </table> <p>^(a) These share options can only be exercised once the share price of RDR Holdings (Australia) Limited exceeds \$4.00. The holders of these options do not have the right, by virtue of the option, to participate in any share issue or interest issue of the company or of any other body corporate or registered scheme.</p>	Issuing entity	Number of shares under option	Class of shares	Exercise price of option	Expiry date of options	RDR Holdings (Australia) Limited	136,000	Ordinary	\$1.00	30 September 2010	RDR Holdings (Australia) Limited	60,000	Ordinary	\$1.00 ^(a)	27 March 2011
Issuing entity	Number of shares under option	Class of shares	Exercise price of option	Expiry date of options												
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s.300(1)(f), s.300(3), s.300(7)	<p>Details of shares or interests issued during or since the end of the financial year as a result of exercise of an option are:</p> <table border="1"> <thead> <tr> <th style="background-color: #003366; color: white;">Issuing entity</th> <th style="background-color: #003366; color: white;">Number of shares issued</th> <th style="background-color: #003366; color: white;">Class of shares</th> <th style="background-color: #003366; color: white;">Amount paid for shares</th> <th style="background-color: #003366; color: white;">Amount unpaid on shares</th> </tr> </thead> <tbody> <tr> <td>RDR Holdings (Australia) Limited</td> <td style="text-align: center;">314,000</td> <td style="text-align: center;">Ordinary</td> <td style="text-align: center;">\$1.00</td> <td style="text-align: center;">\$nil</td> </tr> </tbody> </table>	Issuing entity	Number of shares issued	Class of shares	Amount paid for shares	Amount unpaid on shares	RDR Holdings (Australia) Limited	314,000	Ordinary	\$1.00	\$nil																																																																						
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s.300(1)(g), s.300(8), s.300(9)	<p>Indemnification of officers and auditors</p> <p>During the financial year, the company paid a premium in respect of a contract insuring the directors of the company (as named above), the company secretary, Mr A.B. Grey, and all executive officers of the company and of any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium. The company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor.</p> <p>Where the company has not indemnified or agreed to indemnify an officer or auditor against a liability incurred, or paid an insurance premium in respect of a contract insuring against a liability incurred by an officer or auditor, the following disclosure is encouraged: 'During or since the end of the financial year the company has not indemnified or made a relevant agreement to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor. In addition, the company has not paid, or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an officer or auditor.'</p>																																																																																
s.300(10)(b), (c)	<p>Directors' meetings [public companies only]</p> <p>The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member). During the financial year, 12 board meetings, 2 nomination and remuneration committee meetings, 4 audit committee meetings and 4 risk management committee meetings were held.</p> <table border="1"> <thead> <tr> <th rowspan="2" style="background-color: #003366; color: white;">Directors</th> <th colspan="2" style="background-color: #003366; color: white;">Board of directors</th> <th colspan="2" style="background-color: #003366; color: white;">Nomination & remuneration committee</th> <th colspan="2" style="background-color: #003366; color: white;">Audit committee</th> <th colspan="2" style="background-color: #003366; color: white;">Risk management committee</th> </tr> <tr> <th style="background-color: #003366; color: white;">Held</th> <th style="background-color: #003366; color: white;">Attended</th> <th style="background-color: #003366; color: white;">Held</th> <th style="background-color: #003366; color: white;">Attended</th> <th style="background-color: #003366; color: white;">Held</th> <th style="background-color: #003366; color: white;">Attended</th> <th style="background-color: #003366; color: white;">Held</th> <th style="background-color: #003366; color: white;">Attended</th> </tr> </thead> <tbody> <tr> <td>C.J. Chambers</td> <td style="text-align: center;">12</td> <td style="text-align: center;">12</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">4</td> <td style="text-align: center;">4</td> <td style="text-align: center;">4</td> <td style="text-align: center;">4</td> </tr> <tr> <td>P.H. Taylor</td> <td style="text-align: center;">12</td> <td style="text-align: center;">10</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td>F.R. Ridley</td> <td style="text-align: center;">12</td> <td style="text-align: center;">11</td> <td style="text-align: center;">2</td> <td style="text-align: center;">2</td> <td style="text-align: center;">4</td> <td style="text-align: center;">4</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td>A.K. Black</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td>B.M. Stavrinidis</td> <td style="text-align: center;">12</td> <td style="text-align: center;">12</td> <td style="text-align: center;">2</td> <td style="text-align: center;">2</td> <td style="text-align: center;">4</td> <td style="text-align: center;">4</td> <td style="text-align: center;">4</td> <td style="text-align: center;">4</td> </tr> <tr> <td>W.K. Flinders</td> <td style="text-align: center;">1</td> <td style="text-align: center;">1</td> <td style="text-align: center;">1</td> <td style="text-align: center;">1</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td>S.M. Saunders</td> <td style="text-align: center;">10</td> <td style="text-align: center;">9</td> <td style="text-align: center;">1</td> <td style="text-align: center;">1</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">4</td> <td style="text-align: center;">4</td> </tr> </tbody> </table>	Directors	Board of directors		Nomination & remuneration committee		Audit committee		Risk management committee		Held	Attended	Held	Attended	Held	Attended	Held	Attended	C.J. Chambers	12	12	-	-	4	4	4	4	P.H. Taylor	12	10	-	-	-	-	-	-	F.R. Ridley	12	11	2	2	4	4	-	-	A.K. Black	-	-	-	-	-	-	-	-	B.M. Stavrinidis	12	12	2	2	4	4	4	4	W.K. Flinders	1	1	1	1	-	-	-	-	S.M. Saunders	10	9	1	1	-	-	4	4
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s.300(10)	<p>Disclosure of directors' meetings is not required for a public company which is a wholly-owned controlled entity of another company.</p>																																																																																

Source	RDR Holdings (Australia) Limited
	<p>Proceedings on behalf of the company</p>
s.300(14)	The directors' report should disclose, with respect to persons applying for leave under s.237 to bring, or intervene in, proceedings on behalf of the company, the applicant's name and a statement whether leave was granted.
s.300(15)	Where leave is granted under s.237, the directors' report should disclose the following details of any proceedings that a person has brought, or intervened in, on behalf of the company: <ul style="list-style-type: none"> (a) the person's name; (b) the names of the parties to the proceedings; and (c) sufficient information to enable members to understand the nature and status of the proceedings (including the cause of action and any orders made by the court).
	<p>Auditor's independence declaration</p>
s.298(1AA)(c) or s.298(1AB)(b)	The auditor's independence declaration is included on page B7 of the annual report.
	<p>True and fair view</p>
s.298(1A)	If the financial statements for a financial year include additional information under s.295(3)(c) to give a true and fair view of financial position and performance, the directors' report for the financial year must also: <ul style="list-style-type: none"> (a) set out the directors' reasons for forming the opinion that the inclusion of that additional information was necessary to give a true and fair view required by s.297; and (b) specify where that additional information can be found in the financial statements.
	<p>Rounding off of amounts</p>
	If the company is of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and consequently the amounts in the directors' report and the financial statements are rounded, that fact must be disclosed in the financial statements or the directors' report.
ASIC-CO 98/0100	The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.
	or
ASIC-CO 98/0100	The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the financial statements are rounded off to the nearest hundred thousand dollars, unless otherwise indicated.
	or
ASIC-CO 98/0100	The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the financial statements are rounded off to the nearest million dollars, unless otherwise indicated.
s.298(2)	This directors' report is signed in accordance with a resolution of directors made pursuant to s.298(2) of the Corporations Act 2001.
	On behalf of the Directors
	<i>(Signature)</i> C.J. Chambers Director Sydney, 11 September 2010



Deloitte Touche Tohmatsu
ABN 74 490 121 060

Grosvenor Place
225 George Street
Sydney NSW 2000
PO Box N250 Grosvenor Place
Sydney NSW 1219 Australia

DX: 10307SSE
Tel: +61 (0) 2 9322 7000
Fax: +61 (0) 2 9322 7001
www.deloitte.com.au

The Board of Directors
RDR Holdings (Australia) Limited
167 Admin Ave
SYDNEY, NSW 2000

11 September 2010

Dear Board Members,

RDR Holdings (Australia) Limited

s.298(1AA)(c) or
s.298(1AB)(b),
s.307C,
ASIC-CO98/2395

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of RDR Holdings (Australia) Limited.

As lead audit partner for the audit [or review] of the financial statements of RDR Holdings (Australia) Limited for the financial year ended 30 June 2010, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit [or review]; and
- (ii) any applicable code of professional conduct in relation to the audit [or review].

Yours sincerely

DELOITTE TOUCHE TOHMATSU

T.L. Green
Partner
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.

Source	RDR Holdings (Australia) Limited
s.307C(1), (3)	<p>If an audit firm, audit company or individual auditor conducts an audit or review of the financial statements for the financial year, the lead auditor must give the directors of the company, registered scheme or disclosing entity a written declaration that, to the best of the lead auditor's knowledge and belief, there have been:</p> <ul style="list-style-type: none"> (i) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit or review; and (ii) no contraventions of any applicable code of professional conduct in relation to the audit or review; or <p>a written declaration that, to the best of the lead auditor's knowledge and belief, the only contraventions of:</p> <ul style="list-style-type: none"> (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit or review; or (ii) any applicable code of professional conduct in relation to the audit or review; <p>are those contraventions details of which are set out in the declaration.</p>
s.307C(5)(a)	<p>The auditor's independence declaration must be given when the audit report is given to the directors of the company, registered scheme or disclosing entity (other than when the conditions in s.307(5A) are satisfied – see below) and must be signed by the person making the declaration.</p>
s.307(5A)	<p>A declaration under s.307C(1) or s.307C(3) in relation to financial statements for a financial year satisfies the conditions in this subsection if:</p> <ul style="list-style-type: none"> (a) the declaration is given to the directors of the company, registered scheme or disclosing entity before the directors pass a resolution under s.298(2) in relation to the directors' report for the financial year; and (b) a director signs the directors' report within 7 days after the declaration is given to the directors; and (c) the auditors' report on the financial statements is made within 7 days after the directors' report is signed; and (d) the auditors' report includes either of the following statements: <ul style="list-style-type: none"> i. a statement to the effect that the declaration would be in the same terms if it had been given to the directors at the time that auditors' report was made; ii. a statement to the effect that circumstances have changed since the declaration was given to the directors, and setting out how the declaration would differ if it had been given to the directors at the time the auditor's report was made.
s.307C(5B)	<p>An individual auditor or lead auditor is not required to give a declaration under s.307C(1) and s.307C(3) in respect of a contravention if:</p> <ul style="list-style-type: none"> (a) the contravention was a contravention by a person of s.324CE(2) or s.324CG(2) (strict liability contravention of specific independence requirements by individual auditor or audit firm), or s.324CF(2) (contravention of independence requirements by members of audit firms); and (b) the person does not commit an offence because of s.324CE(4), s.324CF(4) or s.324CG(4) (quality control system defence).

Source	RDR Holdings (Australia) Limited
	<p>Independent auditor's report to the members of RDR Holdings (Australia) Limited</p>
	<p>An independent auditor's report shall be prepared by the auditor in accordance with the Australian Auditing Standards.</p>
<p>s.307(a), s.308(1)</p> <p>s.307(aa)</p> <p>s.307(b)</p> <p>s.307(c)</p> <p>s.307(d)</p> <p>s.308(3)(b)</p>	<p>Duty to form an opinion</p> <p>The auditor is required to form an opinion on the following:</p> <ul style="list-style-type: none"> • whether the financial statements are in accordance with the Corporations Act 2001, including: <ul style="list-style-type: none"> i. whether the financial statements comply with accounting standards; and ii. whether the financial statements give a true and fair view of the financial performance and position of the entity (or consolidated entity); • if the financial statements include additional information under s.295(3)(c) (information included to give true and fair view of financial position and performance) – whether the inclusion of that additional information was necessary to give the true and fair view required by s.297; • whether the auditor has been given all information, explanations and assistance necessary for the conduct of the audit; • whether the company, registered scheme or disclosing entity has kept financial records sufficient to enable financial statements to be prepared and audited; and • whether the company, registered scheme or disclosing entity has kept other records and registers as required by the Corporations Act 2001. <p>The auditor is only required to include in the audit report particulars of any deficiency, failure or shortcoming in respect of any matter referred to in s.307(b), (c) or (d) above.</p>
<p>s.308(2)</p>	<p>Qualified audit opinions</p> <p>Where, in the auditor's opinion, there has been a departure from a particular Accounting Standard, the audit report must, to the extent that is practicable to do so, quantify the effect that non-compliance has on the financial statements. If it is not practicable to quantify the effect fully, the report must say why.</p>
<p>s.308(3)(a)</p> <p>s.308(3A)</p> <p>s.308(3B)</p>	<p>Duty to report</p> <p>The auditor is required to report any defect or irregularity in the financial statements.</p> <p>The audit report must include any statements or disclosures required by the auditing standards.</p> <p>If the financial statements include additional information under s.295(3)(c) (information included to give true and fair view of financial position and performance), the audit report must also include a statement of the auditor's opinion on whether the inclusion of that additional information was necessary to give the true and fair view required by s.297.</p>
<p>s.311(c)</p>	<p>Duty to inform</p> <p>The auditor must inform the ASIC in writing if the auditor is aware of circumstances that:</p> <ul style="list-style-type: none"> • the auditor has reasonable grounds to suspect amount to a contravention of the Corporations Act 2001; or • amount to an attempt, in relation to the audit, by any person to unduly influence, coerce, manipulate or mislead a person involved in the conduct of the audit; or • amount to an attempt, by any person, to otherwise interfere with the proper conduct of the audit.
<p>s.311</p>	<p>The auditor is required to notify ASIC in writing of the circumstances of the matters outlined above as soon as practicable and in any case within 28 days, after the auditor becomes aware of those circumstances.</p>
<p>ASIC-RG 34</p>	<p>ASIC Regulatory Guide 34 provides guidance on the procedures to be followed by registered company auditors in complying with s.311 of the Corporations Act 2001, including specific reference to evidence of a contravention, examples of contraventions and timing of notification.</p>

Source	RDR Holdings (Australia) Limited
	Directors' declaration
s.295(4)(c)	The directors declare that: (a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
s.295(4)(d)	(b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the company and the consolidated entity.
ASIC-CO 98/1418	At the date of this declaration, the company is within the class of companies affected by ASIC Class Order 98/1418. The nature of the deed of cross guarantee is such that each company which is party to the deed guarantees to each creditor payment in full of any debt in accordance with the deed of cross guarantee. In the directors' opinion, there are reasonable grounds to believe that the company and the companies to which the ASIC Class Order applies, as detailed in note 39 to the financial statements will, as a group, be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee.
s.295(5)	Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the Corporations Act 2001. On behalf of the Directors <i>(Signature)</i> C.J. Chambers Director Sydney, 11 September 2010

Source	RDR Holdings (Australia) Limited
	<p>Format of the financial statements</p> <p>General disclosures</p> <p>Minimum general requirements relating to the format of the financial statements are included in Accounting Standards AASB 101 <i>Presentation of Financial Statements</i> and AASB 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> and have been implicitly applied in the model financial statements. These include:</p>
AASB101.Aus50.1 AASB101.49	(a) The financial statements shall be presented in the English language;
AASB101.36	(b) An entity shall clearly identify the financial statements and distinguish them from other information in the same published document;
AASB101.36	(c) An entity shall present a complete set of financial statements (including comparative information) at least annually;
AASB101.51 AASB101.51	(d) If an entity changes the end of its reporting period and presents financial statements for a period longer or shorter than one year, an entity shall disclose, in addition to the period covered by the financial statements: <ul style="list-style-type: none"> i. the reason for using a longer or shorter period; and ii. the fact that amounts presented in the financial statements are not entirely comparable;
AASB101.51(a)	(e) An entity shall clearly identify each financial statement and the notes;
AASB101.51(b) AASB101.51(c)	(f) an entity shall display the following information prominently, and repeat it when necessary for the information presented to be understandable: <ul style="list-style-type: none"> i. the name of the reporting entity or other means of identification, and any change in that information from the end of the preceding reporting period (for example, to give a proper understanding, the change of name may be disclosed on the cover of the annual report and repeated in the directors' report, the directors' declaration, auditor's independence declaration, independent auditor's report and on the face of the financial statements); ii. whether the financial statements are of the individual entity or a group of entities; iii. the date of the end of the reporting period or the period covered by the set of financial statements or notes; iv. the presentation currency; and v. the level of rounding used in presenting amounts in the financial statements; and
AASB101.51(d) AASB101.51(e) AASB101.45	(g) An entity shall retain the presentation and classification of items in the financial statements from one period to the next unless: <ul style="list-style-type: none"> i. it is apparent, following a significant change in the nature of the entity's operations or a review of its financial statements, that another presentation or classification would be more appropriate having regard to the criteria for the selection and application of accounting policies in AASB 108; or ii. an Australian Accounting Standard requires a change in presentation.
AASB101.45(a)	
AASB101.45(b)	
AASB101.112	<p>Notes to the financial statements</p> <p>The notes shall:</p> <ul style="list-style-type: none"> (a) present information about the basis of preparation of the financial statements and the specific accounting policies used; (b) disclose the information required by Australian Accounting Standards that is not presented elsewhere in the financial statements; and (c) provide information that is not presented elsewhere in the financial statements, but is relevant to an understanding of any of them.

Source	RDR Holdings (Australia) Limited
AASB101.113	An entity shall, as far as practicable, present notes in a systematic manner. An entity shall cross-reference each item in the statements of financial position and of comprehensive income, in the separate income statement (if presented), and in the statements of changes in equity and of cash flows to any related information in the notes.
AASB101.38	<p>Comparative information</p> <p>Except when Australian Accounting Standards permit or require otherwise, an entity shall disclose comparative information in respect of the previous period for all amounts reported in the current period's financial statements.</p> <p>An entity shall include comparative information for narrative and descriptive information when it is relevant to an understanding of the current period's financial statements.</p>
AASB101.41	<p>Reclassification of financial information</p> <p>When the entity changes the presentation or classification of items in its financial statements, the entity shall reclassify comparative amounts unless reclassification is impracticable. When the entity reclassifies comparative amounts, the entity shall disclose:</p> <ul style="list-style-type: none"> (a) the nature of the reclassification; (b) the amount of each item or class of items that is reclassified; and (c) the reason for the reclassification.
AASB101.42(a)	When it is impracticable to reclassify comparative amounts, an entity shall disclose the reason for not reclassifying the amounts.
AASB108.42	<p>Errors made in prior periods</p> <p>Material prior period errors shall be retrospectively corrected in the first financial statements authorised for issue after their discovery by:</p> <ul style="list-style-type: none"> (a) restating the comparative amounts for the prior period(s) presented in which the error occurred; or (b) if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.
AASB108.43 AASB108.44	<p>However, to the extent that it is impracticable to determine either:</p> <ul style="list-style-type: none"> (a) the period-specific effects of an error on comparative information for one or more prior periods presented, the entity shall restate the opening balances of assets, liabilities and equity for the earliest period for which retrospective restatement is practicable (which may be the current period); or (b) the cumulative effect, at the beginning of the current period, of an error on all prior periods, the entity shall restate the comparative information to correct the error prospectively from the earliest date practicable.
AASB108.45	
AASB108.46	<p>The correction of a prior period error is excluded from profit or loss for the period in which the error is discovered. Any information presented about prior periods, including any historical summaries of financial data, is restated as far back as is practicable.</p> <p>The disclosure requirements are illustrated in note 4 to the model financial statements.</p>
AASB108.36	<p>Change in accounting estimates</p> <p>The effect of a change in an accounting estimate shall be recognised prospectively by including it in profit or loss in:</p> <ul style="list-style-type: none"> (a) the period of the change, if the change affects that period only; or (b) the period of the change and future periods, if the change affects both.
AASB108.37	<p>To the extent that a change in an accounting estimate gives rise to changes in assets and liabilities, or relates to an item of equity, it shall be recognised by adjusting the carrying amount of the related asset, liability or equity item in the period of the change.</p> <p>The disclosure requirements with respect to revisions of accounting estimates are illustrated in note 4 to the model financial statements.</p>

Source	RDR Holdings (Australia) Limited
AASB101.RDR15.1	<p>True and fair override</p> <p>Financial statements shall present fairly the financial position, financial performance and cash flows of an entity applying Australian Accounting Standards – Reduced Disclosure Requirements. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the <i>Framework</i>. The application of Australian Accounting Standards – Reduced Disclosure Requirements, with additional disclosure when necessary, is presumed to result in financial statements that achieve a fair presentation.</p>
AASB101.Aus15. 1	<p>An entity shall disclose in the notes a statement whether the financial statements have been prepared in accordance with Australian Accounting Standards or Australian Accounting Standards – Reduced Disclosure Requirements.</p>
AASB101.Aus15. 2	<p>The financial reporting framework applied in the preparation of the financial statements is identified in the summary of accounting policies so that users understand the basis on which the financial statements have been prepared. In addition to stating whether the financial statements have been prepared in accordance with Australian Accounting Standards or Australian Accounting Standards – Reduced Disclosure Requirements, it may also be appropriate to indicate the relevant statutory and other requirements adopted in the preparation of the financial statements.</p>
AASB101.Aus15. 3	<p>The Corporations Act requires an entity’s financial statements to comply with Australian Accounting Standards and, if necessary to give a true and fair view, further information to be disclosed in the notes.</p>
AASB101.23	<p>In the extremely rare circumstances in which management concludes that compliance with a requirement in an Australian Accounting Standard would be so misleading that it would conflict with the objective of financial statements set out in the Framework, but the relevant regulatory framework prohibits departure from the requirement, the entity shall, to the maximum extent possible, reduce the perceived misleading aspects of compliance by disclosing:</p> <ul style="list-style-type: none"> (a) the title of the Australian Accounting Standard in question, the nature of the requirement, and the reason why management has concluded that complying with that requirement is so misleading in the circumstances that it conflicts with the objective of financial statements set out in the Framework; and (b) for each period presented, the adjustments to each item in the financial statements that management has concluded would be necessary to achieve a fair presentation.
	<p>Consolidated entity vs. group</p> <p>The provisions of the Corporations Act 2001 use the term ‘consolidated entity’, rather than ‘group’, to refer to the parent entity and the subsidiaries included in the consolidated financial statements. Therefore, where consolidated financial statements are prepared under the Corporations Act 2001, the directors’ report, directors’ declaration, auditor’s independence declaration and independent auditor’s report shall adopt the term ‘consolidated entity’. However, as the Accounting Standards use the term ‘group’ to refer to the parent entity and its subsidiaries, it would be equally acceptable for the financial statements and the notes thereto to adopt the term ‘group’, as has been illustrated in the model financial statements.</p>

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Source	RDR Holdings (Australia) Limited		
AASB101.10(b), 51(b),(c)	Consolidated statement of comprehensive income for the year ended 30 June 2010		[Alt 1]
AASB101.113		Notes	Year ended 30/06/10
AASB101.51(d), (e)			Year ended 30/06/09
			\$'000
			\$'000
	Continuing operations		
AASB101.82(a)	Revenue	5	140,918
AASB101.99	Cost of sales		(87,897)
AASB101.85	Gross profit		53,021
AASB101.85	Investment revenue	7	3,608
AASB101.85	Other gains and losses	8	647
AASB101.82(c)	Share of profits of associates	20	1,186
AASB101.85	Gain recognised on disposal of interest in former associate	20	581
AASB101.99	Distribution expenses		(5,087)
AASB101.99	Marketing expenses		(3,305)
AASB101.99	Occupancy expenses		(2,128)
AASB101.99	Administration expenses		(11,001)
AASB101.82(b)	Finance costs	9	(4,418)
AASB101.99	Other expenses		(2,801)
AASB101.85	Profit before tax		30,303
AASB101.82(d)	Income tax expense	10	(11,564)
AASB101.85	Profit for the year from continuing operations	13	18,739
	Discontinued operations		
AASB101.82(e)	Profit for the year from discontinued operations	11	8,310
AASB101.82(f)	PROFIT FOR THE YEAR		27,049
	Other comprehensive income		
AASB101.82(g)	Exchange differences on translating foreign operations		(39)
AASB101.82(g)	Net value gain on available-for-sale financial assets		66
AASB101.82(g)	Net value gain on cash flow hedges		39
AASB101.82(g)	Gain on revaluation of properties		-
AASB101.82(h)	Share of other comprehensive income of associates		-
AASB101.85	Other comprehensive income for the year, net of tax		66
AASB101.82(i)	TOTAL COMPREHENSIVE INCOME FOR THE YEAR		27,115
	Profit attributable to:		
AASB101.83(a)	Owners of the Company		23,049
AASB101.83(a)	Non-controlling interests		4,000
			27,049
	Total comprehensive income attributable to:		
AASB101.83(b)	Owners of the Company		23,115
AASB101.83(b)	Non-controlling interests		4,000
			27,115
			31,639

Source

RDR Holdings (Australia) Limited

Alt 1 above illustrates the presentation of comprehensive income in one statement. Alt 2 (see next pages) illustrates the presentation of comprehensive income in two statements. Whichever presentation is selected, the distinction is retained between items recognised in profit or loss and items recognised in other comprehensive income. The only difference between the one-statement and the two-statement approaches is that, for the latter, a total is struck in the separate income statement at 'profit for the year' (this is the same amount as is presented as a sub-total under the one-statement approach). This 'profit for the year' is then the starting point for the statement of comprehensive income, which is required to be presented immediately following the income statement. Under the two-statement approach, the analysis of 'profit for the year' between the amount attributable to the owners of the parent and the amount attributable to non-controlling interests is presented at the end of the separate income statement.

Alt 1 aggregates expenses according to their function.

Source	RDR Holdings (Australia) Limited		
AASB101.10(b), 81(b), 51(b),(c)	Consolidated income statement for the year ended 30 June 2010		[Alt 2]
AASB101.113		Notes	
			Year ended 30/06/10
AASB101.51(d), (e)			Year ended 30/06/09
			\$'000
			\$'000
	Continuing operations		
AASB101.82(a)	Revenue	5	140,918
AASB101.85	Investment revenue	7	3,608
AASB101.85	Other gains and losses	8	647
AASB101.82(c)	Share of profits of associates	20	1,186
AASB101.85	Gain recognised on disposal of interest in former associate	20	581
AASB101.99	Changes in inventories of finished goods and work in progress		(7,134)
AASB101.99	Raw materials and consumables used		(70,391)
AASB101.99	Depreciation and amortisation expenses	13	(14,179)
AASB101.99	Employee benefits expense	13	(9,803)
AASB101.82(b)	Finance costs	9	(4,418)
AASB101.99	Consulting expense		(3,120)
AASB101.99	Other expenses		(7,592)
AASB101.85	Profit before tax		30,303
AASB101.82(d)	Income tax expense	10	(11,564)
AASB101.85	Profit for the year from continuing operations	13	18,739
	Discontinued operations		
AASB101.82(e)	Profit for the year from discontinued operations	11	8,310
AASB101.82(f)	PROFIT FOR THE YEAR		27,049
	Attributable to:		
AASB101.83(a)	Owners of the Company		23,049
AASB101.83(a)	Non-controlling interests		4,000
			27,049
			30,327

The format outlined above aggregates expenses according to their nature.

See previous page for a discussion of the format of the statement of comprehensive income. Note that where the two-statement approach is adopted (above and on the next page), as required by AASB101.12, the income statement must be displayed immediately before the statement of comprehensive income.

Source	RDR Holdings (Australia) Limited		
AASB101.10(b), 81(b), 51(b),(c)	Consolidated statement of comprehensive income for the year ended 30 June 2010		[Alt 2]
AASB101.113		Year ended 30/06/10	Year ended 30/06/09
AASB101.51(d), (e)		\$'000	\$'000
AASB101.82(f)	Profit for the year	<u>27,049</u>	<u>30,327</u>
	Other comprehensive income		
AASB101.82(g)	Exchange differences on translating foreign operations	(57)	121
AASB101.82(g)	Net value gain on available-for-sale financial assets	94	81
AASB101.82(g)	Net value gain on cash flow hedges	56	29
AASB101.82(g)	Gain on revaluation of properties	-	1,643
AASB101.82(h)	Share of other comprehensive income of associates	-	-
	Income tax relating to components of other comprehensive income	<u>(27)</u>	<u>(562)</u>
AASB101.82(i)	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>27,115</u>	<u>31,639</u>
	Total comprehensive income attributable to:		
AASB101.83(b)	Owners of the Company	23,115	28,876
AASB101.83(b)	Non-controlling interests	<u>4,000</u>	<u>2,763</u>
		<u>27,115</u>	<u>31,639</u>

Source	RDR Holdings (Australia) Limited
AASB101.81	<p>Presentation of revenues and expenses</p> <p>An entity shall present all items of income and expense recognised in a period:</p> <ol style="list-style-type: none"> (a) in a single statement of comprehensive income; or (b) in two statements <ol style="list-style-type: none"> (i) a statement displaying components of profit or loss (separate income statement); and (ii) a second statement beginning with profit or loss and displaying components of other comprehensive income (statement of comprehensive income).
AASB101.82	<p>As a minimum, the statement of comprehensive income shall include line items that present the following amounts for the period:</p> <ol style="list-style-type: none"> (a) revenue; (b) finance costs; (c) share of the profit or loss of associates and joint ventures accounted for using the equity method; (d) tax expense; (e) a single amount comprising of: <ol style="list-style-type: none"> (i) the post-tax profit or loss of discontinued operations; and (ii) the post-tax gain or loss recognised on the measurement to fair value less costs to sell or on the disposal of the assets or disposal group(s) constituting the discontinued operation; (f) profit or loss; (g) each component of other comprehensive income classified by nature (excluding amounts in (h)); (h) share of the other comprehensive income of associates and joint ventures accounted for using the equity method; and (i) total comprehensive income.
AASB101.84	<p>An entity may present in a separate income statement the line items in paragraph a – f (above) and the allocation of profit or loss for the period between minority interest and owners of the parent.</p>
AASB101.83	<p>An entity shall disclose the following allocations in the statement of comprehensive income for the period:</p> <ol style="list-style-type: none"> (a) profit or loss for the period attributable to: <ol style="list-style-type: none"> (i) non-controlling interests; and (ii) owners of the parent; and (b) total comprehensive income for the period attributable to: <ol style="list-style-type: none"> (i) non-controlling interests; and (ii) owners of the parent.
AASB101.88	<p>All items of income and expense recognised in a period are to be included in profit or loss unless another Accounting Standard requires otherwise. Other Accounting Standards require some gains and losses (for example, revaluation increases and decreases, particular foreign exchange differences, gains or losses on remeasuring available-for-sale financial assets, and related amounts of current tax and deferred tax) to be recognised directly in other comprehensive income. Examples of items of income and expense recognised directly in other comprehensive income not illustrated in these model financial statements include:</p> <ul style="list-style-type: none"> • transfers to profit or loss on impairment of available-for-sale financial assets • share of increments in reserves attributable to jointly controlled entities.
AASB101.99,100	<p>An entity shall present, in the statement of comprehensive income or in the separate income statement (if presented), or in the notes, an analysis of expenses recognised in profit or loss using a classification based on either their nature or their function within the entity, whichever provides information that is reliable and more relevant. Sub-classifications of expenses by nature or function have been illustrated in the example on the face of the separate income statement and in the statement of comprehensive income respectively as is encouraged by the Accounting Standard.</p>
AASB101.105	<p>The choice between the function of expense method and the nature of expense method depends on historical and industry factors and the nature of the entity. Both methods provide an indication of those costs that might vary, directly or indirectly, with the level of sales or production of the entity. Because each method of presentation has merit for different types of entities, management is required to select the more relevant and reliable presentation. However, because information on the nature of expenses is useful in predicting future cash flows, additional disclosure is required when the function of expense classification is used.</p>

Source	RDR Holdings (Australia) Limited
AASB101.29, 30 AASB1031	<p>Regardless of whether expenses are classified by nature or by function, each material class is separately disclosed. Unclassified expenses that are immaterial both individually and in aggregate may be combined and presented as a single line item. An item that is not sufficiently material to warrant separate presentation on the face of the financial statements may nevertheless be sufficiently material for it to be presented separately in the notes. It follows that the total of unclassified expenses is unlikely to exceed 10 per cent of total expenses classified by nature or by function, whether disclosed either on the face or in the notes to the financial statements.</p>
AASB101.32	<p>Offsetting An entity shall not offset income and expenses, unless required or permitted by an Australian Accounting Standard.</p>
AASB101.34	<p>An entity undertakes, in the course of its ordinary activities, transactions that do not generate revenue but are incidental to the main revenue-generating activities. An entity presents the results of such transactions, when this presentation reflects the substance of the transaction or other event, by netting any income with related expenses arising on the same transaction. For example:</p> <ul style="list-style-type: none"> (a) an entity presents gains and losses on the disposal of non-current assets, including investments and operating assets, by deducting from the proceeds on disposal the carrying amount of the asset and related selling expenses; and (b) an entity may net expenditure related to a provision that is recognised in accordance with AASB 137 <i>Provisions, Contingent Liabilities and Contingent Assets</i> and reimbursed under a contractual arrangement with a third party (for example, a supplier's warranty agreement) against the related reimbursement.
AASB101.35	<p>An entity presents on a net basis gains and losses arising from a group of similar transactions, for example, foreign exchange gains and losses or gains and losses arising on financial instruments held for trading. However, an entity presents such gains and losses separately if they are material.</p>
AASB101.97	<p>Disclosure of specific revenues and expenses When items of income and expense are material, an entity shall disclose their nature and amount separately either in the statement of comprehensive income or in the notes.</p>
AASB101.85	<p>Disclosure of additional information An entity shall present additional line items, headings and subtotals in the statement of comprehensive income and the separate income statement (if presented), when such presentation is relevant to an understanding of the entity's financial performance.</p>
AASB101.87	<p>Prohibition on extraordinary items An entity shall not present any items of income or expense as extraordinary items, in the statement of comprehensive income or the separate income statement (if presented), or in the notes.</p>
AASB119.93B	<p>Where an entity recognises actuarial gains and losses with respect to defined benefit plans in other comprehensive income, the entity must present these in the statement of comprehensive income. Illustrative examples of a statement of comprehensive income are presented on pages 17 and 19.</p>

Source	RDR Holdings (Australia) Limited		
AASB101.10(a), 51(b), (c)	Consolidated statement of financial position at 30 June 2010		
AASB101.113	Notes	<u>30/06/10</u>	<u>30/06/09</u>
AASB101.51(d), (e)		\$'000	\$'000
	Assets		
AASB101.60	<i>Current assets</i>		
AASB101.54(i)	48	23,446	19,778
AASB101.54(h)	15	19,735	16,292
AASB101.55	16	198	188
AASB101.54(d)	17	8,757	6,949
AASB101.54(g)	18	31,213	28,982
AASB101.54(n)	10	125	60
AASB101.55	26	-	-
		<u>83,474</u>	<u>72,249</u>
AASB101.54(j)	12	22,336	-
		<u>105,810</u>	<u>72,249</u>
AASB101.60	<i>Non-current assets</i>		
AASB101.54(e)	20	7,402	7,270
AASB101.55	16	830	717
AASB101.54(d)	17	10,771	9,655
AASB101.54(a)	22	109,783	135,721
AASB101.54(b)	23	1,936	132
AASB101.54(o)	10	-	-
AASB101.55	24	20,285	24,060
AASB101.54(c)	25	9,739	11,325
AASB101.55	26	-	-
		<u>160,746</u>	<u>188,880</u>
		<u>266,556</u>	<u>261,129</u>

Source		RDR Holdings (Australia) Limited		
	Consolidated statement of financial position at 31 June 2010 – continued			
		Notes	30/06/10 \$'000	30/06/09 \$'000
	Liabilities			
AASB101.60	<i>Current liabilities</i>			
AASB101.54(k)	Trade and other payables	28	16,373	21,220
AASB101.55	Borrowings	29	22,446	25,600
AASB101.54(m)	Other financial liabilities	31	116	18
AASB101.54(n)	Current tax liabilities	10	5,270	5,868
AASB101.54(l)	Provisions	32	3,356	3,195
AASB101.55	Deferred revenue	33	355	52
AASB101.55	Other liabilities	34	90	95
			48,006	56,048
AASB101.54(p)	Liabilities directly associated with assets classified as held for sale	12	3,684	-
	Total current liabilities		51,690	56,048
AASB101.60	<i>Non-current liabilities</i>			
AASB101.55	Borrowings	29	20,221	31,478
AASB101.54(m)	Other financial liabilities	31	15,001	-
AASB101.55	Retirement benefit obligation	36	508	352
AASB101.54(o)	Deferred tax liabilities	10	4,646	3,693
AASB101.54(l)	Provisions	32	2,294	2,231
AASB101.55	Deferred revenue	33	219	95
AASB101.55	Other liabilities	34	180	270
	Total non-current liabilities		43,069	38,119
	Total liabilities		94,759	94,167
	Net assets		171,797	166,962
	Equity			
	<i>Capital and reserves</i>			
AASB101.55	Issued capital	37	32,439	48,672
AASB101.55	Reserves	38	4,237	3,376
AASB101.55	Retained earnings	39	110,805	94,909
			147,481	146,957
AASB101.55	Amounts recognised directly in equity relating to assets classified as held for sale	12	-	-
AASB101.54(r)	Equity attributable to owners of the Company		147,481	146,957
AASB101.54(q)	Non-controlling interests	41	24,316	20,005
	Total equity		171,797	166,962

