red nose

Financial Statements

2025/26

Red Nose Limited

ACN 159 571 883
ABN 81 462 345 159

General Purpose Financial Statements - Simplified Disclosures

For the Year Ended 31 March 2026

Red Nose Limited
Financial Report
For the Year Ended 31 March 2026

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Red Nose Limited
Directors' Report
For the Year Ended 31 March 2026

The directors present their report on Red Nose Limited (the Company) and the financial statements for the year ended 31 March 2026.

Directors
The following persons were directors of the Company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Nick Xerakias – Chair
Arthur Dimitropoulos (Board Leave of Absence from 11 September 2025; Treasurer to 11 September 2025)
Ian Burgess
Lyndy Bowden
Andrea Pearman
Sergio Brodsky
Professor Craig Pennell
Marian Ngo – Deputy Chair (resigned effective 4 April 2025)

Objectives
Short term objectives
- Be recognised as a leader in the provision of bereavement services, and improve and increase support services to families affected by the death of a child;
- Be recognised as a trusted source of safe parenting education;
- Enhance engagement with other sector organisations and all Governments;
- Continue to operate efficiently and with appropriate prudential control and oversight;
- Improve and enhance product and service development and commercialisation; and
- Continue to build the Red Nose Day campaign, develop and improve other national fundraising campaigns and increase participation in local community fundraising events.

Long term objectives
- Pre-eminent national body for support where a baby or child has died suddenly and unexpectantly including in the event of pregnancy loss such as miscarriage, termination for medical reasons, stillbirth, neo-natal death, SIDS/SUDI and child accidents;
- Recognised leader in the provision of bereavement services to families affected by the death of a child;
- Financially sustainable and efficient operation with appropriate prudential control and oversight;
- Derive increased funding from partnerships, State and Federal Government, fundraising and revenue from the commercialisation of intellectual property; and
- Recognised as one of the leading charities at a national and local level with a trusted and strong brand presence.

Strategy for achieving the objectives
The objectives are achieved through advocacy, supporting world-class research, delivering evidence-based education, and providing best practice bereavement support.

Principal activities
The principal activities of Red Nose Limited during the financial year were to deliver bereavement support services, provide community and public health education, and to raise funds to support the delivery of those services and conduct research.

Performance measures
Performance is measured through planned measurable outcomes that focus on increased organisational efficiency and effectiveness; best practice in the delivery of equitable and accessible support for bereaved families; and enhanced delivery of public health programs aimed at decreasing child deaths and alleviating harm.

Review of operations
The surplus for Red Nose Limited after income tax amounted to $1,073,126 (31 March 2025: deficit of $427,330).

Information on Directors

<u>Name: Nick Xerakias</u>

Title: Non-Executive Director and Chair
Qualifications: BCom
Experience and expertise: Nick is a Partner at Public Affairs and Communications firm GRACosway. He has broad ranging political experience, particularly in strategy and policy advice. Earlier in his career, Nick worked at senior levels in the Federal Opposition and Government across a number of portfolios including Employment, Family and Community Services, Health, Resources and Energy, and has experience in both federal and state political campaign management. Nick is based in Victoria and is a bereaved father. Nick was formerly a Board member of Sands Australia and joined the Red Nose Board when the organisations merged in November 2020.
Special responsibilities: Chair, Board Representative – Community Advisory Committee

<u>**Arthur Dimitropoulos** (Board leave of absence effective 11 September 2025)</u>

Title: Non-Executive Director
Qualifications: MBA, CMA, MAICD
Experience and expertise: Arthur's experience is inclusive of finance, strategy, acquisitions, analytics, and organisational performance. His career includes Non-Executive Directorships, CFO, Company Secretary, CIO, governance committees and other senior engagements in listed, as well as private, not-for-profit and government organisations. across a broad range of industries including international experience.
Special responsibilities: Treasurer & Chair of the Audit and Risk Committee (to 11 September 2025)

<u>Name: Ian Burgess</u>

Title: Non-Executive Director
Qualifications: MBA, BEcon
Experience and expertise: Ian is an experienced director and CEO with a varied career in both not-for-profit and commercial organisations. He is currently CEO of the Medical Technology Association of Australia and has a strong background in governance, having held senior executive positions with the Governance Institute of Australia. Ian has been on the boards of health businesses, an EFT payments gateway, a transport business, and an educational institute in the finance sector.
Special responsibilities: Chair of the Audit and Risk Committee (from 18 September 2025).

