

RED SHED INC
ABN 23 897 401 299

FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

RED SHED INC INCORPORATED
ABN 23 897 401 299

COMMITTEE'S REPORT

The Committee Members submit the financial report of Red Shed Inc (the Association) for the financial year ended 30 June 2025.

Committee Members

The names of the Committee members throughout the year and at the date of this report are:

John Gasson
Jeanette Gasson
Angus Reid
Peter Wright
Kerry Hughes
Jenny Simmons
John Irvine

Principal Activities

The principal activities of the Association during the financial year were to provide a community rowing facility with a mission to enable rowing for all, inspire wellness and foster community.

Operating Result

The surplus from ordinary activities and donations amounted to \$1,083,443 (2024: \$8,587,030). The surplus of Red Shed is driven by donations received during the year with the entity incurring a \$1,096,979 deficit from operating activities.

Signed in accordance with a resolution of the Committee Members.



(John Gasson, President)

Jeanette Gasson
Jeanette Gasson (Sep 17, 2025 13:47:42 GMT+10)

(Jeanette Gasson, Treasurer)

Dated this 17th day of September 2025

RED SHED INC INCORPORATED
ABN 23 897 401 299

STATEMENT BY COMMITTEE MEMBERS

In the opinion of the Committee:

1. the financial report as set out on pages 3 to 16 presents a true and fair view of the financial position of Red Shed Inc as at 30 June 2025 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board; and
2. at the date of this statement, there are reasonable grounds to believe that Red Shed Inc will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:



(John Gasson, President)



Jeanette Gasson (Sep 17, 2025 13:47:42 GMT+10)

(Jeanette Gasson, Treasurer)

Dated this 17th day of September 2025

RED SHED INC INCORPORATED
ABN 23 897 401 299

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 \$	2024 \$
Revenue			
Donations		2,180,422	8,759,000
Rowing, Gym and Wellness		470,504	5,218
Other revenue		134,358	-
Total Revenue	2	2,785,284	8,764,218
Expenses			
Cost of sales		(16,009)	-
Office and administration expenses		(442,122)	(20,638)
Depreciation expense		(560,835)	(81,123)
Insurance expenses		(53,305)	(7,430)
Payroll expenses		(510,246)	(60,974)
Advertising and marketing expenses		(119,324)	(7,023)
Total Expenses		(1,701,841)	(177,188)
Surplus for the year after donations		1,083,443	8,587,030

The accompanying notes form part of these financial statements.

RED SHED INC INCORPORATED
ABN 23 897 401 299
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	Note	2025 \$	2024 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	183,560	1,423,975
Trade and other receivables		32,347	-
Inventory		17,962	22,198
Other assets	4	30,927	21,056
TOTAL CURRENT ASSETS		<u>264,795</u>	<u>1,467,229</u>
NON-CURRENT ASSETS			
Building	5	8,659,191	7,726,701
Plant and equipment	5	1,565,060	1,345,152
Other assets		9,923	30,209
TOTAL NON-CURRENT ASSETS		<u>10,234,174</u>	<u>9,102,062</u>
TOTAL ASSETS		<u>10,498,969</u>	<u>10,569,291</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	6	119,050	1,271,791
Financial liabilities	7	-	14,207
TOTAL CURRENT LIABILITIES		<u>119,050</u>	<u>1,285,998</u>
NON-CURRENT LIABILITIES			
Financial liabilities	8	709,446	696,263
TOTAL NON-CURRENT LIABILITIES		<u>709,446</u>	<u>696,263</u>
TOTAL LIABILITIES		<u>828,496</u>	<u>1,982,261</u>
NET ASSETS		<u>9,670,473</u>	<u>8,587,030</u>
EQUITY			
Retained earnings		<u>9,670,473</u>	<u>8,587,030</u>
TOTAL EQUITY		<u>9,670,473</u>	<u>8,587,030</u>

The accompanying notes form part of these financial statements.

RED SHED INC INCORPORATED
ABN 23 897 401 299
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2025

	Retained Surplus \$	Total \$
Balance at 30 June 2023	<u>-</u>	<u>-</u>
Surplus for the year	8,587,030	8,587,030
Balance at 30 June 2024	<u>8,587,030</u>	<u>8,587,030</u>
Surplus for the year	<u>1,083,433</u>	<u>1,083,433</u>
Balance at 30 June 2025	<u><u>9,670,473</u></u>	<u><u>9,670,473</u></u>

The accompanying notes form part of these financial statements.

RED SHED INC INCORPORATED
ABN 23 897 401 299

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 \$	2024 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Fees and donations received		3,037,165	8,898,634
Payments to suppliers and employees		(2,525,040)	(160,034)
		<hr/>	<hr/>
Net cashflows from operating activities		473,842	8,738,600
		<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		(1,745,358)	(8,025,095)
Receipts for sale of plant and equipment		32,124	-
		<hr/>	<hr/>
Net cash outflows from investing activities		(1,713,234)	(8,025,095)
		<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net Repayment of borrowings		(14,207)	-
Net Proceeds from borrowings		13,183	710,470
		<hr/>	<hr/>
Net cash (outflow) / inflow from financing activities		(1,024)	710,470
		<hr/>	<hr/>
Net (decrease) / increase in cash held		(1,240,415)	1,423,975
Cash and cash equivalents at beginning of financial year		1,423,975	-
		<hr/>	<hr/>
Cash and cash equivalents at end of financial year	3	183,560	1,423,975
		<hr/>	<hr/>

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

Note 1: Statement of Material Accounting Policies

Basis of Preparation

Red Shed Inc (the Association) applies Australian Accounting Standards – Simplified Disclosures as set out in AASB 1053: Application of Tiers of Australian Accounting Standards.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures of the Australian Accounting Standards Board (AASB) and the *Associations Incorporation Act 1991*. The Association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 17 September 2025 by the members of the association.

