



# Variety – the Children's Charity (NSW/ACT)

ABN 38 003 354 934

Financial Statements for the Year Ended 30 September 2021

## LETTER FROM TENT 56 CHAIR AND CEO

2021, despite its challenges, has shown us once again the passion, dedication and commitment of all our fundraisers, donors, volunteers, corporate partners and staff. Together, Variety impacted the lives of 20,800 children across NSW and the ACT spending \$1.9million on helping kids in need.

2021 continued to see significant demand for our education grants with over \$500,000 spent on the We Learn Grant, providing over 800 pieces of technology to students.

With the extensive NSW and ACT lockdowns two of our key fundraising events, Variety Brydens Lawyers B to B Bash and Variety of Chefs, have been delayed from the 2020/2021 financial year until the 2021/2022 year. The Variety 4WD Adventure, original scheduled for March 2021 was delayed due to severe flooding along the route.

That said, when we were able to hold events, we saw outstanding financial returns. The Postie Bike Dash (Nov 2020) and NSW Bash (May 2021) saw their most successful fundraising results to date.

A special mention must be made of Woolworths customers and teams who outdid themselves with their generosity this year.

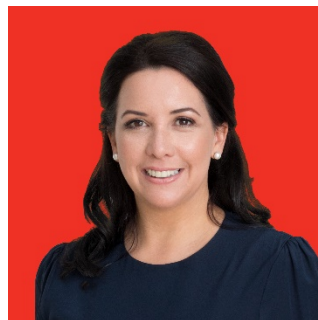
We express our deepest appreciation to Peter Hebbes AM and John Hoffman who stepped down from the board this financial year. Their service to Variety and the communities we work with will have a lasting impact on the children of NSW and the ACT.

A very warm welcome to new directors Matthew Saunders and Lauren Nash. Lauren brings knowledge and experience with marketing communications and graphic design. Matthew has had exposure to some of the largest Merger & Acquisition deals specialising in due diligence. We are grateful for their willingness to step into these key strategic roles for Variety.

Through the astute guardianship of our Board of Directors and staff Variety stands in good stead for 2022, poised to transition back to pre-COVID-19 levels of activity. We thank the incredible community of volunteers, corporate partners and donors who have supported our work during this difficult time. We look forward to better times ahead doing what we do best, giving kids in need a fair go.



**Dr Greg Levenston**  
Chair Tent 56



**Vanessa Barry**  
Chief Executive Officer

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## DIRECTORS' REPORT 30 SEPTEMBER 2021

The Directors present their report on Variety - the Children's Charity (NSW/ACT) for the financial year ended 30 September 2021.

### Directors

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

NAMES	POSITION	APPOINTED/RESIGNED
Dr Greg Levenston	Chair	Appointed as Chair on 10 December 2020
Justine Perkins	Deputy Chair	Appointed as Deputy Chair on 10 December 2020
John Dennis	Director	
Vanessa Beggs	Director	
Jack Cannons AM	Director	
Peter Hebbes AM	Director	Resigned on 10 December 2020
John Hoffman	Director	Resigned on 27 October 2020
Greg Lewis	Director	
Paul Mullaly	Director	
Michael Starkey	Director	
Caoimhe Toouli	Director	
Matthew Saunders	Director	Appointed on 10 December 2020
Lauren Nash	Director	Appointed on 10 December 2020

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

### Company Secretary

Bryan Mattes, Head of Finance & Corporate Services, was the Company Secretary of Variety - the Children's Charity (NSW/ACT) until December 2020.

Justine Perkins, Director, was the Company Secretary of Variety - the Children's Charity (NSW/ACT) from January 2021 to June 2021.

Ashwin Rathod, Chief Finance Officer, has been the Company Secretary of Variety - the Children's Charity (NSW/ACT) from July 2021 until current.

### Principal Activities

Variety has diverse streams of fundraising including our principal activity at hosting multiple large scale fundraising events. These include the Variety B to B Bash (not able to be run in FY21 due to COVID-19), Variety NSW Bash, Variety 4WD Adventure (not able to be run in FY21 due to flooding along the planned route), Variety Postie Bike Dash, Variety Adventure Ride and dining events like Variety of Chefs. In FY21, Variety hosted a one-off additional motoring event, the successful Resurrection Run.

Variety also runs Hair with Heart, a national hair donation and fundraising program. Hair with Heart enjoyed a buoyant FY21.

Variety also enjoys a number of Corporate Partnerships of varying size, the largest of which is Woolworths.

Other than delays caused by COVID-19 restrictions, no significant changes in the nature of Variety's activity occurred during the year.

## DIRECTORS' REPORT 30 SEPTEMBER 2021

### Strategy And Objectives

Variety - the Children's Charity (NSW/ACT) ('Variety') has the long-term objective of striving to meet unmet needs that empower children who have a disability, chronic illness, require critical care or are facing financial or geographic disadvantage to reach their full potential regardless of ability or background. Each year this long-term objective is translated into a yearly objective of fundraising and granting appeals.

Variety strives to meet these objectives through the operation of core grants programs, with help of dedicated staff, volunteers and generous individual and corporate supporters.

Variety purchases all equipment granted directly to ensure that funds are always appropriately directed.

### Members' Guarantee

In the event of the Company being wound up, member's liability is limited to an amount of \$100. If the Company ceases to operate, assets are distributed to some other institution or institutions with similar objectives.

### Operating Results

The net surplus of the Company amounted to \$1,941,581 (2020: \$ 79,549).