<u>Name: Lyndy Bowden</u>

Title: Non-Executive Director
Experience and expertise: Lyndy is a lactation consultant working closely with the Aboriginal community of Tasmania and holds several other roles including as a Board Director with the Karadi Aboriginal Corporation and as a member of the Consumer Advisory Panel and the Perinatal Palliative Care Special Interest Group with the Perinatal Society of Australia & New Zealand. Lyndy was formerly a Board member of Sands Australia and joined the Red Nose Board when the organisations merged in November 2020.
Special responsibilities: Board representative - Quality and Practice Governance Committee

<u>Name: Andrea Pearman</u>

Title: Non-Executive Director
Experience and expertise: Currently CEO of Netball Victoria, Andrea has held executive leadership roles in some of Australia's leading organisations including Australia Post, NAB, Fosters and Telstra for over 20 years. She has experience in brand and reputation management, stakeholder relations, marketing, corporate social responsibility and community investment practices across a broad spectrum of industries and sectors such as the government, corporate and not for profit sectors.

<u>Name: Sergio Brodsky</u>

Title: Non-Executive Director
Qualifications: L.LB, MBA
Experience and expertise: An award-winning and accomplished senior strategic marketing leader with 15 years' global experience spanning the private, public, and not-for-profit sectors directing teams to create and leverage brands for results and impact.

<u>Name: Professor Craig Pennell</u>
Title: Non-Executive Director
Qualifications: MBBS(Hons) PhD (Dist) FRANZCOG CMFM MAICD
Experience and expertise: Professor Craig Pennell was the Foundation Scientific Director Raine Study (2008-2012) and presently the Leader of the Genetics SIG. Craig's research centres on personalised medicine in perinatal health and the developmental origins of health and disease. His current research is focused on prediction of preterm birth in early pregnancy, prediction and prevention of stillbirth, prevention of maternal mortality in low- and middle-income countries and the role of genetics in the relationship between early life events and adult disease.
Special responsibilities: Board representative - National Scientific Advisory Group

Company Secretary
Monique Ferguson

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 31 March 2026, and the number of meetings attended by each director, were as follows:

			Committees							
Directors	**Board/AGM**		**Board Audit & Risk**		**Quality & Practice Governance**		**Community Advisory Committee**		**National Scientific Advisory Group**	
	Held	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**
Nick Xerakias	8	8	6	5			5	4		
Arthur Dimitropoulos	4	4	3	3						
Ian Burgess	8	7	6	5						
Lyndy Bowden	8	7			5	3				
Andrea Pearman	8	5								
Sergio Brodsky	8	6								
Craig Pennell	8	5							5	3
Marian Ngo										
Monique Ferguson (CoSec)	7	6	6	4	5	3				

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

The NSAG Sudden and Unexpected Death in Infants Working Group met three times in 2025/2026.

Significant changes in the state of affairs
There were no significant changes in the state of the affairs of Red Nose Limited during the period.

Future developments
Following Board approval on the 14 May 2026, Red Nose obtained ACNC approval on 4 June 2026 to change its financial year reporting period from 1 April-30 March to 1 July-30 June, with a transitional reporting period from 1 April 2026 to 30 June 2026.

There are no other significant new developments foreseen in the near future.

Events after the reporting period

No other matter or circumstance has arisen since 31 March 2026 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Environmental regulations

The Company’s operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under the Australian Charities and Not-for-profits Commission Act 2012 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors.

On behalf of the directors

Nick Xerakias, Director
22 July 2026

Melbourne

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Auditor's Independence Declaration

To the Directors of Red Nose Limited

I declare that, to the best of my knowledge and belief, during the year ended 31 March 2026 there have been:

I. No contraventions of the auditor independence requirements as set out in Section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and

II. No contraventions of any applicable code of professional conduct in relation to the audit.

Crowe Audit Australia

Crowe Audit Australia

Bruce Preston
Partner

Melbourne, Victoria
22nd July 2026

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Red Nose Limited
Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 31 March 2026

