

Chloe
diagnosed with leukaemia at eleven
months old, with the Redkite Red Bag

Redkite

For families facing
childhood cancer



FINANCIAL REPORT

for the year ended 31 December 2022

Redkite

ABN: 65 104 710 787



Financial Report

for the period 1 January 2022 to 31 December 2022

Contents	Page
Directors' Report	3
Auditor's independence declaration	14
Directors' declaration	15
Independent auditor's report	16
Statement of profit or loss and other comprehensive income	19
Statement of financial position	20
Statement of changes in equity	21
Statement of cash flows	21
Notes to the financial statements	22

The Directors present their report on the Company for the financial year ended 31 December 2022.

The Directors in office at any time during or since the end of the financial year are:

- Mr Mark Rigotti (Chair)
- Ms Jennifer Horrigan (resigned end of term 31 May 2022)
- Mr Bruce Morgan (resigned end of term 31 May 2022)
- Mr Joost de Kock
- Mr Alex Scandurra
- Mr Stephen Conry
- Mr Brian Murphy
- Ms Georgie Gardner
- Dr Chris Milross
- Ms Deanne Stewart (appointed 16 March 2022)
- Mr Jonathan Dooley (appointed 2 August 2022)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Details of the members of the Board, their experience and qualifications are set out in this Director's Report under the heading "Information on Directors".

Principal activities

The principal activities of the Company during the financial year were the provision of immediate and ongoing emotional, financial and educational support to children with cancer and their families.

2022 Objectives

Redkite's long term objective is to address the gaps in cancer support available to children with cancer and their families by connecting them to the professional, age-specific support services they require at all stages of the cancer experience, when and where they need them.

Short-term objectives are to maintain and expand existing support programs in order to respond to increased demand for services by families, to introduce new important services to address gaps in support and continue to collaborate with other charities and organisations to connect families to the assistance they need.

Operating result

The operating result from continuing operations amounted to a deficit of \$1.169m (2021 surplus of \$1.418m).

Review of operations

The consequences of the economic downturn are continuing to have an impact on Redkite, which has been reflected in its results for the current year including reduced corporate revenue.

During 2022 Redkite successfully continued its partnership with a national supermarket group to raise awareness, increase fundraising income and bridge the gap in support to children, young people and their families.

Redkite formally joined the Child & Youth Cancer Alliance with Canteen and Camp Quality during 2022. The Alliance launched a new digital Cancer Hub where families with who have a child with cancer (0-25 years) can find the support in the community they need through specialist Navigators. An Alliance of the three

organisations creates significant opportunities for finding efficiencies in the utilisation of supporter funds and improving outcomes for families.

Despite the funding challenges, in 2022 we have had another successful year in continuing to provide much needed support to families facing childhood cancer and experienced significant growth in the delivery of core services, including our counselling service and Financial Assistance Program, and expansion of our therapeutic support services delivered to children which is reflected in the positive growth of our child counselling service and child group support program. In 2022 Redkite directly supported approximately 1,860 families facing childhood cancer and 2,300 individuals.

Post balance date events

No matters or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect Redkite, the results of those operations, or Redkite's state of affairs in future financial years.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Company during the financial year, except as disclosed in Principal Activities.

Likely developments and expected results of operations

Information on likely developments in the operations of the Company and the expected results of operations has not been included in this report because disclosure of information would be likely to result in unreasonable prejudice to the Company.

Environmental regulation

The Company is not subject to any significant environmental regulation under a Commonwealth or State law.

Indemnity and insurance of officers

The Company has indemnified the directors and executives of the holding company for costs and expenses incurred, in their capacity as a director or executive, for which they may be held personally liable, to the extent that the loss or liability is not covered by insurance.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

Information on Directors

Name: Mr Mark John Rigotti (Chair)

Appointed Director: 23rd April 2010

Qualifications: BA, LLB (Hons), LLM (Syd), Graduate Advanced Management Programme (Melbourne University); Graduate Professional Services Leadership Programme (Harvard); Graduate Executive Programme (Singularity)

Experience: Managing Director and CEO of Australian Institute of Company Directors; Past Global CEO of Herbert Smith Freehills; Commercial Law (Herbert Smith Freehills Partner, Banking & Finance); Member European Australian Business Council and Board member; Director AICD; member FINSIA; Chair Open Society and Common Purpose Taskforce (Sydney University, Sydney Policy Lab)

Directorships held in other entities: Director, European Australia Business Council and Australian Institute of Company Directors.

Special Responsibilities: Chair of the Board of Directors, Chair of Redkite's Remuneration Committee, and ExOfficio member of Redkite's Risk and Audit Committee and Investment Committee.

Name: Ms Jennifer Horrigan

Appointed Director: 19th April 2011 (resigned end of term 31 May 2022)

Qualifications: B.Bus. (QUT); Grad.Dip-Applied Finance (Finsia); Grad Dip. Management (AGSM); MAICD

Experience: Experienced Non-Executive Director across ASX-listed, unlisted and NFP boards. Executive career included 25 years' experience across investment banking, investor relations and strategic communications. Formerly the Chief Operating Officer of investment bank Greenhill Australia.

Directorships held in other entities: Chair of Dexu Asset Management Limited (including Chair of Dexu Industria REIT (ASX: DXI) and Dexu Convenience Retail REIT (ASX: DXC); Director of A2B Limited (ASX: A2B), Yarra Funds Management Limited and QV Equities (ASX: QVE). Former director of Generation Healthcare REIT (ASX: GHC).