Source	RDR Holdings (Australia) Limited
AASB101.60	<p>Current/non-current vs. liquidity presentation</p> <p>All assets and all liabilities shall be classified and presented as either current or non-current unless they are presented in order of their liquidity. The term 'current' is defined for:</p>
AASB101.66	<p>(a) assets, as an asset that is:</p> <ol style="list-style-type: none"> i. expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle; ii. held primarily for the purpose of being traded; iii. expected to be realised within 12 months after the reporting period; or iv. cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period;
AASB101.69	<p>(b) liabilities, as a liability that:</p> <ol style="list-style-type: none"> i. is expected to be settled in the entity's normal operating cycle; ii. is held primarily for the purpose of being traded; iii. is due to be settled within 12 months after the end of the reporting period; or iv. the entity does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.
AASB101.60	<p>A liquidity basis shall only be presented where a liquidity presentation provides information that is reliable and more relevant than the current/non-current presentation. The liquidity basis of presentation is not illustrated in these model financial statements.</p>
AASB101.68	<p>Operating cycle</p> <p>A company's operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Once an entity defines their operating cycle it affects the classification and presentation of assets and liabilities as either current or non-current.</p>
AASB101.68, 70	<p>When an entity's normal operating cycle is not clearly identifiable, its duration is assumed to be 12 months.</p>
AASB101.66, 69	<p>However, where there is a single clearly identifiable operating cycle that extends over a period greater than 12 months, the longer period shall be used as the basis for identifying as:</p> <ol style="list-style-type: none"> (a) current assets, those assets expected to be realised in, or intended for sale or consumption in, the entity's normal operating cycle; and (b) current liabilities, those liabilities expected to be settled in the entity's normal operating cycle.
AASB101.68, 70	<p>Current assets will include inventories and trade receivables that are sold, consumed or realised as part of the normal operating cycle and current liabilities will include those liabilities that form part of the working capital used in a normal operating cycle of the entity, for example trade payables and accruals for employee benefits expense. This is the case even when they are not expected to be realised/settled within 12 months of the reporting period.</p>
AASB101.72	<p>Refinancing liabilities</p> <p>Where current and non-current liabilities are presented separately, financial liabilities shall be categorised as current when they are due to be settled within 12 months of the reporting period, even if:</p> <ol style="list-style-type: none"> (a) the original term was for a period longer than 12 months; and (b) an agreement to refinance, or to reschedule payments, on a long term basis is completed after the reporting period and before the financial statements are authorised for issue.
AASB101.73	<p>However, if an entity expects, and has the discretion, to refinance or roll over an obligation for at least 12 months after the reporting period under an existing loan facility, it classifies the obligation as non-current, even if it would otherwise be due within a shorter period. However, when refinancing or rolling over the obligation is not at the discretion of the entity (for example, there is no arrangement for refinancing), the entity does not consider the potential to refinance the obligation and classifies the obligation as current.</p>

Source	RDR Holdings (Australia) Limited
AASB101.74	<p>Breach of loan covenants</p> <p>When an entity breaches a provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand, it classifies the liability as current, even if the lender has agreed, after the reporting period, and before the authorisation of the financial statements for issue, not to demand payment as a consequence of the breach. An entity classifies the liability as current because, at the end of the reporting period, it does not have an unconditional right to defer its settlement for at least twelve months after that date</p>
AASB101.75	<p>However, an entity classifies the liability as non-current if the lender agreed by the end of the reporting period to provide a period of grace ending at least 12 months after the reporting period, within which the entity can rectify the breach and during which the lender cannot demand immediate repayment.</p>
AASB101.32	<p>Offsetting</p> <p>An entity shall not offset assets and liabilities, unless required or permitted by an Accounting Standard, for example, AASB 132 <i>Financial Instruments: Presentation</i>.</p>
AASB112.71	<p><u>Income taxes</u></p> <p>An entity shall offset current tax assets and current tax liabilities if, and only if, the entity:</p> <ul style="list-style-type: none"> (a) has a legally enforceable right to set-off the recognised amounts; and (b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.
AASB112.74	<p>An entity shall offset deferred tax assets and deferred tax liabilities if, and only if:</p> <ul style="list-style-type: none"> (a) the entity has a legally enforceable right to set-off current tax assets against current tax liabilities; and (b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either: <ul style="list-style-type: none"> i. the same taxable entity; or ii. different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.
AASB5.40	<p>Presentation of a non-current asset or disposal group classified as held for sale</p> <p>An entity shall not reclassify or re-present amounts presented for non-current assets or for the assets and liabilities of disposal groups classified as held for sale in the statements of financial position for prior periods to reflect the classification in the statement of financial position for the latest period presented.</p>

RDR Holdings (Australia) Limited
Consolidated statement of changes in equity

Source	RDR Holdings (Australia) Limited												
AASB101.10(c), 51(b),(c)	Consolidated statement of changes in equity for the year ended 30 June 2010												
AASB101.106		Share capital	General reserve	Properties revaluation reserve	Investments revaluation reserve	Equity-settled employee benefits reserve	Cash flow hedging reserve	Foreign currency translation reserve	Option premium on convertible notes	Retained earnings	Attributable to owners of the parent	Non-controlling interests	Total
AASB101.51(d),(e)		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Balance at 1 July 2008	48,672	807	51	470	-	258	140	-	73,916	124,314	17,242	141,556
	Effect of change in accounting policy for mail order catalogues (note 2.1)	-	-	-	-	-	-	-	-	(92)	(92)	-	(92)
	As restated	48,672	807	51	470	-	258	140	-	73,824	124,222	17,242	141,464
AASB101.107, Aus1.8(c)	Payment of dividends	-	-	-	-	-	-	-	-	(6,479)	(6,479)	-	(6,479)
	Profit or loss for the year	-	-	-	-	-	-	-	-	27,564	27,564	2,763	30,327
	Other comprehensive income for the year	-	-	1,150	57	-	20	85	-	-	1,312	-	1,312
	Total comprehensive income for the year	-	-	1,150	57	-	20	85	-	27,564	28,876	2,763	31,639
	Recognition of share-based payments	-	-	-	-	338	-	-	-	-	338	-	338
	Balance at 30 June 2009	48,672	807	1,201	527	338	278	225	-	94,909	146,957	20,005	166,962
AASB101.107, Aus1.8(c)	Payment of dividends	-	-	-	-	-	-	-	-	(6,635)	(6,635)	-	(6,635)
	Profit or loss for the year	-	-	-	-	-	-	-	-	23,049	23,049	4,000	27,049
	Other comprehensive income for the year	-	-	-	66	-	39	(39)	-	-	66	-	66
	Total comprehensive income for the year	-	-	-	66	-	39	(39)	-	23,049	23,115	4,000	27,115
	Additional non-controlling interests arising on the acquisition of Subsix Limited (note 46)	-	-	-	-	-	-	-	-	-	-	132	132
	Additional non-controlling interests arising on disposal of interest in Subone Limited (note 19)	-	-	-	-	-	-	-	-	-	-	179	179
	Difference arising on disposal of interest in Subone Limited (note 19)	-	-	-	-	-	-	-	-	34	34	-	34
	Recognition of share-based payments	-	-	-	-	206	-	-	-	-	206	-	206
	Issue of ordinary shares under employee share option plan	314	-	-	-	-	-	-	-	-	314	-	314
	Issue of ordinary shares for consulting services performed	8	-	-	-	-	-	-	-	-	8	-	8
	Issue of convertible non-participating preference shares	100	-	-	-	-	-	-	-	-	100	-	100
	Issue of convertible notes	-	-	-	-	-	-	-	834	-	834	-	834
	Share issue costs	(6)	-	-	-	-	-	-	-	-	(6)	-	(6)
	Buy-back of ordinary shares	(16,456)	-	-	-	-	-	-	-	(555)	(17,011)	-	(17,011)
	Share buy-back costs	(277)	-	-	-	-	-	-	-	-	(277)	-	(277)
	Transfer to retained earnings	-	-	(3)	-	-	-	-	-	3	-	-	-
	Income tax relating to transactions with owners	84	-	-	-	-	-	-	(242)	-	(158)	-	(158)
	Balance at 30 June 2010	32,439	807	1,198	593	544	317	186	592	110,805	147,481	24,316	171,797

See the explanatory note preceding note 37 regarding the level of detail presented in the statement of changes in equity. The format adopted on this page shows a single line for 'Total comprehensive income for the year'. Due to concern that this presentation appears to be inconsistent with the requirements of AASB101.106 as currently drafted, the International Accounting Standards Board has clarified that its original intention was to allow this aggregated presentation and a proposal to clarify the wording of AASB101.106 has recently been issued. This model has been prepared taking account of the proposed clarification.

Source	RDR Holdings (Australia) Limited
AASB101.106	<p>An entity shall present a statement of changes in equity showing in the statement:</p> <ul style="list-style-type: none"> (a) total comprehensive income for the period, showing separately the total amounts attributable to owners of the parent and to non-controlling interests; (b) for each component of equity, the effects of retrospective application or retrospective restatement recognised in accordance with AASB 108; and (c) for each component of equity, a reconciliation between the carrying amount at the beginning and end of the period, separately disclosing changes resulting from: <ul style="list-style-type: none"> (i) profit or loss; (ii) each item of other comprehensive incomes; and (iii) transactions with owners in their capacity as owners, showing separately contributions by and distributions to owners and changes in ownership interests in subsidiaries that do not result in a loss of control.
AASB101.107, Aus1.8(c), BC75	<p>An entity shall present, either in the statement of changes in equity or in the notes, the amount of dividends recognised as distributions to owners during the period. (Note that presentation of dividend disclosures in the statement of comprehensive income is no longer permitted.)</p> <p>An illustrative example of a statement of changes in equity is presented on page 27.</p>
AASB101.109	<p>Changes in an entity's equity between the beginning and the end of the reporting period reflect the increase or decrease in its net assets during the period. Except for changes resulting from transactions with owners in their capacity as owners (such as equity contributions, reacquisitions of the entity's own equity instruments and dividends) and transaction costs directly related to such transactions, the overall change in equity during a period represents the total amount of income and expense, including gains and losses, generated by the entity's activities during that period.</p>

Source	RDR Holdings (Australia) Limited			
AASB101.10(d), 51(b),(c)	Consolidated statement of cash flows for the year ended 30 June 2010			[Alt 1]
AASB101.113		Notes	Year ended 30/06/10	Year ended 30/06/09
AASB101.51(d), (e)			\$'000	\$'000
AASB107.10	Cash flows from operating activities			
AASB107.18(a)	Receipts from customers		211,032	214,487
	Payments to suppliers and employees		(165,666)	(181,378)
	Cash generated from operations		45,366	33,109
AASB107.31	Interest paid		(4,493)	(6,106)
AASB107.35	Income taxes paid		(13,848)	(13,340)
	Net cash generated by operating activities		<u>27,025</u>	<u>13,663</u>
AASB107.10	Cash flows from investing activities			
	Payments to acquire financial assets		(3,163)	(2,163)
	Proceeds on sale of financial assets		938	1,712
AASB107.31	Interest received		2,315	1,304
	Royalties and other investment income received		1,137	893
AASB124.17(a)	Dividends received from associates		30	25
AASB107.31	Other dividends received		156	154
	Amounts advanced to related parties		(738)	(4,311)
	Repayments by related parties		189	1,578
	Payments for property, plant and equipment		(22,047)	(11,875)
	Proceeds from disposal of property, plant and equipment		11,462	21,245
	Payments for investment property		(10)	(12)
	Proceeds from disposal of investment property		-	58
	Payments for intangible assets		(6)	(358)
AASB107.39	Net cash outflow on acquisition of subsidiaries	46	(477)	-
AASB107.39	Net cash inflow on disposal of subsidiary	47	7,566	-
	Net cash inflow on disposal of associate		1,245	-
	Net cash (used in)/generated by investing activities		<u>(3,173)</u>	<u>8,250</u>
AASB107.10	Cash flows from financing activities			
	Proceeds from issue of equity shares		414	-
	Proceeds from issue of convertible notes		4,950	-
	Payment for share issue costs		(6)	-
	Payment for buy-back of shares		(17,011)	-
	Payment for share buy-back costs		(277)	-
	Proceeds from issue of redeemable preference shares		15,000	-
	Proceeds from issue of perpetual notes		2,500	-
	Payment for debt issue costs		(595)	-
	Proceeds from borrowings		17,122	26,798
	Repayment of borrowings		(37,761)	(23,209)
	Proceeds from government loans		2,610	-
	Proceeds on disposal of partial interest in a subsidiary		213	-
AASB107.31	Dividends paid on redeemable preference shares		(613)	-
AASB107.31	Dividends paid to owners of the Company		(6,635)	(6,479)
	Net cash used in financing activities		<u>(20,089)</u>	<u>(2,890)</u>
	Net increase in cash and cash equivalents		3,763	19,023
	Cash and cash equivalents at the beginning of the year		19,400	561
AASB107.28	Effects of exchange rate changes on the balance of cash held in foreign currencies		(80)	(184)
	Cash and cash equivalents at the end of the year	48	<u>23,083</u>	<u>19,400</u>

The above illustrates the direct method of reporting cash flows from operating activities. AASB 107 applying to annual reporting periods beginning on or after 1 July 2007 allows entities to report cash flows from operating activities using either the direct method (as illustrated above), or the indirect method. Entities are encouraged to report cash flows from activities using the direct method.

Source	RDR Holdings (Australia) Limited			
AASB101.10(d), 51(b), (c)	Consolidated statement of cash flows for the year ended 30 June 2010			[Alt 2]
AASB101.113		Notes	Year ended 30/06/10	Year ended 30/06/09
AASB101.51(d), (e)			\$'000	\$'000
AASB107.10	Cash flows from operating activities			
AASB107.18(b)	Profit for the year		27,049	30,327
	Income tax expense recognised in profit or loss		14,088	14,797
	Share of profits of associates		(1,186)	(1,589)
	Finance costs recognised in profit or loss		4,418	6,023
	Investment revenue recognised in profit or loss		(3,608)	(2,351)
	Gain on disposal of property, plant and equipment		(6)	(67)
	Gain on revaluation of investment property		(297)	(8)
	Gain on disposal of subsidiary		(1,940)	-
	Gain on disposal of interest in former associate		(581)	-
	Net loss arising on financial liabilities designated as at fair value through profit or loss		488	-
	Net loss arising on financial assets classified as held for trading		129	-
	Hedge ineffectiveness on cash flow hedges		(89)	(68)
	(Gain)/loss transferred from equity on sale of available-for- sale financial assets		-	-
	(Gain)/loss transferred from equity on impairment of available-for-sale financial assets		-	-
	Impairment loss recognised on trade receivables		63	430
	Reversal of impairment loss on trade receivables		(103)	-
	Depreciation and amortisation of non-current assets		14,179	17,350
	Impairment of non-current assets		1,325	-
	Net foreign exchange (gain)/loss		(101)	117
	Expense recognised in respect of equity-settled share- based payments		206	338
	Expense recognised in respect of shares issued in exchange for consulting services		8	-
	Amortisation of financial guarantee contracts		6	18
	Gain arising on effective settlement of claim against Subseven Limited		(40)	-
			<u>54,008</u>	<u>65,317</u>
	Movements in working capital			
	Increase in trade and other receivables		(2,262)	(1,880)
	(Increase)/decrease in inventories		(5,900)	204
	Increase in other assets		(34)	(20)
	Decrease in trade and other payables		(929)	(29,979)
	Increase/(decrease) in provisions		151	(941)
	Increase in deferred revenue		427	43
	(Decrease)/increase in other liabilities		(95)	365
			<u>45,366</u>	<u>33,109</u>
	Cash generated from operations			
AASB107.31	Interest paid		(4,493)	(6,106)
AASB107.35	Income taxes paid		<u>(13,848)</u>	<u>(13,340)</u>
	Net cash generated by operating activities		<u>27,025</u>	<u>13,663</u>

The above illustrates the indirect method of reporting cash flows from operating activities.

Source	RDR Holdings (Australia) Limited			
	Consolidated statement of cash flows for the year ended 30 June 2010 - continued		[Alt 2 continued]	
		Notes	Year ended 30/06/10	Year ended 30/06/09
			\$'000	\$'000
AASB107.10	Cash flows from investing activities			
	Payments to acquire financial assets		(3,163)	(2,163)
	Proceeds on sale of financial assets		938	1,712
AASB107.31	Interest received		2,315	1,313
	Royalties and other investment income received		1,137	884
AASB124.17(a)	Dividends received from associates		30	25
AASB107.31	Other dividends received		156	154
	Amounts advanced to related parties		(738)	(4,311)
	Repayments by related parties		189	1,578
	Payments for property, plant and equipment		(22,932)	(11,875)
	Proceeds from disposal of property, plant and equipment		11,462	21,245
	Payments for investment property		(10)	(12)
	Proceeds from disposal of investment property		-	58
	Payments for intangible assets		(6)	(358)
AASB107.39	Net cash outflow on acquisition of subsidiaries	46	(477)	-
AASB107.39	Net cash inflow on disposal of subsidiary	47	7,566	-
	Net cash inflow on disposal of associate		360	-
	Net cash (used in)/generated by investing activities		(3,173)	8,250
AASB107.10	Cash flows from financing activities			
	Proceeds from issue of equity shares		414	-
	Proceeds from issue of convertible notes		4,950	-
	Payment for share issue costs		(6)	-
	Payment for buy-back of shares		(17,011)	-
	Payment for share buy-back costs		(277)	-
	Proceeds from issue of redeemable preference shares		15,000	-
	Proceeds from issue of perpetual notes		2,500	-
	Payment for debt issue costs		(595)	-
	Proceeds from borrowings		17,122	26,798
	Repayment of borrowings		(37,761)	(23,209)
	Proceeds from government loans		2,610	-
	Proceeds on disposal of partial interest in a subsidiary		213	-
AASB107.31	Dividends paid on redeemable cumulative preference shares		(613)	-
AASB107.31	Dividends paid to owners of the Company		(6,635)	(6,479)
	Net cash used in financing activities		(20,089)	(2,890)
	Net increase in cash and cash equivalents		3,763	19,023
	Cash and cash equivalents at the beginning of the year		19,400	561
AASB107.28	Effects of exchange rate changes on the balance of cash held in foreign currencies		(80)	(184)
	Cash and cash equivalents at the end of the year	48	23,083	19,400

The above illustrates the indirect method of reporting cash flows from operating activities.

Source	RDR Holdings (Australia) Limited
AASB107.14	<p>Operating activities</p> <p>Cash flows from operating activities are primarily derived from the principal revenue-producing activities of the entity. Therefore, they generally result from the transactions and other events that enter into the determination of profit or loss. Examples of cash flows from operating activities are:</p> <ul style="list-style-type: none"> (a) cash receipts from the sale of goods and the rendering of services; (b) cash receipts from royalties, fees, commissions and other revenue; (c) cash payments to suppliers for goods and services; (d) cash payments to and on behalf of employees; (e) cash receipts and cash payments of an insurance entity for premiums and claims, annuities and other policy benefits; (f) cash payments or refunds of income taxes unless they can be specifically identified with financing and investing activities; and (g) cash receipts and payments from contracts held for dealing or trading purposes. <p>Some transactions, such as the sale of an item of plant, may give rise to a gain or loss that is included in recognised profit or loss. The cash flows relating to such transactions are cash flows from investing activities. However, cash payments to manufacture or acquire assets held for rental to others and subsequently held for sale as described in paragraph 68A of AASB 116 <i>Property, Plant and Equipment</i> are cash flows from operating activities. The cash receipts from rents and subsequent sales of such assets are also cash flows from operating activities.</p>
AASB107.18	Entities shall report cash flows from operations using the direct method or indirect method.
AASB107.19	Entities are encouraged to report cash flows from operating activities using the direct method.
AASB107.16	<p>Investing activities</p> <p>The separate disclosure of cash flows arising from investing activities is important because the cash flows represent the extent to which expenditures have been made for resources intended to generate future income and cash flows. Examples of cash flows arising from investing activities are:</p> <ul style="list-style-type: none"> (a) cash payments to acquire property, plant and equipment, intangibles and other long-term assets. These payments include those relating to capitalised development costs and self-constructed property, plant and equipment; (b) cash receipts from sales of property, plant and equipment, intangibles and other long-term assets; (c) cash payments to acquire equity or debt instruments of other entities and interests in joint ventures (other than payments for those instruments considered to be cash equivalents or those held for dealing or trading purposes); (d) cash receipts from sales of equity or debt instruments of other entities and interests in joint ventures (other than receipts for those instruments considered to be cash equivalents and those held for dealing or trading purposes); (e) cash advances and loans made to other parties (other than advances and loans made by a financial institution); (f) cash receipts from the repayment of advances and loans made to other parties (other than advances and loans of a financial institution); (g) cash payments for futures contracts, forward contracts, option contracts and swap contracts except when the contracts are held for dealing or trading purposes, or the payments are classified as financing activities; and (h) cash receipts from futures contracts, forward contracts, option contracts and swap contracts except when the contracts are held for dealing or trading purposes, or the receipts are classified as financing activities. <p>When a contract is accounted for as a hedge of an identifiable position, the cash flows of the contract are classified in the same manner as the cash flows of the position being hedged.</p>

Source	RDR Holdings (Australia) Limited
AASB107.17	<p>Financing activities</p> <p>The separate disclosure of cash flows arising from financing activities is important because it is useful in predicting claims on future cash flows by providers of capital to the entity. Examples of cash flows arising from financing activities are:</p> <ul style="list-style-type: none"> (a) cash proceeds from issuing shares or other equity instruments; (b) cash payments to owners to acquire or redeem the entity's shares; (c) cash proceeds from issuing debentures, loans, notes, bonds, mortgages and other short or long-term borrowings; (d) cash repayments of amounts borrowed; and (e) cash payments by a lessee for the reduction of the outstanding liability relating to a finance lease.
AASB107.31	<p>Interest and dividends</p> <p>Cash flows from interest and dividends received and paid shall each be disclosed separately. Each shall be classified in a consistent manner from period to period as either operating, investing or financing activities.</p>
AASB107.32	<p>The total amount of interest paid during a period is disclosed in the cash flow statement whether it has been recognised as an expense in profit or loss or capitalised in accordance with AASB 123 <i>Borrowing Costs</i>.</p>
AASB107.33	<p>Interest paid and interest and dividends received are usually classified as operating cash flows for a financial institution. However, there is no consensus on the classification of these cash flows for other entities. Interest paid and interest and dividends received may be classified as operating cash flows because they enter into the determination of net profit or loss. Alternatively, interest paid and interest and dividends received may be classified as financing cash flows and investing cash flows respectively, because they are costs of obtaining financial resources or returns on investments.</p>
AASB107.34	<p>Dividends paid may be classified as a financing cash flow because they are a cost of obtaining financial resources. Alternatively, dividends paid may be classified as a component of cash flows from operating activities in order to assist users to determine the ability of an entity to pay dividends out of operating cash flows.</p>
AASB107.35	<p>Taxes on income</p> <p>Cash flows arising from taxes on income shall be separately disclosed and shall be classified as cash flows from operating activities unless they can be specifically identified with financing and investing activities.</p>
AASB107.37	<p>Investments in subsidiaries, associates and joint ventures</p> <p>When accounting for an investment in an associate or a subsidiary accounted for by use of the equity or cost method, an investor restricts its reporting in the cash flow statement to the cash flows between itself and the investee, for example, to dividends and advances.</p>
AASB107.38	<p>An entity which reports its interest in a jointly controlled entity (see AASB 131 <i>Interests in Joint Ventures</i>) using proportionate consolidation, includes in its consolidated cash flow statement its proportionate share of the jointly controlled entity's cash flows. An entity which reports such an interest using the equity method includes in its cash flow statement the cash flows in respect of its investments in the jointly controlled entity, and distributions and other payments or receipts between it and the jointly controlled entity.</p>
AASB107.43	<p>Non-cash transactions</p> <p>Investing and financing transactions that do not require the use of cash or cash equivalents shall be excluded from a cash flow statement. Such transactions shall be disclosed elsewhere in the financial statements in a way that provides all the relevant information about these investing and financing activities.</p>

Source	RDR Holdings (Australia) Limited						
AASB101.10(e)	<p>1. General information</p> <p><i>General information about the entity as required by AASB 101 'Presentation of Financial Statements' paragraph 138(a) is not required under RDR. This note reference has therefore been included only to assist users to more easily compare the reduced disclosures illustrated in this publication to those which entities would be expected to make under 'Tier 1' as illustrated in the corresponding note in the Deloitte 30 June 2010 'Model Financial Statements'.</i></p> <p>2. Adoption of new and revised Accounting Standards</p> <p>2.1 Standards and Interpretations affecting amounts reported in the current period (and/or prior periods)</p>						
AASB 108.28	<p>The following new and revised Standards and Interpretations have been adopted in the current period and have affected the amounts reported in these financial statements. Details of other Standards and Interpretations adopted in these financial statements but that have had no effect on the amounts reported are set out in section 2.2.</p> <p><u>Standards affecting presentation and disclosure</u></p> <table border="0"> <tr> <td data-bbox="375 840 758 1019"> <p>AASB 1053 <i>Application of Tiers of Australian Accounting Standards</i> and AASB 2010-2 <i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements</i></p> </td> <td data-bbox="774 840 1460 1176"> <p>AASB 1053 establishes a differential financial reporting framework consisting of two tiers of reporting requirements for general purpose financial statements, comprising Tier 1: Australian Accounting Standards and Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements (RDR). AASB 2010-2 makes amendments to each Standard and Interpretation indicating the disclosures not required to be made by 'Tier 2' entities or inserting 'RDR' paragraphs requiring simplified disclosures for 'Tier 2' entities. The adoption of these standards has resulted in significantly reduced disclosures, largely in respect of income tax, segments, impairment, related parties, share-based payments and financial instruments.</p> </td> </tr> <tr> <td data-bbox="375 1198 758 1489"> <p>AASB 101 <i>Presentation of Financial Statements</i> (as revised in September 2007), AASB 2007-8 <i>Amendments to Australian Accounting Standards arising from AASB 101</i> and AASB 2007-10 <i>Further Amendments to Australian Accounting Standards arising from AASB 101</i></p> </td> <td data-bbox="774 1198 1460 1310"> <p>AASB 101 (September 2007) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements.</p> </td> </tr> <tr> <td data-bbox="375 1512 758 1646"> <p>AASB 2009-2 <i>Amendments to Australian Accounting Standards - Improving Disclosures about Financial Instruments</i></p> </td> <td data-bbox="774 1512 1460 1646"> <p>The amendments to AASB 7 expand the disclosures required in respect of fair value measurements and liquidity risk. The Group has elected not to provide comparative information for these expanded disclosures in the current year in accordance with the transitional reliefs offered in these amendments.</p> </td> </tr> </table>	<p>AASB 1053 <i>Application of Tiers of Australian Accounting Standards</i> and AASB 2010-2 <i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements</i></p>	<p>AASB 1053 establishes a differential financial reporting framework consisting of two tiers of reporting requirements for general purpose financial statements, comprising Tier 1: Australian Accounting Standards and Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements (RDR). AASB 2010-2 makes amendments to each Standard and Interpretation indicating the disclosures not required to be made by 'Tier 2' entities or inserting 'RDR' paragraphs requiring simplified disclosures for 'Tier 2' entities. The adoption of these standards has resulted in significantly reduced disclosures, largely in respect of income tax, segments, impairment, related parties, share-based payments and financial instruments.</p>	<p>AASB 101 <i>Presentation of Financial Statements</i> (as revised in September 2007), AASB 2007-8 <i>Amendments to Australian Accounting Standards arising from AASB 101</i> and AASB 2007-10 <i>Further Amendments to Australian Accounting Standards arising from AASB 101</i></p>	<p>AASB 101 (September 2007) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements.</p>	<p>AASB 2009-2 <i>Amendments to Australian Accounting Standards - Improving Disclosures about Financial Instruments</i></p>	<p>The amendments to AASB 7 expand the disclosures required in respect of fair value measurements and liquidity risk. The Group has elected not to provide comparative information for these expanded disclosures in the current year in accordance with the transitional reliefs offered in these amendments.</p>
<p>AASB 1053 <i>Application of Tiers of Australian Accounting Standards</i> and AASB 2010-2 <i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements</i></p>	<p>AASB 1053 establishes a differential financial reporting framework consisting of two tiers of reporting requirements for general purpose financial statements, comprising Tier 1: Australian Accounting Standards and Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements (RDR). AASB 2010-2 makes amendments to each Standard and Interpretation indicating the disclosures not required to be made by 'Tier 2' entities or inserting 'RDR' paragraphs requiring simplified disclosures for 'Tier 2' entities. The adoption of these standards has resulted in significantly reduced disclosures, largely in respect of income tax, segments, impairment, related parties, share-based payments and financial instruments.</p>						
<p>AASB 101 <i>Presentation of Financial Statements</i> (as revised in September 2007), AASB 2007-8 <i>Amendments to Australian Accounting Standards arising from AASB 101</i> and AASB 2007-10 <i>Further Amendments to Australian Accounting Standards arising from AASB 101</i></p>	<p>AASB 101 (September 2007) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements.</p>						
<p>AASB 2009-2 <i>Amendments to Australian Accounting Standards - Improving Disclosures about Financial Instruments</i></p>	<p>The amendments to AASB 7 expand the disclosures required in respect of fair value measurements and liquidity risk. The Group has elected not to provide comparative information for these expanded disclosures in the current year in accordance with the transitional reliefs offered in these amendments.</p>						
AASB 5.44E	<table border="0"> <tr> <td data-bbox="375 1668 758 1825"> <p>Amendments to AASB 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i> (adopted in advance of effective date of 1 January 2010)</p> </td> <td data-bbox="774 1668 1460 1870"> <p>Disclosures in these financial statements have been modified to reflect the clarification in AASB 2009-5 <i>Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project</i> that the disclosure requirements in Standards other than AASB 5 do not generally apply to non-current assets classified as held for sale and discontinued operations.</p> </td> </tr> </table>	<p>Amendments to AASB 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i> (adopted in advance of effective date of 1 January 2010)</p>	<p>Disclosures in these financial statements have been modified to reflect the clarification in AASB 2009-5 <i>Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project</i> that the disclosure requirements in Standards other than AASB 5 do not generally apply to non-current assets classified as held for sale and discontinued operations.</p>				
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Source	RDR Holdings (Australia) Limited	
	2. Adoption of new and revised Accounting Standards (cont'd)	
AASB107.56	Amendments to AASB 107 <i>Statement of Cash Flows</i> (adopted in advance of effective date of 1 January 2010)	The amendments (part of AASB 2009-5 <i>Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project</i>) specify that only expenditures that result in a recognised asset in the statement of financial position can be classified as investing activities in the statement of cash flows. Consequently, cash flows in respect of development costs that do not meet the criteria in AASB 138 <i>Intangible Assets</i> for capitalisation as part of an internally generated intangible asset (and, therefore, are recognised in profit or loss as incurred) have been reclassified from investing to operating activities in the statement of cash flows. Prior year amounts have been restated for consistent presentation.
	<u>Standards and Interpretations affecting the reported results or financial position</u>	
	The impact of the changes described in this section on basic and diluted earnings per share is disclosed in note 14.	
AASB 108.28(a)	AASB 3 <i>Business Combinations</i> (as revised in 2008)	
AASB 3.64	AASB 3(2008) has been adopted in the current year. Its adoption has affected the accounting for business combinations in the current period.	
AASB 108.28(c)	In accordance with the relevant transitional provisions, AASB 3(2008) has been applied prospectively to business combinations for which the acquisition date is on or after 1 July 2009. The impact of the adoption of AASB 3(2008) <i>Business Combinations</i> has been:	
	<ul style="list-style-type: none"> • to allow a choice on a transaction-by-transaction basis for the measurement of non-controlling interests (previously referred to as 'minority' interests) either at fair value or at the non-controlling interests' share of the fair value of the identifiable net assets of the acquiree. In the current period, when accounting for the acquisition of Subsix Limited, the Group has elected to measure the non-controlling interests at fair value at the date of acquisition. Consequently, the goodwill recognised in respect of that acquisition reflects the impact of the difference between the fair value of the non-controlling interests and their share of the fair value of the identifiable net assets of the acquiree; • to change the recognition and subsequent accounting requirements for contingent consideration. Under the previous version of the Standard, contingent consideration was recognised at the acquisition date only if payment of the contingent consideration was probable and it could be measured reliably; any subsequent adjustments to the contingent consideration were recognised against goodwill. Under the revised Standard, contingent consideration is measured at fair value at the acquisition date; subsequent adjustments to the consideration are recognised against goodwill only to the extent that they arise from better information about the fair value at the acquisition date, and they occur within the 'measurement period' (a maximum of 12 months from the acquisition date). All other subsequent adjustments are recognised in profit or loss; • where the business combination in effect settles a pre-existing relationship between the Group and the acquiree, to require the recognition of a settlement gain or loss; and • to require that acquisition-related costs be accounted for separately from the business combination, generally leading to those costs being recognised as an expense in profit or loss as incurred, whereas previously they were accounted for as part of the cost of the acquisition. 	