	Note	2026 $	2025 $
Revenue	2	**12,581,795**	**10,323,036**
Expenses			
Administration expenses		(1,192,875)	(1,345,941)
Employee benefits expense		(8,162,814)	(7,542,979)
Depreciation expense		(304,136)	(284,149)
Finance expenses		(114,869)	(46,707)
Property expenses		(224,569)	(204,860)
Operational expenses		(593,022)	(683,130)
Other expenses	3	(916,384)	(642,600)
Total expenses		**(11,508,669)**	**(10,750,366)**
Surplus/(Deficit) for the year		**1,073,126**	**(427,330)**
Other comprehensive income for the year, net of tax:			
Items that will not be reclassified subsequently to profit or loss:			
Revaluation of property, plant and equipment	8	596,000	125,103
Total comprehensive surplus/(deficit) for the year		**1,669,126**	**(302,227)**

Red Nose Limited
Statement of Financial Position
As at 31 March 2026

	Note	2026 $	2025 $
Assets			
Current Assets			
Cash and cash equivalents	4	5,639,021	4,025,660
Trade and other receivables	5	79,400	67,178
Inventory		202,212	173,995
Financial assets	6	627,101	583,169
Other assets	7	238,928	195,129
Total Current Assets		**6,786,662**	**5,045,131**
Non-Current Assets			
Property, plant & equipment	8	4,872,670	4,348,088
Right-of-use assets	9	408,676	140,744
Total Non-Current Assets		**5,281,346**	**4,488,832**
Total Assets		**12,068,008**	**9,533,963**
Liabilities			
Current Liabilities			
Trade and other payables	10	800,421	484,645
Employee entitlements	13	507,597	454,575
Contract liabilities	11	321,657	158,986
Lease liabilities	12	211,993	157,207
Total Current Liabilities		**1,841,668**	**1,255,413**
Non-Current Liabilities			
Employee entitlements	13	221,921	151,406
Lease liabilities	12	208,149	-
Total Non-Current Liabilities		**430,070**	**151,406**
Total Liabilities		**2,271,738**	**1,406,819**
Net Assets		**9,796,270**	**8,127,144**
Equity			
Reserves	14	2,505,446	1,909,446
Retained surpluses		7,290,824	6,217,698
Total Equity		**9,796,270**	**8,127,144**

Red Nose Limited
Statement of Changes in Equity
For the Year Ended 31 March 2026

2026	**Retained surpluses**	**Asset revaluation reserve**	**Research reserve**	**Total equity**
	$	$	$	$
Balance at 1 April 2025	6,217,698	1,909,446	-	8,127,144
Surplus/(deficit) for period	1,073,126	-	-	1,073,126
Other comprehensive income for the period		596,000		596,000
Balance at 31 March 2026	**7,290,824**	**2,505,446**	**-**	**9,796,270**

2025	**Retained surpluses**	**Asset revaluation reserve**	**Research reserve**	**Total equity**
	$	$	$	$
Balance at 1 April 2024	6,455,305	1,784,343	189,723	8,429,371
Surplus/(deficit) for period	(427,330)	-	-	(427,330)
Transfers to/(from) reserves	189,723		(189,723)	-
Other comprehensive income for the period	-	125,103	-	125,103
Balance at 31 March 2025	**6,217,698**	**1,909,446**	**-**	**8,127,144**

Red Nose Limited
Statement of Cash Flows
For the Year Ended 31 March 2026

	Note	2026 $	2025 $
Cash flows from operating activities			
Receipts from operating activities		13,944,696	11,093,779
Payments to suppliers and employees		(11,990,067)	(11,622,117)
Interest received		55,249	127,923
Interest paid		(114,869)	(46,707)
Net cash provided by/(used in) operating activities		**1,895,009**	**(447,122)**
Cash flows from investing activities			
Purchase of property, plant & equipment		(30,461)	(275,128)
Proceeds from financial assets		(43,932)	217,708
Net cash provided by/(used in) investing activities		**(74,393)**	**(57,420)**
Cash flow from financing activities			
Repayment of lease liabilities		(207,255)	(202,106)
Net cash provided by/(used in) financing activities		**(207,255)**	**(202,106)**
Net increase/(decrease) in cash and cash equivalents held		1,613,361	(706,648)
Cash and cash equivalents at beginning of financial year		4,025,660	4,732,308
Cash and cash equivalents at end of financial year	4	**5,639,021**	**4,025,660**

1 Summary of material accounting policies

General information

Red Nose Limited is a company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business are:

National office/Principal place of business:	Registered office:
Suite 2, Part Ground Floor North	Level 42/600
2 Domville Avenue	Bourke Street
Hawthorn VIC 3122	Melbourne VIC 3000

The Company's principal activity during the financial year was to deliver bereavement support services, community and public health education, and to raise funds to support the delivery of these community services and to conduct research.

