

# Redkite

(A Company Limited by Guarantee)

ACN: 104 710 787

Financial Report for the period 1 January 2020 to 31 December 2020

## CONTENTS

STATUTORY FINANCIAL REPORT	PAGE
Directors Report	2 - 10
Auditor's Independence Declaration	11
Director's Declaration	12
Independent Auditor's Report	13 - 15
Statement of Profit and Loss and Other Comprehensive Income	16
Statement of Financial Position	17
Statement of Changes in Equity	18
Statement of Cash Flows	18
Notes to the Financial Statements	19 - 27

The Directors present their report on the Company for the financial year ended 31 December 2020.

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

- Ms Jennifer Horrigan (Chair) (resigned as Chair 12 May 2021)
- Mr Mark Rigotti (appointed Chair 12 May 2021)
- Mr Bruce Morgan
- Ms Sarah Goodman
- Mr Joost de Kock
- Mr Mark Rigotti
- Mr Alex Scandurra
- Mr Stephen Conry
- Dr Robert Every AO. (resigned 8 December 2020)
- Mr Adam Spencer (resigned 8 December 2020)
- Ms Teresa Engelhard (resigned 27 February 2020)
- Mr Brian Murphy (appointed 27 October 2020)
- Ms Georgie Gardner (appointed 2 March 2021)

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.

On 24 February 2020, Redkite communicated its intention to extend the range and reach of support for children with cancer (0–18-year-olds) and their families by focusing support to this age group from 2021 onwards. The Youth Cancer Services is now well established to support young adults aged 19-24 and Redkite successfully transitioned its young adult's support services during 2020.

### **2020 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 surplus from continuing operations amounted to a deficit of \$452,480 (2019 surplus: - \$274,647).

### **Review of operations**

During 2020 Redkite successfully continued its partnership with a national supermarket group to raise awareness of the Company, increase fundraising income and bridge the gap in support to children, young people and their families. In 2020, Redkite supported nearly 2400 families and more than 3500 individuals. Whilst this was a decrease of 6% from 2019, it reflects the transition to focusing on the 0-18-year age group (rather than 0-25 years), with a 3% increase in families supported with a child under 18. Redkite also continued its investment in its fundraising strategy, focusing on individual donors and digital initiatives during 2020.

The consequences of the Coronavirus (COVID-19) pandemic are continuing to be felt around the world, and its impact on Redkite has been reflected in its results for the current year, with reduced corporate support and fundraising events revenue and the receipt of Government support through JobKeeper.

### **Post balance date events**

Whilst it would appear that control measures and related government policies for the COVID-19 pandemic, including the roll out of the vaccine, have started to mitigate the risks caused by COVID-19, it is not possible at this time to state that the pandemic will not subsequently impact Redkite's operations going forward. Redkite now has experience in the swift implementation of business continuation processes should future lockdowns of the population occur, and these processes continue to evolve to minimise any operational disruption. Management continues to monitor the situation.

No other matter or circumstance has arisen since 31 December 2020 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: Ms Jennifer Horrigan (Chairman)**

Appointed Director: 19th April 2011 (Resigned 12<sup>th</sup> May 2021 – end of term)

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

Experience: 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: Non-Executive Director of APN Funds Management Limited (including APN Industria REIT (ASX: ADI) and APN Convenience Retail REIT (ASX: AQR), A2B Limited (ASX: A2B), Yarra Funds Management Limited and QV Equities (ASX: QVE). Former director of Generation Healthcare REIT (ASX: GHC).

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

### **Name: Mr Mark John Rigotti**

Appointed Director: 23rd April 2010

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

Experience: Immediate Past Global CEO of Herbert Smith Freehills; Commercial Law (Herbert Smith Freehills Partner, Banking & Finance); Member of Business Council of Australia; Member European Australian Business Council; member 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, Director Australia Korea Business Council

Special Responsibilities: None

### **Name: Mr Bruce William Distin Morgan**

Appointed Director: 22nd April 2013

Qualifications: B Comm UNSW FCA FAICD, Adjunct Professor UNSW

Experience: Formerly the Chairman 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: Chairman of Sydney Water Corporation and Transport Asset Holding Entity (TAHE), Director of Origin Energy Limited, the University of NSW Foundation and the European Australian Business Council and a former Director of Caltex.

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

### **Name: Ms Sarah Goodman**

Appointed Director: 19th April 2011

Qualifications: GAICD, LLB (UNSW)

Experience: 22 years senior executive experience in strategic regulatory policy, risk management and governance, gained in four large financial services groups and in two Australian financial services

regulators. 13 years' experience as member of advisory panels to various Australian regulators, including ASIC, AUSTRAC, Privacy Commissioner, CFR, et al.