Source	RDR Holdings (Australia) Limited																												
	<p>2. Adoption of new and revised Accounting Standards (cont'd)</p>																												
AASB 108.28(f)(i)	<p>In the current period, these changes in policies have affected the accounting for the acquisition of Subsix Limited and Subseven Limited as follows:</p> <p><u>Statement of financial position</u></p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="text-align: right; border-bottom: 1px solid black;">30/06/10</th> </tr> <tr> <th></th> <th style="text-align: right;">\$'000</th> </tr> </thead> <tbody> <tr> <td>Excess of the fair value of non-controlling interests in Subsix Limited over their share of the fair value of the identifiable net assets (reflected in non-controlling interests)</td> <td style="text-align: right;">62</td> </tr> <tr> <td>Liability recognised in respect of the fair value of contingent consideration that would not have been recognised under the previous version of the Standard (reflected in 'other financial liabilities')</td> <td style="text-align: right;">75</td> </tr> <tr> <td>Adjustment to purchase consideration to reflect the effective settlement of the Group's law suit against Subseven Limited (profit or loss)</td> <td style="text-align: right;">40</td> </tr> <tr> <td>Acquisition-related costs expensed when incurred (profit or loss)</td> <td style="text-align: right; border-bottom: 1px solid black;">(145)</td> </tr> <tr> <td>Additional goodwill recognised as result of the adoption of AASB 3(2008)</td> <td style="text-align: right; border-bottom: 3px double black;">32</td> </tr> </tbody> </table> <p><u>Statement of comprehensive income</u></p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="text-align: right; border-bottom: 1px solid black;">Year ended</th> </tr> <tr> <th></th> <th style="text-align: right; border-bottom: 1px solid black;">30/06/10</th> </tr> <tr> <th></th> <th style="text-align: right;">\$'000</th> </tr> </thead> <tbody> <tr> <td>Gain recognised to reflect the effective settlement of the Group's lawsuit against Subseven Limited (included in 'other gains and losses')</td> <td style="text-align: right;">40</td> </tr> <tr> <td>Cost of share-based payment awards allocated to post-combination service</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Acquisition-related costs expensed when incurred (included in 'other expenses')</td> <td style="text-align: right; border-bottom: 1px solid black;">(145)</td> </tr> <tr> <td>Decrease in profit for the year as a result of the adoption of AASB 3(2008)</td> <td style="text-align: right; border-bottom: 3px double black;">(105)</td> </tr> </tbody> </table> <p>AASB 3(2008) has also required additional disclosures in respect of the business combinations in the period (see note 46).</p> <p>Results in future periods may be affected by future impairment losses relating to the increased goodwill, and by changes in the fair value of contingent consideration recognised as a liability.</p>		30/06/10		\$'000	Excess of the fair value of non-controlling interests in Subsix Limited over their share of the fair value of the identifiable net assets (reflected in non-controlling interests)	62	Liability recognised in respect of the fair value of contingent consideration that would not have been recognised under the previous version of the Standard (reflected in 'other financial liabilities')	75	Adjustment to purchase consideration to reflect the effective settlement of the Group's law suit against Subseven Limited (profit or loss)	40	Acquisition-related costs expensed when incurred (profit or loss)	(145)	Additional goodwill recognised as result of the adoption of AASB 3(2008)	32		Year ended		30/06/10		\$'000	Gain recognised to reflect the effective settlement of the Group's lawsuit against Subseven Limited (included in 'other gains and losses')	40	Cost of share-based payment awards allocated to post-combination service	-	Acquisition-related costs expensed when incurred (included in 'other expenses')	(145)	Decrease in profit for the year as a result of the adoption of AASB 3(2008)	(105)
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AASB 108.28(a)	<p>AASB 127 Consolidated and Separate Financial Statements (as revised in 2008)</p>																												
AASB 127.45	<p>The revisions to AASB 127(2008) principally affect the accounting for transactions or events that result in a change in the Group's interests in its subsidiaries. The adoption of the revised Standard has affected the accounting for the Group's disposal of part of its interest in Subone Limited in the year (see below).</p>																												
AASB 108.28(c)	<p>AASB 127(2008) has been adopted for periods beginning on or after 1 July 2009 and has been applied retrospectively (subject to specified exceptions) in accordance with the relevant transitional provisions. The revised Standard has affected the Group's accounting policies regarding changes in ownership interests in its subsidiaries that do not result in a change in control. In prior years, in the absence of specific requirements in A-IFRS, increases in interests in existing subsidiaries were treated in the same manner as the acquisition of subsidiaries, with goodwill or a bargain purchase gain being recognised where appropriate; for decreases in interests in existing subsidiaries that did not involve a loss of control, the difference between the consideration received and the carrying amount of the share of net assets disposed of was recognised in profit or loss. Under AASB 127(2008), all such increases or decreases are dealt with in equity, with no impact on goodwill or profit or loss.</p>																												

Source	RDR Holdings (Australia) Limited
	<p>2. Adoption of new and revised Accounting Standards (cont'd)</p> <p>When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the revised Standard requires that the Group derecognise all assets, liabilities and non-controlling interests at their carrying amount. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost, with the gain or loss arising recognised in profit or loss.</p>
AASB 108.28(f)(i)	<p>In respect of the disposal during the period of part of the Group's interest in Subone Limited, the change in policy has resulted in the difference of \$34,000 between the consideration received and the non-controlling interests recognised being recognised directly in equity, instead of in profit or loss. Therefore, the change in accounting policy has resulted in a decrease in the profit for the year of \$34,000.</p>
AASB 108.28(a)	<p>Amendments to AASB 128 Investments in Associates</p> <p>The principle adopted under AASB 127(2008) (see above) that a loss of control is recognised as a disposal and re-acquisition of any retained interest at fair value is extended by consequential amendment to AASB 128 in AASB 2008-3 <i>Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127</i>; therefore, when significant influence is lost, the investor measures any investment retained in the former associate at fair value, with any consequential gain or loss recognised in profit or loss.</p>
AASB 108.28(c), (f)(i)	<p>AASB 2008-3 has been adopted for periods beginning on or after 1 July 2009 and has been applied prospectively in accordance with the relevant transitional provisions. The changes have affected the accounting for the partial disposal of the Group's interest in E Plus Limited in the year. The difference of \$104,000 between the carrying amount of the interest retained in E Plus Limited and its fair value has been recognised in profit or loss in the period, net of a deferred tax expense of \$32,000. Had the Group's previous accounting policy been followed, the carrying amount of the investment retained would have been regarded as cost for the purpose of subsequent accounting as an available-for-sale investment under AASB 139 <i>Financial Instruments: Recognition and Measurement</i> and the movement in fair value (and related deferred tax) would have been recognised in other comprehensive income. The profit reported for 2010 has therefore been increased by \$72,000 as a result of the change in accounting policy. This increase will be offset by a decrease in profits of an equivalent amount when the investment is disposed of in future accounting periods.</p>
AASB 108.28(a)	<p>Amendments to AASB 138 Intangible Assets</p>
AASB 108.28(c)	<p>As part of AASB 2008-5 <i>Amendments to Australian Accounting Standards arising from the Annual Improvements Project</i>, AASB 138 has been amended to state that an entity is permitted to recognise a prepayment asset for advertising or promotional expenditure only up to the point at which the entity has the right to access the goods purchased or up to the point of receipt of services. Mail order catalogues have been specifically identified as a form of advertising and promotional activities. In the past, the Group had recognised inventories of catalogues held as an asset up to the date of dispatch to the customer.</p>
AASB 108.28 (f)(i), (g)	<p>The amendments have been applied retrospectively in accordance with the relevant transitional provisions, resulting in a reduction in inventories held at 1 July 2008 of \$132,000 and a reduction in deferred tax liabilities of \$40,000 at the same date, leading to a net adjustment to retained earnings at 1 July 2008 of \$92,000. [Marketing expenses/raw materials and consumables used] in 2010 have been increased by \$12,000 (2009: \$7,000), and the income tax expense reduced by \$4,000 (2009: \$2,000). The impact of the change at 30 June 2010 has been to decrease inventories by \$151,000 (2009: \$139,000), to decrease deferred tax liabilities by \$46,000 (2009: \$42,000) and to decrease retained earnings by \$105,000 (2009: \$97,000).</p>

Source	RDR Holdings (Australia) Limited
	2. Adoption of new and revised Accounting Standards (cont'd)
AASB 108.28(a)	Amendments to AASB 140 Investment Property
AASB 108.28(c)	As part of AASB 2008-5 <i>Amendments to Australian Accounting Standards arising from the Annual Improvements Project</i> , AASB 140 has been amended to include within its scope investment property in the course of construction. Therefore, following the adoption of the amendments and in line with the Group's general accounting policy, investment property under construction is measured at fair value (where that fair value is reliably determinable), with changes in fair value recognised in profit or loss. The Group had previously accounted for such assets at cost less accumulated impairment losses under AASB 116 <i>Property, Plant and Equipment</i> .
AASB 108.28 (f)(i)	The change has been applied prospectively from 1 July 2009 in accordance with the relevant transitional provisions, resulting in a reclassification of investment property at its previous carrying amount of \$1.51 million in the year, and the recognition of a gain on revaluation of the property in profit or loss (reported as part of 'other gains and losses') of \$290,000, offset by a deferred tax expense of \$87,000. At 30 June 2010, the impact has been to decrease property, plant and equipment by \$1.51 million, to increase investment property by \$1.8 million, to increase deferred tax liabilities by \$87,000 and to increase retained earnings by \$203,000.
AASB 108.28(a)	Amendments to AASB 120 Accounting for Government Grants and Disclosure of Government Assistance
AASB 108.28(c)	As part of AASB 2008-5 <i>Amendments to Australian Accounting Standards arising from the Annual Improvements Project</i> , AASB 120 has been amended to require that the benefit of a government loan at a below-market rate of interest be treated as a government grant. This accounting treatment was not permitted prior to these amendments.
AASB 108.28 (f)(i)	In accordance with the relevant transitional provisions, the policy has been applied prospectively to government loans received on or after 1 July 2009. On 17 June 2010, the Group received an interest-free government loan of \$3 million to finance staff training over a two-year period. Using prevailing market interest rates for an equivalent loan of 7.2% per annum, the fair value of the loan is estimated at \$2.61 million. The difference between the gross proceeds and the fair value of the loan of \$390,000 is the benefit derived from the interest-free loan and is recognised as deferred revenue. This amount will be offset against training costs incurred in 2011 (\$250,000) and 2012 (\$140,000). Interest expenses will be recognised in 2011 (\$188,000) and 2012 (\$202,000), resulting in a net increase in profit for 2011 of \$62,000, and an equivalent reduction in profit for 2012.
AASB108.28, Aus2.9	<p>Changes in accounting policies on initial application of Accounting Standards</p> <p>When initial application of an Accounting Standard has an effect on the current period or any prior period, or would have such an effect except that it is impracticable to determine the amount of the adjustment, or might have an effect on future periods, an entity shall disclose:</p> <ol style="list-style-type: none"> (a) the title of the Accounting Standard; (b) [not required under RDR]; (c) the nature of the change in accounting policy; (d) [not required under RDR]; (e) [not required under RDR]; (f) for the current period and each prior period presented, to the extent practicable, the amount of the adjustment: <ol style="list-style-type: none"> i. for each financial statement line item affected; and ii. if AASB 133 'Earnings per Share' applies to the entity, for basic and diluted earnings per share; (g) the amount of the adjustment relating to periods before those presented, to the extent practicable; and (h) [not required under RDR]. <p>An entity applying Australian Accounting Standards – Reduced Disclosure Requirements shall disclose an explanation if it is impracticable to determine the amounts required to be disclosed by paragraph 28(f)(i) or 28(g).</p> <p>Financial reports of subsequent periods need not repeat these disclosures.</p> <p>The above information would likely be disclosed in the accounting policy note of the relevant item and the relevant note for the item, or a change in accounting policy note.</p>
AASB108. RDR28.1	

Source	RDR Holdings (Australia) Limited
	<p>2. Adoption of new and revised Accounting Standards (cont'd)</p>
<p>AASB108.29</p>	<p>Voluntary changes in accounting policies</p> <p>When a voluntary change in accounting policy has an effect on the current period or any prior period, would have an effect on that period except that it is impracticable to determine the amount of the adjustment, or might have an effect on future periods, an entity shall disclose:</p> <ul style="list-style-type: none"> (a) the nature of the change in accounting policy; (b) the reasons why applying the new accounting policy provides reliable and more relevant information; (c) for the current period and each prior period presented, to the extent practicable, the amount of the adjustment: <ul style="list-style-type: none"> i. for each financial statement line item affected; and ii. if AASB 133 'Earnings per Share' applies to the entity, for basic and diluted earnings per share; (d) the amount of the adjustment relating to periods before those presented, to the extent practicable; and (e) if retrospective application of the accounting policy is impracticable for a particular prior period, or for periods before those presented, the circumstances that led to the existence of that condition and a description of how and from when the change in accounting policy has been applied.
<p>AASB108.20</p>	<p>Financial reports of subsequent periods need not repeat these disclosures. The early application of an Accounting Standard is not a voluntary change in accounting policy.</p>
<p>AASB108.29</p>	<p>Reclassification of financial assets</p> <p>In August 2009, the Group reclassified certain asset-backed securities from held for trading to available-for-sale. The Group's original intention at initial recognition was to sell these financial assets in the short-term. However, as a result of the severe reduction in the liquidity of those assets accompanied by a deterioration of price transparency and reduction in investor appetite to acquire such assets, the Group concluded that the criteria for reclassification were met. Consequently, the assets were reclassified at 1 September 2009 (see note 42.4 for further details). The reclassification took effect only from the date of reclassification.</p> <p>The effect of the reclassification is that subsequent movements in the fair value of these securities are recognised in other comprehensive income (unless they are determined to be impaired) rather than in profit or loss. The asset-backed securities do not contain embedded derivatives that require separation and recognition at fair value through profit or loss. The fair value of the securities at the date of reclassification was \$509,000, and had declined by the end of the reporting period to \$419,000. Therefore, the profit for the year is \$90,000 higher than it would have been if the assets had not been reclassified, retained earnings at 31 December 2009 have been increased by \$90,000 and the investments revaluation reserve has been reduced by \$90,000. The amount reported for the assets in the statement of financial position has not been affected as both categories ('held for trading' and 'available-for-sale') are reported within 'other financial assets'.</p>
<p>AASB134.26</p>	<p>Changes in accounting policy since the most recent interim financial report</p> <p>Where there is a change in an accounting policy during the final current interim period of the annual reporting period but a separate interim financial report is not published for that final current interim period, the nature of the change in accounting policy and the financial effect of the change on prior interim financial reports of the current annual reporting period shall be disclosed in the notes in the annual financial report for that annual reporting period.</p>
<p>AASB134.27</p>	<p>If the entity does not prepare interim financial reports other than for the first half-year, the requirements above apply where there is a change in accounting policy between the first half-year reporting date and the annual reporting date.</p>
<p>AASB134.43</p>	<p>A change in accounting policy, other than one for which the transition is specified by a new Accounting Standard, shall be reflected by:</p> <ul style="list-style-type: none"> (a) restating the financial statements of prior interim periods of the current annual reporting period and the comparable interim periods of any prior annual reporting periods that will be restated in the annual financial statements in accordance with AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors'; or

2. Adoption of new and revised Accounting Standards (cont'd)

- (b) when it is impracticable to determine the cumulative effect at the beginning of the annual reporting period of applying a new accounting policy to all prior periods, adjusting the financial statements of prior interim periods of the current annual reporting period, and comparable interim periods of prior annual reporting periods to apply the new accounting policy prospectively from the earliest date practicable.

2.2 Standards and Interpretations adopted with no effect on financial statements

The following new and revised Standards and Interpretations have also been adopted in these financial statements. Their adoption has not had any significant impact on the amounts reported in these financial statements but may affect the accounting for future transactions or arrangements.

AASB 8 *Operating Segments* AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. In contrast, the predecessor Standard (AASB 114 *Segment Reporting*) required an entity to identify two sets of segments (business and geographical), using a risks and returns approach, with the entity's 'system of internal financial reporting to key management personnel' serving only as the starting point for the identification of such segments. As a result, adoption of AASB 8 has resulted in a redesignation of the Group's reportable segments. As the Group is reporting under RDR, it is not required to make any of the disclosures required by AASB 8, and as such, adoption of this Standard has had no impact on the financial statements.

AASB 2008-7 *Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate* The amendments deal with the measurement of the cost of investments in subsidiaries, jointly controlled entities and associates when adopting A-IFRS for the first time and with the recognition of dividend income from subsidiaries in a parent's separate financial statements.

AASB 2008-1 *Amendments to Australian Accounting Standard - Share-based Payments: Vesting Conditions and Cancellations* The amendments clarify the definition of vesting conditions for the purposes of AASB 2, introduce the concept of 'non-vesting' conditions, and clarify the accounting treatment for cancellations.

AASB 123 *Borrowing Costs* (as revised in 2007) and AASB 2007-6 *Amendments to Australian Accounting Standards arising from AASB 123* The principal change to AASB 123 was to eliminate the option to expense all borrowing costs when incurred. This change has had no impact on these financial statements because it has always been the Group's accounting policy to capitalise borrowing costs incurred on qualifying assets.

AASB 2008-2 *Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations Arising on Liquidation* The revisions to AASB 132 *Financial Instruments: Presentation* amend the criteria for debt/equity classification by permitting certain puttable financial instruments and instruments (or components of instruments) that impose on an entity an obligation to deliver to another party a pro-rata share of the net assets of the entity only on liquidation, to be classified as equity, subject to specified criteria being met.

AASB 2008-8 *Amendments to Australian Accounting Standards – Eligible Hedged Items* The amendments provide clarification on two aspects of hedge accounting: identifying inflation as a hedged risk or portion, and hedging with options.

Source

RDR Holdings (Australia) Limited

2. Adoption of new and revised Accounting Standards (cont'd)

<p>Interpretation 15 <i>Agreements for the Construction of Real Estate</i></p>	<p>The Interpretation addresses how entities should determine whether an agreement for the construction of real estate is within the scope of AASB 111 <i>Construction Contracts</i> or AASB 118 <i>Revenue</i> and when revenue from the construction of real estate should be recognised. The requirements have not affected the accounting for the Group's construction activities.</p>
<p>Interpretation 16 <i>Hedges of a Net Investment in a Foreign Operation</i></p>	<p>The Interpretation provides guidance on the detailed requirements for net investment hedging for certain hedge accounting designations.</p>
<p>Interpretation 17 <i>Distributions of Non-cash Assets to Owners</i> and AASB 2008-13 <i>Amendments to Australian Accounting Standards arising from AASB Interpretation 17 Distributions of Non-cash Assets to Owners</i></p>	<p>The Interpretation provides guidance on the appropriate accounting treatment when an entity distributes assets other than cash as dividends to its shareholders.</p>
<p>Interpretation 18 <i>Transfers of Assets from Customers</i></p>	<p>The Interpretation addresses the accounting by recipients for transfers of property, plant and equipment from 'customers' and concludes that when the item of property, plant and equipment transferred meets the definition of an asset from the perspective of the recipient, the recipient should recognise the asset at its fair value on the date of the transfer, with the credit recognised as revenue in accordance with AASB 118 <i>Revenue</i>.</p>
<p>AASB 2008-5 <i>Amendments to Australian Accounting Standards arising from the Annual Improvements Project</i> and AASB 2008-6 <i>Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project</i></p>	<p>In addition to the changes affecting amounts reported in the financial statements described at 2.1 above, the amendments have led to a number of changes in the detail of the Group's accounting policies – some of which are changes in terminology only, and some of which are substantive but have had no material effect on amounts reported.</p>
<p>AASB 2009-4 <i>Amendments to Australian Accounting Standards arising from the Annual Improvements Project</i> and AASB 2009-5 <i>Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project</i></p>	<p>In addition to the amendments to AASB 5 and AASB 107 described earlier in this section, and the amendments to AASB 117 discussed in section 2.3 below, the amendments have led to a number of changes in the detail of the Group's accounting policies – some of which are changes in terminology only, and some of which are substantive but have had no material effect on amounts reported. Except as noted in 2.3 below, the changes in AASB 2009-5 have been adopted in advance of their effective dates of 1 January 2010.</p>

Source	RDR Holdings (Australia) Limited
AASB101.112(a), 117	<p>3. Significant accounting policies</p> <p>The following are examples of the types of accounting policies that might be disclosed in this entity's financial statements. Entities are required to disclose in the summary of significant accounting policies the measurement basis (or bases) used in preparing the financial statements, and the other accounting policies used that are relevant to an understanding of the financial statements. An accounting policy may be significant because of the nature of the entity's operations even if amounts for the current and prior periods are not material.</p> <p>In deciding whether a particular accounting policy should be disclosed, management considers whether disclosure would assist users in understanding how transactions, other events and conditions are reflected in the reported financial performance and financial position. Disclosure of particular accounting policies is especially useful to users when those policies are selected from alternatives allowed in Standards and Interpretations.</p> <p>Each entity considers the nature of its operations and the policies that users of its financial statements would expect to be disclosed for that type of entity. It is also appropriate to disclose each significant accounting policy that is not specifically required by Accounting Standards, but that is selected and applied in accordance with AASB 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>.</p> <p>For completeness, in these model financial statements accounting policies have been provided for some immaterial items, although this is not required under Accounting Standards.</p> <p><u>Materiality</u></p> <p>In accordance with AASB 1031 <i>Materiality</i>, accounting policies need only be identified in the summary of accounting policies where they are considered 'material'. Accounting policies will be considered material if their omission, misstatement or non-disclosure has the potential, individually or collectively, to:</p> <ul style="list-style-type: none"> (a) influence the economic decisions of users taken on the basis of the financial report; and (b) affect the discharge of accountability by the management or governing body of the entity.
AASB101. Aus15.1, Aus15.2, Aus15.4, RDR16.1 AASB110.17	<p>3.1 Statement of compliance</p> <p>These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001 and Australian Accounting Standards – Reduced Disclosure Regime, and comply with other requirements of the law.</p> <p>The financial statements comprise the consolidated financial statements of the Group.</p> <p>The financial statements were authorised for issue by the directors on 11 September 2010.</p>
AASB101.112 (a) AASB101.51(d), 108(a)	<p>3.2 Basis of preparation</p> <p>The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.</p>
ASIC-CO 98/100	<p>If the company is of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and consequently the amounts in the directors' report and the financial report are rounded, that fact must be disclosed in the report. Where the conditions of the Class Order are met, entities may round to the nearest thousand dollars, nearest hundred thousand dollars, or to the nearest million dollars.</p>
ASIC-CO 98/100, AASB101.51(e)	<p>The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.</p>

Source	RDR Holdings (Australia) Limited
	<p>3. Significant accounting policies (cont'd)</p> <p>Early adoption of Accounting Standards The directors have elected under s.334(5) of the Corporations Act 2001 to apply AASB 1053 <i>Application of Tiers of Australian Accounting Standards</i>, AASB 2010-2 <i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements</i>, Amendments to AASB 5 <i>Non-Current Assets Held for Sale and Discontinued Operations</i> and Amendments to AASB 107 <i>Statement of Cash Flows</i> in advance of their effective dates. AASB 1053 and AASB 2010-2 are not required to be applied until annual reporting periods beginning on or after 1 July 2013. The impact of the adoption of these standards is disclosed in Note 2.1 to the financial statements. The amendments to AASB 5 and AASB 107 are not required to be applied until annual reporting periods beginning on or after 1 January 2010. The impact of the adoption of these standards is disclosed in Note 2.1 to the financial statements.</p>
AASB101.117(b)	The following significant accounting policies have been adopted in the preparation and presentation of the financial report:
AASB101.25	<p>Going concern basis Where the financial report is prepared on a going concern basis, but material uncertainties exist in relation to events or conditions which cast doubt on the entity's ability to continue as a going concern, those uncertainties shall be disclosed. The events or conditions requiring disclosure may arise after the reporting date.</p>
AASB101.25, AASB110.14	Where the going concern basis has not been used, this shall be disclosed together with a statement of the reasons for not applying this basis and the basis on which the financial report has been prepared. An entity shall not prepare its financial report on a going concern basis if management determines after the reporting date either that it intends to liquidate the entity or to cease trading, or that it has no realistic alternative but to do so.
	<p>Example accounting policies The following illustrations are quoted by way of example only, and do not necessarily represent the only treatment which may be appropriate for the item concerned and does not cover all items that shall be considered for inclusion in the summary of accounting policies.</p>
AASB139.98, 99	<ul style="list-style-type: none"> not to adjust the initial measurement of the cost of a non-financial asset or a non-financial liability arising from a hedged forecast transaction by the amount deferred in equity;
AASB119.92-93D	<ul style="list-style-type: none"> for actuarial gains and losses arising in relation to defined benefit plans, to adopt the corridor approach or to recognise actuarial gains and losses directly in retained profits or in full in profit or loss;
AASB139.38	<ul style="list-style-type: none"> to recognise investments on settlement date or on trade date;
AASB139.92	<ul style="list-style-type: none"> in respect of fair value hedges, to amortise the adjustment to a hedged item measured at amortised cost to profit or loss from the date the adjustment is made or to begin the amortisation no later than when hedge accounting is discontinued;
AASB112.78	<ul style="list-style-type: none"> to present exchange differences on deferred foreign tax liabilities or assets recognised in the income statement as deferred tax expense (income);
AASB138.72	<ul style="list-style-type: none"> to measure intangible assets after initial recognition on either the cost or revaluation (fair value) basis, where conditions for doing so are met;
AASB140.30	<ul style="list-style-type: none"> to measure investment property under either the cost model or the fair value model;
AASB140.6	<ul style="list-style-type: none"> to classify and account for property interests held under operating leases as investment properties on a property-by-property basis;
AASB131.30	<ul style="list-style-type: none"> to account for jointly controlled entities using proportionate consolidation or the equity method;
AASB120.23	<ul style="list-style-type: none"> to account for government grants in the form of a non-monetary asset at a nominal amount;
AASB120.24	<ul style="list-style-type: none"> to present government grants related to assets as a deduction from the carrying amount of the asset;
AASB120.29	<ul style="list-style-type: none"> to deduct government grants received and recognised in the income statement in reporting the related expense; or
AASB107.18	<ul style="list-style-type: none"> to prepare the statement of cash flows using either the direct or the indirect method.
	Entities may also need to disclose the manner in which they account for:
AASB3.2(c)	<ul style="list-style-type: none"> business combinations involving entities under common control;
AASB141	<ul style="list-style-type: none"> biological assets or agricultural produce; or
AASB6	<ul style="list-style-type: none"> exploration and evaluation activities.

3. Significant accounting policies (cont'd)

3.3 Basis of consolidation

AASB127

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The interests of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

3.4 Business combinations

AASB3

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant Standards. Changes in the fair value of contingent consideration classified as equity are not recognised.

Source

RDR Holdings (Australia) Limited

3. Significant accounting policies (cont'd)

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under AASB 3(2008) are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with AASB 112 *Income Taxes* and AASB 119 *Employee Benefits* respectively;
- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with AASB 2 *Share-based Payment*; and
- assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date – and is subject to a maximum of one year.

3.5 Investments in associates

AASB128

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of that investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

When a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

Source	RDR Holdings (Australia) Limited
	<p>3. Significant accounting policies (cont'd)</p> <p>3.6 Interests in joint ventures</p> <p>AASB131 A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control (i.e. when the strategic financial and operating policy decisions relating to the activities of the joint venture require the unanimous consent of the parties sharing control).</p> <p>When a group entity undertakes its activities under joint venture arrangements directly, the Group's share of jointly controlled assets and any liabilities incurred jointly with other venturers are recognised in the financial statements of the relevant entity and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on an accrual basis. Income from the sale or use of the Group's share of the output of jointly controlled assets, and its share of joint venture expenses, are recognised when it is probable that the economic benefits associated with the transactions will flow to/from the Group and their amount can be measured reliably.</p> <p>The Group's interests in assets where the Group does not have joint control are accounted for in accordance with the substance of the Group's interest. Where such arrangements give rise to an undivided interest in the individual assets and liabilities of the joint venture, the Group recognises its undivided interest in each asset and liability and classifies and presents those items according to their nature</p> <p>The following wording, amended as appropriate for an entity's circumstances, should be included as required: Where the joint venture arrangement does not embody an undivided interest in individual assets and liabilities, but gives rise to:</p> <ul style="list-style-type: none"> • a right to output, the Group recognises an intangible asset (refer note 3.20). • a right to a net return in the form of cash or other financial assets, the Group recognises a financial asset (refer note 3.24). <p>A joint venture characterised as a 'jointly controlled asset' involves the joint control, and often the joint ownership, by the venturers of one or more assets contributed to, or acquired for the purpose of, the joint venture and dedicated to the purposes of the joint venture. The assets are used to obtain benefits for the venturers. Each venturer may take a share of the output from the assets and each bears an agreed share of the expenses incurred. Jointly controlled assets do not involve the establishment of a corporation, partnership or other entity, or a financial structure that is separate from the venturers themselves. Each venturer has control over its share of future economic benefits through its share of the jointly controlled asset.</p> <p>AASB131.57 Joint venture arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities. The Group reports its interests in jointly controlled entities using proportionate consolidation, except when the investment is classified as held for sale, in which case it is accounted for in accordance with AASB 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i>. The Group's share of the assets, liabilities, income and expenses of jointly controlled entities is combined with the equivalent items in the consolidated financial statements on a line-by-line basis.</p> <p>Any goodwill arising on the acquisition of the Group's interest in a jointly controlled entity is accounted for in accordance with the Group's accounting policy for goodwill arising in a business combination (see 3.7 below).</p> <p>When a group entity transacts with a jointly controlled entity of the Group, unrealised profits and losses are eliminated to the extent of the Group's interest in the joint venture.</p> <p>AASB3 3.7 Goodwill Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.</p>

Source	RDR Holdings (Australia) Limited
	<p>3. Significant accounting policies (cont'd)</p> <p>If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.</p> <p>Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.</p> <p>On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.</p> <p>The Group's policy for goodwill arising on the acquisition of an associate is described at 3.5 above.</p> <p>3.8 Non-current assets held for sale</p> <p>Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.</p> <p>When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.</p> <p>Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.</p>
AASB5	
AASB118.35(a)	<p>3.9 Revenue recognition</p> <p>Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.</p>
AASB118.35(a)	<p>The revenue accounting policies that follow are generic and must be adapted to suit the specific circumstances of each entity. The entity should disclose the accounting policies adopted for each significant category of revenue recognised in the period including the methods adopted to determine the stage of completion of transactions involving the rendering of services.</p> <p>3.9.1 Sale of goods</p> <p>Revenue from the sale of goods is recognised when all the following conditions are satisfied:</p> <ul style="list-style-type: none"> • the Group has transferred to the buyer the significant risks and rewards of ownership of the goods; • the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; • the amount of revenue can be measured reliably; • it is probable that the economic benefits associated with the transaction will flow to the entity; and • the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Source	RDR Holdings (Australia) Limited
	<p>3. Significant accounting policies (cont'd)</p> <p>Sales of goods that result in award credits for customers, under the Group's Maxi-Points Scheme, are accounted for as multiple element revenue transactions and the fair value of the consideration received or receivable is allocated between the goods supplied and the award credits granted. The consideration allocated to the award credits is measured by reference to their fair value – the amount for which the award credits could be sold separately. Such consideration is not recognised as revenue at the time of the initial sale transaction – but is deferred and recognised as revenue when the award credits are redeemed and the Group's obligations have been fulfilled.</p>
AASB118.20	3.9.2 <u>Rendering of services</u>
AASB118.35(a)	The accounting policies disclosed must disclose the methods adopted to determine the stage of completion of transactions involving the rendering of services.
	<p>Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows:</p> <ul style="list-style-type: none"> • installation fees are recognised by reference to the stage of completion of the installation, determined as the proportion of the total time expected to install that has elapsed at the end of the reporting period; • servicing fees included in the price of products sold are recognised by reference to the proportion of the total cost of providing the servicing for the product sold, taking into account historical trends in the number of services actually provided on past goods sold; and • revenue from time and material contracts is recognised at the contractual rates as labour hours are delivered and direct expenses are incurred. <p>The Group's policy for recognition of revenue from construction contracts is described at 3.10 below.</p>
AASB118.30(c)	3.9.3 <u>Royalties</u>
	<p>Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably). Royalties determined on a time basis are recognised on a straight-line basis over the period of the agreement. Royalty arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.</p>
	3.9.4 <u>Dividend and interest revenue</u>
AASB118.30(c)	Dividend revenue from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably).
AASB118.30(a)	Interest revenue is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.
	3.9.5 <u>Rental income</u>
	The Group's policy for recognition of revenue from operating leases is described in 3.11.1 below.
AASB111.39(b), (c)	<p>3.10 Construction contracts</p> <p>Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.</p>

Source	RDR Holdings (Australia) Limited
	<p>3. Significant accounting policies (cont'd)</p> <p>Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.</p> <p>When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.</p> <p>3.11 Leasing</p> <p>Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.</p> <p>3.11.1 <u>The Group as lessor</u></p> <p>Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.</p> <p>Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.</p> <p>3.11.2 <u>The Group as lessee</u></p> <p>Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.</p> <p>Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see 3.13 below). Contingent rentals are recognised as expenses in the periods in which they are incurred.</p> <p>Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.</p> <p>In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.</p> <p>3.12 Foreign currencies</p>
AASB121	<p>The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in Australian dollars ('\$'), which is the functional currency of the Company and the presentation currency for the consolidated financial statements.</p>

Source	RDR Holdings (Australia) Limited
	<p>3. Significant accounting policies (cont'd)</p> <p>In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.</p> <p>Exchange differences are recognised in profit or loss in the period in which they arise except for:</p> <ul style="list-style-type: none"> • exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; • exchange differences on transactions entered into in order to hedge certain foreign currency risks (see 3.26 below for hedging accounting policies); and • exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment. <p>For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in Australian dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).</p> <p>On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a jointly controlled entity that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.</p> <p>In the case of a partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. of associates or jointly controlled entities not involving a change of accounting basis), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.</p> <p>Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.</p> <p>3.13 Borrowing costs</p> <p>Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.</p> <p>Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.</p> <p>All other borrowing costs are recognised in profit or loss in the period in which they are incurred.</p>
AASB123.6(e)	
AASB139.72	
AASB121.15	
AASB123	

Source	RDR Holdings (Australia) Limited
	<p>3. Significant accounting policies (cont'd)</p>
AASB120.39(a)	<p>3.14 Government grants</p>
	<p>Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.</p> <p>The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.</p> <p>Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.</p> <p>Other government grants are recognised as revenue over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.</p>
Int110	<p>Government assistance which does not have conditions attached specifically relating to the operating activities of the entity is recognised in accordance with the accounting policies above.</p>
AASB119.120A (a)	<p>3.15 Employee benefits</p>
	<p>A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.</p> <p>Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.</p> <p>Liabilities recognised in respect of long term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.</p> <p>Contributions to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.</p> <p>For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period. Actuarial gains and losses that exceed 10 per cent of the greater of the present value of the Group's defined benefit obligation and the fair value of plan assets as at the end of the prior year are amortised over the expected average remaining working lives of the participating employees. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.</p> <p>The retirement benefit obligation recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service cost, and as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to unrecognised actuarial losses and past service cost, plus the present value of available refunds and reductions in future contributions to the plan.</p>

Source	RDR Holdings (Australia) Limited
	<p>3. Significant accounting policies (cont'd)</p> <p>3.16 Share-based payments</p> <p>Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 43.</p> <p>The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.</p> <p>The policy described above is applied to all equity-settled share-based payments that were granted after 7 November 2002 and vested after 1 January 2005. No amounts have been recognised in the financial statements in respect of other equity-settled share-based payments.</p>
AASB2, RDR46.1, RDR46.2, 11-12	
AASB2.10, 13	<p>Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.</p> <p>For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.</p> <p>3.17 Taxation</p> <p>Income tax expense represents the sum of the tax currently payable and deferred tax.</p> <p>3.17.1 Current tax</p>
AASB112.12, 46	<p>The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated [statement of comprehensive income/income statement] because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.</p> <p>3.17.2 Deferred tax</p>
AASB112.15, 24	<p>Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.</p>
AASB112.39, 44	<p>Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.</p> <p>The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.</p>

Source	RDR Holdings (Australia) Limited
	<p>3. Significant accounting policies (cont'd)</p>
AASB112.47, 51	<p>Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.</p>
AASB112.74	<p>Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.</p>
	<p>3.17.3 <u>Current and deferred tax for the period</u></p>
AASB112.58	<p>Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is included in the accounting for the business combination.</p>
	<p>Additional information on accounting policies shall be included where the entity has other material tax balances not covered by the above analysis, such as in relation to tax deductible share-based payments.</p>
AASB116.73(a), (b)	<p>3.18 Property, plant and equipment</p>
	<p>Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of the reporting period.</p>
	<p>Any revaluation increase arising on the revaluation of such land and buildings is recognised in other comprehensive income, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land and buildings is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.</p>
	<p>Depreciation on revalued buildings is recognised in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings. No transfer is made from the revaluation reserve to retained earnings except when an asset is derecognised.</p>
	<p>Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.</p>
	<p>Freehold land is not depreciated.</p>
	<p>Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.</p>
	<p>Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.</p>

Source	RDR Holdings (Australia) Limited
	<p>3. Significant accounting policies (cont'd)</p>
<p>AASB116.51, 61</p>	<p>Depreciation rates and methods shall be reviewed at least annually and, where changed, shall be accounted for as a change in accounting estimate as illustrated in note 4.2.3. Where depreciation rates or methods are changed, the net written down value of the asset is depreciated from the date of the change in accordance with the new depreciation rate or method. Depreciation recognised in prior financial years shall not be changed, that is, the change in depreciation rate or method shall be accounted for on a 'prospective' basis.</p> <p>Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.</p> <p>The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.</p>
<p>AASB140.75(a)</p>	<p>3.19 Investment property</p> <p>Investment property, which is property held to earn rentals and/or for capital appreciation (including property under construction for such purposes), is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains and losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise.</p> <p>3.20 Intangible assets</p> <p>3.20.1 <u>Intangible assets acquired separately</u></p>
<p>AASB138.118(b)</p>	<p>Intangible assets acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.</p> <p>3.20.2 <u>Internally-generated intangible assets - research and development expenditure</u></p> <p>Expenditure on research activities is recognised as an expense in the period in which it is incurred.</p> <p>An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:</p> <ul style="list-style-type: none"> • the technical feasibility of completing the intangible asset so that it will be available for use or sale; • the intention to complete the intangible asset and use or sell it; • the ability to use or sell the intangible asset; • how the intangible asset will generate probable future economic benefits; • the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and • the ability to measure reliably the expenditure attributable to the intangible asset during its development. <p>The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.</p>
<p>AASB138.118(b)</p>	<p>Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.</p>

Source	RDR Holdings (Australia) Limited
	<p>3. Significant accounting policies (cont'd)</p> <p>Where entities have intangible assets that have been assessed as having an indefinite useful life, an appropriate accounting policy shall be disclosed, for example:</p> <p><u>Brand names</u> Brand names recognised by the company have an indefinite useful life and are not amortised. Each period, the useful life of this asset is reviewed to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset. Such assets are tested for impairment in accordance with the policy stated in note 3.21.</p> <p>3.20.3 Intangible assets acquired in a business combination</p> <p>Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).</p> <p>AASB138.118(b) Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.</p> <p>3.21 Impairment of tangible and intangible assets excluding goodwill</p> <p>At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.</p> <p>Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.</p> <p>Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.</p> <p>If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease (see 3.18 above).</p> <p>Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase (see 3.18 above).</p> <p>AASB102.36(a) 3.22 Inventories</p> <p>Inventories are stated at the lower of cost and net realisable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories by the method most appropriate to the particular class of inventory, with the majority being valued on a first-in-first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.</p>

Source	RDR Holdings (Australia) Limited
	<p>3. Significant accounting policies (cont'd)</p> <p>3.23 Provisions</p> <p>Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.</p> <p>The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.</p> <p>When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.</p> <p>3.23.1 Onerous contracts</p> <p>Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.</p> <p>3.23.2 Restructurings</p> <p>A restructuring provision is recognised when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.</p> <p>3.23.3 Warranties</p> <p>Provisions for the expected cost of warranty obligations under local sale of goods legislation are recognised at the date of sale of the relevant products, at the directors' best estimate of the expenditure required to settle the Group's obligation.</p> <p>3.23.4 Contingent liabilities acquired in a business combination</p> <p>Contingent liabilities acquired in a business combination are initially measured at fair value at the date of acquisition. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with AASB 137 <i>Provisions, Contingent Liabilities and Contingent Assets</i> and the amount initially recognised less cumulative amortisation recognised in accordance with AASB 118 <i>Revenue</i>.</p>
AASB137	
AASB7.21	<p>3.24 Financial assets</p> <p>All financial assets are recognised and derecognised on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.</p>
AASB139.9	<p>Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.</p>

Source	RDR Holdings (Australia) Limited
	<p>3. Significant accounting policies (cont'd)</p> <p>3.24.1 <u>Effective interest method</u></p> <p>The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.</p>
AASB7.B5(e)	<p>Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.</p>
	<p>3.24.2 <u>Financial assets at FVTPL</u></p> <p>Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.</p> <p>A financial asset is classified as held for trading if:</p> <ul style="list-style-type: none"> • it has been acquired principally for the purpose of selling it in the near term; or • on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or • it is a derivative that is not designated and effective as a hedging instrument. <p>A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:</p> <ul style="list-style-type: none"> • such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or • the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or • it forms part of a contract containing one or more embedded derivatives, and AASB 139 <i>Financial Instruments: Recognition and Measurement</i> permits the entire combined contract (asset or liability) to be designated as at FVTPL.
AASB7.B5(e)	<p>Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the [statement of comprehensive income/income statement]. Fair value is determined in the manner described in note 42.</p>
	<p>3.24.3 <u>Held-to-maturity investments</u></p> <p>Bills of exchange and debentures with fixed or determinable payments and fixed maturity dates that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment, with revenue recognised on an effective yield basis.</p>
	<p>3.24.4 <u>AFS financial assets</u></p> <p>Listed shares and listed redeemable notes held by the Group that are traded in an active market are classified as AFS and are stated at fair value. The Group also has investments in unlisted shares that are not traded in an active market but that are also classified as AFS financial assets and stated at fair value (because the directors consider that fair value can be reliably measured). Fair value is determined in the manner described in note 42. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.</p>

Source	RDR Holdings (Australia) Limited
	<p>3. Significant accounting policies (cont'd)</p> <p>Dividends on AFS equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.</p> <p>The fair value of AFS monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.</p> <p>3.24.5 <u>Loans and receivables</u></p> <p>Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.</p> <p>3.24.6 <u>Impairment of financial assets</u></p> <p>Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.</p>
AASB132.35	<p>For equity instruments, including listed or unlisted shares, objective evidence of impairment includes information about significant changes with an adverse effect that have take place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in the equity instrument may not be recovered. A significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment for unlisted shares classified as available-for-sale.</p>
AASB139.61	<p>For all other financial assets, including redeemable notes classified as available-for-sale and finance lease receivables, objective evidence of impairment could include:</p> <ul style="list-style-type: none"> • significant financial difficulty of the issuer or counterparty; or • default or delinquency in interest or principal payments; or • it becoming probable that the borrower will enter bankruptcy or financial re-organisation. <p>For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.</p> <p>For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.</p> <p>For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.</p> <p>The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.</p>
AASB139.58, 59	

Source	RDR Holdings (Australia) Limited
	<p>3. Significant accounting policies (cont'd)</p> <p>When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.</p> <p>With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.</p> <p>In respect of AFS equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income.</p>
	<p>3.24.7 <u>Reclassification of financial assets</u></p> <p>The Group has reclassified certain non-derivative financial assets out of held for trading (part of the FVTPL category) to AFS financial assets. Reclassification is only permitted in rare circumstances and where the asset is no longer held for the purpose of selling in the short-term. In all cases, reclassifications of financial assets are limited to debt instruments. Reclassifications are accounted for at the fair value of the financial asset at the date of reclassification.</p>
AASB7.21	<p>3.24.8 <u>Derecognition of financial assets</u></p> <p>The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.</p>
AASB7.21	<p>3.25 <i>Financial liabilities and equity instruments issued by the Group</i></p> <p>3.25.1 <u>Classification as debt or equity</u></p> <p>Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.</p>
	<p>3.25.2 <u>Equity instruments</u></p> <p>An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.</p>
	<p>3.25.3 <u>Compound instruments</u></p>
AASB7.RDR27.1	<p>The component parts of compound instruments (convertible bonds) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured.</p>

Source	RDR Holdings (Australia) Limited
	<p>3. Significant accounting policies (cont'd)</p> <p>3.25.4 <u>Financial guarantee contract liabilities</u></p> <p>Financial guarantee contract liabilities are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:</p> <ul style="list-style-type: none"> • the amount of the obligation under the contract, as determined in accordance with AASB 137 <i>Provisions, Contingent Liabilities and Contingent Assets</i>; and • the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies set out at 3.9.4 above. <p>3.25.5 <u>Financial liabilities</u></p> <p>Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.</p> <p>3.25.6 <u>Financial liabilities at FVTPL</u></p> <p>Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.</p> <p>A financial liability is classified as held for trading if:</p> <ul style="list-style-type: none"> • it has been acquired principally for the purpose of repurchasing it in the near term; or • on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or • it is a derivative that is not designated and effective as a hedging instrument. <p>A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:</p> <ul style="list-style-type: none"> • such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or • the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or • it forms part of a contract containing one or more embedded derivatives, and AASB 139 <i>Financial Instruments: Recognition and Measurement</i> permits the entire combined contract (asset or liability) to be designated as at FVTPL. <p>AASB7.B5(e) Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the [statement of comprehensive income/income statement]. Fair value is determined in the manner described in note 42.</p> <p>3.25.7 <u>Other financial liabilities</u></p> <p>Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.</p> <p>Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.</p> <p>The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.</p> <p>3.25.8 <u>Derecognition of financial liabilities</u></p> <p>The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.</p>

Source

RDR Holdings (Australia) Limited

AASB7.21

3. Significant accounting policies (cont'd)

3.26 Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including foreign exchange forward contracts, interest rate swaps and cross currency swaps. Further details of derivative financial instruments are disclosed in note 42.