Statement of compliance

These financial statements are general purpose - simplified disclosure financial statements that have been prepared in accordance with Australian Accounting Standards – Simplified Disclosure Requirements of the Australian Accounting Standards Board (‘AASB’) and the *Australian Charities and Not-for-profits Commission Act* 2012.

The financial statements cover Red Nose Limited at the end of, or during, the year. The financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

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.

A description of the nature of the entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 22 July 2026. The directors have the power to amend and reissue the financial statements.

New or amended Accounting Standards and Interpretations adopted

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

The adoption of these Accounting Standards and Interpretations did not have any material impact on the financial performance or position of the Company.

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

Summary of material accounting policies (continued)
Basis of preparation

The financial statements have been prepared on the basis of historical cost, except for land & buildings measured at fair value as disclosed in Note 8. Cost is generally based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

For the purposes of preparing these financial statements, the Company is a not-for-profit entity.

Material accounting judgements and key sources of estimation uncertainty

The Directors of the Company are required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The following are the critical judgements that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

<u>Estimation of useful lives of assets</u>
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.

<u>Valuation of land and buildings</u>
The land and buildings were independently valued at 31 March 2026. The valuation basis of land and buildings is at fair value, in compliance with AASB 13. The fair value of non-financial assets takes into account a market participant's ability to generate economic benefits by using the assets in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The critical assumptions adopted in determining the valuations included the location of the land and buildings, the current demand for land and buildings in the area and recent sales data for similar properties.

<u>*Inventories*</u>
Inventories are measured at the lower of cost and net realisable value. Inventory is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Summary of material accounting policies (continued)
Material accounting judgements and key sources of estimation uncertainty (continued)

Accuracy of revenue recognition
Revenue recognition is determined based on what the customer expects to be entitled to, while measurement encompasses estimation by the Company of the amount it expects to be entitled to for the performance of the obligations specified in the contract.

Significant changes arise where contracts extend over time, where there are rights and obligations that may vary the timing or amount of the consideration, or where there are multiple performance elements.

All revenue from contracts with customers is recognised and measured following a five-step process:

• Step 1: Identify the contract with the customer.
• Step 2: Identify the performance obligations in the contract.
• Step 3: Determine the transaction price.
• Step 4: Allocate the transaction price to the performance obligations in the contract.
• Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

Under AASB 15 revenue is recognised when (or as) the performance obligations (or promises) are satisfied. Otherwise, AASB 1058 applies and income is recognised upfront.

Where the Company receives a transfer of financial assets to enable it to acquire or construct a recognisable non-financial asset that it controls, a liability is recognised for the excess of the initial carrying amount of the financial asset received over any related contributions by owners, increases in liabilities, decreases in assets, and revenue. The liability is recognised until such time that the Company satisfies its obligations under the transfer, at which point it is recorded as revenue.

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.

Summary of material accounting policies

The following material accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Revenue recognition
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following outlines the specific revenue streams.

Sales revenue
Events, sales, fundraising and raffles are recognised when the service or goods have been delivered to the customer.

Summary of material accounting policies (continued)
(a) Revenue recognition (continued)

Grants
Income from grants that are enforceable and with sufficiently specific performance obligations are accounted for under AASB 15 Revenue from Contracts with Customers, with revenue recognised as the performance obligations are met. If these conditions are not met, income is recognised under AASB 1058 Income of Not-for-Profit Entities.

Dividend and interest income
Dividend and distribution income from investments is recognised when the shareholder's or unitholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Donations
Donations are recognised when received.

Other revenue
Other revenue is recognised when it is received or when the related performance obligation has been settled.

Volunteer services
The company has elected not to recognise volunteer services as either revenue or other form of contribution received. As such, any related consumption or capitalisation of such resources received is also not recognised.

(b) Trade and other payables

Trade and other payables represent unpaid liabilities for goods received by and services provided to the Company prior to the end of the financial year. The amounts are unsecured and are normally settled within 30 days.