Special Responsibilities: Previously Chair of the Redkite Board of Directors (May 2019 to May 2021), Chair of Redkite's Remuneration Committee, Member of Redkite's Investment Committee, and ExOfficio member of Redkite's Risk and Audit Committee (to May 2021).

Name: Mr Bruce William Distin Morgan

Appointed Director: 22nd April 2013 (resigned end of term 31 May 2022)

Qualifications: B Comm UNSW FCA FAICD, Adjunct Professor UNSW

Experience: Formerly the Chair of the Australian Board and a member of the International Board of PwC and a partner of the firm for over 25 years. Bruce practiced as an audit partner focused on the financial services, energy and mining sectors. He is also a Fellow of the Australian Institute of Company Directors and Chartered Accountants in Australia and New Zealand.

Directorships held in other entities: Chair of Transport Asset Holding Entity (TAHE); Director of the University of NSW Foundation and the deputy chairman European Australian Business Council; former Director of Origin Energy Limited and a former Chairman of Sydney Water Corporation and Director of Caltex.

Special Responsibilities: Member and Chair (from 3 August 2021) of Redkite's Risk and Audit Committee and Member of Redkite's Remuneration Committee.

Name: Mr Joost de Kock

Appointed Director: 31st March 2015

Qualifications: BA Cambridge University, DPhil Oxford University, MBA Cranfield School of Management, CEng, MIET

Experience: Public sector experience - Former Deputy Secretary Customer Strategy and Technology at Transport for NSW and General Manager Enterprise Transformation with the Australian Government Department of Human Services. Private sector experience - Former Partner and Managing Director of the Boston Consulting Group (Sydney), Manager at Andersen Consulting (now Accenture), Research Scientist with Sony (Tokyo).

Directorships held in other entities: None

Special Responsibilities: Chair of Redkite's Investment Committee and member of Redkite's Brand Committee.

Name: Mr Alex Scandurra

Appointed Director: 20th July 2017

Qualifications: BE (Civil), Civil Engineering (University of Sydney), MBA (London Business School), MCIPS (UK)

Experience: Former CEO, Stone & Chalk. Formerly Director - Head of Strategic Partnerships & Barclays Accelerator Programs; Head of Infrastructure Sharing MEA Nokia, Head of Partner Management for Nokia Networks Australia & NZ; Project Management for Lend Lease Australia & Captain Australian Army.

Directorships held in other entities: Director Alexco Innovation Advisory; Head of Strategy and Growth at The Culture Equation; Advisory Board member of NSW Department of Finance, Services and Innovation; Founding Director of Fintech Australia; Co-Founder & Director of Spark Festival Australia; ASIC Digital Finance Advisory Committee

Special Responsibilities: Member of Redkite's Remuneration Committee and member of Redkite's Brand Committee.

Name: Mr Stephen Conry AM

Appointed Director: 1st December 2017

Qualifications: Fellow of the Australian Property Institute, a Fellow of the Royal Institution of Chartered Surveyors, and a Fellow of the Australian Institute of Company Directors, Property Economics

Experience: Former international Director and CEO Australia and New Zealand, JLL.

Directorships held in other entities: Chairman of Langdon Capital Pty Ltd; Independent non-executive director of Charter Hall Group; Member of Commonwealth Remuneration Tribunal; Immediate past President and Board member of the Property Council of Australia and Director of JLL Australia (until July 2022).

Special Responsibilities: Member of Redkite's Risk and Audit Committee

Name: Mr Brian Murphy

Appointed Director: 27 October 2020

Qualifications: PhD in Mathematics (ANU), BSc Hons (Mathematics) UWA

Experience: Brian has over 20 years' experience in strategy and management consulting at Bain & Company. He has worked across the firm's Sydney, London, San Francisco and Perth offices. He leads Bain's Energy and Natural Resources practice across the Asia-Pacific region, advising clients globally on strategy, technology, sustainability, performance transformation and M&A.

Directorships held on other entities: None. Brian was previously a Board member of the WA Youth Jazz Orchestra.

Special Responsibilities: Member of Redkite's Remuneration Committee

Name: Ms Georgie Gardner

Appointed Director: 2 March 2021

Qualifications: Associate diploma in performing arts and majoring in media performance, Western Australian Academy of Performing Arts.

Experience: Georgie has extensive media experience across both television and radio. She is one of the country's best known and most popular television news presenters, anchoring Nine's 6.00pm Sydney news bulletin on Friday and Saturday nights as well as doing special news reports midweek. Georgie was previously the news anchor for Nine's breakfast program, the Today Show, for seven years as well as being the show's co-host in 2018 and 2019, and has had roles with Radio 2NX, 2DAY FM, Ten Network and the Seven Network over her extensive media career.

Directorships held on other entities: None. Ambassador School for Life Foundation, Raise Foundation and You Choose.

Special Responsibilities: Ambassador for Redkite since 2000, Chair of Redkite's Brand Committee

Name: Dr Chris Milross

Appointed Director: 20 December 2021

Qualifications: Associate Professor, MB BS MD FRANZCR FRACMA FAICD

Experience: Chris has more than 30 years' experience in clinical oncology as a specialist radiation oncologist, having trained and worked at The Prince of Wales Hospital, The MD Anderson Cancer Centre, and at Royal Prince Alfred Hospital, with administrative responsibility as a Department Head since 2004. Chris was instrumental in the creation and establishment of the Chris O'Brien Lifehouse in 2013, and in its strategic development and operations since then as a Member of the Hospital Executive Committee. Chris has experience in professional development and representation through various roles at The Royal Australian and New Zealand College of Radiologists and was College President 2014-15. At a national level Chris has been involved in cancer policy development through Cancer Australia as a member of its Advisory Council since 2017, and Chair since 2023.