Derivatives are initially recognised at fair value at the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The Group designates certain derivatives as either hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedges), hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges), or hedges of net investments in foreign operations.

A derivative with a positive fair value is recognised as a financial asset; a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

3.26.1 Embedded derivatives

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

An embedded derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the hybrid instrument to which the embedded derivative relates is more than 12 months and it is not expected to be realised or settled within 12 months. Other embedded derivatives are presented as current assets or current liabilities.

3.26.2 Hedge accounting

The Group designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Note 42 sets out details of the fair values of the derivative instruments used for hedging purposes.

3.26.3 Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in the line of the [statement of comprehensive income/income statement] relating to the hedged item.

Hedge accounting is discontinued when the Group revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

Source	RDR Holdings (Australia) Limited
	<p>3. Significant accounting policies (cont'd)</p> <p>3.26.4 Cash flow hedges</p> <p>The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'other gains and losses' line item.</p> <p>Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item is recognised in profit or loss, in the same line of the [statement of comprehensive income/income statement] as the recognised hedged item. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously accumulated in equity are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.</p> <p>Hedge accounting is discontinued when the Group revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.</p> <p>3.26.5 Hedges of net investments in foreign operations</p> <p>Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in the foreign currency translation reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'other gains and losses' line item.</p> <p>Gains and losses on the hedging instrument relating to the effective portion of the hedge accumulated in the foreign currency translation reserve are reclassified to profit or loss in the same way as exchange differences relating to the foreign operation as described at 3.12 above.</p> <p>3.27 Goods and services tax</p> <p>Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:</p> <ol style="list-style-type: none"> i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or ii. for receivables and payables which are recognised inclusive of GST. <p>The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.</p> <p>Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.</p>
Int1031	
AASB101.41	<p>3.28 Comparative amounts</p> <p>When an entity changes the presentation or classification of items in its financial statements comparative amounts shall be reclassified unless the reclassification is impracticable.</p> <p>When comparative amounts are reclassified, an entity shall disclose:</p> <ol style="list-style-type: none"> (a) the nature of the reclassification; (b) the amount of each item or class of items that is reclassified; and (c) the reason for the reclassification.
AASB101.42(a)	<p>When it is impracticable to reclassify comparative amounts, an entity shall disclose the reason for not reclassifying the amounts.</p>

3. Significant accounting policies (cont'd)

Example accounting policies for mining entities

The following example accounting policies may be relevant for entities operating in the resources industry. Entities will need to edit and adapt the accounting policies below to reflect their entity's policies and circumstances:

(xx) Provision for restoration and rehabilitation

A provision for restoration and rehabilitation is recognised when there is a present obligation as a result of *[exploration, development, production, transportation or storage]* activities undertaken, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the provision can be measured reliably. The estimated future obligations include the costs of *[removing facilities, abandoning sites/wells and restoring the affected areas]*.

The provision for future restoration costs is the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date, *[based on current legal and other requirements and technology]*. Future restoration costs are reviewed annually and any changes in the estimate are reflected in the present value of the restoration provision at each reporting date.

The initial estimate of the restoration and rehabilitation provision relating to *[exploration, development and milling/production facilities]* is capitalised into the cost of the related asset and *[depreciated/amortised]* on the same basis as the related asset, unless the present obligation arises from the production of inventory in the period, in which case the amount is included in the cost of production for the period. Changes in the estimate of the provision for restoration and rehabilitation are treated in the same manner, except that the unwinding of the effect of discounting on the provision is recognised as a finance cost rather than being capitalised into the cost of the related asset.

(xx) Exploration and evaluation

The following example accounting policy assumes that an entity has adopted an 'area of interest' approach towards the capitalisation of exploration and evaluation, as is suggested by paragraph Aus7.2 of AASB 6 'Exploration for and Evaluation of Mineral Resources'. Where other approaches are adopted, the following wording will need to be edited as appropriate: Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- (i) the rights to tenure of the area of interest are current; and
- (ii) at least one of the following conditions is also met:
 - (a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
 - (b) exploration and evaluation activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (or the cash-generating unit(s) to which it has been allocated, being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision is made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to *[development]*.

3. Significant accounting policies (cont'd)

(xx) Development

Development expenditure is recognised at cost less accumulated [*amortisation/depletion*] and any impairment losses. Where commercial production in an area of interest has commenced, the associated costs [*together with any forecast future capital expenditure necessary to develop proved and probable reserves*] are amortised over the estimated economic life of the [*mine/field*] on a units-of-production basis.

Changes in factors such as estimates of proved and probable reserves that affect unit-of-production calculations are dealt with on a prospective basis.

4. Critical accounting judgments and key sources of estimation uncertainty

The following are examples of the types of disclosures that might be required in this area. The matters disclosed will be dictated by the circumstances of the individual entity, and by the significance of judgements and estimates made to the results and financial position of the entity. Instead of disclosing this information in a separate note, it may be more appropriate to include such disclosures in the relevant asset and liability notes, or as part of the relevant accounting policy disclosures.

In the application of the Group's accounting policies, which are described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

AASB101.122

4.1 Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see 4.2 below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

4.1.1 Revenue recognition

Note 13.5 describes the expenditure required in the year for rectification work carried out on goods supplied to one of the Group's major customers. These goods were delivered to the customer in the months of July 2009 to January 2010, and shortly thereafter the defects were identified by the customer. Following negotiations, a schedule of works was agreed, which will involve expenditure by the Group until 2012. In the light of the problems identified, the directors were required to consider whether it was appropriate to recognise the revenue from these transactions of \$19 million in the current period, in line with the Group's general policy of recognising revenue when goods are delivered, or whether it was more appropriate to defer recognition until the rectification work was complete.

In making their judgement, the directors considered the detailed criteria for the recognition of revenue from the sale of goods set out in AASB 118 *Revenue* and, in particular, whether the Group had transferred to the buyer the significant risks and rewards of ownership of the goods. Following the detailed quantification of the Group's liability in respect of rectification work, and the agreed limitation on the customer's ability to require further work or to require replacement of the goods, the directors are satisfied that the significant risks and rewards have been transferred and that recognition of the revenue in the current year is appropriate, in conjunction with the recognition of an appropriate provision for the rectification costs.

Source RDR Holdings (Australia) Limited

4. Critical accounting judgments and key sources of estimation uncertainty (cont'd)

4.1.2 Held-to-maturity financial assets

The directors have reviewed the Group's held-to-maturity financial assets in the light of its capital maintenance and liquidity requirements and have confirmed the Group's positive intention and ability to hold those assets to maturity. The carrying amount of the held-to-maturity financial assets is \$5.905 million. Details of these assets are set out in note 17.

AASB101.125,
129

4.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4.2.1 Recoverability of internally generated intangible asset

During the year, the directors reconsidered the recoverability of the Group's internally generated intangible asset arising from its e-business development, which is included in the consolidated statement of financial position at 30 June 2010 at \$0.5 million.

The project continues to progress in a very satisfactory manner, and customer reaction has reconfirmed the directors' previous estimates of anticipated revenues from the project. However, increased competitor activity has caused the directors to reconsider their assumptions regarding future market share and anticipated margins on these products. Detailed sensitivity analysis has been carried out and the directors are confident that the carrying amount of the asset will be recovered in full, even if returns are reduced. This situation will be closely monitored, and adjustments made in future periods if future market activity indicates that such adjustments are appropriate.

4.2.2 Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

The carrying amount of goodwill at the end of the reporting period was \$20.3 million after an impairment loss of \$235,000 was recognised during 2010. Details of the impairment loss calculation are set out in note 24.

4.2.3 Useful lives of property, plant and equipment

As described at 3.18 above, the Group reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period. During the financial year, the directors determined that the useful lives of certain items of equipment should be shortened, due to developments in technology.

The financial effect of this reassessment, assuming the assets are held until the end of their estimated useful lives, is to increase the consolidated depreciation expense in the current financial year and for the next 3 years, by the following amounts:

	<u>\$'000</u>
2010	879
2011	607
2012	144
2013	102

AASB108.36

The effect of a change in an accounting estimate, shall be recognised prospectively by including it in profit or loss in:

- (a) the period of the change, if the change affects that period only; or
- (b) the period of the change and future periods, if the change affects both.

Source	RDR Holdings (Australia) Limited																		
	<p>4. Critical accounting judgments and key sources of estimation uncertainty (cont'd)</p>																		
AASB108.37	To the extent that a change in an accounting estimate gives rise to changes in assets and liabilities, or relates to an item of equity, it shall be recognised by adjusting the carrying amount of the related asset, liability or equity item in the period of the change.																		
AASB108.39	An entity shall disclose the nature and amount of a change in an accounting estimate that has an effect in the current period or is expected to have an effect in future periods, except for the disclosure of the effect on future periods when it is impracticable to estimate that effect.																		
AASB116.76	<p>For property, plant and equipment, such disclosure may arise from changes in estimates with respect to:</p> <ul style="list-style-type: none"> (a) residual values; (b) the estimated costs of dismantling, removing or restoring items of property, plant and equipment; (c) useful lives; and (d) depreciation methods. 																		
	<p>5. Revenue</p>																		
AASB118.35(b)	The following is an analysis of the Group's revenue for the year from continuing operations (excluding investment revenue – see note 7).																		
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">Year ended 30/06/10</th> <th style="text-align: center;">Year ended 30/06/09</th> </tr> <tr> <th></th> <th style="text-align: center;">\$'000</th> <th style="text-align: center;">\$'000</th> </tr> </thead> <tbody> <tr> <td>AASB118.35(b) Revenue from the sale of goods</td> <td style="text-align: right;">119,232</td> <td style="text-align: right;">128,852</td> </tr> <tr> <td>AASB118.35(b) Revenue from the rendering of services</td> <td style="text-align: right;">16,388</td> <td style="text-align: right;">18,215</td> </tr> <tr> <td>AASB111.39(a) Construction contract revenue</td> <td style="text-align: right;">5,298</td> <td style="text-align: right;">4,773</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">140,918</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">151,840</td> </tr> </tbody> </table>		Year ended 30/06/10	Year ended 30/06/09		\$'000	\$'000	AASB118.35(b) Revenue from the sale of goods	119,232	128,852	AASB118.35(b) Revenue from the rendering of services	16,388	18,215	AASB111.39(a) Construction contract revenue	5,298	4,773		140,918	151,840
	Year ended 30/06/10	Year ended 30/06/09																	
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AASB118.35(b) Revenue from the sale of goods	119,232	128,852																	
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AASB111.39(a) Construction contract revenue	5,298	4,773																	
	140,918	151,840																	
AASB7.23(d), Aus2.9(f)	<p>A portion of the Group's revenue from the sale of goods denominated in foreign currencies is cash flow hedged. The amounts disclosed above for revenue from the sale of goods include the recycling of the effective amount of the foreign currency derivatives that are used to hedge foreign currency revenue (2010: \$ xxx thousand; 2009: \$ xxx thousand).</p> <p>See note 6.6 for an analysis of revenue by major products and services.</p>																		
AASB118.35(c)	<p>Exchange of goods or services</p> <p>The amount of revenue arising from exchanges of goods or services included in each significant category of revenue shall be separately disclosed.</p>																		
	<p>6. Segment information</p>																		
	<p><i>Segment disclosures are not required under RDR. This note reference has therefore been included only to assist users to more easily compare the reduced disclosures illustrated in this publication to those which entities would be expected to make under 'Tier 1', which are illustrated in corresponding notes in the Deloitte 30 June 2010 'Model Financial Statements'.</i></p>																		
AASB 8.3	<p><i>If an entity chooses to disclose the information required by AASB 8 'Operating Segments', it cannot describe that information as segment information unless that information fully complies with all of the requirements of the Standard.</i></p>																		

Source	RDR Holdings (Australia) Limited		
	7. Investment revenue		
		Year ended <u>30/06/10</u> \$'000	Year ended <u>30/06/09</u> \$'000
	Continuing operations		
	Rental revenue:		
AASB117.47(e)	Finance lease contingent rental revenue	-	-
AASB117.56(b)	Operating lease contingent rental revenue	18	14
	Other	-	-
		<u>18</u>	<u>14</u>
AASB118.35(b), AASB7.20(b)	Interest revenue:	2,315	1,304
AASB118.35(b)	Royalties	579	428
AASB118.35(b)	Dividends received	156	154
	Other (aggregate of immaterial items)	<u>540</u>	<u>451</u>
		<u>3,608</u>	<u>2,351</u>
AASB7.20(a)	The following is an analysis of investment revenue earned on financial assets by category of asset.		
		Year ended <u>30/06/10</u> \$'000	Year ended <u>30/06/09</u> \$'000
	Available-for-sale financial assets	154	148
	Loans and receivables (including cash and bank balances)	1,716	746
	Held-to-maturity investments	<u>445</u>	<u>410</u>
AASB7.20(b)	Total interest income for financial assets not designated as at fair value through profit or loss	2,315	1,304
	Investment income earned on non-financial assets	<u>1,293</u>	<u>1,047</u>
		<u>3,608</u>	<u>2,351</u>
	Revenue relating to financial assets classified as at fair value through profit or loss is included in 'other gains and losses' in note 8.		

Source	RDR Holdings (Australia) Limited		
	8. Other gains and losses		
		Year ended 30/06/10	Year ended 30/06/09
		\$'000	\$'000
	Continuing operations		
AASB101.98(c)	Gain/(loss) on disposal of property, plant and equipment	6	67
AASB101.98(d)	Gain/(loss) on disposal of available-for-sale investments	-	-
AASB7.20(a)	Cumulative gain/(loss) reclassified from equity on disposal of available-for-sale investments	-	-
AASB7.20(a)	Cumulative loss reclassified from equity on impairment of available-for-sale investments	-	-
AASB120.39(b)	Government grants received for staff re-training	731	979
AASB121.52(a)	Net foreign exchange gains/(losses)	101	(117)
	Gain arising on effective settlement of legal claim against Subseven Limited (note 44)	40	-
AASB7.20(a), Aus2.9(d)	Net gain/(loss) arising on financial assets at FVTPL (ii)	(129)	-
AASB7.20(a), Aus2.9(d)	Net gain/(loss) arising on financial liabilities at FVTPL (i)	(488)	-
AASB140.76(d)	Change in fair value of investment property	297	8
AASB7.24(b)	Hedge ineffectiveness on cash flow hedges	89	68
AASB7.24(c)	Hedge ineffectiveness on net investment hedges	-	-
		<u>647</u>	<u>1,005</u>
	(i) The net loss on redeemable cumulative preference shares designated as at FVTPL comprises a gain of \$125,000 resulting from the decrease in fair value of the liabilities, offset by dividends of \$613,000 paid during the year.		
	(ii) The net loss arising on an interest rate swap that economically hedges the fair value of the redeemable cumulative preference shares, but for which hedge accounting is not applied (see note 31) and on non-derivative financial assets held for trading (see note 17). The net loss on the interest rate swap comprises a decrease in fair value of \$51,000 and net interest of \$3,000 paid during the year. The net loss on non-derivative financial assets held for trading comprises a decrease in fair value of \$121,000 (2009: \$87,000) and net interest of \$46,000 (2009: \$87,000) received during the year.		
	No other gains or losses have been recognised in respect of loans and receivables or held-to-maturity investments, other than as disclosed in note 7 and impairment losses recognised/reversed in respect of trade receivables (see notes 13 and 15).		

Source	RDR Holdings (Australia) Limited		
	9. Finance costs		
	Preparers of financial reports should apply judgment in deciding whether hedging gains and losses form part of finance costs or part of other expenses. In so doing, they should consider among other factors, their accounting policies, the nature of the instrument and their objectives in entering into the hedging instrument.		
		Year ended 30/06/10	Year ended 30/06/09
		\$'000	\$'000
	Continuing operations		
	Interest on bank overdrafts and loans	4,259	6,052
	Interest on obligations under finance leases	75	54
	Interest on convertible notes	110	-
	Interest on perpetual notes	52	-
	Other interest expense	25	-
		<hr/>	<hr/>
AASB7.20(b)	Total interest expense for financial liabilities not classified as at fair value through profit or loss	4,521	6,106
AASB123.26(a)	Less: amounts included in the cost of qualifying assets	(11)	(27)
		<hr/>	<hr/>
		4,510	6,079
		<hr/>	<hr/>
AASB7.24(a)	Loss/(gain) arising on derivatives in a designated fair value hedge accounting relationship	5	-
AASB7.24(a)	(Gain)/loss arising on adjustment for hedged item in a designated fair value hedge accounting relationship	(5)	-
		<hr/>	<hr/>
		-	-
		<hr/>	<hr/>
AASB7.23(d), Aus2.9(f)	Fair value gains on interest rate swaps designated as cash flow hedges of floating rate debt reclassified from equity	(120)	(86)
	Unwinding of discounts on provisions	28	30
AASB5.17	Unwinding of discount on costs to sell non-current assets classified as held for sale	-	-
	Other finance costs	-	-
		<hr/>	<hr/>
		4,418	6,023
		<hr/>	<hr/>
	Finance costs relating to financial liabilities classified as at fair value through profit or loss are included in 'other gains and losses' in note 8.		
	Finance costs		
AASB123.4, 5	Borrowing costs are interest and other costs incurred by an entity in connection with the borrowing of funds and may include:		
	(a) interest on bank overdrafts and short-term and long-term borrowings;		
	(b) amortisation of discounts or premiums relating to borrowings;		
	(c) amortisation of ancillary costs incurred in connection with the arrangement of borrowings;		
	(d) finance charges in respect of finance leases recognised in accordance with AASB 117 'Leases'; and		
	(e) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.		
	In addition to borrowing costs, other costs which may form part of finance costs include costs arising from the unwinding of the discount on liabilities and provisions.		

Source	RDR Holdings (Australia) Limited																														
	<p>9. Finance costs (cont'd)</p>																														
AASB123.17, 21	<p>Capitalised borrowing costs To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation shall be determined by applying a capitalisation rate to the expenditures on that asset. The average carrying amount of the asset during a period, including borrowing costs previously capitalised, is normally a reasonable approximation of the expenditures to which the capitalisation rate is applied in that period.</p>																														
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AASB112.79	<table style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="width: 70%;">Tax expense comprises:</td> <td></td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Current tax expense in respect of the current year</td> <td style="text-align: right; border-bottom: 1px solid black;">10,071</td> <td style="text-align: right; border-bottom: 1px solid black;">11,347</td> </tr> <tr> <td style="padding-left: 20px;">Adjustments recognised in the current year in relation to the current tax of prior years</td> <td style="text-align: right; border-bottom: 1px solid black;">-</td> <td style="text-align: right; border-bottom: 1px solid black;">-</td> </tr> <tr> <td style="padding-left: 20px;">Deferred tax expense relating to the origination and reversal of temporary differences</td> <td style="text-align: right; border-bottom: 1px solid black;">1,643</td> <td style="text-align: right; border-bottom: 1px solid black;">538</td> </tr> <tr> <td style="padding-left: 20px;">Deferred tax reclassified from equity to profit or loss</td> <td style="text-align: right; border-bottom: 1px solid black;">(150)</td> <td style="text-align: right; border-bottom: 1px solid black;">(86)</td> </tr> <tr> <td></td> <td style="text-align: right; border-bottom: 3px double black;">1,493</td> <td style="text-align: right; border-bottom: 3px double black;">452</td> </tr> <tr> <td style="padding-left: 20px;">Effect of changes in tax rates and laws</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> </tr> <tr> <td style="padding-left: 20px;">Write-downs (reversals of previous write-downs) of deferred tax assets</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> </tr> <tr> <td style="padding-left: 20px;">Tax expense/(income) associated with changes in accounting policies that cannot be accounted for retrospectively</td> <td style="text-align: right; border-bottom: 1px solid black;">-</td> <td style="text-align: right; border-bottom: 1px solid black;">-</td> </tr> <tr> <td style="padding-left: 20px;">Total tax expense relating to continuing operations</td> <td style="text-align: right; border-bottom: 3px double black;">11,564</td> <td style="text-align: right; border-bottom: 3px double black;">11,799</td> </tr> </tbody> </table>	Tax expense comprises:			Current tax expense in respect of the current year	10,071	11,347	Adjustments recognised in the current year in relation to the current tax of prior years	-	-	Deferred tax expense relating to the origination and reversal of temporary differences	1,643	538	Deferred tax reclassified from equity to profit or loss	(150)	(86)		1,493	452	Effect of changes in tax rates and laws	-	-	Write-downs (reversals of previous write-downs) of deferred tax assets	-	-	Tax expense/(income) associated with changes in accounting policies that cannot be accounted for retrospectively	-	-	Total tax expense relating to continuing operations	11,564	11,799
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AASB112.81	<p>The two possible methods of explaining the relationship between tax expense/(income) and accounting profit are:</p> <ul style="list-style-type: none"> a numerical reconciliation between tax expense/(income) and the product of accounting profit multiplied by the applicable tax rate (this option is illustrated below); and a numerical reconciliation between the average effective tax rate and applicable tax rate, disclosing also the basis on which the applicable tax rate is computed. 																														

Source	RDR Holdings (Australia) Limited																																													
	10. Income taxes (cont'd)																																													
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AASB112.81(d)	Adjustments recognised in the current year in relation to the current tax of prior years																																													
AASB112.81(c)	The tax rate used for the 2010 and 2009 reconciliations above is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law.																																													
	Where the entity is subject to a number of different tax rates in the different jurisdictions in which it operates, the above disclosures may need to be expanded to highlight the various rates applicable to the entity, particularly where the effect on aggregate income tax expense is material.																																													
AASB112.81(d)	Where there is a change in the applicable tax rate(s) compared to the previous reporting period, an explanation must be given. The following example can be adapted as necessary: 'The corporate tax rate in Country Z was changed from [x]% to [y]% with effect from [date]. This revised rate has not impacted the current tax liability for the current year but will do so in future periods. However, the impact of the change in tax rate has been taken into account in the measurement of deferred taxes at the end of the reporting period. The effect of this change in tax rate on deferred taxes has been disclosed in the reconciliation of deferred taxes below.'																																													

Source	RDR Holdings (Australia) Limited								
	10. Income taxes (cont'd)								
AASB112.81(a)	10.2 Income tax recognised directly in equity	Year ended 30/06/10 \$'000	Year ended 30/06/09 \$'000						
	Current tax	9	-						
	Deferred tax	167	-						
	Total income tax recognised directly in equity	<u>158</u>	<u>-</u>						
AASB112. RDR81.1	10.3 Income tax recognised in other comprehensive income	Year ended 30/06/10 \$'000	Year ended 30/06/09 \$'000						
	Current tax	-	-						
	Deferred tax	27	562						
	Total income tax recognised in other comprehensive income	<u>27</u>	<u>562</u>						
	10.4 Deferred tax balances								
	The following illustrative deferred tax balances disclosure is considered 'best practice'. The only requirements for a breakdown by type of temporary difference, i.e. the first column, are the opening and closing balances, and the amount charged to income (being the aggregate of the second and fifth columns). The other columns could be amalgamated or excluded so long as the other disclosures required by AASB 112 are made elsewhere in the financial statements in aggregate. Best practice would have all the deferred tax assets and deferred tax liabilities disclosed separately, albeit in the same note.								
AASB112.81(a), (g)		Opening balance \$'000	Recognised in profit or loss \$'000	Recognised in other compreh- ensive income \$'000	Recognised directly in equity \$'000	Reclassified from equity to profit or loss \$'000	Acquisitions /disposals \$'000	Other* \$'000	Closing balance \$'000
	2009								
	Temporary differences								
	Cash flow hedges	(110)	-	(95)	-	86	-	-	(119)
	Associates	(791)	(477)	-	-	-	-	-	(1,268)
	Property, plant & equipment	(2,560)	(202)	(493)	-	-	-	-	(3,255)
	Finance leases	(29)	7	-	-	-	-	-	(22)
	Intangible assets	(669)	97	-	-	-	-	-	(572)
	FVTPL financial assets	-	-	-	-	-	-	-	-
	AFS financial assets	(202)	-	(24)	-	-	-	-	(226)
	Deferred revenue	20	14	-	-	-	-	-	34
	Exchange difference on foreign operations	22	-	(36)	-	-	-	-	(14)
	Provisions	1,692	(20)	-	-	-	-	-	1,672
	Doubtful debts	122	129	-	-	-	-	-	251
	Other financial liabilities	9	(4)	-	-	-	-	-	5
	Other [describe]	(97)	(84)	-	-	-	-	-	(181)
		<u>(2,593)</u>	<u>(540)</u>	<u>(648)</u>	<u>-</u>	<u>86</u>	<u>-</u>	<u>-</u>	<u>(3,695)</u>
	Unused tax losses and credits								
	Tax losses	-	-	-	-	-	-	-	-
	Foreign tax credits	-	-	-	-	-	-	-	-
	Other	-	2	-	-	-	-	-	2
		<u>-</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>
		<u>(2,593)</u>	<u>(538)</u>	<u>(648)</u>	<u>-</u>	<u>86</u>	<u>-</u>	<u>-</u>	<u>(3,693)</u>

Source

RDR Holdings (Australia) Limited

AASB112.81(a),
(g)

10. Income taxes (cont'd)

2010	Opening balance \$'000	Recognised in profit or loss \$'000	Recognised in other compre- hensive income \$'000	Recognised directly in equity \$'000	Reclassified from equity to profit or loss \$'000	Acquisitions/ disposals \$'000	Other* \$'000	Closing balance \$'000
Temporary differences								
Cash flow hedges	(119)	-	(131)	-	114	-	-	(136)
Net investment hedges	-	-	4	-	-	-	-	4
Associates	(1,268)	(356)	-	-	-	-	-	(1,624)
Property, plant & equipment	(3,255)	(1,544)	-	-	-	458	-	(4,341)
Finance leases	(22)	18	-	-	-	-	-	(4)
Intangible assets	(572)	214	-	-	-	-	-	(358)
FVTPL financial assets	-	-	-	-	-	-	-	-
AFS financial assets	(226)	-	(28)	-	-	-	-	(254)
Deferred revenue	34	12	-	-	-	-	-	46
Convertible notes	-	9	-	(242)	-	-	-	(233)
Exchange difference on foreign operations	(14)	-	(22)	-	36	-	-	-
Provisions	1,672	42	-	-	-	-	-	1,714
Doubtful debts	251	(8)	-	-	-	(4)	-	239
Other financial liabilities	5	2	-	-	-	-	-	7
Unclaimed share issue and buy-back costs	-	-	-	75	-	-	-	75
Other [describe]	(181)	(32)	-	-	-	-	-	(213)
	<u>(3,695)</u>	<u>(1,643)</u>	<u>(177)</u>	<u>(167)</u>	<u>150</u>	<u>454</u>	<u>-</u>	<u>(5,078)</u>
Unused tax losses and credits								
Tax losses	-	-	-	-	-	-	-	-
Foreign tax credits	-	-	-	-	-	-	-	-
Other	2	-	-	-	-	-	-	2
	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>
	<u>(3,693)</u>	<u>(1,643)</u>	<u>(177)</u>	<u>(167)</u>	<u>150</u>	<u>454</u>	<u>-</u>	<u>(5,076)</u>

Deferred tax balances are presented in the statement of financial position as follows:

	30/06/10 \$'000	30/06/09 \$'000
Deferred tax assets	-	-
Deferred tax liabilities	4,646	3,693
Directly associated with assets held for sale	430	-
	<u>5,076</u>	<u>3,693</u>

10.5 Unrecognised deferred tax assets

	30/06/10 \$'000	30/06/09 \$'000
Deferred tax assets not recognised at the reporting date:		
- tax losses (revenue)	-	-
- tax losses (capital)	-	-
- unused tax credits (expire [date])	11	11
- temporary differences	-	-
	<u>11</u>	<u>11</u>

The unrecognised tax losses will expire in [date].

AASB112.81(e)

Source	RDR Holdings (Australia) Limited																																													
	<p>11. Discontinued operations</p> <p>11.1 Disposal of toy manufacturing operations</p> <p>AASB5.30 AASB5.41(a), (b), (c)</p> <p>On 28 March 2010, the board of directors entered into a sale agreement to dispose of Subzero Limited, which carried out all of the Group's toy manufacturing operations. The proceeds of sale substantially exceeded the carrying amount of the related net assets and, accordingly, no impairment losses were recognised on the reclassification of these operations as held for sale. The disposal of the toy manufacturing operations is consistent with the Group's long-term policy to focus its activities in the electronic equipment and other leisure goods markets. The disposal was completed on 31 May 2010, on which date control of the toy manufacturing operations passed to the acquirer. Details of the assets and liabilities disposed of, and the calculation of the profit or loss on disposal, are disclosed in note 47.</p>																																													
	<p>11.2 Plan to dispose of the bicycle business</p> <p>AASB5.30 AASB5.41(a), (b), (c)</p> <p>On 31 May 2010, the board of directors announced a plan to dispose of the Group's bicycle business. The disposal is consistent with the Group's long-term policy to focus its activities in the electronic equipment and other leisure goods markets. The Group is actively seeking a buyer for its bicycle business and expects to complete the sale by 31 January 2011. The Group has not recognised any impairment losses in respect of the bicycle business, neither when the operation was reclassified as held for sale nor at the end of the reporting period.</p>																																													
	<p>11.3 Analysis of profit for the year from discontinued operations</p> <p>The combined results of the discontinued operations (i.e. toy manufacturing and bicycle businesses) included in the [statement of comprehensive income/income statement] are set out below. The comparative profit and cash flows from discontinued operations have been re-presented to include those operations classified as discontinued in the current period.</p>																																													
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	<p>The bicycle business has been classified and accounted for at 30 June 2010 as a disposal group held for sale (see note 12).</p>																																													

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	<p>12. Assets classified as held for sale</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%;"></th> <th style="text-align: right; border-bottom: 1px solid black;">30/06/10</th> <th style="text-align: right; border-bottom: 1px solid black;">30/06/09</th> </tr> <tr> <th></th> <th style="text-align: right;">\$'000</th> <th style="text-align: right;">\$'000</th> </tr> </thead> <tbody> <tr> <td>Land held for sale (i)</td> <td style="text-align: right;">1,260</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Assets related to bicycle business (ii)</td> <td style="text-align: right; border-bottom: 1px solid black;">21,076</td> <td style="text-align: right; border-bottom: 1px solid black;">-</td> </tr> <tr> <td></td> <td style="text-align: right;">22,336</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Liabilities associated with assets held for sale (ii)</td> <td style="text-align: right; border-bottom: 1px solid black;">3,684</td> <td style="text-align: right; border-bottom: 1px solid black;">-</td> </tr> <tr> <td>Amounts recognised directly in equity associated with assets held for sale</td> <td style="text-align: right; border-bottom: 1px solid black;">-</td> <td style="text-align: right; border-bottom: 1px solid black;">-</td> </tr> </tbody> </table>		30/06/10	30/06/09		\$'000	\$'000	Land held for sale (i)	1,260	-	Assets related to bicycle business (ii)	21,076	-		22,336	-	Liabilities associated with assets held for sale (ii)	3,684	-	Amounts recognised directly in equity associated with assets held for sale	-	-					
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AASB5.41(a), (b), (c)	(i) The Group intends to dispose of a parcel of land it no longer utilises in the next 10 months. The property was previously used in the Group's toy operations. A search is underway for a buyer. No impairment loss was recognised on reclassification of the land as held for sale nor at 30 June 2010.																										
AASB5.41(a), (b), (c), AASB5.38	(ii) As described in note 11, the Group is seeking to dispose of its bicycle business and anticipates that the disposal will be completed by 31 January 2011. The major classes of assets and liabilities of the bicycle business at the end of the reporting period are as follows:																										
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	<p>13. Profit for the year from continuing operations</p> <p>Disclosure of material items of income and expense When items of income and expense are material, their nature and amount shall be disclosed separately.</p> <p>Disclosure of information about the nature of expenses Entities classifying expenses by function shall disclose additional information on the nature of expenses, including depreciation and amortisation expense and employee benefit expense. An explanation of the amounts that are included in each of the cost of sales, distribution, marketing, administration and other lines on the face of the income statement should be given as best practice of the interpretation of AASB 101.93.</p> <p><u>Example:</u> Impairment losses are included in the line item 'Cost of sales' in the income statement. Where this additional information is disclosed in a separate note, the line item should be included in the disclosure.</p>																										

Source	RDR Holdings (Australia) Limited		
	13. Profit for the year from continuing operations (cont'd)		
	Profit for the year from continuing operations has been arrived at after charging (crediting):		
		Year ended <u>30/06/10</u> \$'000	Year ended <u>30/06/09</u> \$'000
AASB7.20(e)	13.1 Impairment losses on financial assets		
	Impairment loss recognised on trade receivables (note 15)	63	430
	Impairment loss on available-for-sale equity investments	-	-
	Impairment loss on available-for-sale debt investments	-	-
	Impairment loss on held-to-maturity financial assets	-	-
	Impairment loss on loans carried at amortised cost	-	-
		<u>63</u>	<u>430</u>
	Reversal of impairment losses recognised on trade receivables	<u>(103)</u>	<u>-</u>
	13.2 Depreciation and amortisation expense		
AASB138.118(d)	Depreciation of property, plant and equipment	12,587	15,794
	Amortisation of intangible assets	<u>1,592</u>	<u>1,556</u>
	Total depreciation and amortisation expense	<u>14,179</u>	<u>17,350</u>
AASB138.126	13.3 Research and development costs expensed as incurred	<u>502</u>	<u>440</u>
	13.4 Employee benefits expense		
AASB119.46 AASB119.120A (g), Aus1.7(c)	Post employment benefits (see note 36)		
	Defined contribution plans	160	148
	Defined benefit plans	<u>586</u>	<u>556</u>
		<u>746</u>	<u>704</u>
AASB2.RDR50.1	Share-based payments (see note 43)	<u>206</u>	<u>338</u>
AASB119.142	Termination benefits	-	-
	Other employee benefits	<u>8,851</u>	<u>10,613</u>
	Total employee benefits expense	<u>9,803</u>	<u>11,655</u>
	13.5 Exceptional rectification costs		
AASB101.97	Costs of \$4.17 million have been recognised during the year in respect of rectification work to be carried out on goods supplied to one of the Group's major customers, which have been included in [cost of sales/cost of inventories and employee benefits expense]. The amount represents the estimated cost of work to be carried out in accordance with an agreed schedule of works up to 2012. \$1.12 million of the provision has been utilised in the current period, with a provision of \$3.058 million carried forward to meet anticipated expenditure in 2011 and 2012 (see note 32).		