(c) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value and have a maturity of three months or less at the date of acquisition.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Summary of material accounting policies (continued)
(d) Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are carried at fair value based on revaluations.

Properties in the course of construction are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Plant and equipment and leasehold improvements are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition or construction of the item. In the event that the settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is calculated on a straight-line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value.

Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

The following depreciation rates and methods are used in the calculation of depreciation:

Class			**Term**
Buildings			40 years
Furniture and fittings			3-5 years
Plant and equipment			3-10 years
Motor vehicles			8 years
Office equipment			3-10 years
Computer equipment			3-5 years

Land is not a depreciable asset.

Property valuations have been prepared for the current financial year and the carrying value adjusted accordingly.

Summary of material accounting policies (continued)

(e) Right-of-use assets

A right-of-use asset and a lease liability is recognised on the balance sheet at the commencement date of a lease. 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.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company 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 re-measurement of lease liabilities.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group’s incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments, variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

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 (less than $15,000). Lease payments on these assets are expensed to profit or loss as incurred.

(f) Impairment

The carrying values of tangible assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

At each reporting date, the Directors review a number of factors affecting tangible and intangible assets, including property, plant and equipment, to determine if these assets may be impaired. If an impairment indicator exists, the recoverable amount of the asset, being the higher of the asset’s ‘fair value less costs to sell’ and ‘value in use’ is compared to the carrying value. Any excess of the asset’s carrying value over its recoverable amount is expensed to profit or loss as an impairment expense.

Impairment losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

(g) Inventory

Purchased inventory is stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost of purchased inventory comprises of direct materials and delivery costs and are determined after deducting rebates and discounts received or receivable. The Company has elected not to recognise the value of donated stock as each individual item level, however, does value on a per kilogram weight basis with a standard cost.. As a result, the value of the contribution is also not recognised in profit or loss.

Summary of material accounting policies (continued)

(h) Volunteer services

The core principle of the recognition requirements in AASB 1058 is when a Not-for-profit entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives, the excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately. The Standard also prescribes specific accounting requirements for a transaction which is a transfer of a financial asset to enable an entity to acquire or construct a recognisable non-financial asset to be controlled by the entity (i.e. an in-substance acquisition of a non-financial asset) and volunteer services. The Directors have decided not to recognise volunteer services within the financial statements, given the true value of these services is not reliably measurable in financial terms.

(i) Income tax

The Company is an Income Tax Exempt Charity and as such is not liable to pay income tax. Accordingly, no income tax has been provided for the Company in these financial statements.

The Company is also endorsed as a Deductible Gift Recipient (DGR). All donations made to the Company, equal to or exceeding $2.00, qualify as taxable deductions in the hands of the donor.

(j) Going concern

The financial statements have been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

	2026	2025
	$	$
2 Revenue		
Operating revenue		
Product and clothing collections sales	4,192,917	3,528,726
Charitable income and fundraising	3,335,334	2,361,637
Grants	4,933,336	4,167,529
Other revenue	64,959	137,221
	12,526,546	10,195,113
Other revenue		
Interest received	55,249	127,923
	55,249	127,923
Total revenue	**12,581,795**	**10,323,036**
External revenue by timing of revenue		
Goods transferred at a point in time	4,192,917	3,528,726
Goods transferred over time	-	-
Services transferred at a point in time	5,087,957	3,933,927
Services transferred over time	3,300,921	2,860,383
	12,581,795	**10,323,036**

3 Expenses

	2026	2025
Other expenses		
Marketing	319,018	173,859
Motor vehicle expenses	259,425	143,145
Pallet storage	8,626	5,347
Repairs and maintenance	29,396	27,362
Travel and accommodation	126,892	104,839
Other costs	173,027	188,048
Total other expenses	**916,384**	**642,600**

4 Cash and Cash Equivalents

	2026	2025
Cash on hand	815	815
Cash at bank	3,617,987	4,024,845
Term deposits	2,020,219	-
Total cash and cash equivalents	**5,639,021**	**4,025,660**

