



# FINANCIAL REPORT

for the year ended 31 December 2023

Redkite  
ABN: 65 104 710 787



# Financial Report

for the period 1 January 2023 to 31 December 2023

<b>Contents</b>	<b>Page</b>
Directors' Report	3
Auditor's independence declaration	13
Directors' declaration	14
Independent auditor's report	15
Statement of profit or loss and other comprehensive income	18
Statement of financial position	19
Statement of changes in equity	20
Statement of cash flows	20
Notes to the financial statements	21

The Directors present their report on the Company for the financial year ended 31 December 2023.

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

- Mr Mark Rigotti (Chair)
- Mr Joost de Kock (resigned end of term 5 March 2024)
- Mr Alex Scandurra
- Mr Stephen Conry (resigned end of term 5 March 2024)
- Dr Brian Murphy
- Ms Georgie Gardner
- Dr Chris Milross
- Ms Deanne Stewart
- Mr Jonathan Dooley
- Dr Bronte Adams (appointed 11 October 2023)
- Mr Craig Dunn (appointed 5 June 2024)

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.

### **2023 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 \$0.823m (2022 deficit of \$1.169m).

A strategic deficit was planned in 2023 to accelerate our strategy supporting families and infrastructure investments for technology change to both support strategy and to create operational efficiencies. The actual deficit of \$0.823m was lower than the planned budget deficit of \$0.998m.

### **Review of operations**

The consequences of the cost-of-living challenges that many are facing are continuing to have an impact on Redkite, for both the families that we support and our donors.

During 2023 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.

Despite the continued challenging funding environment in 2023 we have had another successful year in continuing to provide much needed support to families facing childhood cancer. In 2023 Redkite directly supported approximately 2,090 families facing childhood cancer and 2,850 individuals. A 10%, and 19% increase respectively for families and individuals supported in 2022.

In 2023 Redkite celebrated 40 years of providing critical non-medical support – emotional, financial and practical – to families facing childhood cancer. A key focus in 2023 was on new initiatives and improvements to our online offerings, primarily our *myRedkite* online support portal and Redkite’s library of information and resources. This work was about empowering families to self-serve and easily access the services and information necessary to navigate the challenges of childhood cancer, seeing scalability and increased reach of our support to more individuals and families.

Redkite also continued to develop the Child and Youth Cancer Alliance with partners Canteen and Camp Quality, with the 2023 focus of the Cancer Hub Service in its first full year of operation.

#### **Post balance date events**

No matters or circumstance has arisen since 31 December 2023 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; Director of Smartgroup Corporation Ltd; 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 and Nominations Committee, and ExOfficio member of Redkite's Risk and Audit Committee and Investment Committee.

### **Name: Mr Joost de Kock**

*Appointed Director:* 31st March 2015 (resigned end of term 5 March 2024)

*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:* Non-executive director of the Raise Foundation and Australian Scholarships Ltd.

*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 and Nominations Committee and member of Redkite's Brand Committee.

**Name: Mr Stephen Conry AM**

*Appointed Director:* 1st December 2017 (resigned end of term 5 March 2024)

*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: Dr 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 and Nominations Committee and Chair of Redkite's Investment Committee (appointed 5 March 2024)

**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.

*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 Super Members Council (SMC), Australian Council of Superannuation Investors (ACSI), and an Advisory Board Council Member of World Vision Advisory Board, Australian Centre for Gender Equality and Inclusion @ Work, University NSW Business School and UTS Business School.

*Special Responsibilities:* Member of Redkite's Remuneration and Nominations 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 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.

**Name: Dr Bronte Adams AM**

*Appointed Director:* 11 October 2023

*Qualifications:* DPhil (Oxon), BA (Hons) (UWA), Executive MBA (McKinsey & Co), GAICD, IPAA Fellow

*Experience:* Bronte is the Founder and Director of the public policy firm dandolopartners and has worked in senior positions in both the public and private sectors. A former Rhodes Scholar and McKinsey consultant, she has led and managed public sector policy development and implementation and has consulted to a wide range of clients in the health, innovation, technology, science & research, startup, cultural, and education sectors. Bronte has contributed to public discussion on a range of issues including innovation, economic, broadband and education policy.