Source	RDR Holdings (Australia) Limited		
	14. Earnings per share		
	<i>Earnings per share disclosures are not required under RDR. This note reference has therefore been included only to assist users to more easily compare the reduced disclosures illustrated in this publication to those which entities would be expected to make under 'Tier 1', which are illustrated in corresponding notes in the Deloitte 30 June 2010 'Model Financial Statements'.</i>		
	15. Trade and other receivables		
		<u>30/06/10</u>	<u>30/06/09</u>
		\$'000	\$'000
	Trade receivables	18,034	16,880
	Allowance for doubtful debts	<u>(798)</u>	<u>(838)</u>
		17,236	16,042
	Deferred sales proceeds		
	- toy manufacturing operations (note 47)	960	-
	- partial disposal of E Plus Limited (note 20)	1,245	-
	Operating lease receivable	-	-
AASB111.42(a)	Amounts due from customers under construction contracts (note 27)	240	230
Int1031.9	Goods and services tax recoverable	-	-
	Other [describe]	<u>54</u>	<u>20</u>
		<u>19,735</u>	<u>16,292</u>
	15.1 Trade receivables		
	Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost.		
AASB7.16	<u>Movement in the allowance for doubtful debts</u>		
		<u>Year ended</u>	<u>Year ended</u>
		30/06/10	30/06/09
		\$'000	\$'000
	Balance at beginning of the year	838	628
	Impairment losses recognised on receivables	63	430
	Amounts written off during the year as uncollectible	-	(196)
	Amounts recovered during the year	-	(24)
	Impairment losses reversed	(103)	-
	Foreign exchange translation gains and losses	-	-
	Unwind of discount	-	-
		<u>798</u>	<u>838</u>
AASB7.20(e)	Balance at end of the year	<u>798</u>	<u>838</u>

Source	RDR Holdings (Australia) Limited																																												
	<p>15. Trade receivables (cont'd)</p> <p>15.2 Transfer of financial assets</p> <p>AASB7.13, 14(a) During the period, the Group transferred \$1.052 million of trade receivables to an unrelated entity. As part of the transfer, the Group provided the transferee with a credit guarantee over the expected losses of those receivables. Accordingly, the Group continues to recognise the full carrying amount of the receivables and has recognised the cash received on the transfer as a secured borrowing (see note 29). At the end of the reporting period, the carrying amount of the transferred short-term receivables, which have been pledged as security for the borrowing, is \$0.946 million. The carrying amount of the associated liability is \$0.923 million. The transferee is entitled to sell the trade receivables or deposit them as security for other loans.</p>																																												
AASB7.13	<p>Derecognition of financial assets</p> <p>An entity may have either transferred a financial asset in such a way that part or all of the financial assets do not qualify for derecognition. The entity must disclose for each class of such financial assets:</p> <p>(a) the nature of the assets;</p> <p>(b) the nature of the risks and rewards of ownership to which the entity remains exposed;</p> <p>(c) when the entity continues to recognise all of the asset, the carrying amounts of the asset and of the associated liability; and</p> <p>(d) when the entity continues to recognise the asset to the extent of its continuing involvement, the total amount of the asset, the amount of the asset that the entity continues to recognise and the carrying amount of the associated liabilities.</p>																																												
	<p>16. Finance lease receivables</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: right; border-bottom: 1px solid black;">30/06/10</th> <th style="text-align: right; border-bottom: 1px solid black;">30/06/09</th> </tr> <tr> <th></th> <th style="text-align: right;">\$'000</th> <th style="text-align: right;">\$'000</th> </tr> </thead> <tbody> <tr> <td>Current finance lease receivables</td> <td style="text-align: right;">198</td> <td style="text-align: right;">188</td> </tr> <tr> <td>Non-current finance lease receivables</td> <td style="text-align: right; border-bottom: 1px solid black;">830</td> <td style="text-align: right; border-bottom: 1px solid black;">717</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">1,028</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">905</td> </tr> </tbody> </table>		30/06/10	30/06/09		\$'000	\$'000	Current finance lease receivables	198	188	Non-current finance lease receivables	830	717		1,028	905																													
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	<p>16.1 Leasing arrangements</p> <p>AASB117.47(f) AASB7.7 The Group enters into finance leasing arrangements for certain of its storage equipment. All leases are denominated in Australian dollars. The average term of finance leases entered into is 4 years.</p>																																												
	<p>16.2 Amounts receivable under finance leases</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2"></th> <th colspan="2" style="text-align: center; border-bottom: 1px solid black;">Minimum lease payments</th> <th colspan="2" style="text-align: center; border-bottom: 1px solid black;">Present value of minimum lease payments</th> </tr> <tr> <th style="text-align: right; border-bottom: 1px solid black;">30/06/10</th> <th style="text-align: right; border-bottom: 1px solid black;">30/06/09</th> <th style="text-align: right; border-bottom: 1px solid black;">30/06/10</th> <th style="text-align: right; border-bottom: 1px solid black;">30/06/09</th> </tr> <tr> <th></th> <th style="text-align: right;">\$'000</th> <th style="text-align: right;">\$'000</th> <th style="text-align: right;">\$'000</th> <th style="text-align: right;">\$'000</th> </tr> </thead> <tbody> <tr> <td>Not later than one year</td> <td style="text-align: right;">282</td> <td style="text-align: right;">279</td> <td style="text-align: right;">198</td> <td style="text-align: right;">188</td> </tr> <tr> <td>Later than one year and not later than five years</td> <td style="text-align: right; border-bottom: 1px solid black;">1,074</td> <td style="text-align: right; border-bottom: 1px solid black;">909</td> <td style="text-align: right; border-bottom: 1px solid black;">830</td> <td style="text-align: right; border-bottom: 1px solid black;">717</td> </tr> <tr> <td>Less unearned finance income</td> <td style="text-align: right; border-bottom: 1px solid black;">1,356 (328)</td> <td style="text-align: right; border-bottom: 1px solid black;">1,188 (283)</td> <td style="text-align: right; border-bottom: 1px solid black;">1,028 n/a</td> <td style="text-align: right; border-bottom: 1px solid black;">905 n/a</td> </tr> <tr> <td>Present value of minimum lease payments receivable</td> <td style="text-align: right;">1,028</td> <td style="text-align: right;">905</td> <td style="text-align: right;">1,028</td> <td style="text-align: right;">905</td> </tr> <tr> <td>AASB117.47(d) Allowance for uncollectible lease payments</td> <td style="text-align: right; border-bottom: 1px solid black;">-</td> <td style="text-align: right; border-bottom: 1px solid black;">-</td> <td style="text-align: right; border-bottom: 1px solid black;">-</td> <td style="text-align: right; border-bottom: 1px solid black;">-</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">1,028</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">905</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">1,028</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">905</td> </tr> </tbody> </table>		Minimum lease payments		Present value of minimum lease payments		30/06/10	30/06/09	30/06/10	30/06/09		\$'000	\$'000	\$'000	\$'000	Not later than one year	282	279	198	188	Later than one year and not later than five years	1,074	909	830	717	Less unearned finance income	1,356 (328)	1,188 (283)	1,028 n/a	905 n/a	Present value of minimum lease payments receivable	1,028	905	1,028	905	AASB117.47(d) Allowance for uncollectible lease payments	-	-	-	-		1,028	905	1,028	905
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Source	RDR Holdings (Australia) Limited		
	16. Finance lease receivables (cont'd)		
AASB117.47(c)	Unguaranteed residual values of assets leased under finance leases at the end of the reporting period are estimated at \$37,000 (30 June 2009: \$42,000).		
AASB7.7	The interest rate inherent in the leases is fixed at the contract date for the entire lease term. The average effective interest rate contracted is approximately 10.5% (30 June 2009: 11%) per annum.		
	16.3 Fair value		
AASB7.RDR 27.1	The fair value of finance lease receivables is estimated to be \$1,070,500 (30 June 2009: \$919,000) using an 8.5% (30 June 2009: 8.25%) discount rate based on a quoted five-year swap rate and adding a credit margin that reflects the secured nature of the receivables.		
	17. Other financial assets		
		<u>30/06/10</u>	<u>30/06/09</u>
		\$'000	\$'000
AASB7.7	Derivatives designated and effective as hedging instruments carried at fair value		
	Foreign currency forward contracts	244	220
	Interest rate swaps	284	177
		<u>528</u>	<u>397</u>
AASB7.8(a), Aus2.9(b)	Financial assets carried at fair value through profit or loss (FVTPL)	539	1,247
AASB7.8(b)	Held-to-maturity investments carried at amortised cost		
	Bills of exchange (i)	5,405	4,015
	Debentures (ii)	500	-
		<u>5,905</u>	<u>4,015</u>
AASB7.8(d)	Available-for-sale investments carried at fair value		
	Redeemable notes (iii)	2,200	2,122
	Shares (iv)	6,300	5,735
	Other asset-backed securities reclassified from held for trading (note 42.4)	419	-
		<u>8,919</u>	<u>7,857</u>
AASB7.8(c)	Loans and receivables carried at amortised cost		
	Loans to related parties (v)	3,637	3,088
	Loans to other entities	-	-
		<u>3,637</u>	<u>3,088</u>
		<u>19,528</u>	<u>16,604</u>

Source	RDR Holdings (Australia) Limited																		
	<p>17. Other financial assets (cont'd)</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Current</td> <td style="text-align: right; width: 20%;">8,757</td> <td style="text-align: right; width: 20%;">6,949</td> </tr> <tr> <td>Non-current</td> <td style="text-align: right; border-bottom: 1px solid black;">10,771</td> <td style="text-align: right; border-bottom: 1px solid black;">9,655</td> </tr> <tr> <td></td> <td style="text-align: right; border-bottom: 3px double black;">19,528</td> <td style="text-align: right; border-bottom: 3px double black;">16,604</td> </tr> </table>	Current	8,757	6,949	Non-current	10,771	9,655		19,528	16,604									
Current	8,757	6,949																	
Non-current	10,771	9,655																	
	19,528	16,604																	
AASB7.76	<p>(i) The Group holds bills of exchange returning a variable rate of interest. The weighted average interest rate on these securities is 7.10% per annum (2009: 7.0% per annum). The bills have maturity dates ranging between 3 to 18 months from the end of the reporting period.</p> <p>(ii) The debentures return interest of 6% per annum payable monthly, and mature in September 2010.</p> <p>(iii) The Group holds listed redeemable notes returning 7% per annum. The notes are redeemable at par value in 2012.</p>																		
AASB124.17(b)	<p>(v) The Group has provided several of its key management personnel and a joint venture entity with short-term loans at rates comparable to the average commercial rate of interest. Further information about these loans is set out in note 45.</p>																		
AASB102.36(b)	<p>18. Inventories</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: right; border-bottom: 1px solid black; width: 20%;">30/06/10</th> <th style="text-align: right; border-bottom: 1px solid black; width: 20%;">30/06/09</th> </tr> <tr> <td></td> <th style="text-align: right;">\$'000</th> <th style="text-align: right;">\$'000</th> </tr> </thead> <tbody> <tr> <td>Raw materials</td> <td style="text-align: right;">9,972</td> <td style="text-align: right;">10,322</td> </tr> <tr> <td>Work in progress</td> <td style="text-align: right;">4,490</td> <td style="text-align: right;">4,354</td> </tr> <tr> <td>Finished goods</td> <td style="text-align: right; border-bottom: 1px solid black;">16,751</td> <td style="text-align: right; border-bottom: 1px solid black;">14,306</td> </tr> <tr> <td></td> <td style="text-align: right; border-bottom: 3px double black;">31,213</td> <td style="text-align: right; border-bottom: 3px double black;">28,982</td> </tr> </tbody> </table>		30/06/10	30/06/09		\$'000	\$'000	Raw materials	9,972	10,322	Work in progress	4,490	4,354	Finished goods	16,751	14,306		31,213	28,982
	30/06/10	30/06/09																	
	\$'000	\$'000																	
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Work in progress	4,490	4,354																	
Finished goods	16,751	14,306																	
	31,213	28,982																	
AASB102.36(d)	<p>The cost of inventories recognised as an expense during the period in respect of continuing operations was \$89.9million (2009: \$91.9million).</p>																		
	<p>Cost of sales</p> <p>The financial report shall disclose the amount of inventories recognised as an expense during the period. The amount of inventories recognised as an expense during the period, which is often referred to as cost of sales, consists of those costs previously included in the measurement of inventory that has now been sold and unallocated production overheads and abnormal amounts of production costs of inventories. The circumstances of the entity may also warrant the inclusion of other amounts, such as distribution costs.</p>																		

Source RDR Holdings (Australia) Limited

AASB102.36(e),
(f)

18. Inventories (cont'd)

The cost of inventories recognised as an expense includes \$2.34 million (2009: \$1.86 million) in respect of write-downs of inventory to net realisable value, and has been reduced by \$0.5 million (2009: \$0.4 million) in respect of the reversal of such write-downs.

Inventory

The write-down of inventory to net realisable value would be included in the cost of sales line on the face of the income statement where classification by function is used, and in the changes in inventory line where classification by nature is used.

Reversal of previous write-downs of inventory

The financial report shall disclose the circumstances or events that led to the reversal of a write-down of inventories arising from an increase in net realisable value.

19. Subsidiaries

Details of the Company's subsidiaries at 30 June 2010 are as follows.

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held	
			30/06/10	30/6/09
Subzero Limited	Manufacture of toys	Australia	Nil	100%
Subone Limited	Manufacture of electronic equipment	Australia	90%	100%
Subtwo Limited	Manufacture of leisure goods	Australia	45%	45%
Subthree Limited(ii),(iii)	Construction of residential properties	Australia	100%	100%
Subfour Limited	Manufacture of leisure goods	B Land	70%	70%
Subfive Limited	Manufacture of electronic equipment	C Land	100%	100%
Subsix Limited	Financial	Australia	80%	Nil
Subseven Limited(ii),(iii)	Distribution	Australia	100%	Nil

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- (i) RDR Holdings (Australia) Limited is the head entity within the tax-consolidated group.
- (ii) These companies are members of the tax-consolidated group.
- (iii) These wholly-owned subsidiaries have entered into a deed of cross guarantee with RDR Holdings (Australia) Limited pursuant to ASIC Class Order 98/1418 and are relieved from the requirement to prepare and lodge an audited financial report. Subseven Limited became a party to the deed of cross guarantee on 15 December 2009.

Source RDR Holdings (Australia) Limited

19. Subsidiaries (cont'd)

During the period, the Group disposed of 10% of its interest in Subone Limited, reducing its continuing interest to 90%. The proceeds on disposal of \$213,000 were received in cash.

An amount of \$179,000 (being the proportionate share of the carrying amount of the net assets of Subone Limited) has been transferred to non-controlling interests (see note 41). The difference of \$34,000 between that amount and the consideration received has been credited to retained earnings (see note 39).

AASB127.41(a)

Although the Company does not own more than half of the equity shares of Subtwo Limited, and consequently it does not control more than half of the voting power of those shares, it has the power to appoint and remove the majority of the board of directors and control of the entity is by the board. Consequently, Subtwo Limited is controlled by the Company and is consolidated in these financial statements.

ASIC-CO
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The consolidated statement of comprehensive income and statement of financial position of the entities party to the deed of cross guarantee are:

	Year ended 30/06/10	Year ended 30/06/09
	\$'000	\$'000
Revenue	90,669	92,440
Other income	1,435	622
Share of profits of associates	1,186	1,589
Changes in inventories of finished goods and work in progress	(4,273)	1,822
Raw materials and consumables used	(42,208)	(51,202)
Employee benefits expense	(5,882)	(6,993)
Depreciation and amortisation expense	(7,316)	(8,544)
Finance costs	(3,299)	(4,037)
Consulting expense	(1,797)	(976)
Other expenses	(5,343)	(2,986)
Profit before tax expense	23,172	21,735
Income tax expense	(7,336)	(8,971)
Profit for the year from continuing operations	15,836	12,764
Profit for the year from discontinued operations	-	-
Profit for the year	15,836	12,764
Other comprehensive Income		
Net Value gain on available-for-sale financial assets	22	25
Net value gain on cash flow hedges	17	18
Gain on revaluation of properties	-	-
Share of other comprehensive income of associates	-	-
Other comprehensive income for the year, net of tax	39	43
Total comprehensive Income for the year	15,875	12,807

Source	RDR Holdings (Australia) Limited	
19. Subsidiaries (cont'd)		
	30/06/10	30/06/09
	\$'000	\$'000
Cash and bank balances	18,179	17,799
Trade and other receivables	10,666	13,791
Other financial assets	8,757	6,949
Inventories	21,641	25,174
Current tax assets	85	60
	<u>59,328</u>	<u>63,773</u>
Non-current assets classified as held for sale	1,260	-
Total current assets	<u>60,588</u>	<u>63,773</u>
Non-current assets		
Investments in associates	7,402	7,270
Other financial assets	10,771	9,655
Property, plant and equipment	73,404	80,083
Goodwill	16,788	16,788
Other intangible assets	9,739	11,325
Total non-current assets	<u>118,104</u>	<u>125,121</u>
Total assets	<u>178,692</u>	<u>188,894</u>
Current liabilities		
Trade and other payables	13,787	14,068
Borrowings	22,446	25,600
Other financial liabilities	104	18
Current tax payables	5,149	5,878
Provisions	1,893	1,501
Other	90	95
	<u>43,523</u>	<u>47,160</u>
Liabilities directly associated with non-current assets classified as held for sale	-	-
Total current liabilities	<u>43,523</u>	<u>47,160</u>
Non-current liabilities		
Borrowings	20,221	20,862
Other financial liabilities	28	-
Deferred tax liabilities	3,955	3,203
Provisions	1,379	1,396
Total non-current liabilities	<u>25,583</u>	<u>25,461</u>
Total liabilities	<u>69,106</u>	<u>72,621</u>
Net assets	<u>109,586</u>	<u>116,273</u>
Equity		
Issued capital	32,777	48,672
Reserves	4,051	3,151
Retained earnings*	73,096	64,450
	<u>109,586</u>	<u>116,273</u>
Amounts recognised directly in equity relating to non-current assets classified as held for sale	-	-
Total equity	<u>109,586</u>	<u>116,273</u>
* Retained earnings		
Retained earnings as at beginning of the financial year	64,450	58,165
Net profit	15,836	12,764
Dividends provided for or paid	(6,635)	(6,479)
Share buy-back	(555)	-
Retained earnings as at end of the financial year	<u>73,096</u>	<u>64,450</u>

Source	RDR Holdings (Australia) Limited																																
	<p>19. Subsidiaries (cont'd)</p> <p>The above proforma consolidated financial statements shall comply with:</p> <ul style="list-style-type: none"> in respect of the statement of comprehensive income – paragraphs 82 to 87 of AASB 101 <i>Presentation of Financial Statements</i>; and in respect of the statement of financial position – paragraphs 68 to 73 of AASB 101. <p>In addition, the principles of consolidation as prescribed by AASB 127 <i>Consolidated and Separate Financial Statements</i> shall be applied, therefore all transactions between parties to the deed of cross guarantee shall be eliminated.</p> <p>Other disclosures</p> <p>The consolidated financial statements shall disclose the nature of the relationship between the parent and a subsidiary when the parent does not own, directly or indirectly through subsidiaries, more than half of the voting power.</p> <p>The consolidated financial statements shall disclose the nature and extent of any significant restrictions (e.g. resulting from borrowing arrangements or regulatory requirements) on the ability of subsidiaries to transfer funds to the parent in the form of cash dividends or to repay loans or advances.</p>																																
ASIC-CO 98/1418																																	
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	<p>20. Investments in associates</p> <p>Details of the Group's associates are as follows.</p> <table border="1"> <thead> <tr> <th rowspan="2">Name of associate</th> <th rowspan="2">Principal activity</th> <th rowspan="2">Place of incorporation and operation</th> <th colspan="2">Proportion of ownership interest and voting power held</th> </tr> <tr> <th>30/06/10</th> <th>30/06/09</th> </tr> </thead> <tbody> <tr> <td>A Plus Limited (i)</td> <td>Transport</td> <td>M Land</td> <td>35</td> <td>35</td> </tr> <tr> <td>B Plus Limited</td> <td>Steel manufacturing</td> <td>Australia</td> <td>17</td> <td>17</td> </tr> <tr> <td>C Plus Limited (ii)</td> <td>Finance</td> <td>Australia</td> <td>40</td> <td>40</td> </tr> <tr> <td>D Plus Limited</td> <td>Transport</td> <td>R Land</td> <td>35</td> <td>35</td> </tr> <tr> <td>E Plus Limited (iii)</td> <td></td> <td></td> <td>10</td> <td>40</td> </tr> </tbody> </table> <p>(i) Pursuant to a shareholder agreement, the Company has the right to cast 37% of the votes at shareholder meetings of A Plus Limited.</p> <p>(ii) The fair value of the Group's interest in C Plus Limited, which is listed on the stock exchange of Australia, is \$2.2 million (30 June 2009: \$2 million).</p> <p>(iii) The group disposed of 30% of its ownership interest in E Plus Limited was disposed of during the year ended 30 June 2010. The group has determined that it no longer has significant influence over E Plus Limited and accordingly E Plus is not considered to be an associate a 30 June 2010.</p>	Name of associate	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held		30/06/10	30/06/09	A Plus Limited (i)	Transport	M Land	35	35	B Plus Limited	Steel manufacturing	Australia	17	17	C Plus Limited (ii)	Finance	Australia	40	40	D Plus Limited	Transport	R Land	35	35	E Plus Limited (iii)			10	40
Name of associate	Principal activity				Place of incorporation and operation	Proportion of ownership interest and voting power held																											
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D Plus Limited	Transport	R Land	35	35																													
E Plus Limited (iii)			10	40																													
AASB128.37(a)																																	
AASB128.24, 25	<p>Different reporting dates or reporting periods</p> <p>The most recent available financial statements of the associate are used by the investor in applying the equity method. When the reporting dates of the investor and the associate are different, the associate prepares, for the use of the investor, financial statements as of the same date as the financial statements of the investor unless it is impracticable to do so.</p> <p>When the financial statements of an associate used in applying the equity method are prepared as of a different reporting date from that of the investor, adjustments shall be made for the effects of significant transactions or events that occur between that date and the date of the investor's financial statements. In any case, the difference between the reporting date of the associate and that of the investor shall be no more than three months. The length of the reporting periods and any difference in the reporting dates shall be the same from period to period.</p>																																

Source	RDR Holdings (Australia) Limited																																	
	21. Joint ventures																																	
	Recognition of jointly controlled entities																																	
AASB131.30, 38	A venturer must recognise its interest in a jointly controlled entity using proportionate consolidation or the equity method.																																	
AASB131.34	When proportionate consolidation is used, there are two reporting formats available: <ul style="list-style-type: none"> (a) combining the share of assets, liabilities, income and expenses of the jointly controlled entity with the similar items, line by line in its financial statements; or (b) separate line items for the entity's share of the assets, liabilities, income and expenses of the jointly controlled entity in its financial statements. 																																	
AASB131.35	Assets or liabilities may not be set-off unless a legal right to set-off exists and the offsetting represents the expectation as to the realisation of the asset or settlement of the liability.																																	
AASB131.46, AASB127.38	An interest in a jointly controlled entity and associates that are not classified as held for sale in accordance with AASB 5 'Non-current Assets Held for Sale and Discontinued Operations' must be accounted for in a venturer's separate financial statements <ul style="list-style-type: none"> (a) at cost; or (b) in accordance with AASB 139 'Financial Instruments: Recognition and Measurement'. 																																	
AASB127.40	Investments in jointly controlled entities and associates that are accounted for in accordance with AASB 139 'Financial Instruments: Recognition and Measurement' in the consolidated financial statements must be accounted for in the same way in the investor's separate financial statements.																																	
AASB131.42	Interests in jointly controlled entities that are classified as held for sale in accordance with AASB 5 must be accounted for in accordance with that Standard.																																	
	22. Property, plant and equipment																																	
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Source	RDR Holdings (Australia) Limited						
	22. Property, plant and equipment (cont'd)						
AASB116.73(a), (d), (e)(i) – (vii), (e)(ix), RDR73.1		Freehold land at fair value	Buildings at fair value	Property under construction at cost	Plant and equipment at cost	Equipment under finance lease at cost	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Cost or valuation						
	Balance at 30 June 2009	16,358	13,704	1,510	141,165	670	173,407
	Additions	-	-	-	22,983	-	22,983
	Disposals	(1,439)	(1,200)	-	(12,401)	(624)	(15,664)
	Transferred as consideration for acquisition of subsidiary	(400)					(400)
	Derecognised on disposal of a subsidiary	-	-	-	(8,419)	-	(8,419)
	Transferred to investment property	-	-	(1,510)	-	-	(1,510)
	Acquisitions through business combinations	-	-	-	512	-	512
	Reclassified as held for sale	(1,260)	(1,357)	-	(22,045)	-	(24,662)
	Revaluation increase/(decrease)	-	-	-	-	-	-
	Other	309	-	-	1,673	-	1,982
	Balance at 30 June 2010	<u>13,568</u>	<u>11,147</u>	<u>-</u>	<u>123,468</u>	<u>46</u>	<u>148,229</u>
	Accumulated depreciation and impairment						
	Balance at 30 June 2009	-	(2,500)	-	(34,678)	(508)	(37,686)
	Eliminated on disposals of assets	-	106	-	3,602	500	4,208
	Eliminated on disposal of a subsidiary	-	-	-	2,757	-	2,757
	Eliminated on revaluation	-	-	-	-	-	-
	Eliminated on reclassification as held for sale	-	153	-	6,305	-	6,458
AASB136.126(a)	Impairment losses recognised in profit or loss	-	-	-	(1,204)	-	(1,204)
AASB136.126(b)	Reversals of impairment losses recognised in profit or loss	-	-	-	-	-	-
	Depreciation expense	-	(774)	-	(11,803)	(10)	(12,587)
	Other	-	-	-	(392)	-	(392)
	Balance at 30 June 2010	<u>-</u>	<u>(3,015)</u>	<u>-</u>	<u>(35,413)</u>	<u>(18)</u>	<u>(38,446)</u>
	22.1 Impairment losses recognised in the year						
AASB136.126(a)	The impairment losses have been included in the line item [other expenses/cost of sales] in the [statement of comprehensive income/income statement].						
AASB116.73(c)	The following useful lives are used in the calculation of depreciation.						
	Buildings	20 – 30 years					
	Leasehold improvements	5 – 7 years					
	Plant and equipment	5 – 15 years					
	Equipment under finance lease	5 years					

Source	RDR Holdings (Australia) Limited
	<p>22. Property, plant and equipment (cont'd)</p> <p>22.2 Freehold land and buildings carried at fair value</p>
AASB116.77(a) to (d)	<p>An independent valuation of the Group's land and buildings was performed by Messrs R & P Trent to determine the fair value of the land and buildings. The valuation, which conforms to International Valuation Standards, was determined by reference to discounted cash flows using a discount rate of 10%. The effective date of the valuation is 30 June 2010.</p>
	<p>22.3 Assets pledged as security</p>
AASB116.74(a)	<p>Freehold land and buildings with a carrying amount of \$23 million approx (30 June 2009: \$28.8 million approx) have been pledged to secure borrowings of the Group (see note 29). The freehold land and buildings have been pledged as security for bank loans under a mortgage. The Group is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.</p>
AASB7.14(a)	<p>In addition, the Group's obligations under finance leases (see note 35) are secured by the lessors' title to the leased assets, which have a carrying amount of \$28,000 (30 June 2009: \$162,000).</p>
	<p>Property, plant and equipment stated at revalued amounts</p>
AASB116.35	<p>When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:</p> <ul style="list-style-type: none"> (a) restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount. This method is often used when an asset is revalued by means of applying an index to its depreciated replacement cost; or (b) eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset. This method is often used for buildings. <p>The amount of the adjustment arising on the restatement or elimination of accumulated depreciation forms part of the increase or decrease in carrying amount that is accounted for in accordance with AASB 116 'Property, Plant and Equipment'.</p>
	<p>Impairment of revalued property, plant and equipment</p>
AASB136.5	<p>Property, plant and equipment carried at revalued amounts shall also be tested for impairment. Identifying whether a revalued asset may be impaired depends on the basis used to determine fair value:</p> <ul style="list-style-type: none"> (a) if the asset's fair value is its market value, the only difference between the asset's fair value and its fair value less costs to sell is the direct incremental costs to dispose of the asset: <ul style="list-style-type: none"> i. if the disposal costs are negligible, the recoverable amount of the revalued asset is necessarily close to, or greater than, its revalued amount (i.e. fair value). In this case, after the revaluation requirements have been applied, it is unlikely that the revalued asset is impaired and recoverable amount need not be estimated; ii. if the disposal costs are not negligible, the fair value less costs to sell of the revalued asset is necessarily less than its fair value. Therefore, the revalued asset will be impaired if its value in use is less than its revalued amount (i.e. fair value). In this case, after the revaluation requirements have been applied, an entity applies AASB 136 'Impairment of Assets' to determine whether the asset may be impaired; and (b) if the asset's fair value is determined on a basis other than its market value, its revalued amount (i.e. fair value) may be greater or lower than its recoverable amount. Hence, after the revaluation requirements have been applied, an entity applies AASB 136 to determine whether the asset may be impaired.
	<p>Disclosure of impairment of property, plant and equipment</p> <p>An entity shall disclose the information requirement by AASB 136 'Impairment of Assets' for each material impairment loss recognised or reversed during the period for property, plant and equipment</p>

Source	RDR Holdings (Australia) Limited																				
	<p>23. Investment property</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: right; border-bottom: 1px solid black;">30/06/10 \$'000</th> <th style="text-align: right; border-bottom: 1px solid black;">30/06/09 \$'000</th> </tr> </thead> <tbody> <tr> <td>Fair value of investment property</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">1,936</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">132</td> </tr> </tbody> </table>		30/06/10 \$'000	30/06/09 \$'000	Fair value of investment property	1,936	132														
	30/06/10 \$'000	30/06/09 \$'000																			
Fair value of investment property	1,936	132																			
	2010 \$'000																				
AASB140.76 (a) – (d), (f), (g), Aus1.6(c), RDR76.1	<p>At fair value</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td>Balance at beginning of year</td> <td style="text-align: right;">132</td> </tr> <tr> <td>Additions</td> <td style="text-align: right;">10</td> </tr> <tr> <td>Acquisitions through business combinations</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Disposals</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Transferred from property, plant and equipment</td> <td style="text-align: right;">1,510</td> </tr> <tr> <td>Other transfers</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Property reclassified as held for sale</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Gain/(loss) on property revaluation</td> <td style="text-align: right;">297</td> </tr> <tr> <td>Other changes</td> <td style="text-align: right;">(13)</td> </tr> <tr> <td>Balance at end of year</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">1,936</td> </tr> </tbody> </table>	Balance at beginning of year	132	Additions	10	Acquisitions through business combinations	-	Disposals	-	Transferred from property, plant and equipment	1,510	Other transfers	-	Property reclassified as held for sale	-	Gain/(loss) on property revaluation	297	Other changes	(13)	Balance at end of year	1,936
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	<p>Investment property under construction with a cost of \$1.51 million was transferred from property, plant and equipment to investment property following the adoption of the amendments to AASB 140 <i>Investment Property</i> resulting from AASB 2008-5 <i>Amendments to Australian Accounting Standards arising from the Annual Improvements Project</i> (see note 2.1).</p>																				
AASB140.75(d), (e), Aus1.6(b)	<p>The fair value of the Group's investment property at 30 June 2010 has been arrived at on the basis of a valuation carried out at that date by Messrs R & P Trent, independent valuers not related to the Group. Messrs R & P Trent are members of the Institute of Valuers of Australia, and they have appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The valuation, which conforms to International Valuation Standards, was arrived at by reference to market evidence of transaction prices for similar properties.</p>																				
	<p>All of the Group's investment property is held under freehold interests.</p>																				
AASB140.75(d), Aus1.6(b)	<p>An entity shall disclose the methods and significant assumptions applied in determining the fair value of investment property.</p>																				
AASB140.75(e)	<p>The extent to which the fair value of investment property is based on a valuation by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued shall be disclosed. If there has been no such valuation, that fact shall be disclosed.</p>																				
AASB140.78	<p>Inability to determine fair value reliably</p> <p>In the exceptional cases where an entity is unable to reliably determine the fair value of an investment property, and accordingly measures that investment property using the cost model, the reconciliation illustrated above shall disclose amounts relating to that investment property separately from amounts relating to other investment property. In addition, an entity shall disclose:</p> <ol style="list-style-type: none"> (a) a description of the investment property; (b) an explanation of why fair value cannot be determined reliably; (c) if possible, the range of estimates within which fair value is highly likely to lie; and (d) on disposal of investment property not carried at fair value: <ol style="list-style-type: none"> i. the fact that the entity has disposed of investment property not carried at fair value; ii. the carrying amount of that investment property at the time of sale; and iii. the amount of gain or loss recognised. 																				