Three events, 4WD Adventure, B to B Bash and Newcastle Variety of Chefs, were postponed from FY21 until FY22. The 4WD Adventure was delayed due to severe flooding in the event area, while the B to B Bash and Chefs events were delayed due to the NSW COVID-19 lockdown. Income amounted to \$994,304 for these events was received in the FY21 but expenditure will not occur until FY22. As a result, the surplus shown for FY21 is higher than it would have been had these events run when scheduled.

## INFORMATION ON DIRECTORS

### Dr Greg Levenston



### Chair

Board Member 2012 – 2017, reappointed in February 2019, Chair since December 2020. Greg has served on the Granting, Kids Support Governance and Scholarship committees since 2011. Previous Basher (2014) and 4WD Adventurer (2018 Medics)

Past Grand Master of Freemasonry Former Deputy Mayor of Woollahra (2012 – 2017) Currently appointed to the South East Sydney Local Health District Board.

Long term medical director of Bronte Medical Centre, with specific interests in paediatrics and men's health. In conjunction with Jeff Kennett and Beyond Blue, Greg developed the Australian Men's Health program "No More Secrets", which evolved into the current Men's Health Research Foundation based at the University of Adelaide, where Greg serves on the Board of Patrons.

Greg's medical background and his advocacy for children in our community assisting them to reach their potential is ideally suited to the goals of Variety.



## **DIRECTORS' REPORT 30 SEPTEMBER 2021**

### **INFORMATION ON DIRECTORS (CONT'D)**

#### **Justine Perkins**



#### **Deputy Chair**

Justine is originally from Queensland and a University of Queensland graduate in Arts/Law. In 1996, Justine's career pursuits from solicitor to in-house counsel specialising in telecommunications, led her from Brisbane to Sydney. After 15 years in practice, Justine took time out to start a family. Justine didn't return to the law but instead found herself on a different course following the death of her second child Olivia in 2006.

In memory of their daughter, Justine and her husband John, co-founded the Touched by Olivia Foundation, to create inclusive playspaces across Australia. Through its work, the charity has redefined the state of play in Australia and has orchestrated a quantum shift in the design of playgrounds to cater for all, regardless of ability or background. Justine continues to advocate for inclusion through her work on the Variety Board and as a passionate mother to her 4 living children. In her spare time and to maintain her sanity, Justine runs marathons and swims.

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#### **John Dennis**



#### **Director**

John has been a Director of NFP/ DGR status Charities and Foundations since 2001. He has been involved with Variety NSW/ACT since 2007 as a major donor and Bash participant; as a Board member since 2012; Deputy Chair since 2015 and Chair since 2017 to 2020. John has been a Director of Variety Australia Limited from 2017 (Chair from March 2021) and Variety – the Children's Charity International since 2019. John holds Bachelor of Commerce (Accounting, Finance & Systems) and Master of Commerce (Finance) degrees.

In 1984, he established the Australian Structured Finance Group a leading corporate finance business. As CEO since inception, John's experience extends to all aspects of business networking revenue generation, management, compliance and corporate governance. In 2003, John was elected to the governing Council of the Australian Equipment Lessors Association (AELA) becoming Deputy Chairman in 2006/07 and Chairman in 2007/08. In 2017 as the longest serving Councillor of an organisation whose members fund over \$90 billion of assets across Australia, he represented AELA in its restructure into the Equipment Finance Division of the Australian Finance Industry Association.

John offers strong fundraising experience – both at micro and macro level; he has sound financial management and compliance skills; he has long term experience at Committee/Board/Council level within charitable foundations and industry lobby groups; he is an active networker and has a strong affinity with Variety NSW/ACT and the work we undertake.

## **DIRECTORS' REPORT 30 SEPTEMBER 2021**

### **INFORMATION ON DIRECTORS (CONT'D)**

**Vanessa Beggs**



#### **Director**

Vanessa joined the Variety NSW/ACT Board in 2019 and brings over 20 years' experience across the corporate, government and not-for-profit sectors. Vanessa is a strong leader, who uses a collaborative approach to transform businesses, catalyse change and motivate others to achieve outstanding results.

Vanessa is the COO for the Australian Banking Association and has previously held the position of CEO for the YWCA NSW – leading the organisation from a federated model to a united national organisation. Vanessa has also held a number of executive roles in strategy, change management, cultural transformation and organisational development, predominately with the Commonwealth Bank of Australia.

Vanessa is a judge of the Eureka Prize, a Non-Executive Director of Driveabout World – an Edutech start up improving driver knowledge to achieve road safety, is Faculty at the School of Life and an ardent advocate of children, women and STEM education

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**Jack Cannons AM**



#### **Director**

With a long history of involvement with Variety locally, nationally and internationally, Jack re-joined the Variety (NSW/ACT) Board in December 2016 after a hiatus.

He has previously held the following roles within the organisation:

- Board Member – Variety – the Children's Charity (NSW/ACT) – 1992 – 2011
- Chair – Variety – the Children's Charity (NSW/ACT) – 2004 – 2006
- Deputy Chair – Variety Australia – 2006 – 2009
- Vice President / Board Member – Variety International – 2006 – 2012
- Chair – Variety Australia – 2009 – 2011
- CEO – Variety International – 2012 – 2013

Jack is currently Chair of the NSW Motoring Events Committee.

## **DIRECTORS' REPORT 30 SEPTEMBER 2021**

### **INFORMATION ON DIRECTORS (CONT'D)**

#### **Peter Hebbes AM**



#### **Director**

*(until 10 December 2020)*

Peter has been an active member of Variety NSW/ACT since 1987 and in 2003 was awarded a Lifetime Membership. In the past Peter has chaired a number of events, organising and management Committees, in 1990 he was elected Chairman of Variety NSW/ACT, and in 2000/2001 he was appointed as Chief Barker of Variety NSW/ACT. Peter also served as the NSW Motoring Events Chairman for 15 years and the National Chair for two years. In 2012, Peter was again elected as the Chief Barker of Variety NSW/ACT and also appointed to the National Board Variety Australia until February 2014.