Directorships held in other entities: Director of Mission at Chris O'Brien Lifehouse; Member – Cancer Australia; Director – Avant Foundation Board.

Special Responsibilities: Member of Redkite's Risk and Audit Committee

Name: Ms Deanne Stewart

Appointed Director: 16 March 2022

Qualifications: Bachelor of Commerce (UNSW), MBA (Yale) and AICD Directors Course

Experience: Deanne is the Chief Executive Officer of Aware Super since 2018. Deanne has more than 25 years' leadership experience in financial services in wealth, superannuation, and insurance sectors in Australia and internationally. This includes previous Chief Executive Officer of MetLife Australia, senior roles within BT Financial Group and time as Managing Director with Merrill Lynch Investment management in New York, and as an Engagement Manager with McKinsey and Company in London. Deanne is also Adjunct Professor of University Technology Sydney (UTS).

Directorships held in other entities: CEO Aware Super Pty Ltd, and Director of Australian Superannuation Funds of Australia (ASFA), Australian Council of Superannuation Investors (ACSI), Funds Executives Association (FEAL) and an Advisory Board Council Member of World Vision Advisory Board, University NSW Business School and UTS Business School.

Special Responsibilities: Member of Redkite's Remuneration Committee

Name: Mr Jonathan Dooley

Appointed Director: 2 August 2022

Qualifications: Chartered Accountant Australia & New Zealand (CA ANZ), Bachelor of Business (Accountancy) (Queensland University of Technology), Australian Institute of Company Directors (FAICD) – Fellow.

Experience: Jon brings over 30 years of accounting experience and is considered an expert and pioneer in his field of forensic accounting. He founded Vincents, a financial and economic advisory firm, in 1991 and is currently their Executive Chair.

Directorships held in other entities: Executive Chair of Vincents, a financial and economic advisory firm; Chair of QInsure Limited, a wholly owned subsidiary of Australian Retirement Trust; and a Director of Queensland Cricket.

Special Responsibilities: Member and Chair (from 2 August 2022) Risk and Audit Committee. Jon has been actively involved with Redkite for over 10 years, as a member and President of our Queensland Regional Council and an external member of our Risk and Audit Committee.

Meetings of Directors

The number of Directors meetings held and attended by each of the Directors of the Company during 2022 was:

Name of Director	DIRECTORS MEETINGS	
	Number Eligible to Attend	Number Attended
Mr Mark Rigotti (Chair)	6	6
Ms Jennifer Horrigan	3	3
Mr Bruce Morgan	3	3
Mr Joost De Kock	6	3
Mr Alex Scandurra	6	6
Mr Stephen Conry	6	5
Mr Brian Murphy	6	5
Ms Georgie Gardner	6	4
Dr Chris Milross	6	5
Ms Deanne Stewart	6	4
Mr Jonathan Dooley	3	3

Incorporation and events on a winding up

Redkite is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the Company. At 31 December 2022 the total amount that members of the Company are liable to contribute if the company is wound up is \$100 (2021: \$100).

Corporate governance statement

The Company's corporate governance structure and policy has been developed by the Board based on feedback provided by Redkite stakeholders, the requirements of the governance standards issued by the ACNC, together with industry best practice and designed to address certain key governance considerations. It was last reviewed and updated on 10 August 2022.

Directors and Board composition

The constitution of the Company states

- There must be at least 5 Directors and no more than a number determined by the Directors from time to time, currently 10, with the prescribed qualification.
- Directors may elect one of the Directors as Chairperson of Directors, who must retire from that office no later than one month after the third anniversary of his or her election but may stand for re-election for another term with the approval of a majority of members.
- Directors may appoint executive officers including;
 - One of the Directors as executive director, and
 - One or more secretaries and additional secretaries.

The Governance Policy approved by the Board provides that

- a) Directors are appointed for a term of 3 years and for a maximum of three terms.
- b) Exceptions to this 3-term rule may be made by the Board in appropriate circumstances.
- c) The Chair is appointed for a fixed term of 3 years.

Details of the members of the Board, their experience and qualifications are set out in this Directors' Report under the heading "Information on Directors". There are 9 Directors at the date of signing the Directors' report.

Achieving the mission

Our Board of Directors provide strong corporate governance and are custodians of Redkite's mission and values. They volunteer their time to ensure that Redkite fully meets our objectives and obligations in support of children with cancer and their families.

Specific Responsibilities

Management responsibility

The Board has formally delegated responsibility for the Company's day by day operations and administration to the chief executive and executive management (Management).

Board oversight

The Board oversee and monitor Management's performance by:

- Meeting at least 4 times during the year
- Receiving detailed financial and operational reports from Management on both a regular and ad hoc basis
- Establishing Board Committees and assigning to them the Board responsibilities to oversee aspects of the Company's operations and administration. The Board Committees comprise the Risk and Audit Committee, Remuneration and Nomination Committee, and Investment Committee. During 2022 two additional strategic committees were formed, being Brand Committee and Government Committee.