Directorships held in other entities: Over 20 years' experience as Company Director with agile challenger brands and with major operating subsidiaries in listed financial services groups. Previously a director of several large NFPs, some of which were Workventures Ltd; Eastern Suburbs Rental Housing Association Ltd; Granma's Youth Refuge Ltd.

Special Responsibilities: Chair 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: Deputy Secretary Customer Strategy and Technology at Transport for NSW  
Previously General Manager Enterprise Transformation with the Australian Government Department of Human Services. Former Partner and Managing Director of the Boston Consulting Group (Sydney). Formerly 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

**Name: Mr Alex Scandurra**

Appointed Director: 20th July 2017

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

Experience: Currently 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: 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: None

**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: International Director and CEO Australia and New Zealand, JLL.

Directorships held in other entities: Immediate past President and Board member of the Property Council of Australia and Director of JLL Australia

Special Responsibilities: None

**Name: Dr Robert Every AO**

Appointed Director: 5th July 2016 (Resigned 8<sup>th</sup> December 2020 – end of term)

Qualifications: B Science (Hon), Doctor of Philosophy

Experience: Formerly Chairman of Wesfarmers Limited and Boral Limited and a Director of Cricket Australia. Past roles include CEO of Steel & Tube Holdings Ltd NZ, MD & CEO of Tubemakers, President of BHP Steel, MD & CEO of OneSteel, in addition to being a Patron and past Chairman of Redkite. Awarded a Centenary Medal and an Order of Australia.

Directorships held in other entities: Director of Gresham Partners Holdings Limited and chairman of the WACA Foundation.

Special Responsibilities: None

**Name: Mr Adam Barrington Spencer**

Appointed Director: 17th December 2013 (Resigned 8<sup>th</sup> December 2020 – end of term)

Qualifications: BA Pure Mathematics Hons1; Doctor of Science Honoris Causa, Edith Cowan University

Experience: Fellow of the Senate of The University of Sydney (1993 to 1995 and 2001 to 2008); 15-year radio career at the ABC on 702 and Triple J to Dec 2013; ambassador for Mathematics & Science at the University of Sydney; an international keynote speaker (TED); an in-demand MC & conference speaker and a successful author.

Directorships held on other entities: Director Adam Spencer Enterprises.

Special Responsibilities: Redkite Corporate Quiz Master of Ceremonies (2003 to date) and one of Redkite's most high profile and dedicated ambassadors.

**Name: Ms Teresa Engelhard**

Appointed Director: 28th February 2017 (Resigned 27 February 2020)

Qualifications: B.S. in Engineering and Applied Science (Caltech), MBA (Stanford University Graduate School of Business), Graduate (AICD)

Experience: Executive roles in Silicon Valley technology sector include CEO, GM and VP Marketing; in Venture Capital a Managing Partner at Jolimont Capital (Melbourne) and Principal Investor at MDV (California); Consulting at McKinsey & Company (Los Angeles, California)

Former Directorships: RedBubble (ASX:RBL), Planet Innovation, Entrepreneurs' Programme Committee (Australian Government), Daintree Networks.

Directorships held in other entities: Non-Executive Director of Origin Energy (ASX:ORG), WiseTech Global (ASX: WTC), StartupAUS.

Special Responsibilities: None

**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: None

**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 and Raise.

Special Responsibilities: Ambassador for Redkite since 2000

**Meetings of Directors**

The number of Directors meetings held and attended by each of the Directors of the Company during 2020 was:

Name of Director	DIRECTORS MEETINGS	
	Number Eligible to Attend	Number Attended
Ms Jennifer Horrigan (Chair)	7	7
Mr Bruce Morgan	7	7
Ms Sarah Goodman	7	6
Mr Joost De Kock	7	7
Mr Mark Rigotti	7	5
Mr Alex Scandurra	7	3
Mr Stephen Conry	7	7
Dr Robert Every	7	5
Mr Adam Spencer	7	5
Ms Teresa Engelhard	1	0
Mr Brian Murphy	2	2

**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 31st December 2020 the total amount that members of the Company are liable to contribute if the company is wound up is \$100 (2019: \$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 is to be reviewed every 3 years and was last reviewed and updated on 10 December 2019.

## **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 9, 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 Chairman 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 particular aspects of the Company's operations and administration. The Board Committees comprise the Risk and Audit Committee, Remuneration Committee, Investment Committee and also a Nomination Committee which may be convened as and when required to recommend the appointment of Directors including the next chairman.