		2026	2025
5	**Trade and other receivables**	**$**	**$**
	Trade receivables	79,400	67,178
	Allowance for doubtful debts	-	-
	Total receivables	**79,400**	**67,178**
	Net impairment of trade receivables	**-**	**-**
6	**Financial assets**		
	Term deposits	627,101	583,169
	Total financial assets	**627,101**	**583,169**
	Funds subject to external restrictions:		
	Term deposits held as collateral	39,091	39,091
7	**Other assets**		
	Prepayments	172,719	150,036
	Security deposits	18,683	18,082
	Long service leave reimbursable	47,526	27,011
	Total other assets	**238,928**	**195,129**
8	**Property, plant & equipment**		
	Land and buildings - at fair value	4,635,000	4,065,000
	Less: accumulated depreciation	-	-
		4,635,000	4,065,000
	Furniture and fittings - at cost	3,634	3,634
	Less: accumulated depreciation	(3,545)	(3,253)
		89	381
	Plant and equipment - at cost	47,782	39,819
	Less: accumulated depreciation	(25,976)	(20,065)
		21,806	19,754
	Motor vehicles - at cost	301,963	301,963
	Less: accumulated depreciation	(148,266)	(125,535)
		153,697	176,428
	Office equipment - at cost	40,202	40,202
	Less: accumulated depreciation	(33,302)	(29,205)
		6,900	10,997

	2026	2025
8 Property, plant & equipment (continued)	**$**	**$**
Computer equipment - at cost	217,195	194,698
Less: accumulated depreciation	(162,017)	(119,170)
	55,178	75,528
Total property, plant & equipment	**4,872,670**	**4,348,088**

Reconciliations

Reconciliations of the carrying amount of each class of property, plant & equipment at the beginning and end of the current and previous financial year are set out below.

	2026	2025
Land and buildings - at fair value		
Opening balance	4,065,000	3,965,000
Revaluation	596,000	125,103
Depreciation	(26,000)	(25,103)
	4,635,000	**4,065,000**
Furniture and fittings - at cost		
Opening balance	381	672
Additions	-	-
Depreciation	(292)	(291)
	89	**381**
Plant and equipment - at cost		
Opening balance	19,753	11,482
Additions	7,963	11,586
Depreciation	(5,910)	(3,314)
	21,806	**19,754**
Motor vehicles - at cost		
Opening balance	176,428	-
Additions	-	181,846
Depreciation	(22,731)	(5,418)
	153,697	**176,428**
Office equipment - at cost		
Opening balance	10,997	12,517
Additions	-	5,499
Depreciation	(4,097)	(7,019)
	6,900	**10,997**
Computer equipment - at cost		
Opening balance	75,528	46,875
Additions	22,497	76,195
Depreciation	(42,847)	(47,542)
	55,178	**75,528**
Total property, plant & equipment	**4,872,670**	**4,348,088**
Depreciation of property, plant & equipment	**101,877**	**88,687**

8 Property, plant & equipment (continued)

Assets revaluations

The Company determines fair value by reference to market-based evidence. They have undertaken a desktop valuation as at 31 March 2026 to revalue the properties.

	2026	2025
9 Right-of-use assets	**$**	**$**
Land and buildings	1,276,222	806,032
Less: accumulated depreciation	(867,546)	(665,288)
	408,676	140,744
Total right-of-use assets	**408,676**	**140,744**

Reconciliations

Reconciliations of the carrying amount of each class of right-of-use asset at the beginning and end of the current and previous financial year are set out below.

	2026	2025
Land and buildings		
Opening balance	140,744	250,480
Additions	470,190	85,726
Decreases	-	-
Depreciation	(202,258)	(195,462)
	408,676	**140,744**
Total right-of-use assets	**408,676**	**140,744**
Depreciation of right-of-use assets	**202,258**	**195,462**
Interest charges on right-of-use assets	**17,320**	**17,041**

10 Trade and other payables

	2026	2025
Trade payables	180,291	41,110
Accrued expenses	545,492	268,028
GST liability	9,793	41,748
PAYG withholding payable	-	74,314
Superannuation payable	64,845	59,445
Other payables	-	-
Total payables	**800,421**	**484,645**

	2026	2025
11 Contract liabilities	**$**	**$**
Current		
Contract liabilities	321,657	158,986
Total contract liabilities	**321,657**	**158,986**

12 Leases

	2026	2025
Current		
Lease liabilities	211,993	157,207
Total current lease liabilities	**211,993**	**157,207**
Non-current		
Lease liabilities	208,149	-
Total non-current lease liabilities	**208,149**	**-**

The Company as a lessee
All operating lease contracts contain clauses for annual market or CPI rental reviews. At expiry leases convert to month-to-month on the same terms. The Company does not have an option to purchase at the expiry of the lease.