By profession, Peter has his own Music Publishing Company and acts as a Consultant and Music Business Manager to the Theatrical, Film, Television and Music industry. In addition, Peter is on the Music Industry Boards of the Australasian Music Publishers Association Ltd. (AMPAL), the Australasian Mechanical Copyright Owners Society (AMCOS), and he is also a Trustee of The Golden Stave Foundation and a past Director of the Nordoff-Robbins Music Therapy Association of Australia.

In 2006, Peter was awarded The Order of Australia (AM) for his services to the community as a fundraiser, particularly on behalf of the Golden Stave Foundation, Variety, the Nordoff-Robbins Music Therapy Association of Australia and the Music Industry.

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#### **John Hoffman**



#### **Director**

*(until 27 October 2020)*

John joined the Variety NSW/ACT Board in 2015 after serving a year on the Revenue Committee. John brings extensive experience in technology, innovation, leadership and human resources. John spent the last 11 years as the Chief Executive of Altis Consulting which is Australia's largest independent Data & Analytics consultancy with over 115 team members across three countries. Altis is one of only 4 companies recognized by BRW as a Top 50 places to work in Australia for 10 or more years.

Prior to Altis, John led two different digital agencies and moved to Australia from Silicon Valley in 2000. John has an MBA from the Australian Graduate School of Management, a Bachelor of Arts in economics from the University of California, San Diego, became a member of the Australian Institute of Company Directors in 2007 and is a Pay Equity Ambassador for Australian Government Workplace Gender Equality Agency.



## **DIRECTORS' REPORT 30 SEPTEMBER 2021**

### **INFORMATION ON DIRECTORS (CONT'D)**

**Greg Lewis**



#### **Director**

Greg has been associated with Variety NSW/ACT since 1995 when he was provided support with a laptop. The laptop enabled Greg, who has Cerebral Palsy, to attend mainstream high school and complete subjects that interested Greg and ultimately assisted in him carrying out a career in the IT Industry.

Greg has been assisting Variety NSW/ACT by telling his story at a number of Variety and Corporate Sponsors events since 2005.

Greg was also awarded the 2014 Variety National Youth Hearts Award.

Greg joined Young Variety in 2010 and the Grants committee in 2013, joining the board as a Director in November 2013.

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**Paul Mullaly**



#### **Director**

Paul's introduction to Variety was by attending an event in late 1980s and then as an entrant in the 1991 B to B Bash. Since that time Paul has supported Variety in many ways including 24 B to B Bashes as either an Official or Entrant, an entrant in six Newcastle Splashes, volunteering at over 15 Variety Children's Christmas Parties, attending numerous Variety NSW functions including the Heart Awards, lunches, dinners, events and fundraising events. Paul has also attended numerous Variety International Conventions, where, with other members of his family, was awarded an International Presidential Citation for their support of Variety.

In 2009, after almost 10 years on the Sunshine Coach Committee, Paul joined the Variety NSW Board and continues on the Board today. During his time on the Board, Paul has served as Deputy Chair, Chair and on numerous committees including Grants, Motoring, Events and Finance. Paul joined Variety Australia Board in 2015 until March 2021, during this period, he was chair from May 2018 to March 2021.

After a career of 30 years in the construction and engineering industry, working at times as a Site Engineer, Project Manager, Construction Manager and Managing Director, Paul is currently a director of his family owned business.

Paul holds a Bachelor of Engineering and a master's degree in Engineering Management as well as a commercial pilot's licence.

## **DIRECTORS' REPORT 30 SEPTEMBER 2021**

### **INFORMATION ON DIRECTORS (CONT'D)**

**Michael Starkey**



**Director**

With a long history of supporting Variety since his first event in 2004, Michael (Mick) joined the Variety NSW/ACT Board in January 2020.

Mick brings his extensive experience and connections to the Hunter region from over 20 years in the Hotel business in that area.

He is a delegate to the council for the NSW Australian Hotels Association (AHA), has chaired numerous industry bodies including business chambers and tourism groups. Currently Mick chairs Variety's Newcastle Regional Committee. He also chairs the Newcastle City liquor accord and is the treasurer for the local AHA sub-branch.

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**Caoimhe Toouli**



**Director**

Caoimhe joined the Variety NSW/ACT Board and the Finance Committee in 2018. Caoimhe brings extensive experience in finance and governance as well as innovation and leadership.

Caoimhe is an Audit and Assurance Partner at KPMG, where she has worked for 20 years in the Sydney, Silicon Valley and Dublin offices.

Her experience with KPMG covers a broad range of domestic and global technology and media clients, recently including companies such as Canva, WiseTech Global, Enero and the ABC.

Caoimhe is a Member of the Institute of Chartered Accountants in Australia, and a Fellow of the Institute of Chartered Accountants Ireland, a Registered Company Auditor – Australia, and qualified as a CPA whilst in the US (2006).

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**Matthew Saunders**



**Director**

*(Appointed on 10 December 2020)*

Matthew (Mat) joined the Board in 2020 having worked with KPMG for 30 years. Whilst Mat is a chartered accountant, his experience at KPMG has largely focused on Merger & Acquisition (M&A) activity specialising in due diligence. This has meant Mat has had exposure to some of Australia's largest M&A deals looking at transformational transactions that are complex and often associated with large scale change and high-profile events. Fortunately, this has given Mat experience in working with some of Australia's largest businesses and State Governments. He brings skills around team leadership having been a Partner at KPMG since 2007 and has an appreciation of key cultural features of successful teams.