### **Risk and Audit Committee**

The members of this Committee during the year comprised Ms Sarah Goodman (Chair), Mr Bruce Morgan and Ms Jennifer Horrigan (Ex Officio) as Directors together with Mr Jonathon Dooley as an external advisor. 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:

<b>Name of Director</b>	<b>Number Eligible to Attend</b>	<b>Number Attended</b>
Ms Sarah Goodman (Chair)	4	4
Ms Jennifer Horrigan (Ex Officio)	4	3
Mr Bruce Morgan	4	4
Mr Jonathon Dooley (external advisor)	4	4

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 Committee**

The members of this Committee during the year comprised Ms Jennifer Horrigan (Chair), Mr Bruce Morgan and Ms Sarah Goodman 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:

<b>Name of Director</b>	<b>Number Eligible to Attend</b>	<b>Number Attended</b>
Ms Jennifer Horrigan (Chair)	1	1
Ms Sarah Goodman	1	1
Mr Bruce Morgan	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.

### **Investment Committee**

The members of the Committee during the year comprised Mr Joost de Kock (Chair) and Ms Jennifer Horrigan as Director's together with Mr Geoff Brunson, 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:

<b>Name of Director</b>	<b>Number Eligible to Attend</b>	<b>Number Attended</b>
Mr Joost De Kock (Chair)	6	6
Ms Jennifer Horrigan	6	6
Mr Geoff Brunson (External Advisor)	6	3
Ms Helen Sewell (External Advisor)	6	5
Mr Mark Palmer (External Advisor)	6	6
Dr Don Stammer (External Advisor)	6	4

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.

**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, young people 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**

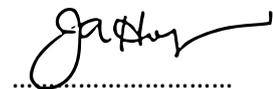
Redkite undertakes its fundraising from appeals (Fundraising Appeals), the collection of voluntary donations and sponsorships from individuals, charitable foundations and corporate donors (Donations), the receipt of bequests that support either specific activities or the general activities of the Company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

Redkite does not receive government funding, rather Redkite seeks to raise 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 2020 has been received and can be found on the following page.

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



Jennifer Horrigan  
Director

Dated this 24<sup>th</sup> day of May 2021

24 May 2021

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 2020, 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



**Crowe Sydney**



**Barbara Richmond**  
Partner

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 the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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. Liability limited by a scheme approved under Professional Standards Legislation.

## Directors' Declaration

### Requirements per Charitable Fundraising Act 1991

The Directors of the Company declare that:

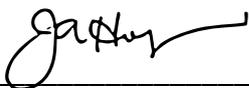
- a) the financial statements give a true and fair view of all income and expenditure of the Company with respect to fundraising appeals;
- b) the statement of financial position gives a true and fair view of the state of affairs with respect to Financial Report for the period 1 January 2020 to 31 December 2020
- 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 - Reduced Disclosure Requirements and other mandatory professional requirements; and
  - b) give a true and fair view of the financial position as at 31 December 2020 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.



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Jennifer Horrigan  
Director

Dated this 24<sup>th</sup> day of May 2021

# Independent Auditor's Report to the Members of Redkite

## Report on the Audit of the Financial Report

### Qualified Opinion in respect of fundraising income

We have audited the financial report of Redkite, which comprises the statement of financial position as at 31 December 2020, the statement of profit and loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, except for the possible effects on the financial statements of the matter described in the Basis for Qualified Opinion paragraph, the financial report of Redkite is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a. giving a true and fair view of the company's financial position as at 31 December 2020 and of its performance and cash flows for the year then ended; and
- b. complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

In addition, and with reference to the Charitable Fundraising Act 1991:

- a. the Financial Report gives a true and fair view of the Redkite's financial result of fundraising appeal activities for the financial year ended 31 December 2020;
- b. the Financial Report has been properly drawn up, and the associated records have been properly kept for the period from 1 January 2020 to 31 December 2020, in accordance with the Charitable Fundraising Act (NSW) 1991 and Regulations;
- c. money received as a result of fundraising appeal activities conducted during the period from 1 December 2020 to 31 December 2020 has been properly accounted for and applied in accordance with the Charitable Fundraising Act (NSW) 1991 and Regulations; and
- d. there are reasonable grounds to believe that Redkite will be able to pay its debts as and when they fall due.

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 the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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. Liability limited by a scheme approved under Professional Standards Legislation.

## Basis for Qualified Opinion

As is common for organisations of this type, it is not practical for Redkite to maintain an effective system of internal control over cash donations and other fundraising activities until their initial entry in the accounting records. Accordingly, our audit in relation to fundraising was limited to the amounts disclosed.