Bronte has chaired and sat on numerous public and private sector entities, including Innovation and Science Australia; Health Innovation and Reform Council; the Melbourne Symphony Orchestra; Museums Victoria; Melbourne University Publishing (Deputy Chair); the Australian Broadband Advisory Council; UNESCO; Victorian Government ICT Advisory Council (Deputy Chair); Rhodes Trust in Australia; Rhodes Scholarship Selection Committee (Deputy Chair); Australia Council's New Media and Visual Arts Boards; National Selection Committee of the General Sir John Monash Foundation; Victorian Government's Innovation Economy Advisory Board.

*Directorships held in other entities:* Dandolo Partners Pty Ltd; Dandolo Partners International Pty Ltd; Victorian Education and Research Network; and AICD Technology and Innovation Panel

*Special Responsibilities:* Nil

**Name: Mr Craig Dunn**

*Appointed Director:* 5 June 2024

*Qualifications:* BCom (Melbourne University), Fellow of the Institute of Chartered Accountants

*Experience:* Craig is a highly regarded business leader with more than 20 years' experience in financial services, pan-Asian business activities and strategic advice for government and major companies. Craig was Chief Executive Officer and Managing Director of AMP from 2008 to 2013 and held various roles at AMP in a 13-year career. Prior to this he was at Colonial Mutual Group from 1991 to 2000, including Managing Director for EON CMB Life Insurance in Malaysia and senior roles in Group Strategy, M&A and Finance. He also served as a member of the Federal Government's Financial System Inquiry in 2014 and the Consumer and Financial Literacy Taskforce.

*Directorships held in other entities:* Chair of Telstra (since October 2023) and was appointed a Non-Executive Director (NED) with Telstra in April 2016, as well as the current Chair of Telstra's Nominations Committee and a member of the Audit & Risk Committee. Currently a Director with MLC Life Insurance (since March 2023) and Lion Pty Limited (since 2021). Previous Chair of The Australian Ballet (until May 2024) and previous Director with Westpac from 2015 to 2021.

*Special Responsibilities:* Nil



## Meetings of Directors

The number of Directors meetings held and attended by each of the Directors of the Company during 2023 was:

Name of Director	DIRECTORS MEETINGS	
	Number Eligible to Attend	Number Attended
Mr Mark Rigotti (Chair)	5	5
Mr Joost De Kock	5	5
Mr Alex Scandurra	5	5
Mr Stephen Conry	5	3
Mr Brian Murphy	5	4
Ms Georgie Gardner	5	3
Dr Chris Milross	5	5
Ms Deanne Stewart	5	3
Mr Jonathan Dooley	5	4
Dr Bronte Adams	2	1

## 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 2023 the total amount that members of the Company are liable to contribute if the company is wound up is \$100 (2022: \$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 Jonathan Dooley (Chair), Mr Mark Rigotti (Ex Officio), Mr Stephen Conry and Dr Chris Milross 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 Jonathan Dooley (Chair)	5	5
Mr Mark Rigotti (Ex Officio)	5	5
Mr Stephen Conry	5	3
Dr Chris Milross	5	5

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 and Nominations Committee

The members of this Committee during the year comprised Mr Mark Rigotti (Chair), Mr Brian Murphy, 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)	3	3
Mr Alex Scandurra	3	2
Mr Brian Murphy	3	3
Ms Deanne Stewart	3	3

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 Brunson, Ms Helen Sewell 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 Committee Members</b>	<b>Number Eligible to Attend</b>	<b>Number Attended</b>
Mr Joost De Kock (Chair)	6	6
Mr Mark Rigotti	6	5
Mr Geoff Brunson (External Advisor)	6	4
Ms Helen Sewell (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.