Risk and Audit Committee

The members of this Committee during the year comprised Mr Bruce Morgan (Chair until May 2022), Mr Mark Rigotti (Ex Officio), Mr Stephen Conry and Dr Chris Milross as Directors together with Mr Jonathan Dooley as an external advisor and in capacity of Director and Chair from 2 August 2022. Details of the Directors' qualifications are set out in the Directors' Report. The number of meetings held through the year and the details of attendance are as follows:

Name of Director	Number Eligible to Attend	Number Attended
Mr Bruce Morgan (Chair until 31 May 2022)	2	2
Mr Mark Rigotti (Ex Officio)	5	5
Mr Jonathan Dooley (Chair from 2 August 2022)	5	4
Mr Stephen Conry	5	4
Dr Chris Milross	3	3

The key responsibilities of the Committee acting on behalf of the Board include: ensuring that appropriate processes and systems were in place at all times for financial reporting, audit and risk management.

Remuneration & Nominations Committee

The members of this Committee during the year comprised Mr Mark Rigotti (Chair), Mr Bruce Morgan, Mr Alex Scandurra and Ms Deanne Stewart as Directors. Details of the Directors' qualifications are set out in the Directors' Report. The number of meetings held through the year and the details of attendance are as follows:

Name of Director	Number Eligible to Attend	Number Attended
Mr Mark Rigotti (Chair)	2	2
Mr Bruce Morgan (until 31 May 2022)	1	1
Mr Alex Scandurra	2	2
Mr Brian Murphy	2	2
Ms Deanne Stewart	1	1

The key responsibilities of the Committee acting on behalf of the Board include: Establishing the remuneration guidelines and policies to be applied to the chief executive, senior staff and staff in conjunction with the Board as well as monitor their implementation; and assist the Board in its corporate governance obligations of ensuring the Board is composed of directors who have the necessary skills, expertise, and experience to fulfill their obligations as directors of Redkite with diligence and judgment.

Investment Committee

The members of the Committee during the year comprised Mr Joost de Kock (Chair) and Mr Mark Rigotti as Directors together with Mr Geoff Brunsdon, Ms Helen Sewell, Mr Mark Palmer and Dr Don Stammer as external advisors. Details of the Directors' qualifications are set out in the Directors' Report. The number of meetings held during the year and details of attendance are as follows:

Name of Director	Number Eligible to Attend	Number Attended
Mr Joost De Kock (Chair)	4	4
Mr Mark Rigotti	4	4
Mr Geoff Brunsdon (External Advisor)	4	1
Ms Helen Sewell (External Advisor)	4	4
Dr Don Stammer (External Advisor)	4	3

The key responsibilities of the Committee acting on behalf of the Board include: Managing all investments prudently in accordance with the policy set by the Board so as to secure acceptable capital growth and income for all investment assets within the risk profiles set by the Board of Redkite and to always adhere to the Trustees Act 1925 (NSW) and the Prudent Persons Test for investing.

Strategic Committee - Brand

The members of the Committee during the year comprised Ms Georgie Gardner, Mr Joost De Kock and Mr Alex Scandurra as Directors. Details of the Directors' qualifications are set out in the Directors' Report. The number of meetings held during the year and details of attendance are as follows:

Name of Director	Number Eligible to Attend	Number Attended
Ms Georgie Gardner (Chair)	1	1
Mr Joost De Kock	1	1
Mr Alex Scandurra	1	1

The key responsibilities of the strategic Committee acting on behalf of the Board include: supporting the increase in awareness of the Redkite brand by advising on the development of the brand building strategy and supporting its implementation.

Strategic Committee - Government

The members of the Committee during the year comprised Mr Mark Rigotti and Mr Stephen Conry as Directors and Mr Bruce Morgan, Ms Kate Davies and Mr Tim Longstaff as external advisors. Details of the Directors' qualifications are set out in the Directors' Report. The number of meetings held during the year and details of attendance are as follows:

Name of Director	Number Eligible to Attend	Number Attended
Mr Mark Rigotti (Chair)	4	4
Mr Stephen Conry	4	2
Mr Bruce Morgan	4	3
Ms Kate Davies	4	3
Mr Tim Longstaff	2	2

The key responsibilities of the strategic Committee acting on behalf of the Board include: supporting the development and implementation of the Redkite Government Advocacy Strategy, establishing Redkite's profile and reputation with governments at both the federal and state levels, helping attract government funding for Redkite programs and enable Redkite to influence government policy and sector change.

Other support governance structures

State-based Regional Councils operate to support the Board and management in meeting their responsibilities and achieving their objectives.

Ethical standards and code of conduct

Board members, senior executives, staff and volunteers are expected to comply with relevant laws and codes of conduct determined by the Board and to act with integrity, compassion, fairness, honesty and respect at all times when dealing with the children and families affected by cancer as well as donors, colleagues and other stakeholders in our mission.

It is also expected that Board members, senior executives, staff and volunteers never permit their personal interests to conflict or appear to conflict with those of Redkite.

Fundraising and how we raise funds

Redkite undertakes its fundraising from appeals (Fundraising Appeals), the collection of voluntary donations and sponsorships from individuals, charitable foundations and corporate donors (Donations), the receipt of bequests that support either specific activities or the general activities of the Company (Bequests) and Events.

Redkite does not receive direct government funding for our programs and services, rather Redkite raises funds through building personal and corporate relationships, engaging community support, making representations to foundations and conducting or benefiting from events. Redkite undertakes its fundraising using a combination of staff, volunteers and selective paid 3rd party fundraising.