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 Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

## Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's financial report for the year ended 31 December 2020, 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 of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

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, the auditor exercises professional judgement and maintains 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 Entity's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management'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 Entity'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 Entity 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 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

Dated 24 May 2021

REDKITE  
ACN 104 710 787  
STATEMENT OF PROFIT AND LOSS  
AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	31-Dec-20 \$	31-Dec-19 \$
Revenue from fundraising activities	2	10,715,207	13,311,261
Direct costs of fundraising		(1,290,767)	(1,567,401)
Administrative expenses attributed to fundraising		(2,774,247)	(2,811,091)
Net revenue from fundraising appeals		<b>6,650,193</b>	<b>8,932,769</b>
Other revenue	2	2,338,601	595,283
Grants and services provided		(8,071,000)	(8,142,230)
Salaries and wages not directly attributable to fundraising and services		(825,577)	(665,216)
Administration expenses		(549,555)	(445,959)
<b>NET SURPLUS/(DEFICIT) FROM CONTINUING OPERATIONS</b>		<b><u>(457,338)</u></b>	<b><u>274,647</u></b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that may not be reclassified subsequently to Profit and Loss			
Transfer to retained earnings on sale of investments		(154,312)	(261,469)
Net gain/(loss) on revaluation of investments		159,170	1,301,552
<b>TOTAL COMPREHENSIVE SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b><u>(452,480)</u></b>	<b><u>1,314,730</u></b>

The accompanying notes form an integral part of these accounts.

REDKITE  
ACN 104 710 787  
STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	31-Dec-20 \$	31-Dec-19 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	2,284,853	2,304,690
Receivables and other current assets	6	326,219	309,453
Other assets	7	407,165	269,842
<b>TOTAL CURRENT ASSETS</b>		<b><u>3,018,237</u></b>	<b><u>2,883,985</u></b>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment	8	481,136	451,278
Financial assets	9	12,856,945	12,252,212
Lease - Right of Use Asset	9A	2,640,978	2,664,366
<b>TOTAL NON-CURRENT ASSETS</b>		<b><u>15,979,059</u></b>	<b><u>15,367,856</u></b>
<b>TOTAL ASSETS</b>		<b><u>18,997,296</u></b>	<b><u>18,251,840</u></b>
<b>CURRENT LIABILITIES</b>			
Short-term payables	10	732,040	1,569,486
Deferred revenue	10	1,000,000	0
Short-term provisions	11	1,042,442	287,259
Lease - rent liability	11A	434,076	418,964
<b>TOTAL CURRENT LIABILITIES</b>		<b><u>3,208,558</u></b>	<b><u>2,275,709</u></b>
<b>NON CURRENT LIABILITIES</b>			
Long-term provisions	11	58,416	38,615
Lease - non-current liability	11A	2,462,418	2,371,444
<b>TOTAL NON CURRENT LIABILITIES</b>		<b><u>2,520,834</u></b>	<b><u>2,410,059</u></b>
<b>TOTAL LIABILITIES</b>		<b><u>5,729,392</u></b>	<b><u>4,685,768</u></b>
<b>NET ASSETS</b>		<b><u>13,267,904</u></b>	<b><u>13,566,072</u></b>
<b>EQUITY</b>			
Accumulated surplus	12	11,002,732	11,305,758
Financial asset reserve	13	2,265,172	2,260,314
<b>TOTAL EQUITY</b>		<b><u>13,267,904</u></b>	<b><u>13,566,072</u></b>

The accompanying notes form an integral part of these accounts.

REDKITE  
ACN 104 710 787  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Revaluation Reserve \$	Accumulated Surplus \$	Total \$
<b>Balance at 31 December 2018</b>		1,220,231	6,943,736	<b>8,163,967</b>
Adjustment on transition to AASB 15 (Note 1)			3,825,906	3,825,906
<b>Restated 1 January 2019</b>		1,220,231	10,769,642	<b>11,989,873</b>
Surplus for the year		-	274,647	274,647
Transfer to Retained Earnings on sale of investments	12	(261,469)	261,469	-
Revaluation increment for the year		1,301,552	-	1,301,552
<b>Balance at 31 December 2019</b>		<b>2,260,314</b>	<b>11,305,758</b>	<b>13,566,072</b>

Note 1 - The company reassessed all revenue streams and determined that certain revenue arrangements did not contain sufficiently precise performance obligations as defined under AASB 15-Revenue from Contracts with Customers. As a result, deferred revenue associated with these revenue arrangements amounting to \$3,825,906 has been adjusted against retained earnings on date of transition.