## DIRECTORS' REPORT 30 SEPTEMBER 2021 INFORMATION ON DIRECTORS (CONT'D)

### Lauren Nash



### Director

*(Appointed on 10 December 2020)*

Joining the Variety NSW/ACT Board in 2020 Lauren brings extensive knowledge and experience with marketing communications and graphic design. With over ten years of industry experience and the establishment of her own Agency in 2011 Lauren has worked with a wide range of SME's and multi-million-dollar business to elevate their marketing and communication channels.

As one of our youngest board members, Lauren hopes to diversify the key messaging of Variety and establish deeper connections across all areas of the business whilst bridging the gap in this digital age.

### Meetings Of Directors

During the financial year, 8 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	DIRECTORS MEETINGS	
	<i>Number eligible to attend</i>	<i>Number attended</i>
Dr Greg Levenston, Chair	8	8
Justine Perkins, Deputy Chair	8	8
Paul Mullaly	8	6
Jack Cannons AM	8	8
Peter Hebbes AM (until 10 December 2020)	3	3
John Hoffman (until 27 October 2020)	1	1
Greg Lewis	8	7
John Dennis	8	8
Vanessa Beggs	8	7
Michael Starkey	8	8
Caoimhe Toouli	8	8
Matthew Saunders (from 10 December 2020)	5	5
Lauren Nash (from 10 December 2020)	5	4

### Significant Changes In State Of Affairs

There have been no significant changes in the state of affairs of the Company during the year.

### Impact of COVID-19

Three events, 4WD Adventure, B to B Bash and Newcastle Variety of Chefs, were postponed from FY21 until FY22. The 4WD Adventure was delayed due to severe flooding in the event area, while the B to B Bash and Chefs events were delayed due to the NSW COVID-19 lockdown. Income amounted to \$994,304 for these events was received in the FY21 but expenditure will not occur until FY22. As a result, the surplus shown for FY21 is higher than it would have been had these events run when scheduled.

## **DIRECTORS' REPORT 30 SEPTEMBER 2021**

### **Events after the reporting date**

As at the date of this report, the future impact of COVID-19 and NSW lockdowns on the domestic economy and the impact on Variety NSW/ACT remains uncertain. Variety has and continues to monitor this situation.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

### **Future developments**

Variety will continue to pursue its charitable objectives described above.

### **Environmental matters**

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory.

### **Indemnification and insurance of officers and auditors**

Variety - the Children's Charity (NSW/ACT) has, during the financial year, paid an insurance premium in respect of an insurance policy for the benefit of the Directors and Executive Officers of Variety. The insurance is in the normal course of business and grants indemnity for liabilities permitted to be identified by Variety under Section 300 of the Corporations Act 2001. In accordance with commercial practice, the insurance policy prohibits disclosure of the terms of the policy including the nature of the liability insured against and the amount of the premium.

### **Auditor's Independence Declaration**


The auditor's independence declaration in accordance with section 307C of the Corporations Act 2001 for the year ended 30 September 2021 has been received and can be found on Page 12 of the financial report.

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

A blue ink signature of Dr. Greg Levenston, consisting of a large, stylized 'G' followed by 'L' and 'E'.

Dr. Greg Levenston

Director/Chair

A blue ink signature of Caoimhe Tooili, written in a cursive style.

Caoimhe Tooili

Director/Chair Finance & Audit Committee

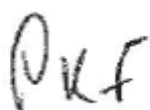
Dated this 26 day of November 2021

Variety - the Children's Charity (NSW/ACT)  
ABN 38 003 354 934

**Auditor's Independence Declaration under Section 60-40 of the Charities and Not-for-profits Commission Act 2012 to the Directors of Variety - the Children's Charity (NSW/ACT)**

I declare that, to the best of my knowledge and belief, during the year ended 30 September 2021, there have been:

- (i) no contraventions of the auditor independence requirements as set out in *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.



PKF



KYM REILLY  
PARTNER

26 NOVEMBER 2021  
SYDNEY, NSW

PKF (NS) Audit & Assurance Limited Partnership  
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under Professional Standards Legislation

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## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Year Ended 30 September 2021

	Note	2021 \$	2020 \$
Fundraising income	4	6,755,793	4,535,355
Contributions towards appeals granted	4	69,839	96,762
Contributions towards appeals granted (in-kind)	4	-	409,991
		6,825,632	5,042,108
Other income	4	264,314	724,286
<b>Total income</b>		<b>7,089,946</b>	<b>5,766,394</b>
Event Production Costs		(1,334,916)	(1,054,610)
Merchandise Costs		(39,689)	(25,124)
Fundraising Costs		(733,748)	(1,047,474)
<b>Total costs of fundraising</b>		<b>(2,108,353)</b>	<b>(2,127,208)</b>
<b>Gross profit</b>		<b>4,981,593</b>	<b>3,639,186</b>
Employee expense	5	(419,314)	(454,365)
Restructuring costs		-	(261,915)
Advertising & promotion		(74,903)	(118,354)
Bank charges		(14,960)	(7,202)
Occupancy costs		(48,409)	(49,237)
Other operating costs		(136,131)	(118,377)
Travel & accommodation		(15,440)	(22,667)
Depreciation	5	(146,111)	(153,769)
Amortisation		(35,647)	(37,739)
Impairment of investments (non-cash)		(85,200)	-
International and national dues		(47,826)	(66,797)
Insurance		(53,073)	(56,143)
Consultants		(66,866)	(75,230)
<b>Total administration expenses</b>		<b>(1,143,880)</b>	<b>(1,421,795)</b>
<b>Surplus before Kids Support Framework appeals and delivery</b>		<b>3,837,713</b>	<b>2,217,391</b>
Kids Support Framework - granted		(1,751,717)	(1,444,094)
Kids Support Framework - delivery		(144,415)	(283,757)
Kids Support Framework - (in-kind)		-	(409,991)
		(1,896,132)	(2,137,842)
<b>Net surplus for the year</b>		<b>1,941,581</b>	<b>79,549</b>
Other comprehensive income			
Other comprehensive income - revaluation of land and buildings		-	1,221,851
<b>Total comprehensive income for the year</b>		<b>1,941,581</b>	<b>1,301,400</b>