### **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, together with Ms Fiona Lake. 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 Committee Members</b>	<b>Number Eligible to Attend</b>	<b>Number Attended</b>
Ms Georgie Gardner (Chair)	2	2
Mr Joost De Kock	2	2
Mr Alex Scandurra	2	2
Ms Fiona Lake (Management Advisor)	2	2

The key responsibilities of the Strategic Committee – Brand, 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 Committee Members	Number Eligible to Attend	Number Attended
Mr Mark Rigotti (Chair)	3	3
Mr Stephen Conry	3	3
Mr Bruce Morgan (External Advisor)	3	1
Ms Kate Davies (External Advisor)	3	1
Mr Tim Longstaff (External Advisor)	3	3

The key responsibilities of the Strategic Committee – Government, 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 2023 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)



Dr Chris Milross  
Director

Dated this 5<sup>th</sup> day of June 2024

Dated this 5<sup>th</sup> day of June 2024

5 June 2024

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 2023, 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

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## Directors' Declaration

### Requirements per Charitable Fundraising Act 1991

The Directors of the Company declare that:

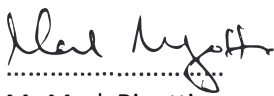
- a) the financial statements give a true and fair view of all income and expenditure of the Company with respect to fundraising appeals;
- b) the statement of financial position gives a true and fair view of the state of affairs with respect to Financial Report for the period 1 January 2023 to 31 December 2023
- 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 2023 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)



Dr Chris Milross  
Director

Dated this 5th day of June 2024

Dated this 5th day of June 2024

# 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 2023, the statement of profit or loss and other 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 material accounting policy information, and the Director's declaration.

In our opinion, the accompanying financial report of Redkite has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act), including:

- (a) giving a true and fair view of Redkite's financial position as at 31 December 2023 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 2022*.

### 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 Redkite in accordance with the ethical requirements of the Accounting Professional & 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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## Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in Redkite's Directors' Report for the year ended 31 December 2023, 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 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 and the ACNC Act, and for such internal control as management 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 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 Redkite or to cease operations, or has no realistic alternative but to do so.

Directors are responsible for overseeing Redkite'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 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 Redkite's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Directors.



- Conclude on the appropriateness of Directors' 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 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 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.

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 our audit.



**Crowe Sydney**



**Barbara Richmond**  
Partner

5 June 2024  
Sydney

**Redkite**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 31 December 2023**

	Notes	2023 \$'000	2022 \$'000
<b>Revenue</b>			
Fundraising revenue	2	12,673	11,940
Investment revenue	3	570	817
Other revenue	4	99	69
<b>Total revenue</b>		<b>13,342</b>	<b>12,826</b>
<b>Expenses</b>			
Services and programs	5	7,731	7,472
Direct costs of fundraising	5	3,866	3,962
Campaign and fundraising support	5	1,535	1,364
Governance and administration		1,033	1,197
<b>Total expenses</b>		<b>14,165</b>	<b>13,996</b>
<b>Net surplus/(deficit) from continuing operations</b>		<b>(823)</b>	<b>(1,169)</b>
<b>Other comprehensive income</b>			
Items that may not be reclassified subsequently to surplus or deficit:			
Transfer to retained earnings on sale of investments		(165)	146
Net gain/(loss) on revaluation of investments		1,250	(1,405)
<b>Total comprehensive surplus/(deficit) for the year</b>		<b>262</b>	<b>(2,428)</b>

The accompanying notes form an integral part of these accounts.