Auditor's independence declaration

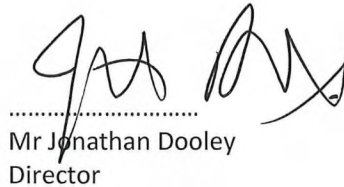
The lead auditor's independence declaration for the year ended 31 December 2022 has been received and can be found on the following page.

Signed in accordance with a resolution of the Board of Directors.



.....
Mr Mark Rigotti
Director (Chair)

Dated this 6th day of June 2023



.....
Mr Jonathan Dooley
Director

Dated this 6th day of June 2023

6 June 2023

The Board of Directors
Redkite
3/418a Elizabeth Street
SURRY HILLS NSW 2010

Dear Board Members

Redkite

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, I am pleased to provide the following declaration of independence to the Directors of Redkite.

As lead audit partner for the audit of the financial report of Redkite for the financial year ended 31 December 2022, I declare that to the best of my knowledge and belief, that there have been no contraventions of:

- (i) the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely,



Barbara Richmond
Partner

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The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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Directors' Declaration

Requirements per Charitable Fundraising Act 1991

The Directors of the Company declare that:

- a) the financial statements give a true and fair view of all income and expenditure of the Company with respect to fundraising appeals;
- b) the statement of financial position gives a true and fair view of the state of affairs with respect to Financial Report for the period 1 January 2022 to 31 December 2022
- c) the provisions of the Charitable Fundraising Act 1991 and the regulations under that Act have been complied with;
- d) the internal controls exercised by the Company are appropriate and effective in accounting for all income received;
- e) the financial statements are properly drawn up in accordance with Australian Accounting Standards and Urgent Issues Group Consensus Views as outlined in note 1 to the accounts.

Requirements per the Australian Charities and Not-for-Profits Commission Act 2012

The Directors of the Company declare that:

1. The financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012 and Regulation 2013* and:
 - a) The Australian Accounting Standards - Simplified Disclosure Requirements and other mandatory professional requirements; and
 - b) give a true and fair view of the financial position as at 31 December 2022 and of the performance for the financial year ended on that date of the Company.
2. 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.

By Order of the Board.



Mr Mark Rigotti
Director (Chair)

Dated this 6th day of June 2023



Mr Jonathon Dooley
Director

Dated this 6th day of June 2023

Independent Auditor's Report to the Members of Redkite

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Redkite, which comprises the statement of financial position as at 31 December 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Director's declaration.

In our opinion, the accompanying financial report of Redkite has been prepared:

1. in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (the ACNC Act), including:
 - (a) giving a true and fair view of Redkite's financial position as at 31 December 2022 and of its financial performance for the year then ended; and
 - (b) complying with Australian Accounting Standards – Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*; and
2. in all material respects, in accordance with the *Charitable Fundraising Act NSW 1991* (the Charitable Act) and the *Charitable Fundraising Regulation 2015* (the Charitable Regulation).

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 Redkite 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.

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Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Sydney, an affiliate of Findex (Aust) Pty Ltd

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information contained in the Redkite's Directors' Report for the year ended 31 December 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures, the ACNC Act, the Charitable Act and the Charitable Regulation, and for such internal control as the Directors determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

The Directors are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional skepticism 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 Redkite's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by those charged with governance.

- Conclude on the appropriateness of those charged with governance'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 Redkite'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 Redkite 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.
- Obtain sufficient appropriate audit evidence regarding the financial information or business activities within Redkite to express an opinion on the financial report. The auditor is responsible for the direction, supervision and performance of the audit. The auditor remains solely responsible for the audit opinion.

We communicate with those charged with governance 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 the audit.



Crowe Sydney



Barbara Richmond
Partner

6 June 2023
Sydney

Redkite
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2022

	Notes	2022 \$'000	2021 \$'000
Revenue			
Fundraising revenue	2	11,940	12,981
Investment revenue	3	817	456
Other revenue	4	69	638
Total revenue		12,826	14,075
Expenses			
Services and programs	5	7,472	6,939
Direct costs of fundraising	5	3,962	3,138
Campaign and fundraising support	5	1,364	1,475
Governance and administration		1,197	1,105
Total expenses		13,996	12,656
Net surplus/(deficit) from continuing operations		(1,169)	1,418
Other comprehensive income			
Items that may not be reclassified subsequently to surplus or deficit:			
Transfer to retained earnings on sale of investments		146	(868)
Net gain/(loss) on revaluation of investments		(1,405)	1,479
Total comprehensive surplus/(deficit) for the year		(2,428)	2,030

The accompanying notes form an integral part of these accounts.

Redkite
Statement of financial position
For the year ended 31 December 2022

	Notes	2022 \$'000	2021 \$'000
Assets			
Current assets			
Cash and cash equivalents	6	1,695	3,247
Receivables and other current assets	7	267	212
Other assets	8	267	232
Total current assets		2,229	3,690
Non-current assets			
Plant and equipment	9	298	418
Financial assets	10	12,967	14,266
Right-of-use assets	11	1,768	2,139
Total non-current assets		15,033	16,823
Total assets		17,262	20,514
Current liabilities			
Short-term payables	12	1,107	962
Deferred revenue	12	-	500
Short-term provisions	13	424	357
Lease liabilities	14	457	389
Total current liabilities		1,988	2,208
Non-current liabilities			
Long-term provisions	13	67	84
Lease liabilities	14	1,633	2,074
Total non-current liabilities		1,700	2,158
Total liabilities		3,688	4,366
Net assets		13,574	16,148
Equity			
Accumulated surplus	15	11,956	13,271
Financial asset reserve		1,618	2,877
Total equity		13,574	16,148

The accompanying notes form an integral part of these accounts.