Source	RDR Holdings (Australia) Limited																								
	<p>23. Investment property (cont'd)</p> <p>Investment properties measured under the cost model</p> <p>An entity that applies the cost model shall disclose, in addition to the disclosures illustrated in notes 3.19, 8, 23 and 51 to these model financial statements:</p> <ul style="list-style-type: none"> (a) the depreciation methods used; (b) the useful lives or the depreciation rates used; (c) the gross carrying amount and the accumulated depreciation (aggregated with accumulated impairment losses) at the beginning and end of the period; (d) a reconciliation of the carrying amount of investment property at the beginning and end of the period, showing the following: <ul style="list-style-type: none"> i. additions; ii. additions resulting from acquisitions through business combinations; iii. assets classified as held for sale or included in a disposal group in accordance with AASB 5 'Non-current Assets Held for Sale and Discontinued Operations' and other disposals; iv. depreciation; v. the amount of impairment losses recognised, and the amount of impairment losses reversed, during the period in accordance with AASB 136 'Impairment of Assets'; vi. [not required under RDR]; vii. [not required under RDR]; and viii. other changes; and (e) [not required under RDR]. 																								
	<p>24. Goodwill</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%;"></th> <th style="text-align: right; border-bottom: 1px solid black;">30/06/10</th> <th style="text-align: right; border-bottom: 1px solid black;">30/06/09</th> </tr> <tr> <th></th> <th style="text-align: right;">\$'000</th> <th style="text-align: right;">\$'000</th> </tr> </thead> <tbody> <tr> <td>Cost</td> <td style="text-align: right;">20,520</td> <td style="text-align: right;">24,060</td> </tr> <tr> <td>Accumulated impairment losses</td> <td style="text-align: right; border-bottom: 1px solid black;">(235)</td> <td style="text-align: right; border-bottom: 1px solid black;">-</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">20,285</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">24,060</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">2010</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">\$'000</td> </tr> </tbody> </table>		30/06/10	30/06/09		\$'000	\$'000	Cost	20,520	24,060	Accumulated impairment losses	(235)	-		20,285	24,060			2010			\$'000			
	30/06/10	30/06/09																							
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AASB3.B67(d), RDRB67.1	<p>Cost</p> <table style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="width: 70%;">Balance at beginning of year</td> <td style="width: 10%;"></td> <td style="text-align: right;">24,060</td> </tr> <tr> <td>Additional amounts recognised from business combinations occurring during the year (note 46)</td> <td></td> <td style="text-align: right;">478</td> </tr> <tr> <td>Reduction arising from realisation of deferred tax assets not previously recognised</td> <td></td> <td style="text-align: right;">-</td> </tr> <tr> <td>Derecognised on disposal of a subsidiary (note 47)</td> <td></td> <td style="text-align: right;">(3,080)</td> </tr> <tr> <td>Reclassified as held for sale (note 12)</td> <td></td> <td style="text-align: right;">(1,147)</td> </tr> <tr> <td>Effect of foreign currency exchange differences</td> <td></td> <td style="text-align: right;">209</td> </tr> <tr> <td>Other [describe]</td> <td></td> <td style="text-align: right; border-bottom: 1px solid black;">-</td> </tr> <tr> <td>Balance at end of year</td> <td></td> <td style="text-align: right; border-bottom: 1px solid black;">20,520</td> </tr> </tbody> </table>	Balance at beginning of year		24,060	Additional amounts recognised from business combinations occurring during the year (note 46)		478	Reduction arising from realisation of deferred tax assets not previously recognised		-	Derecognised on disposal of a subsidiary (note 47)		(3,080)	Reclassified as held for sale (note 12)		(1,147)	Effect of foreign currency exchange differences		209	Other [describe]		-	Balance at end of year		20,520
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AASB136.126(a)	<p>Accumulated impairment losses</p> <table style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="width: 70%;">Balance at beginning of year</td> <td style="width: 10%;"></td> <td style="text-align: right;">-</td> </tr> <tr> <td>Impairment losses recognised in the year</td> <td></td> <td style="text-align: right;">(235)</td> </tr> <tr> <td>Derecognised on disposal of a subsidiary</td> <td></td> <td style="text-align: right;">-</td> </tr> <tr> <td>Classified as held for sale</td> <td></td> <td style="text-align: right;">-</td> </tr> <tr> <td>Effect of foreign currency exchange differences</td> <td></td> <td style="text-align: right; border-bottom: 1px solid black;">-</td> </tr> <tr> <td>Balance at end of year</td> <td></td> <td style="text-align: right; border-bottom: 1px solid black;">(235)</td> </tr> </tbody> </table>	Balance at beginning of year		-	Impairment losses recognised in the year		(235)	Derecognised on disposal of a subsidiary		-	Classified as held for sale		-	Effect of foreign currency exchange differences		-	Balance at end of year		(235)						
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Effect of foreign currency exchange differences		-																							
Balance at end of year		(235)																							

Source		RDR Holdings (Australia) Limited					
		25. Other intangible assets					
				<u>30/06/10</u>	<u>30/06/09</u>		
				\$'000	\$'000		
		Cost		21,070	21,064		
		Accumulated amortisation and impairment		<u>(11,331)</u>	<u>(9,739)</u>		
				<u>9,739</u>	<u>11,325</u>		
			<u>Capitalised development</u>	<u>Patents</u>	<u>Trademarks</u>	<u>Licences</u>	
			\$'000	\$'000	\$'000	\$'000	
AASB138.118 (c), (e)(i) – (vi), (e)(viii), RDR118.1		Cost				<u>Total</u>	
						\$'000	
		Balance at 30 June 2009	3,588	5,825	4,711	6,940	21,064
		Additions	-	-	-	-	-
		Additions from internal developments	6	-	-	-	6
		Acquisitions through business combinations	-	-	-	-	-
		Disposals or classified as held for sale	-	-	-	-	-
		Other	-	-	-	-	-
		Balance at 30 June 2010	<u>3,594</u>	<u>5,825</u>	<u>4,711</u>	<u>6,940</u>	<u>21,070</u>
AASB138.118 (c), (e)(i) – (vi), (e)(viii), RDR118.1		Accumulated amortisation and impairment					
		Balance at 30 June 2009	(1,682)	(1,165)	(3,769)	(3,123)	(9,739)
		Amortisation expense	(718)	(291)	(236)	(347)	(1,592)
		Disposals or classified as held for sale	-	-	-	-	-
		Impairment losses recognised in profit or loss	-	-	-	-	-
		Reversals of impairment losses recognised in profit or loss	-	-	-	-	-
		Other	-	-	-	-	-
		Balance at 30 June 2010	<u>(2,400)</u>	<u>(1,456)</u>	<u>(4,005)</u>	<u>(3,470)</u>	<u>(11,331)</u>
AASB138.118(d)	[The amortisation expense has been included in the line item 'depreciation and amortisation expense' in the statement of comprehensive income. / Of the amortisation recognised in the year, \$1.03 million (2009: \$0.98 million) has been included in marketing expenses and the remainder in 'other expenses' in the income statement.]						
AASB138.118(a)	The following useful lives are used in the calculation of amortisation.						
	Capitalised development			5 years			
	Patents			10 – 20 years			
	Trademarks			20 years			
	Licences			20 years			

Source	RDR Holdings (Australia) Limited																								
	<p>25. Other intangible assets (cont'd)</p> <p>25.1 Significant intangible assets</p>																								
AASB138.122(b)	The Group holds a patent for the manufacture of its Series Z electronic equipment. The carrying amount of the patent of \$2.25 million (30 June 2009: \$2.4 million) will be fully amortised in 15 years (30 June 2009: 16 years).																								
	<p>Additional disclosures for indefinite life intangible assets</p>																								
AASB138.122(a)	An entity shall disclose, for an intangible asset assessed as having an indefinite useful life, the carrying amount of that asset and the reasons supporting the assessment of an indefinite useful life. In giving these reasons, the entity shall describe the factor(s) that played a significant role in determining that the asset has an indefinite useful life.																								
AASB138.90	<p>Factors that are considered in determining the useful life of an intangible asset include:</p> <ul style="list-style-type: none"> (a) the expected usage of the asset by the entity and whether the asset could be managed efficiently by another management team; (b) typical product life cycles for the asset and public information on estimates of useful lives of similar assets that are used in a similar way; (c) technical, technological, commercial or other types of obsolescence; (d) the stability of the industry in which the asset operates and changes in the market demand for the products or services output from the asset; (e) expected actions by competitors or potential competitors; (f) the level of maintenance expenditure required to obtain the expected future economic benefits from the asset and the entity's ability and intention to reach such a level; (g) the period of control over the asset and legal or similar limits on the use of the asset, such as the expiry dates of related leases; and (h) whether the useful life of the asset is dependent on the useful life of other assets of the entity. 																								
	<p>Additional disclosures for intangible assets acquired by way of a government grant and initially recognised at fair value</p>																								
AASB138.122(c)	<p>For intangible assets acquired by way of a government grant and initially recognised at fair value, an entity shall disclose:</p> <ul style="list-style-type: none"> (a) the fair value initially recognised for these assets; (b) their carrying amount; and (c) whether they are measured after recognition under the cost model or the revaluation model. 																								
	<p>Intangible assets measured after revaluation using the revaluation model</p>																								
AASB138.124, Aus1.8	<p>If intangible assets are accounted for at revalued amounts, an entity shall disclose the following:</p> <ul style="list-style-type: none"> (a) by class of intangible assets: <ul style="list-style-type: none"> i. the effective date of the revaluation; ii. the carrying amount of revalued intangible assets; and iii. [not required under RDR]; (b) the amount of the revaluation reserve that relates to intangible assets at the beginning and end of the period, indicating the changes during the period and any restrictions on the distribution of the balance to shareholders; and (c) the methods and significant assumptions applied in estimating the assets' fair values. 																								
AASB101.77	<p>26. Other assets</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: right; border-bottom: 1px solid black;">30/06/10</th> <th style="text-align: right; border-bottom: 1px solid black;">30/06/09</th> </tr> <tr> <th></th> <th style="text-align: right;">\$'000</th> <th style="text-align: right;">\$'000</th> </tr> </thead> <tbody> <tr> <td>Prepayments</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Other [describe]</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">-</td> <td style="text-align: right; border-top: 1px solid black;">-</td> </tr> <tr> <td>Current</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Non-current</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">-</td> <td style="text-align: right; border-top: 1px solid black;">-</td> </tr> </tbody> </table>		30/06/10	30/06/09		\$'000	\$'000	Prepayments	-	-	Other [describe]	-	-		-	-	Current	-	-	Non-current	-	-		-	-
	30/06/10	30/06/09																							
	\$'000	\$'000																							
Prepayments	-	-																							
Other [describe]	-	-																							
	-	-																							
Current	-	-																							
Non-current	-	-																							
	-	-																							

Source	RDR Holdings (Australia) Limited		
	27. Construction contracts		
	<i>Construction contract disclosures are not required under RDR. This note reference has therefore been included only to assist users to more easily compare the reduced disclosures illustrated in this publication to those which entities would be expected to make under 'Tier 1', which are illustrated in corresponding notes in the Deloitte 30 June 2010 'Model Financial Statements'.</i>		
	28. Trade and other payables		
		<u>30/06/10</u>	<u>30/06/09</u>
		\$'000	\$'000
	Trade payables	16,337	21,205
	Cash-settled share-based payments	-	-
AASB2. RDR50.1(b) AASB111.42(b)	Amounts due to customers under construction contracts (see note 27)	36	15
	Other [describe]	-	-
		<u>16,373</u>	<u>21,220</u>
AASB7.7	The average credit period on purchases of certain goods from B Land is 4 months. No interest is charged on the trade payables for the first 60 days from the date of the invoice. Thereafter, interest is charged at 2% per annum on the outstanding balance. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.		
AASB7.8(f)	29. Borrowings		
		<u>30/06/10</u>	<u>30/06/09</u>
		\$'000	\$'000
	Unsecured – at amortised cost		
	Bank overdrafts	520	314
	Bills of exchange (i)	358	916
	Loans from:		
	- related parties (ii)	12,917	34,124
	- other entities (iii)	3,701	3,518
	- government (iv)	2,610	-
	Convertible notes (note 30)	4,144	-
	Perpetual notes (v)	1,905	-
	Other [describe]	-	-
		<u>26,155</u>	<u>38,872</u>
	Secured – at amortised cost		
	Bank overdrafts	18	64
	Bank loans (vi)	14,982	17,404
	Loans from other entities	575	649
	Transferred receivables (vii)	923	-
	Finance lease liabilities (viii)	14	89
	Other [describe]	-	-
		<u>16,512</u>	<u>18,206</u>
		<u>42,667</u>	<u>57,078</u>
	Current	22,446	25,600
	Non-current	<u>20,221</u>	<u>31,478</u>
		<u>42,667</u>	<u>57,078</u>

Source	RDR Holdings (Australia) Limited
	<p>29. Borrowings (cont'd)</p> <p>29.1 Summary of borrowing arrangements</p> <p>(i) Bills of exchange with a variable interest rate were issued in 2003. The current weighted average effective interest rate on the bills is 6.8% per annum (30 June 2009: 6.8%).</p> <p>(ii) Amounts repayable to related parties of the Group. Interest of 8.0% - 8.2% per annum is charged on the outstanding loan balances (30 June 2009: 8.0% - 8.2%).</p> <p>(iii) Fixed rate loans with a finance company with remaining maturity periods not exceeding 3 years (30 June 2009: 4 years). The weighted average effective interest rate on the loans is 8.15% per annum (30 June 2009: 8.10%). The Group hedges a portion of the loans for interest rate risk via an interest rate swap exchanging fixed rate interest for variable rate interest. The outstanding balance is adjusted for fair value movements in the hedged risk, being movements in the inter-bank rate in Australia.</p> <p>(iv) On 17 June 2010, the Group received an interest-free loan of \$3 million from the government of Australia to finance staff training over a two-year period. The loan is repayable in full at the end of that two-year period. Using prevailing market interest rates for an equivalent loan of 7.2%, the fair value of the loan is estimated at \$2.61 million. The difference of \$390,000 between the gross proceeds and the fair value of the loan is the benefit derived from the interest-free loan and is recognised as deferred revenue (see note 33). Interest expenses will be recognised on this loan in 2011 (\$188,000) and 2012 (\$202,000).</p> <p>(v) 2,500 6% perpetual notes were issued on 27 February 2010 at \$2.5 million principal value. Issue costs of \$0.595 million were incurred.</p> <p>(vi) Secured by a mortgage over the Group's freehold land and buildings (see note 22). The weighted average effective interest rate on the bank loans is 8.30% per annum (30 June 2009: 8.32% per annum).</p> <p>(vii) Secured by a charge over certain of the Group's trade receivables (see note 15).</p> <p>(viii) Secured by the assets leased. The borrowings are a mix of variable and fixed interest rate debt with repayment periods not exceeding 5 years.</p> <p>29.2 Breach of loan agreement</p>
AASB7.7	
AASB7.RDR18.1	<p>During 2010, the Group was late in paying interest for the first quarter on one of its loans with a carrying amount of \$5 million. The delay arose because of a temporary lack of funds on the date interest was payable due to a technical problem on settlement. The interest payment outstanding of \$107,500 was repaid in full on the following day, including the additional interest and penalty. The lender did not request accelerated repayment of the loan and the terms of the loan were not changed. Management has reviewed the Group's settlement procedures to ensure that such circumstances do not recur.</p>
AASB7.RDR18.1	<p>Defaults and breaches</p> <p>For loans payable recognised at the end of the reporting period for which there is a breach of terms or default of principal, interest, sinking fund, or redemption terms that has not been remedied by the end of the reporting period, an entity preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements shall disclose the following:</p> <p>(a) details of that breach or default;</p> <p>(b) the carrying amount of the related loans payable at the end of the reporting period; and</p> <p>(c) whether the breach or default was remedied, or the terms of the loans payable were renegotiated, before the financial statements were authorised for issue.</p>

Source	RDR Holdings (Australia) Limited																																																
	<p>30. Convertible notes</p>																																																
AASB7.7	<p>4.5 million 5.5% \$ denominated convertible notes were issued by the Company on 1 March 2010 at an issue price of \$1.10 per note. Each note entitles the holder to convert to one ordinary share at a cost of \$3 per share. Conversion may occur at any time between 1 January 2013 and 28 February 2013. If the notes have not been converted, they will be redeemed on 1 March 2013 at \$1. Interest of 5.5% will be paid quarterly up until that settlement date.</p>																																																
AASB132.28	<p>The net proceeds received from the issue of the convertible notes have been split between the financial liability element and an equity component, representing the residual attributable to the option to convert the financial liability into equity of the Company, as follows.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="text-align: right; width: 20%;">\$'000</th> </tr> </thead> <tbody> <tr> <td>Proceeds of issue</td> <td style="text-align: right;">4,950</td> </tr> <tr> <td>Liability component at date of issue</td> <td style="text-align: right;"><u>(4,116)</u></td> </tr> <tr> <td>Equity component</td> <td style="text-align: right;"><u>834</u></td> </tr> </tbody> </table> <p>The equity component of \$834,000 has been credited to equity (option premium on convertible notes – see note 38.7).</p>		\$'000	Proceeds of issue	4,950	Liability component at date of issue	<u>(4,116)</u>	Equity component	<u>834</u>																																								
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Liability component at date of issue	<u>(4,116)</u>																																																
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AASB7.7	<p>The liability component is measured at amortised cost. The interest expense for the year (\$110,000) is calculated by applying an effective interest rate of 8% to the liability component for the four-month period since the loan notes were issued. Interest paid in the period since issue is \$82,000. The difference between the carrying amount of the liability component at the date of issue (\$4.116 million) and the amount reported in the statement of financial position at 30 June 2010 (\$ 4.144 million) represents the effective interest rate less interest paid to that date.</p>																																																
	<p>31. Other financial liabilities</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: right; width: 20%;"><u>30/06/10</u></th> <th style="text-align: right; width: 20%;"><u>30/06/09</u></th> </tr> <tr> <th></th> <th style="text-align: right;">\$'000</th> <th style="text-align: right;">\$'000</th> </tr> </thead> <tbody> <tr> <td>Financial guarantee contracts</td> <td style="text-align: right;"><u>24</u></td> <td style="text-align: right;"><u>18</u></td> </tr> <tr> <td colspan="3"><i>Derivatives that are designated and effective as hedging instruments carried at fair value</i></td> </tr> <tr> <td>Foreign currency forward contracts</td> <td style="text-align: right;">87</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Interest rate swaps</td> <td style="text-align: right;">5</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Currency swaps</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Other [describe]</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> </tr> <tr> <td></td> <td style="text-align: right;"><u>92</u></td> <td style="text-align: right;"><u>-</u></td> </tr> <tr> <td colspan="3"><i>Financial liabilities carried at fair value through profit or loss (FVTPL)</i></td> </tr> <tr> <td>Financial liabilities</td> <td style="text-align: right;">14,926</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Other (contingent consideration) (i)</td> <td style="text-align: right;"><u>75</u></td> <td style="text-align: right;"><u>-</u></td> </tr> <tr> <td></td> <td style="text-align: right;"><u>15,117</u></td> <td style="text-align: right;"><u>18</u></td> </tr> <tr> <td>Current</td> <td style="text-align: right;">116</td> <td style="text-align: right;">18</td> </tr> <tr> <td>Non-current</td> <td style="text-align: right;"><u>15,001</u></td> <td style="text-align: right;"><u>-</u></td> </tr> <tr> <td></td> <td style="text-align: right;"><u>15,117</u></td> <td style="text-align: right;"><u>18</u></td> </tr> </tbody> </table>		<u>30/06/10</u>	<u>30/06/09</u>		\$'000	\$'000	Financial guarantee contracts	<u>24</u>	<u>18</u>	<i>Derivatives that are designated and effective as hedging instruments carried at fair value</i>			Foreign currency forward contracts	87	-	Interest rate swaps	5	-	Currency swaps	-	-	Other [describe]	-	-		<u>92</u>	<u>-</u>	<i>Financial liabilities carried at fair value through profit or loss (FVTPL)</i>			Financial liabilities	14,926	-	Other (contingent consideration) (i)	<u>75</u>	<u>-</u>		<u>15,117</u>	<u>18</u>	Current	116	18	Non-current	<u>15,001</u>	<u>-</u>		<u>15,117</u>	<u>18</u>
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AASB7.8(e), Aus2.9(c)	<p>(i) Other financial liabilities include \$75,000 representing the estimated fair value of the contingent consideration relating to the acquisition of Subsix Limited (see note 46.2).</p>																																																

Source	RDR Holdings (Australia) Limited																																			
	31. Other financial liabilities (cont'd)																																			
	Disclosure																																			
AASB7.8(e), 8(f), Aus2.9(c)	An entity shall disclose on either the face of the statement of financial position or in the notes the carrying amount of: <ul style="list-style-type: none"> (a) financial liabilities at fair value through profit or loss; and (b) financial liabilities measured at amortised cost. 																																			
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AASB3.B64(j)	(i) The provision for employee benefits represents annual leave and vested long service leave entitlements accrued and compensation claims made by employees. On the acquisition of Subsix Limited, the Group recognised an additional contingent liability of \$45,000 in respect of employees' compensation claims outstanding against that company, which was settled in August 2010.																																			
AASB137.85(a), 85(b), Aus1.8(c)	(ii) The provision for rectification work relates to the estimated cost of work agreed to be carried out for the rectification of goods supplied to one of the Group's major customers (see note 13.5). Anticipated expenditure for 2011 is \$1.94 million, and for 2012 is \$1.118 million. These amounts have not been discounted for the purpose of measuring the provision for rectification work, because the effect is not material.																																			
AASB137.85(a), 85(b), Aus1.8(c)	(iii) The provision for warranty claims represents the present value of the directors' best estimate of the future outflow of economic benefits that will be required under the Group's obligations for warranties under local sale of goods legislation. The estimate has been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.																																			
AASB137.85(a), 85(b), Aus1.8(c)	(iv) The provision for onerous lease contracts represents the present value of the future lease payments that the Group is presently obligated to make under non-cancellable onerous operating lease contracts, less revenue expected to be earned on the lease, including estimated future sub-lease revenue, where applicable. The estimate may vary as a result of changes in the utilisation of the leased premises and sub-lease arrangements where applicable. The unexpired terms of the leases range from 3 to 5 years.																																			

Source	RDR Holdings (Australia) Limited																								
	<p>32. Provisions (cont'd)</p> <p>Exemptions In extremely rare cases, disclosure of some or all of the information required by AASB 137 'Provisions, Contingent Liabilities and Contingent Assets' can be expected to prejudice seriously the position of the entity in a dispute with other parties on the subject matter of the provision. In such cases, an entity need not disclose the information, but shall disclose the general nature of the dispute, together with the fact that, and reason why, the information has not been disclosed. Regardless of how sensitive certain information about provisions may be, this exemption from disclosure does not affect the requirement to recognise provisions that satisfy the criteria for recognition set out in AASB 137.</p> <p>Contingent liabilities Where a provision and a contingent liability arise from the same set of circumstances, the disclosures in the financial report shall be made in such a way to show the link between the provision and the contingent liability.</p> <p>Contingent liabilities recognised as part of a business combination For contingent liabilities recognised separately as part of the allocation of the cost of a business combination, the acquirer shall disclose the information required by AASB 137 'Provisions, Contingent Liabilities and Contingent Assets' for each class of provision.</p>																								
AASB137.92																									
AASB137.88																									
AASB3.B64(j)																									
	<p>33. Deferred revenue</p> <table border="1"> <thead> <tr> <th></th> <th style="text-align: right;">30/06/10</th> <th style="text-align: right;">30/06/09</th> </tr> <tr> <th></th> <th style="text-align: right;">\$'000</th> <th style="text-align: right;">\$'000</th> </tr> </thead> <tbody> <tr> <td>Arising from customer loyalty programme (i)</td> <td style="text-align: right;">184</td> <td style="text-align: right;">147</td> </tr> <tr> <td>Arising from government grant (ii)</td> <td style="text-align: right;">390</td> <td style="text-align: right;">-</td> </tr> <tr> <td></td> <td style="text-align: right;"><u>574</u></td> <td style="text-align: right;"><u>147</u></td> </tr> <tr> <td>Current</td> <td style="text-align: right;">355</td> <td style="text-align: right;">52</td> </tr> <tr> <td>Non-current</td> <td style="text-align: right;"><u>219</u></td> <td style="text-align: right;"><u>95</u></td> </tr> <tr> <td></td> <td style="text-align: right;"><u>574</u></td> <td style="text-align: right;"><u>147</u></td> </tr> </tbody> </table> <p>(i) The deferred revenue arises in respect of the Group's Maxi-Points Scheme (see note 3.9.1).</p> <p>(ii) The deferred revenue arises as a result of the benefit received from an interest-free government loan received in June 2010 (see note 29). The revenue will be offset against training costs to be incurred in 2011 (\$250,000) and 2012 (\$140,000).</p>		30/06/10	30/06/09		\$'000	\$'000	Arising from customer loyalty programme (i)	184	147	Arising from government grant (ii)	390	-		<u>574</u>	<u>147</u>	Current	355	52	Non-current	<u>219</u>	<u>95</u>		<u>574</u>	<u>147</u>
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AASB120.39(b)																									
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Source	RDR Holdings (Australia) Limited																				
	<p>35. Obligations under finance leases</p> <p>35.1 Leasing arrangements</p> <p>AASB117.31(e) Finance leases relate to manufacturing equipment with lease terms of 5 years. The Group has options to purchase the equipment for a nominal amount at the conclusion of the lease agreements. The Group's obligations under finance leases are secured by the lessors' title to the leased assets.</p> <p>35.2 Finance lease liabilities</p> <p>AASB117.31(b), Aus1.8(b)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2"></th> <th colspan="2" style="text-align: center; border-bottom: 1px solid black;">Minimum lease payments</th> </tr> <tr> <th style="text-align: center; border-bottom: 1px solid black;">30/06/10</th> <th style="text-align: center; border-bottom: 1px solid black;">30/06/09</th> </tr> <tr> <th></th> <th style="text-align: center;">\$'000</th> <th style="text-align: center;">\$'000</th> </tr> </thead> <tbody> <tr> <td>Not later than one year</td> <td style="text-align: right;">10</td> <td style="text-align: right;">58</td> </tr> <tr> <td>Later than one year and not later than five years</td> <td style="text-align: right;">6</td> <td style="text-align: right;">44</td> </tr> <tr> <td>Later than five years</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Total</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">16</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">102</td> </tr> </tbody> </table> <p>35.3 Fair value</p> <p>Disclosures for lessees</p> <p>AASB117.31(e) A general description about the lessee's material leasing arrangements shall be disclosed, including:</p> <ul style="list-style-type: none"> (a) the basis on which contingent rent payable is determined; (b) the existence and terms of renewal or purchase options and escalation clauses; and (c) restrictions imposed by lease arrangements such as those concerning dividends, additional debt and further leasing. <p>Assets under lease</p> <p>AASB117.32, 57 The disclosure requirements specified by the relevant standards in relation to property, plant and equipment, intangible assets, impairment of assets, investment property and agriculture apply to:</p> <ul style="list-style-type: none"> (a) lessees for assets leased under finance leases (b) lessors for assets provided under operating leases. <p>Disclosure of these items would normally be incorporated into other existing notes to the financial statements, for example notes 22, 23 and 25 to these model financial statements.</p>		Minimum lease payments		30/06/10	30/06/09		\$'000	\$'000	Not later than one year	10	58	Later than one year and not later than five years	6	44	Later than five years	-	-	Total	16	102
	Minimum lease payments																				
	30/06/10	30/06/09																			
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Later than one year and not later than five years	6	44																			
Later than five years	-	-																			
Total	16	102																			

Source RDR Holdings (Australia) Limited

36. Retirement benefit plans

36.1 Defined contribution plans

The Group operates defined contribution retirement benefit plans for all qualifying employees of its subsidiary in C Land. The assets of the plans are held separately from those of the Group in funds under the control of trustees. Where employees leave the plans prior to full vesting of the contributions, the contributions payable by the Group are reduced by the amount of forfeited contributions.

The employees of the Group's subsidiary in B Land are members of a state-managed retirement benefit plan operated by the government of B Land. The subsidiary is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

AASB119.46

The total expense recognised in the [statement of comprehensive income/income statement] of \$160,000 (2009: \$148,000) represents contributions payable to these plans by the Group at rates specified in the rules of the plans. As at 30 June 2010, contributions of \$8,000 (2009: \$8,000) due in respect of the 2010 (2009) reporting period had not been paid over to the plans. The amounts were paid subsequent to the end of the reporting period.

36.2 Defined benefit plans

AASB119.120A (b)

The Group operates funded defined benefit plans for qualifying employees of its subsidiaries in Australia. Under the plans, the employees are entitled to retirement benefits varying between 40% and 45% of final salary on attainment of a retirement age of 65. No other post-retirement benefits are provided to these employees.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2010 by Mr. F.G. Ho, Fellow of the Institute of Actuaries of Australia. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

AASB119.120A (n)(i), (ii), (iv), (vi)

The principal assumptions used for the purposes of the actuarial valuations were as follows.

	30/06/10	Valuation at 30/06/09
	%	%
Discount rate(s)	5.52	5.20
Expected return on plan assets	12.08	10.97
Expected rate(s) of salary increase	5.00	5.00
Other [describe]	-	-

AASB119.120A (g), Aus1.7(c)

Amounts recognised in profit or loss in respect of these defined benefit plans are as follows.

	Year ended 30/06/10	Year ended 30/06/09
	\$'000	\$'000
Total expense recognised in profit or loss	<u>586</u>	<u>556</u>

Source	RDR Holdings (Australia) Limited																																	
	36. Retirement benefit plans (cont'd)																																	
AASB119.120A(f)	The amount included in the statement of financial position arising from the entity's obligation in respect of its defined benefit plans is as follows.																																	
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AASB119. RDR120A.1, RDR120A.2	Movements in the present value of the defined benefit obligation in the current period were as follows.																																	
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AASB119.120A(j)	<p>The major categories of plan assets, and the expected rate of return at the end of the reporting period for each category, are as follows.</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2" style="text-align: center;">Expected return</th> <th colspan="2" style="text-align: center;">Fair value of plan assets</th> </tr> <tr> <th style="text-align: center;">30/06/10</th> <th style="text-align: center;">30/06/09</th> <th style="text-align: center;">30/06/10</th> <th style="text-align: center;">30/06/09</th> </tr> <tr> <th></th> <th style="text-align: center;">%</th> <th style="text-align: center;">%</th> <th style="text-align: center;">\$'000</th> <th style="text-align: center;">\$'000</th> </tr> </thead> <tbody> <tr> <td>Equity instruments</td> <td style="text-align: center;">15.01</td> <td style="text-align: center;">12.03</td> <td style="text-align: center;">1,026</td> <td style="text-align: center;">986</td> </tr> <tr> <td>Debt instruments</td> <td style="text-align: center;">9.59</td> <td style="text-align: center;">7.49</td> <td style="text-align: center;">1,980</td> <td style="text-align: center;">1,850</td> </tr> <tr> <td>Property</td> <td style="text-align: center;">12.21</td> <td style="text-align: center;">12.76</td> <td style="text-align: center;">1,196</td> <td style="text-align: center;">1,490</td> </tr> <tr> <td>Other [describe]</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Weighted average expected return</td> <td style="text-align: center;"><u>12.08</u></td> <td style="text-align: center;"><u>10.97</u></td> <td style="text-align: center;"><u>4,202</u></td> <td style="text-align: center;"><u>4,326</u></td> </tr> </tbody> </table>		Expected return		Fair value of plan assets		30/06/10	30/06/09	30/06/10	30/06/09		%	%	\$'000	\$'000	Equity instruments	15.01	12.03	1,026	986	Debt instruments	9.59	7.49	1,980	1,850	Property	12.21	12.76	1,196	1,490	Other [describe]	-	-	-	-	Weighted average expected return	<u>12.08</u>	<u>10.97</u>	<u>4,202</u>	<u>4,326</u>
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AASB119.120A (m), Aus1.7(d)	The actual return on plan assets was \$0.72 million (2009: \$0.354 million).																																							
AASB119.120A (k)	The plan assets include ordinary shares of RDR Holdings (Australia) Limited with a fair value of \$0.38 million (30 June 2009: \$0.252 million) and property occupied by a subsidiary of RDR Holdings (Australia) Limited with a fair value of \$0.62 million (30 June 2009: \$0.62 million).																																							
AASB119.122	<p>General</p> <p>When an entity has more than one defined benefit plan, disclosures may be made in total, separately for each plan, or in such groupings as are considered to be the most useful. It may be useful to distinguish groupings by criteria such as the following:</p> <ul style="list-style-type: none"> (a) the geographical location of the plans, for example, by distinguishing domestic plans from foreign plans; or (b) whether plans are subject to materially different risks, for example, by distinguishing flat salary pension plans from final salary pension plans and from post-employment medical plans. <p>When an entity provides disclosures in total for a grouping of plans, such disclosures are provided in the form of weighted averages or of relatively narrow ranges.</p>																																							
AASB119.52, 121	A general description of the type of plan shall be disclosed. Such a description distinguishes, for example, flat salary pension plans from final salary pension plans and from post-employment medical plans. The description of the plan shall include informal practices that give rise to constructive obligations included in the measurement of the defined benefit obligation. Informal practices give rise to a constructive obligation where the entity has no realistic alternative but to pay employee benefits.																																							
AASB119.120A(n)	An entity shall disclose each actuarial assumption in absolute terms (for example, as an absolute percentage) and not just as a margin between different percentages or other variables.																																							
AASB119.120A(j)	An entity shall disclose the following in relation to plan assets:																																							
AASB119.120A(k)	<ul style="list-style-type: none"> (a) the percentage or amount that each major category of plan assets constitutes of the fair value of the total plan assets; (b) the amounts included in the fair value of plan assets for each category of the entity's own financial instruments and for any property occupied by, or other assets used by, the entity; and 																																							
AASB119.116	<p>Offsetting defined benefit assets against defined benefit liabilities</p> <p>An entity shall offset an asset relating to one plan against a liability relating to another plan when, and only when, the entity:</p> <ul style="list-style-type: none"> (a) has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan; and (b) intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously. 																																							
AASB119.120A (n)(v)	<p>Post-employment medical benefit plans</p> <p>Companies with post-employment medical benefit plans shall also disclose the assumed medical cost trend rates, together with the other key assumptions used.</p>																																							

Source	RDR Holdings (Australia) Limited
<p>AASB119.30, Aus1.7(a)</p> <p>AASB119.34, 34A</p>	<p>36. Retirement benefit plans (cont'd)</p> <p>Multi-employer plans</p> <p>When sufficient information is not available to use defined benefit accounting for a multi-employer plan that is a defined benefit plan, an entity shall account for the plan as though it were a defined contribution plan and disclose in addition to the disclosures illustrated in these model financial statements:</p> <ol style="list-style-type: none"> (a) the fact that the plan is a defined benefit plan; (b) the reason why sufficient information is not available to enable the entity to account for the plan as a defined benefit plan; and (c) to the extent that a surplus or deficit in the plan may affect the amount of future contributions: <ol style="list-style-type: none"> i. any available information about that surplus or deficit; ii. [not required under RDR]; and iii. the implications, if any, for the entity. <p>Defined benefit plans that share risks between various entities under common control</p> <p>Defined benefit plans that share risks between various entities under common control, for example, a parent and its subsidiaries, are not multi-employer plans. An entity participating in such a plan shall obtain information for the plan as a whole measured in accordance with AASB 119 on the basis of assumptions that apply to the plan as a whole.</p>
<p>AASB101.79 (a)(i)</p> <p>AASB101.79 (a)(ii)</p> <p>AASB101.79 (a)(iii)</p> <p>AASB101.79 (a)(iv)</p>	<p>37. Issued capital</p> <p>Notes 37-39 and 41 below set out detailed descriptions and reconciliations for each class of share capital and each component of equity, as required by AASB 101.79 and AASB 101.106. AASB 101 permits some flexibility regarding the level of detail presented in the statement of changes in equity (see page 27) and these supporting notes. The Standard also allows that some of the details regarding components of other comprehensive income (income tax and reclassification adjustments) may be disclosed in the notes rather than in the statement of comprehensive income. Entities will determine the most appropriate presentation for their circumstances – electing to present much of the detail in the notes (as we have done in these model financial statements) ensures that the primary financial statements are not cluttered by unnecessary detail, but it does result in very detailed supporting notes.</p> <p>Whichever presentation is selected, entities will need to ensure that the following requirements are met:</p> <ul style="list-style-type: none"> • detailed reconciliations are required for each class of share capital (in the statement of financial position or the statement of changes in equity or in the notes); • detailed reconciliations are required for each component of equity – separately disclosing the impact on each such component of (i) profit or loss, (ii) each component of other comprehensive income, and (iii) transactions with owners in their capacity as owners (in the statement of changes in equity or in the notes); • the amount of income tax relating to each component of other comprehensive income should be disclosed (in the statement of comprehensive income or in the notes) and • reclassification adjustments should be presented separately from the related component of other comprehensive income (in the statement of comprehensive income or in the notes). <p>An entity that elects to present a statement of changes in equity showing reconciliations between the carrying amount of each class of contributed equity at the beginning and the end of the period on the face of the statement need not repeat these disclosures in the notes to the financial statements. However, such entities shall disclose, either on the face of the statement of financial position or in the notes to the financial statements, for each class of share capital:</p> <ol style="list-style-type: none"> (a) the number of shares authorised; (b) the number of shares issued and fully paid, and issued but not fully paid; (c) par value per share, or that the shares have no par value; (d) a reconciliation of the number of shares outstanding at the beginning and at the end of the period;