# STATEMENT OF FINANCIAL POSITION

As at 30 September 2021

	Note	2021 \$	2020 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	6,106,848	3,321,004
Trade and other receivables	7	52,798	148,039
Other assets	8	225,217	191,053
<b>Total current assets</b>		<b>6,384,863</b>	<b>3,660,096</b>
<b>Non-current assets</b>			
Investments	9	-	85,200
Property, plant and equipment	10	5,117,482	5,201,985
Intangible assets	11	25,765	61,329
Right of use asset	12	306,904	51,162
<b>Total non-current assets</b>		<b>5,450,151</b>	<b>5,399,676</b>
<b>TOTAL ASSETS</b>		<b>11,835,014</b>	<b>9,059,772</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	13	318,232	350,268
Grants payable	13	1,478,085	1,012,708
Lease liabilities	12	71,349	51,694
Contract liabilities	15	338,184	219,355
Provisions	14	259,276	249,894
<b>Total current liabilities</b>		<b>2,465,126</b>	<b>1,883,919</b>
<b>Non-current liabilities</b>			
Lease liabilities	12	238,059	-
Provisions	14	14,395	-
<b>Total non-current liabilities</b>		<b>252,454</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>2,717,580</b>	<b>1,883,919</b>
<b>NET ASSETS</b>		<b>9,117,434</b>	<b>7,175,853</b>
<b>EQUITY</b>			
Accumulated surplus		6,601,489	4,659,908
Revaluation reserve		2,515,945	2,515,945
<b>TOTAL EQUITY</b>		<b>9,117,434</b>	<b>7,175,853</b>

The accompanying notes form part of these financial statements.

## STATEMENT OF CHANGES IN EQUITY

For the year ended 30 September 2021

	Accumulated Surplus \$	Revaluation Reserve \$	Total Equity \$
<b>Balance at 1 October 2020</b>	<b>4,659,908</b>	<b>2,515,945</b>	<b>7,175,853</b>
Surplus for the year	<b>1,941,581</b>	-	<b>1,941,581</b>
<b>Balance at 30 September 2021</b>	<b>6,601,489</b>	<b>2,515,945</b>	<b>9,117,434</b>
<b>Balance at 1 October 2019</b>	4,580,359	1,294,094	5,874,453
Surplus for the year	79,549	-	79,549
Revaluation of land and buildings	-	1,221,851	1,221,851
<b>Balance at 30 September 2020</b>	<b>4,659,908</b>	<b>2,515,945</b>	<b>7,175,853</b>

*The accompanying notes form part of these financial statements.*

## STATEMENT OF CASH FLOWS

For the year ended 30 September 2021

		2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:	Note	\$	\$
Receipts from donors, sponsors, members and functions		6,891,210	5,194,038
Payments to suppliers and employees		(2,984,020)	(3,730,270)
Rent received		-	6,000
Cash receipts – Jobkeeper		238,800	448,500
Cash receipts – other COVID-19 support		15,000	87,500
Interest received		3,048	40,678
Interest paid		(6,550)	(2,059)
Kids support grants paid		(1,286,340)	(2,693,519)
Net cash provided by/(used in) operating activities		2,871,148	(649,132)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Funds transfer from term deposits with maturity < 3 months		-	1,885,507
Purchase of property, plant and equipment		(19,569)	(191,519)
Purchase of intangibles		-	(4,800)
Net cash (used in)/provided by investing activities		(19,569)	1,689,188
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Payment of lease liabilities		(65,734)	(68,486)
Net cash used in financing activities		(65,734)	(68,486)
Net increase in cash and cash equivalents held		2,785,845	971,570
Cash and cash equivalents at beginning of year		3,321,003	2,349,434
Cash and cash equivalents at end of financial year	6	6,106,848	3,321,004

The accompanying notes form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2021

The financial report covers Variety - the Children's Charity (NSW/ACT) as an individual entity. Variety - the Children's Charity (NSW/ACT) is a not-for-profit Company limited by guarantee, registered and domiciled in Australia.

The functional and presentation currency of Variety - the Children's Charity (NSW/ACT) is Australian dollars.

### 1 Basis of Preparation

The financial report is a Tier 2 general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, the *Australian Charities and Not-for-profits Commission Act 2012*, Australian Accounting Standards Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial statements are presented in Australian dollars which is the entity's functional and presentation currency.

#### Basis of measurement

The financial statements have been prepared on a going concern basis. The financial statements have been prepared on the historical cost basis except for land and buildings which are measured at fair value.

### 2 Summary of Significant Accounting Policies

#### (a) Revenue and other income

##### Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

##### Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

##### Events revenue

Event revenue from donations is recognised in the financial year it is received. Cost recovery and expenses, such as the provision fee on motoring events that are refundable if asked, are recognised when the event occurs.