	Note	Financial Asset Reserve \$	Accumulated Surplus \$	Total \$
<b>Balance at 31 December 2019</b>		<b>2,260,314</b>	<b>11,305,758</b>	<b>13,566,072</b>
Surplus for the year		-	(457,338)	(457,338)
Transfer to Retained Earnings on sale of investments	12	(154,312)	154,312	-
Revaluation increment for the year		159,170	-	159,170
<b>Balance at 31 December 2020</b>		<b>2,265,172</b>	<b>11,002,732</b>	<b>13,267,904</b>

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	31-Dec-20 \$	31-Dec-19 \$
<b>Cash flows from operating activities</b>			
Net receipts from fundraising activities		9,740,598	12,518,088
Net receipts from donations		2,230,165	1,215,263
Grants and services provided		(8,396,176)	(8,114,618)
Payments for creditors, fundraising, administration and staffing		(5,299,645)	(6,405,359)
Interest received		8,290	20,429
Government revenue - COVID19 related		1,656,974	
<b>Net cash provided by/(used in) operating activities</b>		<b>(59,794)</b>	<b>(766,196)</b>
<b>Cash flows from investing activities</b>			
Dividends/trust distribution received		554,592	616,324
Payment for purchase of fixed assets		(169,076)	(35,355)
Payment for purchase of investments		(3,423,650)	(3,959,492)
Cash from sale of investments		3,078,089	4,601,424
<b>Net cash provided by/(used in) investing activities</b>		<b>39,955</b>	<b>1,222,900</b>
<b>Net increase/(decrease) in cash held</b>		<b>(19,839)</b>	<b>456,704</b>
Cash at beginning of financial year		2,304,692	1,847,988
<b>Cash at end of financial year</b>	5	<b>2,284,853</b>	<b>2,304,692</b>

The accompanying notes form an integral part of these accounts.

**REDKITE**  
**ACN 104 710 787**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**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 - Reduced Disclosure Requirements 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.

In 2020 the company adopted AASB 2020-4 - Amendments to Australian Accounting Standards - COVID-19 - Related Rent Concessions, which is an amendment to AASB 16 - Leases.

*Impact of adoption of AASB 2020-4: Amendment to AASB 16*

This Standard amends AASB 16 to provide a practical expedient that permits lessees not to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications.

The company has applied this standard to all Redkite rent concessions, being rent waivers and deferrals received due to COVID-19, with the exception of the Sydney office lease. The Sydney office lease concessions did not meet the conditions of AASB 2020-4 due to other substantive changes in the lease terms, being an extension of the lease term by one year and also an extension of the option by one year.

**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.

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) Taxes**

**Income Tax**

The Company was endorsed on 1 July 2000 by the ATO as an income tax exempt charity.

**Fringe Benefits Tax**

The Company, as a public benevolent institution, was exempt from fringe benefits tax under Section 57A Fringe Benefits Tax Assessment Act 1986. Grossed up value of specified fringe benefits to individual employees has been included on each employee's Statement of Earnings as required by law. From 1 April 2001 this exemption ceased for certain fringe benefits paid to employees in excess of \$30,000 grossed up value for each employee.

**Capital Gains Tax**

The Company, as a public benevolent institution, is exempt from capital gains tax under Section 50-5, Income Tax Assessment Act 1997.

**Payroll Tax**

The Company, as a public benevolent institution, is exempt from payroll tax under Section 10 (1) (a2), Payroll Tax Act 1971.

**Stamp duties and charges**

The Company, as a public benevolent institution and the holder of an Authority to fundraise under the Charitable Fundraising Act 1991 has a general exemption from paying stamp duty and charges.

**Goods and Services Tax**

The Company, as a public benevolent institution is registered for GST applicable from 1 July 2000. Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

**(b) 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 accounts for 2020 and 2019.

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 the donation or bequest is received.

**REDKITE**  
**ACN 104 710 787**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**(c) Disposal of Surplus**

**Annual Surplus**

Rule 4 of 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.

**Surplus on Liquidation**

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 upon the winding up of the Company must be applied, to the extent practicable, to the objects or purposes for which they were raised.

**(d) 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 lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

**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.

**Other payroll liabilities**

Other payroll liabilities are estimated based on the number of employees who are covered by an industrial agreement.

**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.

Sydney office - 6 yrs with option for 4 yrs	Aug2018 - Jul2024
Melbourne office - 5 yr option exercised	Oct2019 - Sep2024
Brisbane office - 3 yr option exercised	Apr2019 - Mar2022
Perth office - 3yr option exercised	Mar2019 - Feb2022

**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.

Rate quoted by Westpac bank - applied to lease terms: 5.40%

**REDKITE**  
**ACN 104 710 787**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	31-Dec-20	31-Dec-19
	\$	\$
<b>2. REVENUE</b>		
<b>Operating activities</b>		
Fundraising appeals	9,669,665	12,095,998
Donations and bequests	<u>1,045,542</u>	<u>1,215,263</u>
	<u>10,715,207</u>	<u>13,311,261</u>
<b>Non-operating activities</b>		
Dividends received - other corporations	571,358	574,854
Interest received - other corporations	8,290	20,429
AASB16 adjustment from rent concessions	101,979	0
Government revenue - COVID19 related	<u>1,656,974</u>	<u>0</u>
Total other income	<u>2,338,601</u>	<u>595,283</u>

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.