Redkite
Statement of changes in equity
For the year ended 31 December 2022

	Notes	Financial asset reserve \$'000	Accumulated surplus \$'000	Total \$'000
Balance at 31 December 2020		2,265	11,003	13,268
Surplus for the year		-	1,418	1,418
Prior year adjustment		-	(18)	(18)
Transfer to retained earnings on sale of investments	15	(868)	868	-
Revaluation increment for the year		1,479	-	1,479
Balance at 31 December 2021		2,877	13,271	16,148
Deficit for the year		-	(1,169)	(1,169)
Transfer to retained earnings on sale of investments	15	146	(146)	-
Revaluation decrement for the year		(1,405)	-	(1,405)
Balance at 31 December 2022		1,618	11,956	13,574

Statement of cash flows
For the year ended 31 December 2022

	Notes	2022 \$'000	2021 \$'000
Cash flows from operating activities			
Net receipts from fundraising activities		9,303	10,076
Net receipts from donations		2,357	2,639
Services and programs		(7,165)	(6,704)
Payments for creditors, fundraising, administration and staffing		(6,819)	(6,126)
Interest received		11	18
Other income/refunds		69	50
Government support - COVID19 related		-	588
Net cash provided by/(used in) operating activities		(2,243)	542
Cash flows from investing activities			
Dividends/trust distribution received		813	461
Payment for purchase of fixed assets		(17)	(105)
Payment for purchase of investments		(3,649)	(4,998)
Cash from sale of investments		3,544	5,061
Net cash provided by investing activities		691	420
Net increase/(decrease) in cash held		(1,552)	962
Cash at beginning of financial year		3,247	2,285
Cash at end of financial year	6	1,695	3,247

The accompanying notes form an integral part of these accounts.

Redkite
Notes to the financial statements
For the year ended 31 December 2022

1. Statement of significant accounting policies

The financial statements are for Redkite as an individual entity incorporated and domiciled in Australia. Redkite is a company limited by guarantee. The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards of the Australian Accounting Standards Board, the Australian Charities and Not-for-Profit Commission Regulation 2013 and the Charitable Fundraising Act 1991. 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.

New or amended Accounting Standards and Interpretations adopted

Redkite has applied Simplified Disclosure Requirements as set out in AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities.

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

The financial report has been prepared on an accruals basis with the exception of donations which are recorded on a cash basis. It is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Redkite is a not-for-profit organisation and as such the term 'profit' is not applicable and the term 'surplus' is used where required.

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Accounting policies

(a) Income tax

Redkite is exempt from income tax within the terms of Subdivision 50-5 of the Income Tax Assessment Act 1997 (Cth).

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

(c) Donated services and assets

Various services and assets are donated to the Company including volunteers, legal advice, the auditing of the accounts, prizes for auctions, event assistance including equipment and production, office hardware, marketing and media services and services to children and families. In the absence of an accurate estimation of the value of these services, they have not been included in the financial statements.

Non-current assets are recorded at cost except where received as a donation or bequest. Non-current assets received as donations are recorded at the fair value as determined by the donor or market value at the time of donation. Non-current assets received as bequests are recorded at their market value at the time of receipt of the bequest. This value is recorded as either a donation or bequest income in the year received.

(d) Public company limited by guarantee

In the event of being wound up, as required by the *Charitable Fundraising Act 1991*, the *Income Tax Assessment Act 1997* and *Tax Ruling TR 2000/12* and Rule 9 of the Constitution, any assets remaining must be applied, to the extent practicable, to the objects or purposes for which they were raised.

The Company's Constitution prohibits the distribution of any surplus to Members. All income must be applied solely towards the promotion of the objectives of the Company.

(e) Rounding off

Redkite is of a kind referred to in Legislative Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with the class order to the nearest thousand dollars, except in instances where amounts are required to be displayed in whole dollars.

(f) Significant estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Redkite
Notes to the financial statements
For the year ended 31 December 2022

1. Statement of significant accounting policies continued

Employee benefits provision

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

	2022	2021
	\$'000s	\$'000s
2. Fundraising revenue		
Corporate and philanthropic donations	8,258	9,891
Gifts in wills and donations from individuals	2,523	2,639
Fundraising events and campaigns	1,159	451
Total fundraising revenue	11,940	12,981

	2022	2021
	\$'000s	\$'000s
3. Investment revenue		
Dividends received	806	438
Interest received	11	18
Total investment revenue	817	456

	2022	2021
	\$'000s	\$'000s
4. Other revenue		
Government grants received	40	-
Other income	29	50
Government support - COVID-19 related	-	588
Total other revenue	69	638

All revenue is stated net of the amount of GST.

Dividends are recognised when the right to receive payment is established. Reimbursements from the Australian Taxation Office (ATO) of dividend imputation credits are recognised on receipt.

Interest revenue on term deposits is recognised on receipt or otherwise accrued as the control of the right to receive the interest payment exist. Any other investment income is recognised on receipt. Income received and not recognised in the statement of profit and loss is carried forward as deferred income in the statement of financial position until the income meets the tests for recognition in the statement of profit and loss.