##### Corporate Partnership revenue

Donation from Variety's Corporate Partners are recognised when they are received.



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2021

### 2 Summary of Significant Accounting Policies (cont'd)

#### (a) Revenue and other income (cont'd)

##### Specific revenue streams (cont'd)

##### Community Fundraising

Revenue from fundraising includes all funds raised for the activities under the fundraising authority of the Company which is in compliance with Charitable Fundraising Act 1991 (NSW). The donation portion of revenue received is recognised within the financial year. Sponsorships, registrations, provision fees, ticketing and expenses relating to the fundraising events are recognised when the event occurs.

##### Individual Giving and Philanthropy and other donations

Revenue from individual giving and philanthropy without any considerations or the consideration paid is significantly less than the assets' fair value are recognised in the statement of comprehensive income as income when the company gains control of the contribution or the right to receive the contribution. Goods are donated to be sold at auctions, or to be used in events or functions. In both cases, they are recognised as revenue at their replacement cost, and expensed when the goods are sold, or otherwise used.

Donated services, such as the use of a conference centre to host an event, are recognised as revenue at their replacement cost. An equivalent amount is recognised as an expense, relating to the type of service donated.

The pledges received are not recognised as income until received in cash or until a firm commitment has been received.

##### Government grants – JobKeeper and Cash Flow Boost

Government grants include amounts received or receivable under the Federal Government's JobKeeper Payment Scheme and Cash Flow Boost Scheme, which provide temporary subsidies to eligible businesses significantly affected by COVID-19. These grants are recognised when there is reasonable certainty that the grant will be received, and all grant conditions are met.

##### Interest

Interest revenue is recognised as interest accrues using the effective interest method.

##### Other revenue

All other revenue is recognised when performance obligations have been satisfied.

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

##### Contract Liabilities

Contract liabilities include event sponsorship and grant revenue received in advance and are carried at the original amount for goods and services to be provided after the year end.

#### (b) Income Tax

The Company is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2021

### 2 Summary of Significant Accounting Policies (cont'd)

#### (c) Goods and services tax (GST)

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

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

#### (d) Property, plant and equipment

Plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

##### Land and buildings

Land and buildings are measured at fair value less accumulated depreciation on buildings and less any impairment losses recognised after the date of the revaluation. The land and building were revalued by an accredited valuer on 17 November 2020.

##### Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	50 years
Property Improvements	4 years
Plant and Equipment	3 - 5 years
Motor Vehicles	4 years

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

##### Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2021

### 2 Summary of Significant Accounting Policies (cont'd)

#### (d) Property, plant and equipment (cont'd)

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the statement of comprehensive income.

#### (e) Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

##### Financial assets

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income.

##### *Amortised cost*

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents and other current assets in the statement of financial position. Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2021

### 2 Summary of Significant Accounting Policies (cont'd)

#### (e) Financial instruments (cont'd)

##### Financial assets (cont'd)

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL. Net gains or losses, including any interest or dividend income are recognised in profit or loss.

##### *Impairment of financial assets*

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

##### *Trade receivables*

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2021

### 2 Summary of Significant Accounting Policies (cont'd)

#### (e) Financial instruments (cont'd)

##### Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired.

The Company's financial liabilities include trade and other payables, which are measured at amortised cost using the effective interest rate method.

#### (f) Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Company makes a formal estimate of recoverable amount.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. In determining recoverable amount, the expected net cash flows have been discounted to their present value using a market determined risk adjusted discount rate. Non-financial assets that suffered an impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed. No indicators for impairment have been identified by Management and as such no specific impairment testing has been done.

#### (g) Intangible assets

##### Software

Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between one and four years.

##### Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

##### *Derecognition*

An intangible item is derecognised when no further future economic benefits are expected from its use or disposal.

#### (h) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2021

### 2 Summary of Significant Accounting Policies (cont'd)

#### (h) Cash and cash equivalents (cont'd)

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

#### (i) Leases

At inception of a contract, the Company assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

#### *Exceptions to lease accounting*

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

#### (j) Employee benefits

##### *(i) Wages, salaries and annual leave*

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

##### *(ii) Long service leave*

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

#### (k) Provisions

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

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2021

### 2 Summary of Significant Accounting Policies (cont'd)

#### (k) Provisions (cont'd)

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

#### (l) Grants payable

Grants payable are approved by the Board resulting in a constructive obligation to make a further payment to the applicant. The grant payable is recognised at the nominal value approved by the Board.

### 3 Critical Accounting Estimates and Judgments

The Directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

#### (i) Significant accounting judgements

##### *Impairment of non-financial assets*

The Company assesses impairment of all assets at each reporting date by evaluating conditions specific to the Company and to the particular asset that may lead to impairment. These include technology, economic and political environments and future expectations. If an impairment trigger exists, the recoverable amount of the asset is determined. Given the current uncertain economic environment management considered that the indicators of impairment were significant enough and as such these assets have been tested for impairment in this financial period.

#### (ii) Significant accounting estimates and assumptions

##### *Estimation of useful lives of assets*

The estimation of the useful lives of assets has been based on historical experience as well as manufacturers' warranties (for plant and equipment), lease terms (for leased equipment) and turnover policies (for motor vehicles). In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

Depreciation and amortisation charges are included in Note 5.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2021

### 3 Critical Accounting Estimates and Judgments (cont'd)

#### *Assessment of fair value for donated goods and services*

The assessment of fair value of goods and services donated to the Company is based on an estimation of their replacement cost. The replacement costs is determined mainly by reference to invoiced amounts prepared by suppliers based on their market rates of services or supplying cost of goods. The condition of any goods not used during the year is assessed at each balance date to determine whether any adjustments are necessary to the carrying value.