*Donation and other revenue*

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

**3. AUDITORS REMUNERATION**

The audit of Redkite is completed on a pro-bono basis, the value of which is \$32,000

**4. INFORMATION AND DECLARATIONS TO BE FURNISHED UNDER THE CHARITABLE FUNDRAISING ACT, 1991**

**(a) Fundraising Income and Expenses**

	31-Dec-20	31-Dec-19
	\$	\$
<b>Details of aggregate gross income and total expenses in Fundraising appeals</b>		
Excludes bequests		
Gross proceeds from Fundraising appeals	10,550,207	13,291,261
Less: Total direct costs of Fundraising	<u>-1,290,767</u>	<u>-1,567,401</u>
Net surplus from Fundraising	9,259,440	11,723,860

**Information on material matters**

Gross results achieved the target returns under the Charitable Fundraising Act.

**(b) Statement showing how Funds Received were applied to Charitable Purposes**

During the year the Company received net income of \$9,259,440 (2019: \$11,723,860) from Fundraising appeals as defined under the Charitable Fundraising Act excluding indirect overheads. Including indirect overheads, net income from Fundraising appeals was \$6,596,820 (2019: \$8,912,769). The Company also received \$165,000 (2019: \$20,000) from bequests.

Of this, the Company spent \$8,071,000 on grants and services as follows: \$2,027,814 on financial grants and support to families, \$2,191,066 on emotional support programs including the funding of social workers and counsellors, \$492,743 on music therapy, \$517,186 on educational support and grants, \$38,360 on community support and projects and \$2,803,831 on direct expenses to support these grants and services.

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

**REDKITE**  
**ACN 104 710 787**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**4. INFORMATION AND DECLARATIONS TO BE FURNISHED UNDER THE CHARITABLE FUNDRAISING ACT, 1991 CONTINUED**

**(c) Fundraising Conducted Jointly with Traders**

The Company engaged in fundraising activities that were conducted jointly with traders in year ended 31 December 2020. These fundraising activities were conducted with the following traders: Go Fundraise, Good2Give and EveryDay Hero.

**(d) Fundraising Appeals as Classified by the Charitable Fundraising Act conducted during the Financial Year**

The Company engaged in the following activities throughout the year in order to raise revenue: Raise for Redkite Online Auction, two Appeals during the year, and we are also the nominated charity for various events throughout the year.

<b>Redkite Led Events</b>	<b>Month of Activity</b>
Tax Appeal	May/June
Christmas Appeal	November/December

**(e) Monetary figures and percentages**

	<b>31-Dec-20</b>	<b>31-Dec-20</b>	<b>31-Dec-19</b>	<b>31-Dec-19</b>
<b>Comparisons</b>				
Fundraising income as defined by the Charitable Fundraising Act, excludes bequests.				
Direct Cost of Fundraising/	1,290,767	12%	1,567,401	12%
Gross Income from Fundraising	10,550,207		13,291,261	
Net Surplus from Fundraising/	9,259,440	88%	11,723,860	88%
Gross Income from Fundraising	10,550,207		13,291,261	
Total Grant and Services Provided/	8,071,000	85%	8,142,230	88%
Total Expenditure (excluding Fundraising)	9,446,132		9,253,405	
Total Grant and Services Provided/	8,071,000	62%	8,142,230	59%
Total Income Received	13,053,808		13,906,544	
Total Grant and Services Provided/	8,071,000	87%	8,142,230	69%
Net Revenue from Fundraising Activities	9,259,440		11,723,860	
Gross comparisons including Fundraising revenue not covered by the Charitable Fundraising Act, bequests, and including indirect expenses.				
Total cost of all Fundraising/	4,065,014	38%	4,378,492	33%
Gross proceeds from all Fundraising	10,715,207		13,311,261	
<b>Total grant and services provided/</b>	<b>8,071,000</b>	<b>121%</b>	<b>8,142,230</b>	<b>91%</b>
<b>Net proceeds from all Fundraising</b>	<b>6,650,193</b>		<b>8,932,770</b>	

Total cost of all Fundraising includes administrative costs such as salaries, promotions, rent and office costs that are attributed to fundraising activities.