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds.

Grants and sponsorships

Revenue is recognised in profit or loss when the company satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant or sponsorship which must be satisfied before the company is eligible to retain the contribution, the grant or sponsorship will be recognised in the statement of financial position as a liability until those conditions are satisfied.

Donations, fundraising appeals and other revenue

Donations, fundraising appeals and other revenue are recognised when they are received or when the right to receive payment is established.

Redkite
Notes to the financial statements
For the year ended 31 December 2022

5. Information and declarations to be furnished under the Charitable Fundraising Act 1991

(a) Fundraising Income and expenses	2022 \$'000s	2021 \$'000s
Details of aggregate gross income and total expenses in fundraising appeals		
Gross proceeds from fundraising appeals (excluding gifts in wills)	11,775	12,574
Less: Direct costs of fundraising	(3,962)	(3,138)
Less: Campaign and fundraising support	(1,364)	(1,475)
Net surplus from fundraising	6,449	7,961

Gifts in wills are not included in the above totals as they do not meet the definition of fundraising appeals. Receipts in 2022 were \$165,200. (2021: \$406,821)

Surplus applied to the below charitable purpose:

Financial assistance provided	1,584	1,553
Emotional support programs provided	2,807	2,110
Music therapy	525	501
Other services and programs provided	29	322
Direct expenses in support of the above programs	2,527	2,453
Total services and programs provided to children and their families	7,472	6,939

The remainder of the net income received was spent on indirect overheads, governance, general administration and marketing.

(b) Fundraising conducted jointly with traders

During the year the Redkite engaged in fundraising activities that were conducted jointly with the following traders:
Go Fundraise, Good2Give, Funraisin, Grassrootz, MyCause and Facebook.

(c) Fundraising appeals as Classified by the Charitable Fundraising Act conducted during the financial year

Redkite engaged in the following activities throughout the year in order to raise revenue: Crunch4kids with cancer, the Sun Up Challenge, a number of appeals during the year, including Christmas appeal and Tax appeals and we are also the nominated charity for various events throughout the year.

(d) Monetary figures and percentages

Comparisons	2022		2021	
Total services and programs provided/ Total expenditure (excluding fundraising)	7,472	86%	6,939	86%
	8,669		8,044	
Total services and programs provided/ Total revenue received	7,472	58%	6,939	49%
	12,826		14,075	
Total cost of all fundraising/ Gross proceeds from all fundraising	5,326	45%	4,612	36%
	11,940		12,981	
Total services and programs provided/ Net proceeds from all fundraising	7,472	113%	6,939	83%
	6,614		8,368	

6. Cash and cash equivalents	2022 \$'000s	2021 \$'000s
Cash at bank	1,445	3,144
Short-term bank deposits	250	103
Total cash and cash equivalents	1,695	3,247

Redkite
Notes to the financial statements
For the year ended 31 December 2022

	2022 \$'000s	2021 \$'000s
7. Receivables and other current assets		
Current		
Sundry debtors and other receivable	88	33
Term deposits under bank guarantees	179	179
Total receivables	267	212

Provision for impairment of receivables

Sundry debtors are generally on 30 day terms. These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. There has been no requirement to provide for sundry debtors at 31 December 2022.

	2022 \$'000s	2021 \$'000s
8. Other assets		
Current		
Prepayments	224	173
Other Assets	35	58
Total other assets- current	259	232

	2022 \$'000s	2021 \$'000s
9. Plant and equipment		
Office equipment at cost	640	623
Less accumulated depreciation	(596)	(560)
Office equipment - carrying amount	44	64
Leasehold improvements at cost	609	609
Less accumulated depreciation	(395)	(339)
Leasehold improvements - carrying amount	214	270
Intangible assets at cost	184	184
Less accumulated depreciation	(144)	(100)
Intangible assets - carrying amount	40	85
Total Plant and Equipment	298	418

Movements in carrying amounts

	Office equipment \$'000s	Leasehold improvements \$'000s	Intangible assets \$'000s
Balance at beginning of year	64	270	85
Additions at cost for the year	17	-	-
Reallocations during the year	-	-	-
Depreciation expense	(37)	(56)	(45)
Carrying amount at end of year	44	214	40

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation or amortisation. The carrying amount of plant and equipment is reviewed annually to ensure that it is not in excess of recoverable amount from those assets.

Depreciation and amortisation

Plant and equipment are depreciated/amortised over their estimated useful lives using the straight line method.

Intangible assets include acquired or developed software, capitalised on the basis of the costs incurred to acquire and install the asset. The capitalised costs are amortised on a straight-line basis over their estimated useful lives.

The useful life estimates used for each class of assets are:

Class of fixed assets

Office equipment	2 - 4 years
Intangible assets	2 - 5 years
Leasehold improvements	3 - 8 years

Redkite
Notes to the financial statements
For the year ended 31 December 2022

	2022	2021
	\$'000s	\$'000s
10. Financial assets (non-current)		
Equity investments		
Managed investments	4,754	5,478
Shares - listed investments	8,213	8,788
Total financial assets	12,967	14,266

All investments are equity investments and are measured at fair value. Equity investments comprise investments in the ordinary share capital of various entities and managed investment schemes. The investments have been classified as not held for trading, and management has elected to recognise unrealised gains and losses arising from changes in the market value in other comprehensive income. The election is available at initial recognition on an instrument-by-instrument basis, with no recycling to profit or loss.