#### *Assessment of fair value of land and buildings*

The Company carries its land and buildings at fair value with changes in fair value recognised in the asset revaluation reserve. Independent valuations are obtained every 3-5 years and at the end of each reporting period the Directors update their assessment of the fair value, taking into consideration the most recent valuations and movements in the market. The Company's land and buildings were revalued on 17 November 2020 by independent valuers at \$5,100,000. The critical assumption adopted in determining the valuation included the location of the land and buildings, the current strong demand for land and buildings in the area and recent sales data for similar properties.

The Directors have considered the key assumptions adopted by the independent valuer at 17 November 2020 and concluded that the market conditions at the date of the valuation are indicative of the market as at 30 September 2021. A net gain of \$1,221,851 has been recorded in the asset revaluation reserve and recognised as other comprehensive income at 30 September 2020.

No other significant judgements, estimates and assumptions were made during the financial year.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2021

### 4 Fundraising information and administration costs

Details of aggregate income and expenditure of fundraising are as follows:

	Total income \$	Direct expenses \$	2021 Net income \$	2020 Net income \$
Events	3,232,612	(612,632)	2,619,980	1,351,527
Corporate partnerships	1,793,793	(1,470)	1,792,323	1,671,632
Individual giving & philanthropy	638,880	(125,580)	513,300	281,749
Community fundraising	1,090,508	(142,973)	947,535	767,075
Fundraising and event staff costs	-	(1,039,826)	(1,039,826)	(1,537,507)
Unallocated costs	-	(185,872)	(185,872)	(126,329)
	6,755,793	(2,108,353)	4,647,440	2,408,147
Contribution towards grants			69,839	96,762
Donations towards grants (in-kind)			-	409,991
Other income			264,314	724,286
Administration costs			(1,143,880)	(1,421,795)
<b>Net surplus before Kids Support Framework</b>			<b>3,837,713</b>	<b>2,217,391</b>
Kids Support Framework Expenses (Grants/Delivery/in-kind)			(1,896,132)	(2,137,842)
<b>Net surplus</b>			<b>1,941,581</b>	<b>79,549</b>

The costs of events staff salaries and other costs directly attributable to fundraising events are included in the cost of fundraising and excluded from administration expenses.

Unallocated costs relate to Customer Relationship Management costs (software and related expenses) used for fundraising across all revenue generating activities.

Goods and services in kind received of \$38,513 (2020: \$442,741) are included in the relevant revenue or expense category.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2021

### 4 Fundraising information and administration costs (cont'd)

Other income	2021 \$	2020 \$
Rent received	-	6,000
Fees received for professional services	-	40,000
Interest received	3,048	40,678
Rent relief	-	9,784
JobKeeper payments	238,800	523,500
Federal Government cash boost payments	-	100,000
Other	22,466	4,324
<b>Total other income</b>	<b>264,314</b>	<b>724,286</b>

#### *Donated goods*

During the year, the organisation received donated goods and services to the value of \$38,513 (2020: \$442,741). As these were acquired for no consideration, the goods and services were valued at current replacement cost

### 5 Expenses

	2021 \$	2020 \$
<b>Employee expense</b>		
Wages and salaries	385,445	400,601
Other employee benefit expense	5,570	9,295
Staff training and development	3,901	26,019
Recruitment	24,398	18,450
<b>Total employee expense</b>	<b>419,314</b>	<b>454,365</b>
<b>Depreciation expense</b>		
Buildings	55,355	40,407
Plant and equipment	16,584	36,619
Depreciation in overheads	71,939	77,026
Depreciation - right of use asset	74,172	76,743
<b>Total depreciation expense</b>	<b>146,111</b>	<b>153,769</b>
Motor vehicles - in cost of fundraising	32,133	40,003



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2021

### 6 Cash and cash equivalents

	2021 \$	2020 \$
Cash on hand	100	349
Cash at bank	6,106,748	3,320,655
<b>Total cash and cash equivalents</b>	<b>6,106,848</b>	<b>3,321,004</b>

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

### 7 Trade and other receivables

Current	2021 \$	2020 \$
Trade receivables	-	429
Accrued income	52,798	147,610
<b>Total current trade and other receivables</b>	<b>52,798</b>	<b>148,039</b>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

### 8 Other assets

Current	2021 \$	2020 \$
Prepayments	156,050	110,892
Other assets	69,167	80,161
<b>Total other assets</b>	<b>225,217</b>	<b>191,053</b>

### 9 Investments

	2021 \$	2020 \$
Investments in Variety Australia Limited - at cost	-	85,200
<b>Total investments</b>	<b>-</b>	<b>85,200</b>

Investments held at 30 September 2020 represent an initial contribution provided to Variety Australia in May 2009 to assist in the establishment of Variety Australia. The investment has been fully impaired in the 30 September 2021 Financial report in accordance with the direction received from the National Finance Committee (NFC).