**Redkite**  
**Statement of financial position**  
**For the year ended 31 December 2023**

	Notes	2023 \$'000	2022 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	1,565	1,695
Receivables and other current assets	7	297	267
Other assets	8	263	267
<b>Total current assets</b>		<b>2,125</b>	<b>2,229</b>
<b>Non-current assets</b>			
Plant and equipment	9	322	298
Financial assets	10	12,819	12,967
Right-of-use assets	11	1,332	1,768
<b>Total non-current assets</b>		<b>14,473</b>	<b>15,033</b>
<b>Total assets</b>		<b>16,598</b>	<b>17,262</b>
<b>Current liabilities</b>			
Short-term payables	12	392	1,107
Short-term provisions	13	483	424
Lease liabilities	14	409	457
<b>Total current liabilities</b>		<b>1,284</b>	<b>1,988</b>
<b>Non-current liabilities</b>			
Long-term provisions	13	58	67
Lease liabilities	14	1,255	1,633
<b>Total non-current liabilities</b>		<b>1,313</b>	<b>1,700</b>
<b>Total liabilities</b>		<b>2,597</b>	<b>3,688</b>
<b>Net assets</b>		<b>14,001</b>	<b>13,574</b>
<b>Equity</b>			
Accumulated surplus	15	11,298	11,956
Financial asset reserve		2,703	1,618
<b>Total equity</b>		<b>14,001</b>	<b>13,574</b>

The accompanying notes form an integral part of these accounts.

**Redkite**  
**Statement of changes in equity**  
**For the year ended 31 December 2023**

	Notes	Financial asset reserve \$'000	Accumulated surplus \$'000	Total \$'000
<b>Balance at 31 December 2021</b>		<b>2,877</b>	<b>13,271</b>	<b>16,148</b>
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)
<b>Balance at 31 December 2022</b>		<b>1,618</b>	<b>11,956</b>	<b>13,574</b>
Deficit for the year		-	(823)	(823)
Transfer to retained earnings on sale of investments	15	(165)	165	-
Revaluation increment for the year		1,250	-	1,250
<b>Balance at 31 December 2023</b>		<b>2,703</b>	<b>11,298</b>	<b>14,001</b>

**Statement of cash flows**  
**For the year ended 31 December 2023**

	Notes	2023 \$'000	2022 \$'000
<b>Cash flows from operating activities</b>			
Net receipts from fundraising activities		10,462	9,303
Net receipts from donations		2,450	2,357
Services and programs		(7,625)	(7,165)
Payments for creditors, fundraising, administration and staffing		(7,342)	(6,819)
Interest received		28	11
Other income/refunds		99	69
<b>Net cash provided by/(used in) operating activities</b>		<b>(1,928)</b>	<b>(2,243)</b>
<b>Cash flows from investing activities</b>			
Dividends/trust distribution received		545	813
Payment for purchase of fixed assets		(139)	(17)
Payment for purchase of investments		(2,327)	(3,649)
Cash from sale of investments		3,719	3,544
<b>Net cash provided by investing activities</b>		<b>1,798</b>	<b>691</b>
Net increase/(decrease) in cash held		(130)	(1,552)
Cash at beginning of financial year		1,695	3,247
<b>Cash at end of financial year</b>	6	<b>1,565</b>	<b>1,695</b>

The accompanying notes form an integral part of these accounts.

**Redkite**  
**Notes to the financial statements**  
**For the year ended 31 December 2023**

**1. Statement of material 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 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.

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 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 2023**

**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.

	<b>2023</b>	<b>2022</b>
	<b>\$'000s</b>	<b>\$'000s</b>
<b>2. Fundraising revenue</b>		
Corporate and philanthropic donations	8,869	8,258
Gifts in wills and donations from individuals	2,670	2,523
Fundraising events and campaigns	1,134	1,159
<b>Total fundraising revenue</b>	<b>12,673</b>	<b>11,940</b>

	<b>2023</b>	<b>2022</b>
	<b>\$'000s</b>	<b>\$'000s</b>
<b>3. Investment revenue</b>		
Dividends received	542	806
Interest received	28	11
<b>Total investment revenue</b>	<b>570</b>	<b>817</b>

	<b>2023</b>	<b>2022</b>
	<b>\$'000s</b>	<b>\$'000s</b>
<b>4. Other revenue</b>		
Government grants received	-	40
Other income	99	29
<b>Total other revenue</b>	<b>99</b>	<b>69</b>

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 2023**

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

<b>(a) Fundraising Income and expenses</b>	<b>2023</b>	<b>2022</b>
	<b>\$'000s</b>	<b>\$'000s</b>
<b>Details of aggregate gross income and total expenses in fundraising appeals</b>		
Gross proceeds from fundraising appeals (excluding gifts in wills)	12,453	11,775
Less: Direct costs of fundraising	(3,866)	(3,962)
Less: Campaign and fundraising support	(1,535)	(1,364)
<b>Net surplus from fundraising</b>	<b>7,052</b>	<b>6,449</b>