Accounting Policies

(a) Revenue

The Association has applied AASB 15: *Revenue from Contracts with Customers* and AASB 1058: *Income of Not-for-Profit Entities* using the cumulative effective method of initial application. Therefore, the comparative information has not been restated and continues to be presented under AASB 118: *Revenue* and AASB 1004: *Contributions*.

Fees for services, sale of goods and government subsidies

When the Association receives operating revenue, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When both these conditions are satisfied, the Association:

- identifies each performance obligation relating to the operating revenue
- recognises a contract liability for its obligations under agreements; and
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have specific performance obligations, the association:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

Note 1: Statement of Material Accounting Policies (Continued)

(a) Revenue (Continued)

If a contract liability is recognised as a related amount above, the Association recognises income in profit or loss when or as it satisfies its obligations under the contract.

Donations

Donations and bequests are recognised as revenue when received in line with AASB 1058. Red Sheds revenue is primarily derived from donations with the entities operating activities resulting in a deficit for the financial year.

Interest income

Interest income is recognised using the effective interest method. All revenue is stated net of the amount of goods and services tax.

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

(b) Income Tax

The Association is exempt from income tax under Section 50-5 of the *Income Tax Assessment Act 1997*.

(c) Property, Plant and Equipment

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

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

Depreciation

The depreciable amount of all plant and equipment is depreciated on a reducing balance basis over the asset's useful life commencing from the time the asset is held ready for use.

The depreciable amount of all freehold land is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is held ready for use.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

Note 1: Statement of Material Accounting Policies (Continued)

(c) Property, Plant and Equipment (Continued)

Depreciation (Continued)

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2.5% straight line
Plant and equipment	20% straight line

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

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

(d) Financial Instruments

Initial recognition and measurement

Financial instruments are initially measured at fair value, when contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Fair value represents the price that would be received to sell an asset in an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Classification and subsequent measurement

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Council's business model for managing them. All of the Association's other financial instruments are classified and subsequently measured at amortised cost. The Association applies a simplified approach to calculating expected credit losses (ECL's) for financial assets held at amortised cost by recognising a loss allowance based on lifetime ECL's at each reporting date.

Amortised cost is calculated as:

- (i) the amount at which the financial asset or financial liability is measured at initial recognition;
- (ii) less principal repayments.
- (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- (iv) less any reduction for impairment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

Note 1: Statement of Material Accounting Policies (Continued)

(d) Financial Instruments (Continued)

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the Association no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

(e) Impairment of Assets

At the end of each reporting period, the Association reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Association estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

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

(f) Employee Provisions

Short-term employee benefits

Provision is made for the Association's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and annual leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Association's obligations for short-term employee benefits such as wages, salaries and annual leave are recognised as a part of current provisions in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

Note 1: Statement of Material Accounting Policies (Continued)

(f) Employee Provisions (Continued)

Other long-term employee benefits

Provision is made for employees' annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements of obligations for other long-term employee benefits for changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The Association's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Association does not have an unconditional right to defer settlement for at least 12 months after the reporting date, in which case the obligations are presented as current provisions.

(g) Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(h) Cash and Cash Equivalents

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

(i) Comparative Figures

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

(j) Trade and Other Payables

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

Note 1: Statement of Material Accounting Policies (Continued)

(k) Provisions

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

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

(l) Critical Accounting Estimates and Judgements Key Estimates

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

Key Estimates

(i) Impairment

The Association assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the Association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions. The Association determined conditions of impairment through obtaining market information about the cost of the existing assets in which would cost to purchase at current arm's length market prices.

(ii) Performance obligations under AASB 15

To identify a performance obligation under AASB 15, the agreement must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the agreement is sufficiently specific by considering any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/ type, cost/ value, quantity and the period of transfer related to the goods or services agreed.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RED SHED INC

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Red Shed Inc (the association), which comprises the statement of financial position as at 30 June 2025, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of material accounting policy information, and the certification by members of the committee on the annual statements giving a true and fair view of the financial position and performance of the association.

In our opinion, the accompanying financial report of Red Shed Inc is in accordance with the *Associations Incorporation Act 1991*, including:

- (i) giving a true and fair view of the association's financial position as 30 June 2025 and of its performance for the year ended on that date and the other matters required by Section 72 (2) of the *Associations Incorporation Act 1991*; and
- (ii) that the financial records kept by the association are such as to enable financial statements to be prepared in accordance with Australian Accounting Standards – AASB 1060: *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and the *Associations Incorporation Act 1991*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of the Committee for the Financial Report

The committee of the association is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and the *Associations Incorporation Act 1991* and for such internal control as the committee determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. The committee are also responsible for overseeing the association's financial reporting process.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RED SHED INC

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee.
- Conclude on the appropriateness of the committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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



BellchambersBarrett



Sart Spinks, CA
Registered Company Auditor
BellchambersBarrett

Canberra, ACT
Dated this 17th day of September 2025