	2026	2025
Within one year	235,156	161,471
One to five years	220,238	-
	455,394	**161,471**
Representing		
Non-cancellable operating leases	**455,394**	**161,471**

13 Employee entitlements

	2026	2025
Current		
Annual leave	377,942	328,332
Long service leave	129,655	126,243
Total current employee entitlements	**507,597**	**454,575**

	2026	2025
13 Employee entitlements (continued)	**$**	**$**
Non-current		
Long service leave	221,921	151,406
Total non-current employee entitlements	**221,921**	**151,406**

14 Reserves

	2026	2025
Asset revaluation reserve		
Opening balance	1,909,446	1,784,343
Revaluation	596,000	125,103
Transfer to/(from) reserves	-	-
Closing balance	2,505,446	1,909,446
Research reserve		
Opening balance	-	189,723
Transfer to/(from) reserves	-	(189,723)
Closing balance	-	-
Total reserves	**2,505,446**	**1,909,446**

The research reserve represents funds set aside for funding of research.

15 Financial instruments

	Carrying amount 2026 $	Fair value amount 2026 $	Carrying amount 2025 $	Fair value amount 2025 $
Financial assets				
Cash	5,639,021	5,639,021	4,025,660	4,025,660
Trade and other receivables	79,400	79,400	67,178	67,178
Term deposits > 3 months	627,101	627,101	583,169	583,169
	6,345,522	**6,345,522**	**4,676,007**	**4,676,007**
Financial liabilities				
Trade and other payables	800,421	800,421	484,645	484,645
Lease Liabilities	420,142	420,142	157,207	157,207
	1,220,563	**1,220,563**	**641,852**	**641,852**

	2026	2025
16 Auditor remuneration	**$**	**$**

During the financial year the following fees were paid or payable for services provided by the auditor of the Company.

	2026	2025
Audit of the financial statements - Crowe Australia	41,400	39,900
Preparation of financial statements - Findex	2,800	2,700

		2026	2025
17	**Key management personnel compensation**	**$**	**$**

The aggregate compensation made to directors and other members of key management personnel of the company is set out below. (Directors do not receive fees for services as directors. Remuneration paid to any director in an executive capacity is included in KMP compensation).

Short-term benefits	1,117,148	903,369
Post-employment benefits	125,665	99,441
Termination benefits	-	-
	1,242,813	**1,002,811**

18 Contingent liabilities

At 31 March 2026, the Company had contingent liabilities of $39,091 (2025: $39,091) relating to bank guarantees for leased properties. These are also represented as restrictions on cash which are held as security.

19 Related party disclosures

There were no transactions between related parties during the current and previous financial years.

There were no receivables from or payables to related parties during the current and previous financial years.

There were no loans from or loans to related parties during the current and previous financial years.

20 Subsequent events

No other matter or circumstance has arisen since 31 March 2026 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years, other than as noted elsewhere in these accounts.

Red Nose Limited
Directors' Declaration

In the opinion of the Directors:

(a) the attached financial statements and notes comply with the *Corporations Act* 2001, the Australian Accounting Standards - Simplified Disclosures, the Corporations Regulations 2001, the *Australian Charities and Not-for-profits Commission Act* 2012 and other mandatory professional reporting requirements;

(b) the attached financial statements and notes give a true and fair view of the Company's financial position as at 31 March 2026 and of its performance for the financial year ended on that date; and

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.

Director: ....
Nick Xerakias
Dated: 22 July 2026

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Independent Auditor's Report to the Members of Red Nose Limited

Opinion

We have audited the financial report of Red Nose Limited (the Company), which comprises the statement of financial position as at 31 March 2026, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and the directors' declaration.
In our opinion, the accompanying financial report of the Company has been prepared 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 financial position of the Company as at 31 March 2026 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards – *Simplified Disclosures for For-Profit and Not-for-Profit Entities* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 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 the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 31 March 2026, 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 – *Simplified Disclosures for For-Profit and Not-for-Profit Entities* and the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and for such internal control as the Directors determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating 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 has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the 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 the Company'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' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors of the Company 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 Audit Australia

Crowe Audit Australia

Bruce Preston
Partner

Melbourne, Victoria
24th July 2026