Gifts in wills are not included in the above totals as they do not meet the definition of fundraising appeals. Receipts in 2023 were \$219,488. (2022: \$165,200)

**Surplus applied to the below charitable purpose:**

Financial assistance provided	1,409	1,584
Emotional support programs provided	3,343	2,807
Music therapy	502	525
Direct expenses in support of the above programs	2,477	2,556
<b>Total services and programs provided to children and their families</b>	<b>7,731</b>	<b>7,472</b>

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 You Little Ripper campaign, 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**

<b>Comparisons</b>	<b>2023</b>		<b>2022</b>	
Total services and programs provided/ Total expenditure (excluding fundraising)	7,731	88%	7,472	86%
	8,764		8,669	
Total services and programs provided/ Total revenue received	7,731	58%	7,472	58%
	13,342		12,826	
Total cost of all fundraising/ Gross proceeds from all fundraising	5,401	43%	5,326	45%
	12,673		11,940	
Total services and programs provided/ Net proceeds from all fundraising	7,731	106%	7,472	113%
	7,272		6,614	

<b>6. Cash and cash equivalents</b>	<b>2023</b>	<b>2022</b>
	<b>\$'000s</b>	<b>\$'000s</b>
Cash at bank	1,565	1,445
Short-term bank deposits	-	250
<b>Total cash and cash equivalents</b>	<b>1,565</b>	<b>1,695</b>

**Redkite**  
**Notes to the financial statements**  
**For the year ended 31 December 2023**

	<b>2023</b>	<b>2022</b>
	<b>\$'000s</b>	<b>\$'000s</b>
<b>7. Receivables and other current assets</b>		
<b>Current</b>		
Sundry debtors and other receivable	118	88
Term deposits under bank guarantees	179	179
<b>Total receivables</b>	<b>297</b>	<b>267</b>

**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 2023.

	<b>2023</b>	<b>2022</b>
	<b>\$'000s</b>	<b>\$'000s</b>
<b>8. Other assets</b>		
<b>Current</b>		
Prepayments	224	224
Other Assets	39	43
<b>Total other assets- current</b>	<b>263</b>	<b>267</b>

	<b>2023</b>	<b>2022</b>
	<b>\$'000s</b>	<b>\$'000s</b>
<b>9. Plant and equipment</b>		
Office equipment at cost	169	640
Less accumulated depreciation	(112)	(596)
<b>Office equipment - carrying amount</b>	<b>57</b>	<b>44</b>
Leasehold improvements at cost	447	609
Less accumulated depreciation	(289)	(395)
<b>Leasehold improvements - carrying amount</b>	<b>158</b>	<b>214</b>
Intangible assets at cost	131	184
Less accumulated depreciation	(24)	(144)
<b>Intangible assets - carrying amount</b>	<b>107</b>	<b>40</b>
<b>Total Plant and Equipment</b>	<b>322</b>	<b>298</b>

**Movements in carrying amounts**

	<b>Office equipment \$'000s</b>	<b>Leasehold improvements \$'000s</b>	<b>Intangible assets \$'000s</b>
Balance at beginning of year	44	214	40
Additions at cost for the year	62	-	78
Depreciation expense	(49)	(56)	(11)
<b>Carrying amount at end of year</b>	<b>57</b>	<b>158</b>	<b>107</b>



**Redkite**  
**Notes to the financial statements**  
**For the year ended 31 December 2023**

	<b>2023</b>	<b>2022</b>
	<b>\$'000s</b>	<b>\$'000s</b>
<b>10. Financial assets (non-current)</b>		
<b>Equity investments</b>		
Managed investments	1,347	4,754
Shares - listed investments	11,472	8,213
<b>Total financial assets</b>	<b>12,819</b>	<b>12,967</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 \$5,547,753 (2022:\$5,541,801) which represent the Johanna Sewell Reserve Fund Investments.