Investments include investments of \$5,541,801 (2021:\$6,635,172) which represent the Johanna Sewell Reserve Fund Investments.

	2022	2021
	\$'000s	\$'000s
11. Right-of-use assets		
<i>Cost</i>		
Opening balance	3,657	3,657
Lease modifications	-	-
Closing balance	3,657	3,657
<i>Amortisation</i>		
Opening balance	(1,518)	(1,016)
Charge for year	(371)	(502)
Closing balance	(1,889)	(1,518)
Net book value	1,768	2,139

A right-of-use asset was recognised at the beginning of 2020. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Where the entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Redkite has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

	2022	2021
	\$'000s	\$'000s
12. Payables - Current		
Unsecured liabilities		
Trade creditors	524	263
Deferred income	-	500
Other current payables	583	699
Total unsecured liabilities	1,107	1,462
Less deferred income	-	500
Total financial liabilities, short term payables	1,107	962

Income received during the financial year is deferred in accordance with the revenue recognition policy if it is received for funding of future service delivery per contract agreements.

Deferred Income is not to be taken into account as a financial liability for the determination of working capital as it will be recognised in the statement of profit and loss when it meets the tests for revenue recognition.

	2022	2021
	\$'000s	\$'000s
13. Provisions		
Employee entitlements - current	424	357
Employee entitlements - non-current	67	84
Total employee entitlements	491	442

At 31 December 2022 there were 67 Redkite employees.

Redkite
Notes to the financial statements
For the year ended 31 December 2022

13. Provisions continued

Provision for Employee Benefits

A provision has been recognised for employee entitlements relating to annual leave and long service leave. In calculating the present value of future cash flows in respect of annual leave and long service leave, the probability of annual leave and long service leave being taken is based on historical data.

Provision is made for the Redkite's liability for employees' benefits arising from services rendered by employees to reporting date.

Short Term Employee Benefit Obligations

Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and long service leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled, plus related on costs.

Long Term Employee Benefit Obligations

The liabilities for long service leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of corporate bonds with terms that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

	2022	2021
	\$'000s	\$'000s
14. Lease liabilities		
Lease liabilities - Current	457	389
Lease liabilities - Non-current	1,633	2,074
Total lease liabilities	2,090	2,462

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, at the entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

	2022	2021
	\$'000s	\$'000s
15. Accumulated surplus		
Accumulated surplus at beginning of the year	13,271	11,003
Excess/(deficit) of revenue over expenses	(1,169)	1,418
Transfer of revaluation gains on sale of investments	(146)	868
Prior year adjustment	-	(18)
Accumulated surplus at end of year	11,956	13,271

16. Financial asset reserve

Changes in the fair value of investments that are classified as fair value through Other Comprehensive Income with no recycling, financial assets (e.g. equities) are recognised in other comprehensive income and accumulated in a separate reserve within equity.

17. Financial risk management

Redkite's financial instruments consist mainly of deposits with banks, short-term and long-term investments, accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2022	2021
		\$'000s	\$'000s
Financial assets			
Cash and cash equivalents	6	1,695	3,247
Financial assets measured at amortised cost	7	267	212
Equity investments at fair value			
- managed investments	10	4,754	5,478
- shares in listed corporations	10	8,213	8,788
Total financial assets		14,929	17,725
Financial liabilities			
Short-term payables	12	1,107	962

Redkite
Notes to the financial statements
For the year ended 31 December 2022

17. Financial risk management continued

Net fair values

- a) The fair values of equity investments are based on exit prices at the end of the reporting period.
b) In determining the fair value of the unlisted equity investments, the Directors have used inputs that are observable either directly (as prices) or indirectly (derived from prices).

Financial risk management policies

The Risk and Audit committee's overall risk management strategy seeks to assist Redkite in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Risk and Audit committee on a regular basis.

18. Related party transactions

(a) Transactions with Directors

No Directors have received or are due to receive any remuneration.

During the year the following transactions occurred between Redkite and its Directors

	2022 \$'000s	2021 \$'000s
Donations received	8	8
Event tickets and auction items sold	1	0

(b) Key management personnel remuneration

	Short-term benefits \$'000s	Superannuation contributions \$'000s	Non-cash Benefits \$'000s	Total \$'000s
Gross remuneration paid to key management personnel - 2022	1,125	116	1	1,242
Gross remuneration paid to key management personnel - 2021	1,002	99	1	1,102

(c) Transactions with Other Related Parties

During the year the following transactions occurred between Redkite and other related parties associated with the Directors

	2022 \$'000s	2021 \$'000s
Purchase of goods	75	94
Donations received	3	3
Grants received	44	-

One Director was a Partner at Herbert Smith Freehills for part of the financial year, who provides Redkite with pro bono legal services.

Transactions between related parties are on normal commercial terms and conditions are no more favourable than those available to other persons, unless service is provided free.

(d) Outstanding balances with other related parties

There were no outstanding payables or receivables at 31 December 2022 in relation to transactions with related parties.

19. Auditor remuneration

The audit of Redkite is completed on a pro-bono basis, the value of which is \$40,000. (2021: \$38,000)

20. Events subsequent to reporting date

Redkite was not aware of any events that have occurred after reporting date that are of such significance that they need to be disclosed or recognised in the financial statements.

21. Contingent liabilities and assets

There were no contingent liabilities or contingent assets as at 31 December 2022.