Source	RDR Holdings (Australia) Limited																														
	37. Issued capital (cont'd)																														
AASB101.79 (a)(v)	(e) the rights, preferences and restrictions attaching to that class including restrictions on the distribution of dividends and the repayment of capital;																														
AASB101.79 (a)(vi)	(f) shares in the entity held by the entity or by its subsidiaries or associates; and																														
AASB101.79 (a)(vii)	(g) shares reserved for issue under options and contracts for sale of shares, including the terms and amounts.																														
AASB101.80	<u>Disclosures by entities without share capital</u> An entity without share capital, such as a partnership or trust, shall disclose information equivalent to that noted above, showing changes during the period in each category of equity interest, and the rights, preferences and restrictions attaching to each category of equity interest.																														
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AASB101.79 (a)(iii)	Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the company does not have a limited amount of authorised capital and issued shares do not have a par value.																														
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Movements [describe]	-	-																							
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AASB101.79(a)	<p>37.3 Convertible non-participating preference shares</p> <table border="1"> <thead> <tr> <th></th> <th style="text-align: right;">Number of shares <u>'000</u></th> <th style="text-align: right;">Share capital <u>\$'000</u></th> </tr> </thead> <tbody> <tr> <td>Balance at 1 July 2008</td> <td style="text-align: right;">1,100</td> <td style="text-align: right;">1,100</td> </tr> <tr> <td>Movements [describe]</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Balance at 30 June 2009</td> <td style="text-align: right;">1,100</td> <td style="text-align: right;">1,100</td> </tr> <tr> <td>Issue of shares</td> <td style="text-align: right;">100</td> <td style="text-align: right;">100</td> </tr> <tr> <td>Share issue costs</td> <td style="text-align: right;">-</td> <td style="text-align: right;">(6)</td> </tr> <tr> <td>Income tax relating to share issue costs</td> <td style="text-align: right;">-</td> <td style="text-align: right;">1</td> </tr> <tr> <td>Balance at 30 June 2010</td> <td style="text-align: right;"><u>1,200</u></td> <td style="text-align: right;"><u>1,195</u></td> </tr> </tbody> </table> <p>Convertible non-participating preference shares are entitled to receive a discretionary 10% preference dividend before any dividends are declared to the ordinary shareholders. The convertible non-participating preference shares convert into ordinary shares on a one-for-one basis and are due for conversion on 1 May 2013. Convertible non-participating preference shares have no right to share in any surplus assets or profits and no voting rights.</p>		Number of shares <u>'000</u>	Share capital <u>\$'000</u>	Balance at 1 July 2008	1,100	1,100	Movements [describe]	-	-	Balance at 30 June 2009	1,100	1,100	Issue of shares	100	100	Share issue costs	-	(6)	Income tax relating to share issue costs	-	1	Balance at 30 June 2010	<u>1,200</u>	<u>1,195</u>
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Income tax relating to share issue costs	-	1																							
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	<p>37.4 Share options granted under the employee share option plan</p>																								
AASB101.79(a)	<p>At 30 June 2010, executives and senior employees held options over 196,000 ordinary shares of the Company, of which 136,000 will expire on 30 September 2010 and 60,000 will expire on 28 March 2011. At 30 June 2009, executives and senior employees held options over 290,000 ordinary shares of the Company, of which 140,000 were due to expire on 30 September 2009 and 150,000 were due to expire on 28 March 2010. At 1 July 2008, no options had been granted under the employee share option plan.</p> <p>Share options granted under the employee share option plan carry no rights to dividends and no voting rights. Further details of the employee share option plan are provided in note 43.</p>																								
	<p>37.5 Redeemable cumulative preference shares</p>																								
	<p>The redeemable cumulative preference shares issued by the Company have been classified as liabilities (see note 31).</p>																								
	<p>Other share options on issue</p>																								
AASB101.79(a) (vii)	<p>An entity shall disclose, for each class of share capital, shares reserved for issue under options, including the terms and amounts.</p> <p>An entity with other share options may wish to use the following illustrative wording as an example: 'As at 30 June 2010, the company has [number] share options on issue (2009: [number]), exercisable on a 1:1 basis for [number] ordinary shares of the company (2009: [number]) at an exercise price of \$[amount]. The options expire between [date] and [date] (2009: [date] and [date]), and carry no rights to dividends and no voting rights.'</p>																								

Source	RDR Holdings (Australia) Limited																								
	38. Reserves (cont'd)																								
AASB101.79(b)	The properties revaluation reserve arises on the revaluation of land and buildings. When revalued land or buildings are sold, the portion of the properties revaluation reserve that relates to that asset, and that is effectively realised, is transferred directly to retained earnings.																								
AASB116.41	The asset revaluation reserve included in equity in respect of an item of property, plant and equipment may be transferred directly to retained earnings when the asset is derecognised. This may involve transferring the whole of the surplus when the asset is retired or disposed of. However, some of the surplus may be transferred as the asset is used by an entity through a transfer directly to retained earnings. In such a case, the amount of the surplus transferred would be the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost.																								
AASB116.77(f)	The financial report shall disclose any restrictions on the distribution of the balance of the asset revaluation reserve to shareholders.																								
AASB101.106(d)	38.3 Investments revaluation reserve																								
	<table border="0" style="width: 100%;"> <thead> <tr> <th></th> <th style="text-align: right; border-bottom: 1px solid black;">2010</th> <th style="text-align: right; border-bottom: 1px solid black;">2009</th> </tr> <tr> <th></th> <th style="text-align: right;">\$'000</th> <th style="text-align: right;">\$'000</th> </tr> </thead> <tbody> <tr> <td>Balance at beginning of year</td> <td style="text-align: right;">527</td> <td style="text-align: right;">470</td> </tr> <tr> <td>Net gain arising on revaluation of available-for-sale financial assets</td> <td style="text-align: right;">94</td> <td style="text-align: right;">81</td> </tr> <tr> <td>Income tax relating to gain arising on revaluation of available-for-sale financial assets</td> <td style="text-align: right;">(28)</td> <td style="text-align: right;">(24)</td> </tr> <tr> <td>Cumulative (gain)/loss reclassified to profit or loss on sale of available-for-sale financial assets</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Cumulative (gain)/loss reclassified to profit or loss on impairment of available-for-sale financial assets</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">593</td> <td style="text-align: right; border-top: 1px solid black;">527</td> </tr> </tbody> </table>		2010	2009		\$'000	\$'000	Balance at beginning of year	527	470	Net gain arising on revaluation of available-for-sale financial assets	94	81	Income tax relating to gain arising on revaluation of available-for-sale financial assets	(28)	(24)	Cumulative (gain)/loss reclassified to profit or loss on sale of available-for-sale financial assets	-	-	Cumulative (gain)/loss reclassified to profit or loss on impairment of available-for-sale financial assets	-	-		593	527
	2010	2009																							
	\$'000	\$'000																							
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AASB7.20(a)																									
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AASB101.79(b)	The investments revaluation reserve represents accumulated gains and losses arising on the revaluation of available-for-sale financial assets that have been recognised in other comprehensive income, net of amounts reclassified to profit or loss when those assets have been disposed of or are determined to be impaired.																								
AASB101.106(d)	38.4 Equity-settled employee benefits reserve																								
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	2010	2009																							
	\$'000	\$'000																							
Balance at beginning of year	338	-																							
Arising on share-based payments	206	338																							
Other [describe]	-	-																							
	544	338																							
AASB101.79(b)	The equity-settled employee benefits reserve relates to share options granted to employees under the employee share option plan. Further information about share-based payments to employees is set out in note 43.																								

Source	RDR Holdings (Australia) Limited		
	38. Reserves (cont'd)		
AASB101.106(d)	38.5 Cash flow hedging reserve		
		<u>2010</u>	<u>2009</u>
		\$'000	\$'000
	Balance at beginning of year	278	258
AASB7.23(c)	Gain/(loss) recognised on cash flow hedges		
	Forward foreign exchange contracts	209	(41)
	Interest rate swaps	227	357
	Currency swaps	-	-
	Income tax related to gains/losses recognised in other comprehensive income	(131)	(95)
AASB7.23(d), Aus2.9(f)	Reclassified to profit or loss		
	Forward foreign exchange contracts	(3)	-
	Interest rate swaps	(120)	(86)
	Currency swaps	-	-
	Income tax related to amounts reclassified to profit or loss	37	26
AASB7.23(e)	Transferred to initial carrying amount of hedged item		
	Forward foreign exchange contracts	(257)	(201)
	Income tax related to amounts transferred to initial carrying amount of hedged item	77	60
	Other [describe]	-	-
	Balance at end of year	<u>317</u>	<u>278</u>
AASB101.79(b)	The cash flow hedging reserve represents the cumulative portion of gains and losses on hedging instruments deemed effective in cash flow hedges. The cumulative deferred gain or loss on the hedging instrument is reclassified to profit or loss only when the hedged transaction affects the profit or loss, or is included as a basis adjustment to the non-financial hedged item, consistent with the relevant accounting policy.		
AASB101.106(d)	38.6 Foreign currency translation reserve		
		<u>2010</u>	<u>2009</u>
		\$'000	\$'000
	Balance at beginning of year	225	140
	Exchange differences arising on translating the net assets of foreign operations	75	121
	Deferred tax relating to gains arising on translating the net assets of foreign operations	(22)	(36)
	Loss on hedging instrument designated as a hedge of the net assets of foreign operations	(12)	-
	Deferred tax relating to loss on hedge of the net assets of foreign operations	4	-
	Gain/loss reclassified to profit or loss on disposal of foreign operation	(166)	-
	Income tax related to gain/loss reclassified on disposal of foreign operation	51	-
	Gain/loss on hedging instrument reclassified to profit or loss on disposal of foreign operation	46	-
	Income tax related to gain/loss on hedging instruments reclassified on disposal of foreign operation	(15)	-
	Other [describe]	-	-
	Balance at end of year	<u>186</u>	<u>225</u>

Source	RDR Holdings (Australia) Limited		
	38. Reserves (cont'd)		
AASB101.79(b)	Exchange differences relating to the translation of the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Australian dollars) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Gains and losses on hedging instruments that are designated as hedges of net investments in foreign operations are included in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve (in respect of translating both the net assets of foreign operations and hedges of foreign operations) are reclassified to profit or loss on the disposal or partial disposal of the foreign operation.		
AASB101.106(d)	38.7 Option premium on convertible notes	<u>2010</u>	<u>2009</u>
		\$'000	\$'000
	Balance at beginning of year	-	-
	Recognition of option premium on issue of convertible notes	834	-
	Related income tax	<u>(242)</u>	<u>-</u>
	Balance at end of year	<u>592</u>	<u>-</u>
AASB101.79(b)	The option premium on convertible notes represents the equity component (conversion rights) of the 4.5 million 5.5% convertible notes issued during the year (see note 30).		
AASB101.106(b), (d)	39. Retained earnings	<u>30/06/10</u>	<u>30/06/09</u>
		\$'000	\$'000
	Retained earnings	<u>110,805</u>	<u>94,909</u>
		<u>2010</u>	<u>2009</u>
		\$'000	\$'000
	Balance at beginning of year	94,909	73,916
	Effect of change in accounting policy for mail order catalogues (see note 2.1)	<u>-</u>	<u>(92)</u>
	Restated opening balance	94,909	73,824
	Net profit attributable to members of the Company	23,049	27,564
	Difference arising on disposal of interest in Subone Limited (see note 19)	34	-
	Payment of dividends	(6,635)	(6,479)
	Share buy-back	(555)	-
	Related income tax	-	-
	Transfer from properties revaluation reserve	3	-
	Other [describe]	<u>-</u>	<u>-</u>
	Balance at end of year	<u>110,805</u>	<u>94,909</u>
	40. Dividends	<u>Year ended</u>	<u>Year ended</u>
		<u>30/06/10</u>	<u>30/06/09</u>
		\$'000	\$'000
AASB101.107, Aus1.8(c)	Recognised amounts		
	Fully paid ordinary shares	6,515	6,369
	Converting non-participating preference shares	<u>120</u>	<u>110</u>
		<u>6,635</u>	<u>6,479</u>
AASB101.107, Aus1.8(c)	An entity shall disclose, either on the face of statement of changes in equity, or in the notes, the amount of dividends recognised as distributions to equity holders during the period.		

Source RDR Holdings (Australia) Limited

40. Dividends (cont'd)

AASB112.52A,
82A, Aus1.8(b)

Income tax consequences of dividends

In some jurisdictions, income taxes are payable at a higher or lower rate if part or all of the net profit or retained earnings is paid out as a dividend to shareholders of the entity. In some other jurisdictions, income taxes may be refundable or payable if part or all of the net profit or retained earnings is paid out as a dividend to shareholders of the entity. In these circumstances, current and deferred tax assets and liabilities are measured at the tax rate applicable to undistributed profits. In these circumstances, an entity shall disclose the nature of the potential income tax consequences that would result from the payment of dividends to its shareholders.

AASB101.106(d)

41. Non-controlling interests

	2010	2009
	\$'000	\$'000
Balance at beginning of year	20,005	17,242
Share of profit for the year	4,000	2,763
Non-controlling interests arising on the acquisition of Subsix Limited (see note 46)	132	-
Additional non-controlling interests arising on disposal of interest in Subone Limited (see note 19)	179	-
Balance at end of year	<u>24,316</u>	<u>20,005</u>

42. Financial instruments

Note: The following are examples of the types of disclosures that might be required in this area. The matters disclosed will be dictated by the circumstances of the individual entity, by the significance of judgements and estimates made to the results and financial position, and the information provided to key management personnel.

AASB7.21

42.1 Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in note 3.

42.2 Categories of financial instruments

AASB7.8(a),
Aus2.9(b)

AASB7.8(b)
AASB7.8(c)
AASB7.8(d)

	30/06/10	30/06/09
	\$'000	\$'000
Financial assets		
Cash and bank balances (including cash and bank balances in a disposal group held for sale)	23,621	19,778
Fair value through profit or loss (FVTPL)	539	1,247
Derivative instruments in designated hedge accounting relationships	528	397
Held-to-maturity investments	5,905	4,015
Loans and receivables	24,400	20,285
Available-for-sale financial assets	8,919	7,857

Source	RDR Holdings (Australia) Limited		
	42. Financial instruments (cont'd)		
		<u>30/06/10</u>	<u>30/06/09</u>
		\$'000	\$'000
	Financial liabilities		
AASB7.8(e), Aus2.9(c)	Fair value through profit or loss (FVTPL)	14,926	-
	Derivative instruments in designated hedge accounting relationships	92	-
	Other	75	-
AASB7.8(f)	Amortised cost	59,040	78,298
	Financial guarantee contracts	24	18
AASB7.8	If the categories of financial instruments are apparent from the face of the statement of financial position, the above table would not be required.		
	42.3 Reclassification of financial assets		
		Fair value at date of reclassification	
		<u>2010</u>	<u>2009</u>
		\$'000	\$'000
AASB7.12A(a)	Reclassified on 1 September 2009:		
	- from held for trading to available-for-sale	509	-
	- from held for trading to loans and receivables	-	-
	- from held for trading to held-to-maturity	-	-
	- from available-for-sale to loans and receivables	-	-
	Total	<u>509</u>	<u>-</u>
AASB7.12A(c)	The Group has elected to reclassify certain asset-backed securities from held for trading to available-for-sale. The Group's intention at initial recognition was to sell these securities in the short-term. However, as a result of the severe reduction in the liquidity of those assets in the markets in which they would trade during the reporting period, accompanied by a deterioration of price transparency and reduction in investor appetite to acquire the assets, the Group concluded that the criteria for reclassification were met. Consequently, the assets were reclassified at 1 September 2009.		
	The securities were reclassified at their fair value at the date of reclassification.		
		Year ended <u>30/06/10</u>	Year ended <u>30/06/09</u>
		\$'000	\$'000
AASB7.12A(d)	Fair value gain/(loss) recognised in the period in respect of financial assets reclassified from held for trading to available-for-sale:		
	- in profit or loss	(12)	-
	- in other comprehensive income	<u>(90)</u>	<u>-</u>
	Total	<u>(102)</u>	<u>-</u>
	Interest income recognised using the effective interest rate method	35	-
	Impairment losses	-	-
	Foreign currency gains/losses	-	-
	Total recognised in profit or loss	<u>35</u>	<u>-</u>

Source	RDR Holdings (Australia) Limited																																				
	<p>42. Financial instruments (cont'd)</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th colspan="2" style="text-align: center; border-bottom: 1px solid black;">Reclassified from held for trading to available-for-sale</th> </tr> <tr> <th></th> <th style="text-align: center; border-bottom: 1px solid black;">Year ended 30/06/10</th> <th style="text-align: center; border-bottom: 1px solid black;">Year ended 30/06/09</th> </tr> </thead> <tbody> <tr> <td>AASB7.12A(f)</td> <td>Effective interest at the date of reclassification from financial assets:</td> <td style="text-align: right;">-</td> </tr> <tr> <td></td> <td>- effective interest rate (range)</td> <td style="text-align: right;">8.0% - 8.3%</td> </tr> <tr> <td></td> <td>- effective interest rate (weighted average)</td> <td style="text-align: right;">8.06%</td> </tr> <tr> <td></td> <td></td> <td style="text-align: right;">\$'000</td> </tr> <tr> <td>AASB7.12A(f)</td> <td>Expected recoverable cash flows at the date of reclassification:</td> <td style="text-align: right;">\$'000</td> </tr> <tr> <td></td> <td>< 1 year</td> <td style="text-align: right;">-</td> </tr> <tr> <td></td> <td>≥ 1 year ≤ 3 years</td> <td style="text-align: right;">70</td> </tr> <tr> <td></td> <td>≥ 3 years < 5 years</td> <td style="text-align: right;">439</td> </tr> <tr> <td></td> <td>≥ 5 years</td> <td style="text-align: right;">-</td> </tr> <tr> <td></td> <td style="border-top: 1px solid black;">Total</td> <td style="text-align: right; border-top: 1px solid black;">509</td> </tr> </tbody> </table>		Reclassified from held for trading to available-for-sale			Year ended 30/06/10	Year ended 30/06/09	AASB7.12A(f)	Effective interest at the date of reclassification from financial assets:	-		- effective interest rate (range)	8.0% - 8.3%		- effective interest rate (weighted average)	8.06%			\$'000	AASB7.12A(f)	Expected recoverable cash flows at the date of reclassification:	\$'000		< 1 year	-		≥ 1 year ≤ 3 years	70		≥ 3 years < 5 years	439		≥ 5 years	-		Total	509
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	Total	509																																			
	<p>42.4 Forward foreign exchange contracts</p> <p>The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.</p>																																				
AASB7.22	<p>It is the policy of the Group to enter into forward foreign exchange contracts to cover specific foreign currency payments and receipts within 70% to 80% of the exposure generated. The Group also enters into forward foreign exchange contracts to manage the risk associated with anticipated sales and purchase transactions out to 6 months within 40% to 50% of the exposure generated. Basis adjustments are made to the carrying amounts of non-financial hedged items when the anticipated sale or purchase transaction takes place.</p> <p>In the current year, the Group has designated certain forward contracts as a hedge of its net investment in Subfour Limited, which has B Currency as its functional currency. The Group's policy has been reviewed and, due to the increased volatility in B Currency, it was decided to hedge up to 50% of the net assets of the Subfour Limited for forward foreign currency risk arising on translation of the foreign operation. The Group utilises a rollover hedging strategy, using contracts with terms of up to 6 months. Upon the maturity of a forward contract, the Group enters into a new contract designated as a separate hedging relationship.</p>																																				
AASB7.22	<p>The fair value of forward foreign currency (FC) contracts outstanding at the end of the reporting period is \$157,000 (2009: \$220,000).</p> <p>The Group has entered into contracts to supply electronic equipment to customers in B Land. The Group has entered into forward foreign exchange contracts (for terms not exceeding 3 months) to hedge the exchange rate risk arising from these anticipated future transactions, which are designated as cash flow hedges.</p>																																				
AASB7.23(a)	<p>At 30 June 2010, the aggregate amount of losses under forward foreign exchange contracts deferred in the cash flow hedging reserve relating to the exposure on these anticipated future transactions is \$70,000 (2009: gains of \$26,000). It is anticipated that the sales will take place during the first 3 months of the next financial year, at which time the amount deferred in equity will be reclassified to profit or loss.</p> <p>The Group has entered into contracts to purchase raw materials from suppliers in B Land and C Land. The Group has entered into forward foreign exchange contracts (for terms not exceeding 6 months) to hedge the exchange rate risk arising from these anticipated future purchases, which are designated into cash flow hedges.</p>																																				

Source	RDR Holdings (Australia) Limited
	<p>42. Financial instruments (cont'd)</p>
AASB7.23(a)	<p>At 30 June 2010, the aggregate amount of gains under forward foreign exchange contracts deferred in the cash flow hedging reserve relating to these anticipated future purchase transactions is \$239,000 (2009: unrealised gains of \$194,000). It is anticipated that the purchases will take place during the first 6 months of the next financial year at which time the amount deferred in equity will be included in the carrying amount of the raw materials. It is anticipated that the raw materials will be converted into inventory and sold within 12 months after purchase, at which time the amount deferred in equity will be reclassified to profit or loss.</p>
AASB7.23(b)	<p>At the start of the third quarter, the Group reduced its forecasts on sales of electronic equipment to B Land due to increased local competition and higher shipping costs. The Group had previously hedged \$1.079 million of future sales of which \$97,000 are no longer expected to occur, and \$982,000 remain highly probable. Accordingly, the Group has reclassified \$3,000 of gains on foreign currency forward contracts relating to forecast transactions that are no longer expected to occur from the cash flow hedging reserve to profit or loss.</p>
AASB7.24(c)	<p>At 30 June 2010, no ineffectiveness has been recognised in profit or loss arising from hedging the net investment in Subfour Limited.</p>
	<p>42.5 Interest rate swap contracts</p>
	<p>The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts and forward interest rate contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.</p>
AASB7.22	<p>Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt and the cash flow exposures on the issued variable rate debt. The fair value of interest rate swaps at the end of the reporting period is determined by discounting the future cash flows using the curves at the end of the reporting period and the credit risk inherent in the contract, and is disclosed below. The average interest rate is based on the outstanding balances at the end of the reporting period.</p>
AASB7.22	<p>The fair value of interest rate swap contracts designated as cash flow hedges outstanding at the end of the reporting period is \$284,000 (2009: \$177,000).</p>
AASB7.22, 23(a)	<p>All interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges in order to reduce the Group's cash flow exposure resulting from variable interest rates on borrowings. The interest rate swaps and the interest payments on the loan occur simultaneously and the amount accumulated in equity is reclassified to profit or loss over the period that the floating rate interest payments on debt affect profit or loss.</p>
AASB7.22	<p>The fair value of interest rate swap contracts designated as fair value hedges outstanding at the end of the reporting period is \$51,000 (2009: Nil).</p>
AASB7.24(a)	<p>Interest rate swap contracts exchanging fixed rate interest for floating rate interest are designated and effective as fair value hedges in respect of interest rates. During the period, the hedge was 100% effective in hedging the fair value exposure to interest rate movements and as a result the carrying amount of the loan was adjusted by \$5,000 which was included in profit or loss at the same time that the fair value of the interest rate swap was included in profit or loss.</p>

Source	RDR Holdings (Australia) Limited		
	42. Financial instruments (cont'd)		
	42.6 Financing facilities		
		<u>30/06/10</u>	<u>30/06/09</u>
		\$'000	\$'000
AASB107.50(a)	Unsecured bank overdraft facility, reviewed annually and payable at call:		
	- amount used	520	314
	- amount unused	<u>1,540</u>	<u>2,686</u>
		<u>2,060</u>	<u>3,000</u>
	Unsecured bill acceptance facility, reviewed annually:		
	- amount used	358	916
	- amount unused	<u>1,142</u>	<u>1,184</u>
		<u>1,500</u>	<u>2,100</u>
	Secured bank overdraft facility:		
	- amount used	18	64
	- amount unused	<u>982</u>	<u>936</u>
		<u>1,000</u>	<u>1,000</u>
	Secured bank loan facilities with various maturity dates through to 2012 and which may be extended by mutual agreement:		
	- amount used	14,982	17,404
	- amount unused	<u>5,604</u>	<u>7,811</u>
		<u>20,586</u>	<u>25,215</u>
	Details of credit standby arrangements and a summary of the used and unused loan facilities are not required by AASB 7 'Financial Instruments: Disclosures'. AASB 107 'Cash Flow Statements' however encourages such disclosure since it may be relevant to users understanding the financial position and liquidity of an entity.		
	42.7 Fair value of financial instruments		
	42.7.1 Valuation techniques and assumptions applied for the purposes of measuring fair value		
AASB7.RDR27.1	The fair values of financial assets and financial liabilities are determined as follows.		
	<ul style="list-style-type: none"> The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices (includes listed redeemable notes, bills of exchange, debentures and perpetual notes). The fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments. The fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts. Interest rate swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates. 		

Source	RDR Holdings (Australia) Limited
	<p>42. Financial instruments (cont'd)</p>
AASB7.RDR27.1	<p>42.7.2 <u>Significant assumptions used in determining fair value of financial assets and liabilities</u></p> <p>Redeemable cumulative preference shares</p> <p>The interest rate used to discount cash flows was 7.43% based on the quoted swap rate for an 18 months loan of 7.15% and holding credit risk margin constant.</p>
AASB7.RDR27.1	<p>Convertible notes</p> <p>The fair value of the liability component of convertible notes is determined assuming redemption on 1 March 2013 and using a 7.95% interest rate based on a quoted swap rate of 6.8% for a 44 months loan and holding the credit risk margin constant.</p>
AASB7.29(b), (c)	<p>Fair value not reliably determinable</p> <p>Disclosures of fair value are not required for:</p> <p>(a) an investment in equity instruments that do not have a quoted market price in an active market; or derivatives linked to such equity instruments that is measured at cost in accordance with AASB 139 because its fair value cannot be measured reliably; or</p> <p>(b) for a contract containing a discretionary participation feature (as described in AASB 4) if the fair value of that feature cannot be measured reliably.</p>
AASB7.30(a)	<p>In the cases described above an entity shall disclose information to help users of the financial report make their own judgments about the extent of possible differences between the carrying amount of those financial assets or financial liabilities and their fair value, including the fact that fair value information has not been disclosed for these instruments because their fair value cannot be measured reliably.</p>
AASB7.17	<p>Compound financial instruments with multiple embedded derivatives</p> <p>If an entity has issued an instrument that contains both a liability and an equity component and the instrument has multiple embedded derivatives whose values are interdependent (such as a callable convertible debt instrument), it shall disclose the existence of those features.</p>
AASB2.44	<p>43. Share-based payments</p>
	<p>43.1 Employee share option plan</p>
AASB2.45(a)	<p>The Group has an ownership-based compensation scheme for executives and senior employees. In accordance with the terms of the plan, as approved by shareholders at a previous annual general meeting, executives and senior employees with more than five years service with the Group may be granted options to purchase ordinary shares at an exercise price of \$1.00 per ordinary share.</p> <p>Each employee share option converts into one ordinary share of RDR Holdings (Australia) Limited on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.</p> <p>The number of options granted is calculated in accordance with the performance-based formula approved by shareholders at a previous annual general meeting and is subject to approval by the remuneration committee. The formula rewards executives and senior employees to the extent of the Group's and the individual's achievement judged against both qualitative and quantitative criteria from the following financial and customer service measures:</p> <ul style="list-style-type: none"> • improvement in share price • improvement in net profit • improvement in return to shareholders • reduction in warranty claims • results of client satisfaction surveys • reduction in rate of staff turnover

Source	RDR Holdings (Australia) Limited																																													
	<p>43. Share-based payments (cont'd)</p>																																													
AASB2.44, 45(a)	<p>The following share-based payment arrangements were in existence during the current and prior reporting periods:</p> <table border="1"> <thead> <tr> <th style="text-align: left;">Options series</th> <th style="text-align: center;">Number</th> <th style="text-align: center;">Grant date</th> <th style="text-align: center;">Expiry date</th> <th style="text-align: center;">Exercise price \$</th> <th style="text-align: center;">Fair value at grant date \$</th> </tr> </thead> <tbody> <tr> <td>(1) Issued 30 September 2008 (*)</td> <td style="text-align: right;">140,000</td> <td style="text-align: center;">30/09/08</td> <td style="text-align: center;">29/09/09</td> <td style="text-align: center;">1.00</td> <td style="text-align: center;">1.15</td> </tr> <tr> <td>(2) Issued 31 March 2009 (*)</td> <td style="text-align: right;">150,000</td> <td style="text-align: center;">31/03/09</td> <td style="text-align: center;">30/03/10</td> <td style="text-align: center;">1.00</td> <td style="text-align: center;">1.18</td> </tr> <tr> <td>(3) Issued 30 September 2009 (*)</td> <td style="text-align: right;">160,000</td> <td style="text-align: center;">30/09/09</td> <td style="text-align: center;">29/09/10</td> <td style="text-align: center;">1.00</td> <td style="text-align: center;">1.20</td> </tr> <tr> <td>(4) Issued 29 March 2010 (**)</td> <td style="text-align: right;">60,000</td> <td style="text-align: center;">29/03/10</td> <td style="text-align: center;">27/03/11</td> <td style="text-align: center;">1.00</td> <td style="text-align: center;">1.05</td> </tr> </tbody> </table> <p>(*) In accordance with the terms of the share-based arrangement, options issued during the financial year ended 30 June 2009, and on 30 September 2009, vest at the date of their issue. (**) In accordance with the terms of the share-based arrangement, options issued on 29 March 2010 will vest when the share price of RDR Holdings (Australia) Limited, as quoted on the Australian Stock Exchange, exceeds \$4.00.</p>	Options series	Number	Grant date	Expiry date	Exercise price \$	Fair value at grant date \$	(1) Issued 30 September 2008 (*)	140,000	30/09/08	29/09/09	1.00	1.15	(2) Issued 31 March 2009 (*)	150,000	31/03/09	30/03/10	1.00	1.18	(3) Issued 30 September 2009 (*)	160,000	30/09/09	29/09/10	1.00	1.20	(4) Issued 29 March 2010 (**)	60,000	29/03/10	27/03/11	1.00	1.05															
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	<p>43.2 Fair value of share options granted in the year</p>																																													
AASB2.RDR46.1 RDR46.2	<p>The weighted average fair value of the share options granted during the financial year is \$1.16 (2009: \$1.17). Options were priced using a binomial option pricing model (BOPM). The BOPM was used as it is better able to handle a variety of inputs and is therefore more accurate in determining fair value compared to other models.</p>																																													
	<p>43.3 Movements in shares options during the period</p>																																													
AASB2.45(b)	<p>The following reconciles the share options outstanding at the beginning and end of the year:</p> <table border="1"> <thead> <tr> <th></th> <th colspan="2" style="text-align: center;">2010</th> <th colspan="2" style="text-align: center;">2009</th> </tr> <tr> <th></th> <th style="text-align: center;">Number of options</th> <th style="text-align: center;">Weighted average exercise price \$</th> <th style="text-align: center;">Number of options</th> <th style="text-align: center;">Weighted average exercise price \$</th> </tr> </thead> <tbody> <tr> <td>AASB2.45(b)(i) Balance at beginning of year</td> <td style="text-align: right;">290,000</td> <td style="text-align: center;">1.00</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td>AASB2.45(b)(ii) Granted during the year</td> <td style="text-align: right;">220,000</td> <td style="text-align: center;">1.00</td> <td style="text-align: right;">290,000</td> <td style="text-align: center;">1.00</td> </tr> <tr> <td>AASB2.45(b)(iii) Forfeited during the year</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td>AASB2.45(b)(iv) Exercised during the year</td> <td style="text-align: right;">(314,000)</td> <td style="text-align: center;">1.00</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td>AASB2.45(b)(v) Expired during the year</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td>AASB2.45(b)(vi) Balance at end of year</td> <td style="text-align: right;"><u>196,000</u></td> <td style="text-align: center;">1.00</td> <td style="text-align: right;"><u>290,000</u></td> <td style="text-align: center;">1.00</td> </tr> <tr> <td>AASB2.45(b)(vii) Exercisable at end of year</td> <td style="text-align: right;"><u>196,000</u></td> <td style="text-align: center;">1.00</td> <td style="text-align: right;"><u>290,000</u></td> <td style="text-align: center;">1.00</td> </tr> </tbody> </table>		2010		2009			Number of options	Weighted average exercise price \$	Number of options	Weighted average exercise price \$	AASB2.45(b)(i) Balance at beginning of year	290,000	1.00	-	-	AASB2.45(b)(ii) Granted during the year	220,000	1.00	290,000	1.00	AASB2.45(b)(iii) Forfeited during the year	-	-	-	-	AASB2.45(b)(iv) Exercised during the year	(314,000)	1.00	-	-	AASB2.45(b)(v) Expired during the year	-	-	-	-	AASB2.45(b)(vi) Balance at end of year	<u>196,000</u>	1.00	<u>290,000</u>	1.00	AASB2.45(b)(vii) Exercisable at end of year	<u>196,000</u>	1.00	<u>290,000</u>	1.00
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Source	RDR Holdings (Australia) Limited									
	43. Share-based payments (cont'd)									
	Executive share appreciation rights plan									
AASB2. RDR50(b)	The aggregate cash-settled share-based payment liability recognised and included in the financial statements is disclosed in note 28.									
AASB2.44	Share-based payments An entity shall disclose information that enables users of the financial report to understand the nature and extent of share-based payment arrangements that existed during the period.									
AASB2. RDR46.1	For equity-settled share-based payment arrangements, an entity applying Australian Accounting Standards – Reduced Disclosure Requirements shall disclose information about how it measured the fair value of the goods or services received or the fair value of the equity instruments granted. If a valuation methodology was used, the entity shall disclose the method and its reason for choosing it.									
AASB2. RDR46.2	For cash-settled share-based payment arrangements, an entity applying Australian Accounting Standards – Reduced Disclosure Requirements shall disclose information about how the liability was measured.									
AASB2. RDR50.1	An entity applying Australian Accounting Standards – Reduced Disclosure Requirements shall disclose the following information about the effect of share-based payment transactions on the entity's profit or loss for the period and on its financial position: (a) the total expense recognised in profit or loss for the period; and (b) the total carrying amount at the end of the period of liabilities arising from share-based payment transactions.									
AASB2.47(c)(i)	Modified share-based payment arrangements Where the entity has measured the fair value of goods or services received as consideration for equity instruments of the entity indirectly, by reference to the fair value of the equity instruments granted, the entity shall disclose for share-based payment arrangements that were modified during the period an explanation of those modifications.									
	44. Key management personnel compensation									
ASIC-CO 98/100	An entity shall consider the extent to which ASIC Class Order 98/0100 permits information about key management personnel compensation to be rounded.									
AASB124.16, Aus1.12(b)	The aggregate compensation made to directors and other members of key management personnel of the company and the Group is set out below: <table style="width: 100%; margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: right; border-bottom: 1px solid black;">Year ended 30/06/10</th> <th style="text-align: right; border-bottom: 1px solid black;">Year ended 30/06/09</th> </tr> <tr> <th></th> <th style="text-align: right;">\$'000</th> <th style="text-align: right;">\$'000</th> </tr> </thead> <tbody> <tr> <td>Compensation to directors and other members of key management personnel of the company and the Group</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">1,737,000</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">1,428,000</td> </tr> </tbody> </table>		Year ended 30/06/10	Year ended 30/06/09		\$'000	\$'000	Compensation to directors and other members of key management personnel of the company and the Group	1,737,000	1,428,000
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Source	RDR Holdings (Australia) Limited																																								
	<p>45. Related party transactions</p>																																								
AASB124.12, AASB101.126(c)	The immediate parent and ultimate controlling party respectively of the Group are X Holdings Limited and Y Holdings Limited.																																								
AASB124.12	If neither the entity's parent nor the ultimate controlling party produces financial reports available for public use, the name of the next most senior parent that does so shall also be disclosed.																																								
	Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.																																								
	45.1 Trading transactions																																								
AASB124.17,18	During the year, group entities entered into the following trading transactions with related parties that are not members of the Group:																																								
	<table border="1"> <thead> <tr> <th rowspan="3"></th> <th colspan="2" style="text-align: center;"><u>Sales of goods</u></th> <th colspan="2" style="text-align: center;"><u>Purchases of goods</u></th> </tr> <tr> <th style="text-align: center;">Year ended</th> <th style="text-align: center;">Year ended</th> <th style="text-align: center;">Year ended</th> <th style="text-align: center;">Year ended</th> </tr> <tr> <th style="text-align: center;">30/06/10</th> <th style="text-align: center;">30/06/09</th> <th style="text-align: center;">30/06/10</th> <th style="text-align: center;">30/06/09</th> </tr> <tr> <th></th> <th style="text-align: center;">\$'000</th> <th style="text-align: center;">\$'000</th> <th style="text-align: center;">\$'000</th> <th style="text-align: center;">\$'000</th> </tr> </thead> <tbody> <tr> <td>X Holdings Limited</td> <td style="text-align: right;">693</td> <td style="text-align: right;">582</td> <td style="text-align: right;">439</td> <td style="text-align: right;">427</td> </tr> <tr> <td>Subsidiaries of Y Holdings Limited</td> <td style="text-align: right;">1,289</td> <td style="text-align: right;">981</td> <td style="text-align: right;">897</td> <td style="text-align: right;">883</td> </tr> <tr> <td>Associates</td> <td style="text-align: right;">398</td> <td style="text-align: right;">291</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> </tbody> </table>		<u>Sales of goods</u>		<u>Purchases of goods</u>		Year ended	Year ended	Year ended	Year ended	30/06/10	30/06/09	30/06/10	30/06/09		\$'000	\$'000	\$'000	\$'000	X Holdings Limited	693	582	439	427	Subsidiaries of Y Holdings Limited	1,289	981	897	883	Associates	398	291	-	-							
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	<u>Amounts owed by related parties</u>			<u>Amounts owed to related parties</u>																																					
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AASB124.21	Sales of goods to related parties were made at the Group's usual list prices, less average discounts of 5%. Purchases were made at market price discounted to reflect the quantity of goods purchased and the relationships between the parties.																																								
AASB124.17	The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the current or prior periods for bad or doubtful debts in respect of the amounts owed by related parties.																																								
	45.2 Loans to related parties																																								
	<table border="1"> <thead> <tr> <th></th> <th style="text-align: center;"><u>30/06/10</u></th> <th style="text-align: center;"><u>30/06/09</u></th> <th style="text-align: center;"><u>01/07/08</u></th> </tr> <tr> <th></th> <th style="text-align: center;">\$'000</th> <th style="text-align: center;">\$'000</th> <th style="text-align: center;">\$'000</th> </tr> </thead> <tbody> <tr> <td>Loans to key management personnel</td> <td style="text-align: right;">2,420</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Loans to a joint venture entity</td> <td style="text-align: right;">2,981</td> <td style="text-align: right;">2,981</td> <td style="text-align: center;">-</td> </tr> <tr> <td></td> <td style="text-align: right;"><u>5,401</u></td> <td style="text-align: right;"><u>2,981</u></td> <td style="text-align: center;"><u>-</u></td> </tr> </tbody> </table>		<u>30/06/10</u>	<u>30/06/09</u>	<u>01/07/08</u>		\$'000	\$'000	\$'000	Loans to key management personnel	2,420	-	-	Loans to a joint venture entity	2,981	2,981	-		<u>5,401</u>	<u>2,981</u>	<u>-</u>																				
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Source	RDR Holdings (Australia) Limited
	<p>45. Related party transactions (cont'd)</p> <p>The Group has provided several of its key management personnel and a joint venture entity with short-term loans at rates comparable to the average commercial rate of interest.</p> <p>45.3 Other related party transactions</p>
AASB124.17, 18	<p>In addition to the above, X Holdings Limited performed certain administrative services for the Company, for which a management fee of \$0.18 million (2009: \$0.16 million) was charged and paid, being an appropriate allocation of costs incurred by relevant administrative departments.</p> <p>45.3.1 <u>Equity interests in related parties</u></p> <p>Equity interests in subsidiaries</p> <p>Details of the percentage of ordinary shares held in subsidiaries are disclosed in note 19 to the financial statements.</p> <p>In addition, Subone Limited holds 100% of the share options of Subone International Limited, giving the company the right to purchase an additional 500,000 ordinary shares of Subone International Limited at \$1.20 each. The share options may be exercised during the period from 1 January 2011 to 30 June 2012.</p> <p>Equity interests in associates and joint ventures</p> <p>Details of interests in associates and joint ventures are disclosed in notes 20 and 21 to the financial statements.</p> <p>Equity interests in other related parties</p> <p>RDR Holdings (Australia) Limited holds 3% of the ordinary share capital of Subone Related plc, a subsidiary of one of the Group's associates.</p> <p>45.3.2 <u>Transactions with key management personnel</u></p>
AASB124.16	<p>i. Key management personnel compensation</p> <p>Details of key management personnel compensation are disclosed in note 44 to the financial statements.</p>
AASB124.17	<p>ii. Transactions with key management personnel of RDR Holdings (Australia) Limited and Y Holdings Limited</p> <p>During the financial year:</p> <ul style="list-style-type: none"> • RDR Holdings (Australia) Limited advanced \$2,420,000 in loans to its key management personnel (2009: nil) • RDR Holdings (Australia) Limited repaid loans owing to key management personnel of its ultimate parent entity, Y Holdings Limited of \$948,012 (2009: \$nil) <p>No amounts were provided for doubtful debts relating to receivables owing to the Group from key management personnel of RDR Holdings (Australia) Limited or its parent at reporting date (2009: \$nil).</p> <p>At reporting date 30 June 2010, the following balances arising from transactions with key management personnel of the Group and key management personnel of the Group's parent entity remain outstanding to the Group:</p> <ul style="list-style-type: none"> • loans receivable of \$2,420,000 • other [describe] <p>At reporting date 30 June 2009, the following balances arising from transactions with key management personnel of the Group and key management personnel of the Group's parent entity remain outstanding to the Group:</p> <ul style="list-style-type: none"> • loans payable of \$948,000 • other [describe] <p>All loans advanced to and payable to key management personnel of the company and its parent are unsecured and subordinate to other liabilities. Interest is charged monthly on the outstanding loan balances at commercial interest rates, which range between 7.90%p.a. and 8.20%p.a.</p>