	<b>2023</b>	<b>2022</b>
	<b>\$'000s</b>	<b>\$'000s</b>
<b>11. Right-of-use assets</b>		
<i>Cost</i>		
Opening balance	3,657	3,657
Lease modifications	-	-
<b>Closing balance</b>	<b>3,657</b>	<b>3,657</b>
<i>Amortisation</i>		
Opening balance	(1,889)	(1,518)
Charge for year	(436)	(371)
<b>Closing balance</b>	<b>(2,325)</b>	<b>(1,889)</b>
<b>Net book value</b>	<b>1,332</b>	<b>1,768</b>

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.

	<b>2023</b>	<b>2022</b>
	<b>\$'000s</b>	<b>\$'000s</b>
<b>12. Payables - Current</b>		
<b>Unsecured liabilities</b>		
Trade creditors	-	524
Other current payables	392	583
<b>Total unsecured liabilities</b>	<b>392</b>	<b>1,107</b>

All outstanding trade creditor balances were paid by the end of December 2023.

	<b>2023</b>	<b>2022</b>
	<b>\$'000s</b>	<b>\$'000s</b>
<b>13. Provisions</b>		
Employee entitlements - current	483	424
Employee entitlements - non-current	58	67
<b>Total employee entitlements</b>	<b>541</b>	<b>491</b>

At 31 December 2023 there were 78 Redkite employees.

**Redkite**  
**Notes to the financial statements**  
**For the year ended 31 December 2023**

	<b>2023</b>	<b>2022</b>
	<b>\$'000s</b>	<b>\$'000s</b>
<b>14. Lease liabilities</b>		
Lease liabilities - Current	409	457
Lease liabilities - Non-current	1,255	1,633
<b>Total lease liabilities</b>	<b>1,664</b>	<b>2,090</b>

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.

	<b>2023</b>	<b>2022</b>
	<b>\$'000s</b>	<b>\$'000s</b>
<b>15. Accumulated surplus</b>		
Accumulated surplus at beginning of the year	11,956	13,271
Excess/(deficit) of revenue over expenses	(823)	(1,169)
Transfer of revaluation gains on sale of investments	165	(146)
<b>Accumulated surplus at end of year</b>	<b>11,298</b>	<b>11,956</b>

**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:

	<b>Note</b>	<b>2023</b>	<b>2022</b>
		<b>\$'000s</b>	<b>\$'000s</b>
<b>Financial assets</b>			
Cash and cash equivalents	6	1,565	1,695
Financial assets measured at amortised cost	7	297	267
Equity investments at fair value			
- managed investments	10	1,347	4,754
- shares in listed corporations	10	11,472	8,213
<b>Total financial assets</b>		<b>14,680</b>	<b>14,929</b>
<b>Financial liabilities</b>			
Short-term payables	12	392	1,107

**Redkite**  
**Notes to the financial statements**  
**For the year ended 31 December 2023**

**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

	<b>2023</b>	<b>2022</b>
	<b>\$'000s</b>	<b>\$'000s</b>
Donations received	10	8
Event tickets and auction items sold	25	1

**(b) Key management personnel remuneration**

	<b>Short-term</b>	<b>Superannuation</b>	<b>Non-cash</b>	<b>Total</b>
	<b>benefits</b>	<b>contributions</b>	<b>Benefits</b>	<b>Total</b>
	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>
Gross remuneration paid to key management personnel - 2023	1,192	127	1	1,320
Gross remuneration paid to key management personnel - 2022	1,125	116	1	1,242

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

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

	<b>2023</b>	<b>2022</b>
	<b>\$'000s</b>	<b>\$'000s</b>
Purchase of goods	0	75
Donations received and event tickets purchased	4	3
Grants received	0	44

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 2023 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 \$43,000. (2022: \$40,000)

**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 recognised in the financial statements. Two lease option extensions have been executed in the 2024 financial year at the date of signing the statements.

**21. Contingent liabilities and assets**

There were no contingent liabilities or contingent assets as at 31 December 2023.