REDKITE  
ACN 104 710 787  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

	31-Dec-20	31-Dec-19
<b>5. CASH AND CASH EQUIVALENTS</b>		
Cash on hand	610	610
Cash at bank	2,284,243	2,304,080
Short-term bank deposits	<u>-</u>	<u>-</u>
	<u>2,284,853</u>	<u>2,304,690</u>

Short term deposits include cash of \$600,204 (2019: \$185,731) which represents the Johanna Sewell Reserve Fund. The effective interest rate on short-term bank deposits was between to 0.5 - 2.5%. These deposits have an average maturity of 3-6 months.

	31-Dec-20	31-Dec-19
	\$	\$
<b>6. RECEIVABLES AND OTHER CURRENT ASSETS</b>		
<b>Current</b>		
Sundry debtors	56,098	39,332
Bonds & deposits	<u>270,121</u>	<u>270,121</u>
	326,219	309,453

**(i) 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 2020 and 2019.

	31-Dec-20	31-Dec-19
	\$	\$
<b>7. OTHER ASSETS</b>		
<b>Current</b>		
Prepayments	359,115	139,407
Other Assets	<u>48,050</u>	<u>130,435</u>
	407,165	269,842

	31-Dec-20	31-Dec-19
	\$	\$
<b>8. PLANT AND EQUIPMENT</b>		
Office equipment at cost	527,838	500,479
Less accumulated depreciation	<u>(477,990)</u>	<u>(446,489)</u>
	49,848	53,990
Leasehold improvements at cost	608,968	608,968
Less accumulated depreciation	<u>(283,216)</u>	<u>(226,123)</u>
	325,752	382,845
Intangible assets at cost	175,602	33,884
Less accumulated depreciation	<u>(70,066)</u>	<u>(19,441)</u>
	105,536	14,443
Total Plant and Equipment	<u>481,136</u>	<u>451,278</u>

**Movements in Carrying Amounts**

	Office Equipment \$	Leasehold Improvements \$	Intangible Assets \$
Balance at beginning of year	53,990	382,845	14,443
Additions at cost for the year	27,358	-	141,718
Depreciation expense	<u>(31,500)</u>	<u>(57,093)</u>	<u>(50,625)</u>
Carrying amount at end of year	<u>49,848</u>	<u>325,752</u>	<u>105,536</u>

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 by directors 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 depreciation/amortisation rates used for each class of assets are:

Class of fixed assets	Depreciation/Amortisation Rate
Office Equipment	33%
Intangible assets	33%
Leasehold Improvements	33%

REDKITE  
ACN 104 710 787  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

31-Dec-20  
\$

31-Dec-19  
\$

9. FINANCIAL ASSETS (NON-CURRENT)

Equity Investments

Managed investments	3,072,999	3,163,210
Shares - listed investments	9,783,946	9,089,002
<b>Total financial assets</b>	<b>12,856,945</b>	<b>12,252,212</b>

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 \$6,216,384 (2019:\$5,571,146) which represent the Johanna Sewell Reserve Fund Investments.

9A. LEASE - RIGHT OF USE ASSET

	31-Dec-20 \$	31-Dec-19 \$
<b>Right of Use Asset</b>		
<i>Cost</i>		
Opening (restated) balance	2,664,366	3,173,573
Adjusted for NSW lease extension in 2020	483,436	
	<u>3,147,802</u>	<u>3,173,573</u>
<i>Amortisation</i>		
Opening balance		-
Charge for year	(506,824)	(509,207)
Closing balance	<u>(506,824)</u>	<u>(509,207)</u>
Net book value	<u>2,640,978</u>	<u>2,664,366</u>

Right-Of-Use Assets

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.

The company 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.

10. PAYABLES - Current

	31-Dec-20 \$	31-Dec-19 \$
<b>Unsecured liabilities</b>		
Trade creditors	42,124	41,850
Deferred income	1,000,000	0
Accrued expenses	689,916	1,527,636
	<u>1,732,040</u>	<u>1,569,486</u>
Less deferred income	1,000,000	0
<b>Total financial liabilities, short term payables</b>	<b>732,040</b>	<b>1,569,486</b>

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.

REDKITE  
ACN 104 710 787  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

11. PROVISIONS

	31-Dec-20 \$	31-Dec-19 \$
<b>Current liabilities</b>		
Employee entitlements	352,442	287,259
Other payroll liabilities	690,000	-
	<u>1,042,442</u>	<u>287,259</u>
<b>Non-current liabilities</b>		
Employee entitlements	<u>58,416</u>	<u>38,615</u>

At 31 December 2020 there were 65 Redkite employees.

*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 Company'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 and annual 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.

*Other Payroll Liabilities*

Other payroll liabilities provision is an estimate for potential unintended underpayments for an estimated number of employees covered by a payroll award, reflecting the complexity of the modern award system.

11A. LEASE LIABILITY

	\$	\$
Lease Liability - Current	434,076	418,964
Lease Liability - Non Current	2,462,418	2,371,444
	<u>2,896,494</u>	<u>2,790,408</u>

**Lease Liabilities**

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.