Source	RDR Holdings (Australia) Limited
	<p>45. Related party transactions (cont'd)</p> <p>Transactions with other related parties</p>
AASB124.18	<p>Other related parties include:</p> <ul style="list-style-type: none"> • the parent entity • entities with joint control or significant influence over the Group • associates • joint ventures in which the entity is a venturer • subsidiaries • other related parties.
AASB124.17	<p>Transactions between RDR Holdings (Australia) Limited and its related parties</p> <p>During the financial year, the following transactions occurred between the company and its other related parties:</p> <ul style="list-style-type: none"> • RDR Holdings (Australia) Limited made dividend payments totalling \$4,000,050 to its parent entity (2009: \$3,415,200). The parent entity, X Holdings Limited, holds 70.74% of the fully paid ordinary share capital of RDR Holdings (Australia) Limited (2009: 52.16%), 56.67% of the partly-paid ordinary shares on issue (2009: 56.67%), and 77.5% of the converting non-participating preference shares on issue (2009: 84.55%) <p>The following balances arising from transactions between the company and its other related parties are outstanding at reporting date:</p> <ul style="list-style-type: none"> • Current loans totalling \$74,098 are repayable to X Holdings Limited (2009: \$6,302,246) <p>All amounts advanced to or payable to related parties are unsecured and are subordinate to other liabilities.</p> <p>The amounts outstanding will be settled in cash. No guarantees have been given or received. No expense has been recognised in the period for bad or doubtful debts in respect of the amounts owed by related parties.</p> <p>Transactions and balances between the company and its subsidiaries were eliminated in the preparation of consolidated financial statements of the Group.</p>
AASB124.17	<p>Transactions between the Group and its related parties</p> <p>During the financial year ended 30 June 2010, the following transactions occurred between the Group and its other related parties:</p> <ul style="list-style-type: none"> • subsidiaries of RDR Holdings (Australia) Limited contributed cash totalling \$440,000 to the Group's defined benefit superannuation plans (2009: \$400,000). Cash contributions of \$135,000 (2009: \$118,000) were made to the defined contribution plan • associates of RDR Holdings (Australia) Limited sold goods totalling \$3,991,456 (2009: \$3,494,000) to the Group at market price discounted to reflect the quantity of goods purchased and the relationships between the parties • a subsidiary rented premises from an associate of the Group at commercial rates totalling \$20,180 (2009: \$18,000) • RDR Holdings (Australia) Limited received management services from its parent entity, X Holdings Limited, for no charge. The total value of the services received was \$522,000 (2009: \$495,000) • RDR Holdings (Australia) Limited made interest payments of \$25,000 (2009: \$315,000) to its parent entity. The weighted average interest rate on the loans is 8.10% (2009: 8.06%). Interest is payable on the last business day of each month. • interest payments of \$1,855,562 (2009: \$2,651,000) were made by group entities to Y Holdings Limited on intercompany loan payables. The weighted average interest rate on the loans is 8.10% (2009: 8.06%). Interest is payable on the last business day of each month. <p>The following balances arising from transactions between the Group and its other related parties are outstanding at reporting date:</p> <ul style="list-style-type: none"> • current loans totalling \$1,217,430 are receivable from a jointly controlled entity of the Group (2009: \$3,088,120) • loans totalling \$11,969,000 are repayable to Y Holdings Limited (2009: \$34,124,000).

Source	RDR Holdings (Australia) Limited																																								
	<p>45. Related party transactions (cont'd)</p> <p>All amounts advanced to or payable to related parties are unsecured and are subordinate to other liabilities. Interest is charged monthly on the outstanding loan balance at 8% - 8.15%p.a. The amounts outstanding will be settled in cash. No guarantees have been given or received. No expense has been recognised in the period for bad or doubtful debts in respect of the amounts owed by related parties.</p> <p>Transactions between the Group and its associates were eliminated in the preparation of the consolidated financial statements of the Group to the extent of the Group's share in profits and losses of the associate resulting from these transactions.</p>																																								
AASB124.18	<p>Disclosures about transactions (other than key management personnel compensation) with related parties shall be made separately for each of the following categories:</p> <ul style="list-style-type: none"> (a) the parent; (b) entities with joint control or significant influence over the entity; (c) subsidiaries; (d) associates; (e) joint ventures in which the entity is a venturer; (f) key management personnel of the entity or its parent; and (g) other related parties. 																																								
AASB124.21	<p>Terms and conditions of related party transactions</p> <p>Disclosures that related party transactions were made on terms equivalent to those that prevail in arm's length transactions are made only if such terms can be substantiated.</p>																																								
AASB124.22	<p>Separate disclosure of individual transactions</p> <p>Items of a similar nature may be disclosed in aggregate except when separate disclosure is necessary for an understanding of the effects of related party transactions on the financial statements of the entity.</p>																																								
	<p>46. Business combinations</p>																																								
AASB3. B64(a) to (c)	<p>46.1 Subsidiaries acquired</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 40%;"></th> <th style="width: 15%; text-align: center;"><u>Principal activity</u></th> <th style="width: 15%; text-align: center;"><u>Date of acquisition</u></th> <th style="width: 15%; text-align: center;"><u>Proportion of shares acquired</u> (%)</th> <th style="width: 15%; text-align: center;"><u>Consideration transferred</u> \$'000</th> </tr> </thead> <tbody> <tr> <td colspan="5">2010</td> </tr> <tr> <td>Subsix Limited</td> <td>Financial</td> <td>15/01/10</td> <td style="text-align: center;">80</td> <td style="text-align: right;">505</td> </tr> <tr> <td>Subseven Limited</td> <td>Distribution</td> <td>30/05/10</td> <td style="text-align: center;">100</td> <td style="text-align: right;">687</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td style="text-align: right; border-top: 1px solid black;">1,192</td> </tr> <tr> <td colspan="5">2009</td> </tr> <tr> <td>[describe]</td> <td></td> <td></td> <td></td> <td style="text-align: right;">-</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td style="text-align: right; border-top: 1px solid black;">-</td> </tr> </tbody> </table> <p>For clarity of presentation in these model financial statements, it has been assumed that there were no business combinations in the comparative period. If there had been a business combination in 2009, all of the disclosures illustrated would also be required for that prior year business combination.</p>		<u>Principal activity</u>	<u>Date of acquisition</u>	<u>Proportion of shares acquired</u> (%)	<u>Consideration transferred</u> \$'000	2010					Subsix Limited	Financial	15/01/10	80	505	Subseven Limited	Distribution	30/05/10	100	687					1,192	2009					[describe]				-					-
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Source	RDR Holdings (Australia) Limited			
	46. Business combinations (cont'd)			
AASB3.B64(f)	46.2 Consideration transferred		Subsix Limited	Subseven Limited
			\$'000	\$'000
	Cash	430		247
	Transfer of land and buildings at fair value at date of acquisition	-		400
	Contingent consideration arrangement (i)	75		-
	Plus: effect of settlement of legal claim against Subseven Limited	-		40
AASB107.40(a)	Total	<u>505</u>		<u>687</u>
AASB3.B64(g)	(i) The contingent consideration requires the Group to pay the vendors an additional \$300,000 if Subsix Limited's profit before interest and tax (PBIT) in each of the years 2011 and 2012 exceeds \$500,000. Subsix's PBIT for the past three years has been \$350,000 on average and the directors do not consider it probable that this payment will be required. \$75,000 represents the estimated fair value of this obligation.			
AASB3.B64(i)	46.3 Assets acquired and liabilities assumed at the date of acquisition		Subsix Limited	Subseven Limited
			\$'000	\$'000
				Total
			\$'000	\$'000
	Current assets			
	Cash and & cash equivalents	200	-	200
	Trade and other receivables	87	105	192
	Inventories	-	57	57
	Non-current assets			
	In-process research and development	-	-	-
	Plant and equipment	143	369	512
	Current liabilities			
	Trade and other payables	(18)	(35)	(53)
	Non-current liabilities			
	Deferred tax liabilities	(17)	-	(17)
	Contingent liabilities	(45)	-	(45)
		<u>350</u>	<u>496</u>	<u>846</u>
	46.4 Non-controlling interests			
AASB3.B64(o)(i)	The non-controlling interest (20%) in Subsix Limited recognised at the acquisition date was measured by reference to the fair value of the non-controlling interest and amounted to \$132,000.			

Source	RDR Holdings (Australia) Limited																																												
	<p>46. Business combinations (cont'd)</p> <p>46.5 Goodwill arising on acquisition</p> <table border="1"> <thead> <tr> <th></th> <th style="text-align: right;">Subsix Limited \$'000</th> <th style="text-align: right;">Subseven Limited \$'000</th> <th style="text-align: right;">Total \$'000</th> </tr> </thead> <tbody> <tr> <td>Consideration transferred</td> <td style="text-align: right;">505</td> <td style="text-align: right;">687</td> <td style="text-align: right;">1,192</td> </tr> <tr> <td>Plus: non-controlling interests</td> <td style="text-align: right;">132</td> <td style="text-align: right;">-</td> <td style="text-align: right;">132</td> </tr> <tr> <td>Less: fair value of identifiable net assets acquired</td> <td style="text-align: right;">(350)</td> <td style="text-align: right;">(496)</td> <td style="text-align: right;">(846)</td> </tr> <tr> <td>Goodwill arising on acquisition</td> <td style="text-align: right;"><u>287</u></td> <td style="text-align: right;"><u>191</u></td> <td style="text-align: right;"><u>478</u></td> </tr> </tbody> </table> <p>Individually immaterial business combinations</p> <p>For individually immaterial business combinations occurring during the reporting period that are material collectively, an acquirer applying Australian Accounting Standards – Reduced Disclosure Requirements shall disclose in aggregate the information required by paragraphs B64(f), B64(g), B64(i), B64(n)(i), B64(o)(i) and B64(p) and the first sentence of paragraph B64(j).</p> <p>47. Disposal of subsidiary</p> <p><i>The requirements of AASB 107 'Statement of Cash Flows' paragraph 40 and AASB 127 'Consolidated and Separate Financial Statements' paragraph 41(f), which require certain disclosures with respect to disposal of subsidiaries, are not required under RDR. This note reference has therefore been included only to assist users to more easily compare the reduced disclosures illustrated in this publication to those which entities would be expected to make under 'Tier 1', which are illustrated in corresponding notes in the Deloitte 30 June 2010 'Model Financial Statements'.</i></p> <p>48. Cash and cash equivalents</p> <p>For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:</p> <table border="1"> <thead> <tr> <th></th> <th style="text-align: right;">30/06/10 \$'000</th> <th style="text-align: right;">30/06/09 \$'000</th> <th style="text-align: right;">01/07/08 \$'000</th> </tr> </thead> <tbody> <tr> <td>Cash and bank balances</td> <td style="text-align: right;">23,446</td> <td style="text-align: right;">19,778</td> <td style="text-align: right;">9,082</td> </tr> <tr> <td>Bank overdraft</td> <td style="text-align: right;">(538)</td> <td style="text-align: right;">(378)</td> <td style="text-align: right;">(8,521)</td> </tr> <tr> <td></td> <td style="text-align: right;">22,908</td> <td style="text-align: right;">19,400</td> <td style="text-align: right;">561</td> </tr> <tr> <td>Cash and bank balances included in a disposal group held for sale</td> <td style="text-align: right;"><u>175</u></td> <td style="text-align: right;"><u>-</u></td> <td style="text-align: right;"><u>-</u></td> </tr> <tr> <td></td> <td style="text-align: right;"><u>23,083</u></td> <td style="text-align: right;"><u>19,400</u></td> <td style="text-align: right;"><u>561</u></td> </tr> </tbody> </table> <p>48.1 Cash balances not available for use</p> <p>An entity shall disclose, together with commentary by management, the amount of significant cash and cash equivalent balances held by the entity that are not available for use by the Group.</p>		Subsix Limited \$'000	Subseven Limited \$'000	Total \$'000	Consideration transferred	505	687	1,192	Plus: non-controlling interests	132	-	132	Less: fair value of identifiable net assets acquired	(350)	(496)	(846)	Goodwill arising on acquisition	<u>287</u>	<u>191</u>	<u>478</u>		30/06/10 \$'000	30/06/09 \$'000	01/07/08 \$'000	Cash and bank balances	23,446	19,778	9,082	Bank overdraft	(538)	(378)	(8,521)		22,908	19,400	561	Cash and bank balances included in a disposal group held for sale	<u>175</u>	<u>-</u>	<u>-</u>		<u>23,083</u>	<u>19,400</u>	<u>561</u>
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AASB107.48																																													

Source	RDR Holdings (Australia) Limited									
	<p>48. Cash and cash equivalents (cont'd)</p> <p>Other disclosures</p> <p>Additional information may be relevant to users in understanding the financial position and liquidity of an entity. Disclosure of this information, together with a commentary by management, is encouraged and may include:</p> <p>(a) the amount of undrawn borrowing facilities that may be available for future operating activities and to settle capital commitments, indicating any restrictions on the use of these facilities;</p> <p>(b) the aggregate amounts of the cash flows from each of operating, investing and financing activities related to interests in joint ventures reported using proportionate consolidation; and</p> <p>(c) the aggregate amount of cash flows that represent increases in operating capacity separately from those cash flows that are required to maintain operating capacity.</p> <p>The separate disclosure of cash flows that represent increases in operating capacity and cash flows that are required to maintain operating capacity is useful in enabling the user to determine whether the entity is investing adequately in the maintenance of its operating capacity.</p>									
AASB107.50(a), (b), (c)										
AASB107.51										
AASB107.43	<p>49. Non-cash transactions</p> <p>During the 2010 financial year, the Group entered into the following non-cash investing and financing activities which are not reflected in the statement of cash flows:</p> <ul style="list-style-type: none"> the Group disposed of property, plant and equipment with an aggregate fair value of \$0.4 million to acquire Subseven Limited as indicated in note 46; proceeds in respect of the Group's disposal of part of its interest in E Plus Limited and its entire interest in Subzero Limited (\$1.245 million and \$960,000 respectively – see notes 20 and 47) had not been received in cash at the end of the reporting period; share issue proceeds of \$8,000 were received in the form of consulting services, as described in note 37.1; and the Group acquired \$40,000 of equipment under a finance lease (2009: nil). <p>50. Operating lease arrangements</p> <p>50.1 The Group as lessee</p> <p>50.1.1 <u>Leasing arrangements</u></p> <p>Operating leases relate to leases of land with lease terms of between 5 and 60 years. All operating lease contracts over 5 years contain clauses for 5-yearly market rental reviews. The Group does not have an option to purchase the leased land at the expiry of the lease periods.</p> <p>50.1.2 <u>Payments recognised as an expense</u></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%;"></th> <th style="text-align: right; border-bottom: 1px solid black;">Year ended 30/06/10 \$'000</th> <th style="text-align: right; border-bottom: 1px solid black;">Year ended 30/06/09 \$'000</th> </tr> </thead> <tbody> <tr> <td>Lease and sub-lease payments recognised as an expense</td> <td style="text-align: right;">2,008</td> <td style="text-align: right;">2,092</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">2,008</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">2,092</td> </tr> </tbody> </table>		Year ended 30/06/10 \$'000	Year ended 30/06/09 \$'000	Lease and sub-lease payments recognised as an expense	2,008	2,092		2,008	2,092
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AASB117.35(d) AASB7.7										
AASB117.35(c), Aus1.8(c)										

Source	RDR Holdings (Australia) Limited																											
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AASB117.35(a)	50.1.3 <u>Non-cancellable operating lease commitments</u>																											
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	50.1.4 <u>Liabilities recognised in respect of non-cancellable operating leases</u>																											
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	30/06/10	30/06/09																										
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	Disclosures for lessees																											
AASB117.31(e), 35(d), AASB7.7	A general description about the lessee's material leasing arrangements shall be disclosed, including: <ul style="list-style-type: none"> (a) the basis on which contingent rent payable is determined; (b) the existence and terms of renewal or purchase options and escalation clauses; and (c) restrictions imposed by lease arrangements such as those concerning dividends, additional debt and further leasing. 																											
	<u>Arrangements containing an operating lease</u>																											
Int4.15(b), Aus15.6	If an arrangement contains a lease, and the purchaser concludes that it is impracticable to separate lease payments from other payments reliably, it shall treat all payments under the arrangement as lease payments for the purposes of complying with the disclosure requirements of AASB 117 'Leases'.																											
	Assets under lease																											
AASB117.32, 57	The disclosure requirements specified by the relevant standards in relation to property, plant and equipment, intangible assets, impairment of assets, investment property and agriculture apply to: <ul style="list-style-type: none"> (a) lessees for assets leased under finance leases (b) lessors for assets provided under operating leases. <p>Disclosure of these items would normally be incorporated into other existing notes to the financial statements, for example notes 22, 23 and 25 to these model financial statements.</p>																											

Source	RDR Holdings (Australia) Limited		
	50. Operating lease arrangements (cont'd)		
	50.2 The Group as lessor		
	50.2.1 <u>Leasing arrangements</u>		
AASB117.56(c)	Operating leases relate to the investment property owned by the Group with lease terms of between 5 to 10 years, with an option to extend for a further 10 years. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.		
AASB117.56(a), Aus1.8(d)	50.2.2 <u>Non-cancellable operating lease receivables</u>	<u>30/06/10</u>	<u>30/06/09</u>
		\$'000	\$'000
	Not later than 1 year	18	18
	Later than 1 year and not longer than 5 years	54	72
	Later than 5 years	-	-
		<u>72</u>	<u>90</u>
	51. Commitments for expenditure		
	51.1 Capital expenditure commitments		
		<u>30/06/10</u>	<u>30/06/09</u>
		\$'000	\$'000
AASB116.74(c)	Plant and equipment	4,856	6,010
AASB140.75(h)	Investment property	860	-
AASB138.122(e)	Intangible assets	-	-
AASB128.40(a)	Group's share of associates and equity accounted jointly controlled entities' capital commitments	28	22
AASB131.55	Group's share of jointly controlled entities' capital commitments	110	20
	Total	<u>5,854</u>	<u>6,052</u>
AASB117.47, 56	51.2 Lease commitments		
	Finance lease liabilities and non-cancellable operating lease commitments are disclosed in notes 35 and 50 to the financial statements.		
	51.3 Other expenditure commitments		
		<u>30/06/10</u>	<u>30/06/09</u>
		\$'000	\$'000
AASB140.75(h)	Investment property	-	-
AASB138.122(e)	Intangible assets	-	-
	Other [describe]	-	-
	Total	<u>5,854</u>	<u>6,052</u>

Source	RDR Holdings (Australia) Limited		
	52. Contingent liabilities and contingent assets		
		<u>30/06/10</u>	<u>30/06/09</u>
		\$'000	\$'000
	52.1 Contingent liabilities		
AASB137.86(a)	Court proceedings (i)	-	-
AASB131.54(a)	Contingent liabilities incurred by the Group arising from interests in joint ventures (ii)	110	116
AASB128.40(a)	Group's share of associates' contingent liabilities (iii)	150	14
AASB137.86(b)	(i) An entity in the Group is a defendant in a legal action involving the alleged failure of the entity to supply goods in accordance with the terms of contract. The directors believe, based on legal advice, that the action can be successfully defended and therefore no losses (including for costs) will be incurred. The legal claim is expected to be settled in the course of the next eighteen months.		
	(ii) A number of contingent liabilities have arisen as a result of the Group's interests in joint ventures. The amount disclosed represents the aggregate amount of such contingent liabilities for which the Group as an investor is liable. The extent to which an outflow of funds will be required is dependent on the future operations of the joint ventures being more or less favourable than currently expected. The Group is not contingently liable for the liabilities of other venturers in its joint ventures.		
	(iii) The amount disclosed represents the Group's share of contingent liabilities of associates. The extent to which an outflow of funds will be required is dependent on the future operations of the associates being more or less favourable than currently expected.		
	52.2 Contingent assets		
		<u>\$'000</u>	<u>30/06/09</u>
			\$'000
AASB137.89	Faulty goods claim (iv)	140	-
	(iv) A company in the Group has a claim outstanding against a supplier for the supply of faulty products. Based on negotiations to date, the directors believe that it is probable that their claim will be successful and that compensation of \$0.14 million will be recovered.		
	Entities should carefully consider whether circumstances that may have formerly been disclosed as a contingent liability meet the definition of a financial guarantee contract and should be accounted for in accordance with AASB 139 'Financial Instruments: Recognition and Measurement'. Examples of more common arrangements that would qualify as financial guarantee contracts and which are no longer be disclosed as contingent liabilities include:		
	<ul style="list-style-type: none"> • deeds of cross guarantees between members of the wholly-owned group • letters of support provided to subsidiaries whereby the parent undertakes to pay the debts of the subsidiary if it is unable to repay the debt • guarantees provided by the parent to financiers providing borrowings to subsidiaries. 		
AASB137.86	Unless the possibility of any outflow in settlement is remote, an entity shall disclose for each class of contingent liability at the reporting date a brief description of the nature of the contingent liability and, where practicable:		
	(a) an estimate of its financial effect, measured in the same manner as a provision;		
	(b) an indication of the uncertainties relating to the amount or timing of any outflow; and		
	(c) the possibility of any reimbursement.		
AASB137.87	In determining which contingent liabilities may be aggregated to form a class, it is necessary to consider whether the nature of the items is sufficiently similar for a single statement about them to fulfill the requirements of paragraphs (a) and (b) above.		
AASB137.91	Where any of the information above is not disclosed because it is not practicable to do so, that fact shall be stated.		

Source	RDR Holdings (Australia) Limited
	52. Contingent liabilities and contingent assets (cont'd)
	Interests in associates
AASB128.40(b)	An entity shall disclose those contingent liabilities that arise because the investor is severally liable for all or part of the liabilities of the associate.
	Interests in joint ventures
AASB131.54	A venturer shall disclose the aggregate amount of the following contingent liabilities, unless the probability of loss is remote, separately from the amount of other contingent liabilities
	(a) any contingent liabilities that the venturer has incurred in relation to its interests in joint ventures and its share in each of the contingent liabilities that have been incurred jointly with other venturers; and
	(b) its share of the contingent liabilities of the joint ventures themselves for which it is contingently liable.
AASB131.54(c)	Disclosure is also required of those contingent liabilities that arise because the venturer is contingently liable for the liabilities of the other venturers of a joint venture as part of the aggregate amount above. Such circumstances would generally qualify as a financial guarantee contract, and should be recognised in accordance with AASB 139 'Financial Instruments: Recognition and Measurement'.
	Contingent assets
AASB137.89, 91	Where an inflow of economic benefits is probable, an entity shall disclose a brief description of the nature of the contingent assets at the reporting date, and, where practicable, an estimate of their financial effect. Where any of this information is not disclosed because it is not practicable to do so, that fact shall be stated.
AASB137.90	It is important that disclosures for contingent assets avoid giving misleading indications of the likelihood of income arising.
	Exemptions
AASB137.92	In extremely rare cases, disclosure of some or all of the information illustrated above would be expected to seriously prejudice the position of the entity in a dispute with other parties on the subject matter of the contingent liability or contingent asset. In such cases, an entity need not disclose the information, but shall disclose the general nature of the dispute, together with the fact that, and reason why, the information has not been disclosed.
	Provisions
AASB137.88	Where a provision and a contingent liability arise from the same set of circumstances, an entity makes the required disclosures in a way that shows the link between the provision and the contingent liability.
	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
Int5.12	Where a contributor has an obligation to make potential additional contributions to a decommissioning, restoration and environmental rehabilitation fund that is not recognised as a liability, the contributor shall disclose the information required by AASB 137 in respect of contingent liabilities.

Source	RDR Holdings (Australia) Limited
	<p>53. Remuneration of auditors</p> <p><i>The disclosures required by AASB 101 'Presentation of Financial Statements' paragraphs Aus138.1 and Aus138.2, with respect to remuneration of the auditor of the entity or of the auditor of the parent of the entity, are not required under RDR. This note reference has therefore been included only to assist users to more easily compare the reduced disclosures illustrated in this publication to those which entities would be expected to make under 'Tier 1', which are illustrated in corresponding notes in the Deloitte 30 June 2010 'Model Financial Statements'.</i></p>
	<p>54. Supplementary information</p> <p><i>The supplementary disclosures required by paragraph 57 of AASB 121 'The Effects of Changes in Foreign Exchange Rates' are not required under RDR. This note reference has therefore been included only to assist users to more easily compare the reduced disclosures illustrated in this publication to those which entities would be expected to make under 'Tier 1', which are illustrated in corresponding notes in the Deloitte 30 June 2010 'Model Financial Statements'.</i></p>
AASB110.21	<p>55. Events after the reporting period</p> <p>On 18 July 2010, the premises of Subfive Limited were seriously damaged by fire. Insurance claims are in process, but the cost of refurbishment is currently expected to exceed the amount that will be reimbursed by \$8.3 million.</p>
AASB110.21	<p>The financial report shall disclose for each material category of subsequent events (other than those events whose financial effects have already been brought to account):</p> <p>(a) the nature of the event; and</p> <p>(b) an estimate of its financial effect, or a statement that such an estimate cannot be made.</p>
AASB110.22	<p>Examples of events occurring after the end of the reporting period that do not provide evidence about conditions existing at the reporting date include:</p> <ul style="list-style-type: none"> • a major business combination after the end of the reporting period or disposing of a major subsidiary; • announcing a plan to discontinue an operation; • major purchases of assets, classifications of assets as held for sale, other disposals of assets, or expropriation of major assets by government; • the destruction of a major production plant by a fire after the end of the reporting period; • announcing, or commencing the implementation of, a major restructuring; • major ordinary share transactions and potential ordinary share transactions after the end of the reporting period; • abnormally large changes after the reporting period in asset prices or foreign exchange rates • changes in tax rates or tax laws enacted or announced after the end of the reporting period that have a significant effect on current and deferred tax assets and liabilities; • entering into significant commitments or contingent liabilities, for example, by issuing significant guarantees; and • commencing major litigation arising solely out of events that occurred after the end of the reporting period.
AASB110.8	<p>The effects of events after the end of the reporting period providing evidence of conditions that existed at the end of the reporting period shall be brought to account rather than disclosed by way of note to the financial statements.</p>

Source	RDR Holdings (Australia) Limited		
	56. Parent entity information		
	The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements. Refer to note 3 for a summary of the significant accounting policies relating to the Group.		
	Financial position		
		<u>30/06/10</u>	<u>30/06/09</u>
		\$'000	\$'000
	Assets		
Reg2M.3.01(a), (k)	Current assets	27,653	21,878
	Non-current assets	<u>94,260</u>	<u>99,637</u>
Reg2M.3.01(b), (k)	Total assets	<u>121,913</u>	<u>121,515</u>
	Liabilities		
Reg2M.3.01(c), (k)	Current liabilities	29,811	40,895
	Non-current liabilities	<u>27,242</u>	<u>7,048</u>
Reg2M.3.01(d), (k)	Total liabilities	<u>57,053</u>	<u>47,943</u>
	Equity		
Reg2M.3.01(e), (k)	Issued capital	32,777	48,672
	Retained earnings	30,420	23,719
	Reserves		
	General reserve	807	807
	Asset revaluation	1	1
	Investments revaluation	57	35
	Equity settled employee benefits	206	338
	Option premium on convertible notes	592	-
	Other [describe]	<u>-</u>	<u>-</u>
	Total equity	<u>64,860</u>	<u>73,572</u>
	Financial performance		
		<u>Year ended</u>	<u>Year ended</u>
		30/06/10	30/06/09
		\$'000	\$'000
Reg2M.3.01(f), (k)	Profit for the year	13,891	12,426
	Other comprehensive income	<u>22</u>	<u>(38)</u>
Reg2M.3.01(g), (k)	Total comprehensive income	<u>13,913</u>	<u>12,388</u>
Reg2M.3.01(h), (k)	Guarantees entered into by the parent entity in relation to the debts of its subsidiaries		
		<u>30/06/10</u>	<u>30/06/09</u>
		\$'000	\$'000
	Guarantee provided under the deed of cross guarantee (i)	<u>11,980</u>	<u>24,624</u>
	(i) RDR Holdings (Australia) Limited has entered into a deed of cross guarantee with two of its wholly-owned subsidiaries, Subthree Limited and Subseven Limited.		

Source	RDR Holdings (Australia) Limited																					
	56. Parent entity information (cont'd)																					
Reg2M.3.01(i), (k)	<p>Contingent liabilities of the parent entity</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%;"></th> <th style="text-align: right; border-bottom: 1px solid black;">30/06/10</th> <th style="text-align: right; border-bottom: 1px solid black;">30/06/09</th> </tr> <tr> <th></th> <th style="text-align: right;">\$'000</th> <th style="text-align: right;">\$'000</th> </tr> </thead> <tbody> <tr> <td>[describe]</td> <td style="text-align: right; border-bottom: 1px solid black;">-</td> <td style="text-align: right; border-bottom: 1px solid black;">-</td> </tr> </tbody> </table>		30/06/10	30/06/09		\$'000	\$'000	[describe]	-	-												
	30/06/10	30/06/09																				
	\$'000	\$'000																				
[describe]	-	-																				
Reg2M.3.01(j), (k)	<p>Commitments for the acquisition of property, plant and equipment by the parent entity</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%;"></th> <th style="text-align: right;">30/06/10</th> <th style="text-align: right;">30/06/09</th> </tr> <tr> <th></th> <th style="text-align: right;">\$'000</th> <th style="text-align: right;">\$'000</th> </tr> </thead> <tbody> <tr> <td>Plant and equipment</td> <td></td> <td></td> </tr> <tr> <td>Not longer than 1 year</td> <td style="text-align: right;">26</td> <td style="text-align: right;">70</td> </tr> <tr> <td>Longer than 1 year and not longer than 5 years</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Longer than 5 years</td> <td style="text-align: right; border-bottom: 1px solid black;">-</td> <td style="text-align: right; border-bottom: 1px solid black;">-</td> </tr> <tr> <td></td> <td style="text-align: right; border-bottom: 3px double black;">26</td> <td style="text-align: right; border-bottom: 3px double black;">70</td> </tr> </tbody> </table>		30/06/10	30/06/09		\$'000	\$'000	Plant and equipment			Not longer than 1 year	26	70	Longer than 1 year and not longer than 5 years	-	-	Longer than 5 years	-	-		26	70
	30/06/10	30/06/09																				
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	26	70																				
s.295(2)	<p>Financial statements</p> <p>The financial statements for the year are:</p> <p>(a) unless paragraph (b) applies—the financial statements in relation to the company, registered scheme or disclosing entity required by the accounting standards; or</p> <p>(b) if the accounting standards require the company, registered scheme or disclosing entity to prepare financial statements in relation to the consolidated entity—the financial statements in relation to the consolidated entity required by the accounting standards.</p>																					
s.295(3)	<p>Notes to financial statements</p> <p>The notes to the financial statements are:</p> <p>(a) disclosures required by the regulations; and</p> <p>(b) notes required by the accounting standards; and</p> <p>(c) any other information necessary to give a true and fair view (see section 297).</p>																					
Reg2M.3.01	<p>Disclosures required in the notes to the consolidated financial statements</p> <p>(1) For paragraph 295(3)(a) of the Act, if paragraph 295(2)(b) of the Act applies to a parent entity, the following disclosures are required in the notes to the financial statements of the consolidated entity:</p> <p>(a) current assets of the parent entity;</p> <p>(b) total assets of the parent entity;</p> <p>(c) current liabilities of the parent entity;</p> <p>(d) total liabilities of the parent entity;</p> <p>(e) shareholders' equity in the parent entity separately showing issued capital and each reserve;</p> <p>(f) profit or loss of the parent entity;</p> <p>(g) total comprehensive income of the parent company;</p> <p>(h) details of any guarantees entered into by the parent entity in relation to the debts of its subsidiaries;</p> <p>(i) details of any contingent liabilities of the parent entity;</p> <p>(j) details of any contractual commitments by the parent entity for the acquisition of property, plant or equipment;</p> <p>(k) comparative information for the previous period for each of paragraphs (a) to (j).</p> <p>(2) The disclosures in subregulation (1) must be calculated in accordance with accounting standards in force in the financial year to which the disclosure relates.</p> <p>(3) In this regulation: <i>parent entity</i> means a company, registered scheme or disclosing entity that is required by the accounting standards to prepare financial statements in relation to a consolidated entity.</p>																					
AASB110.17	<p>57. Approval of financial statements</p> <p>The financial statements were approved by the board of directors and authorised for issue on 15 September 2010.</p>																					

Contact us

Deloitte

550 Bourke Street
Melbourne, Victoria
Australia

Tel: +61 (0) 3 9671 7000

Fax: +61 (0) 3 9671 7001

www.deloitte.com.au

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