REDKITE  
ACN 104 710 787  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

	31-Dec-20 \$	31-Dec-19 \$
<b>12. ACCUMULATED SURPLUS</b>		
Accumulated Surplus at beginning of the year	11,305,758	6,943,736
Excess/(deficit) of Revenue over Expenses	(457,338)	274,647
Transfer of revaluation gains on sale of investments	154,312	261,469
Adjustment on transition to AASB 15 (Note 1)	0	3,825,906
Accumulated Surplus at end of year	<u>11,002,732</u>	<u>11,305,758</u>

Note 1 - 31 Dec 2019: The company reassessed all revenue streams and determined that certain revenue arrangements did not contain sufficiently precise performance obligations as defined under AASB 15-Revenue from Contracts with Customers. As a result, deferred revenue associated with these revenue arrangements amounting to \$3,825,906 has been adjusted against retained earnings on date of transition.

An amount of \$2,000,000 was bequested to the Malcolm Sargent Cancer Fund for Children (WA) during the year ended 30 June 2001 and forms the foundation of the Johanna Sewell Bequest Reserve. This reserve, which reflects restricted funds, is accounted for and managed as a separate reserve in accordance with the terms of the bequest.

**Johanna Sewell Bequest Reserve included in accumulated surplus shown above:**

Accumulated surplus at beginning of year	4,203,427	4,179,225
Deficit of revenue over expenses	(57,089)	(57,401)
Transfer to General Funds		
Transfer between revaluation reserves and retained earnings on sale of assets	145,201	81,603
Accumulated surplus at end of year	<u>4,291,539</u>	<u>4,203,427</u>
	<u>2,265,172</u>	<u>2,260,314</u>

**13. 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 (eg equities) are recognised in other comprehensive income and accumulated in a separate reserve within equity. Per Redkite's Investment Policy, the preferred level of investment (at market value) is equal to 6 months, up to 12 months of total operating expenditure as budgeted for the ensuring year with a minimum of 4 months (at market value) total operating expenditure. Increases in the market value of General Funds above this 12 month benchmark will prompt a review of services and fundraising activities.

**14. FINANCIAL RISK MANAGEMENT**

The Company'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	31-Dec-20 \$	31-Dec-19 \$
<b>Financial Assets</b>			
Cash and cash equivalents	5	2,284,853	2,304,690
Financial assets measured at amortised cost	6	326,219	309,453
Equity Investments at fair value			
- managed investments	9	3,072,999	3,163,210
- shares in listed corporations	9	9,783,946	9,089,002
<b>Total Financial Assets</b>		<u>15,468,017</u>	<u>14,866,355</u>

**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 the Company 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.

**REDKITE**  
**ACN 104 710 787**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**15. RELATED PARTY TRANSACTIONS**

	<b>31-Dec-20</b>	<b>31-Dec-19</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Transactions with Directors</b>		
No Directors have received or are due to receive any remuneration.		
During the year the following transactions occurred between the Company and its Directors		
Donations received	8,065	24,019
Event tickets and auction items sold	500	23,600

**(b) Key Management Personnel Remuneration**

	Short-term benefits \$	Superannuation Contributions \$	Non-cash Benefits \$	Total \$
Gross remuneration paid to key management personnel - 2020	978,023	102,263	1,300	1,081,586
Gross remuneration paid to key management personnel - 2019	930,454	85,521	1,300	1,017,275

**(c) Transactions with Other Related Parties**

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

Purchase of goods	66,506	68,142
Donations received	4,614	2,773
Event tickets and auction items sold	-	27,500

One Director is a Partner at Herbert Smith Freehills, who provides the Company 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**

	<b>31-Dec-20</b>	<b>31-Dec-19</b>
	<b>\$</b>	<b>\$</b>
The following balances are outstanding at 31 December 2020 in relation to transactions with related parties:		
Payables	-	-
Receivables	-	-

**16. EVENTS SUBSEQUENT TO REPORTING DATE**

Whilst it would appear that control measures and related government policies for COVID-19 pandemic, including the roll out of the vaccine, have started to mitigate the risks caused by COVID-19, it is not possible at this time to state that the pandemic will not subsequently impact Redkite's operations going forward. Redkite now has experience in the swift implementation of business continuation processes should future lockdowns of the population occur, and these processes continue to evolve to minimise any operational disruption. Management continues to monitor the situation.

No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect Redkite, the results of those operations, or Redkite's state of affairs in future financial years

**17. CONTINGENT LIABILITIES AND ASSETS**

The company had no contingent liabilities or contingent assets as at 31 December 2020 and 2019.