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2021

### 10 Property, plant and equipment

	2021 \$	2020 \$
<b>LAND AND BUILDINGS</b>		
Freehold land		
At fair value	2,900,000	2,900,000
Total Land	2,900,000	2,900,000
Buildings		
At fair value	2,200,000	2,200,000
Accumulated depreciation	(55,355)	-
Total buildings	2,144,645	2,200,000
Total land and buildings	5,044,645	5,100,000
<b>PLANT AND EQUIPMENT</b>		
Plant and equipment		
At cost	543,038	577,396
Accumulated depreciation	(484,765)	(522,108)
Total plant and equipment	58,273	55,288
Motor vehicles		
At cost	342,087	342,087
Accumulated depreciation	(327,523)	(295,390)
Total motor vehicles	14,564	46,697
Total plant and equipment	72,837	101,985
<b>Total property, plant and equipment</b>	<b>5,117,482</b>	<b>5,201,985</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2021

### 10 Property, plant and equipment (cont'd)

#### (a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

Year ended 30 September 2021	Land \$	Building \$	Plant and Equipment \$	Motor Vehicles \$	Total \$
Balance at the beginning of year	2,900,000	2,200,000	55,288	46,697	5,201,985
Additions	-	-	19,569	-	19,569
Depreciation expense	-	(55,355)	(16,584)	(32,133)	(104,072)
<b>Balance at the end of the year</b>	<b>2,900,000</b>	<b>2,144,645</b>	<b>58,273</b>	<b>14,564</b>	<b>5,117,482</b>

### 11 Intangible assets

	2021 \$	2020 \$
Computer software		
Cost	152,365	152,365
Accumulated amortization	(126,600)	(91,036)
<b>Total intangible assets</b>	<b>25,765</b>	<b>61,329</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2021

### 12 Leases

#### Company as a lessee

The Company has lease over the building in Broadmeadow, NSW. The lease term are 2 years, with a 3-year renewal option.

The Company includes options in the leases to provide flexibility and certainty to the Company's operations and reduce the costs of moving premises and the extension options are at the Company's discretion.

At commencement date and each subsequent reporting date, the Company assess where it is reasonably certain that the extension options will be exercised.

Lease liabilities are secured by the related assets. The financial assets pledged as collateral represent a floating charge and cannot be disposed of without consent of the financier.

#### Right-of-use assets

#### Lease liabilities

	Buildings
Year ended 30 September 2021	\$
Balance at the beginning of the year	51,162
Depreciation charge	(74,172)
Additions to right-of-use assets	368,285
Reductions in right-of-use assets due to changes in lease liability	(38,371)
<b>Balance at end of year</b>	<b>306,904</b>

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year	1 - 5 years	> 5 years	Total undiscounted lease liabilities	Lease liabilities included in this Statement of Financial Position
	\$	\$	\$	\$	\$
<b>2021</b>					
Lease liabilities	<b>78,270</b>	<b>247,855</b>	-	<b>326,125</b>	<b>309,408</b>
<b>2020</b>					
Lease liabilities	51,694	-	-	51,694	51,694

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2021

### 12 Leases (cont'd)

#### Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Company is a lessee are shown below:

	2021 \$	2020 \$
Interest expense on lease liabilities	6,304	2,059
Depreciation of right-of-use assets	74,172	76,743
	<b>80,476</b>	<b>78,802</b>

### 13

#### Trade and other payables

Current	2021 \$	2020 \$
<b>(a) Grants payable</b>		
Grants payable at 1 October	1,012,708	2,262,133
Appeals granted	2,348,905	1,774,027
Grants write back	(597,188)	(329,933)
Grants paid	(1,286,340)	(2,693,519)
	<b>1,478,085</b>	<b>1,012,708</b>
<b>(b) Trade payables</b>		
Trade payables	296,403	247,604
Other payables and accruals	21,829	102,664
	<b>318,232</b>	<b>350,268</b>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2021

### 14 Provisions

	2021 \$	2020 \$
<b>Current</b>		
Employee benefits	259,276	249,894
	259,276	249,894
<b>Non-current</b>		
Employee benefits	14,395	-
	14,395	-

#### *Employee benefits*

Provision is made for employee entitlement benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include long service leave and annual leave.

### 15 Contract liabilities

	2021 \$	2020 \$
<b>Current</b>		
Contract liabilities	338,184	219,355
	338,184	219,355

Contract liabilities are monies received that are not tax receipted donations for the future year events and could be refunded. Provision fees for motoring events is an example.

### 16 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 September 2021 (30 September 2020: None).

### 17 Related parties

#### (a) Key management personnel

Details relating to key management personnel, including remuneration paid, are included in Note 19.

Variety NSW/ACT has engaged in commercial transactions with parties related to key management personnel as outlined below:

Staff related to key management personnel	Payments from related parties \$	Payments to related parties \$	Amounts owed by related parties \$	Amounts owed to related parties \$
2021	-	-	-	-
2020	-	125,588	-	-

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2021

### 17 Related parties (cont'd)

#### (b) Transactions with related parties

The entity is a member or "Tent" of Variety - the Children's Charity (International). Other entities also members of this body are "Tents" from each State and Territory in Australia, considered related parties to the Company.

The following table provides the total amount of transactions that were entered into with the related parties for the relevant financial year:

Related party	Payments from related parties \$	Payments to related parties \$	Amounts owed by related parties \$	Amounts owed to related parties \$
<b>Variety Tasmania</b>				
2021	1,033	21,117	-	8,457
2020	-	-	-	-
<b>Variety Western Australia</b>				
2021	4,543	99,855	-	46,273
2020	12,442	47,180	-	42,860
<b>Variety Northern Territory</b>				
2021	-	13,425	-	6,264
2020	499	18,892	-	2,484
<b>Variety Queensland</b>				
2021	4,663	149,164	-	57,663
2020	12,758	113,962	390	50,463
<b>Variety South Australia</b>				
2021	9,316	60,079	-	17,341
2020	10,906	75,896	-	37,658
<b>Variety Victoria</b>				
2021	3,510	205,974	-	42,605
2020	8,424	133,093	-	50,370
<b>Variety Australia</b>				
2021	33,009	88,311	48,390	44,264
2020	43,389	31,605	-	8,565
<b>Variety International</b>				
2021	-	30,006	-	-
2020	-	42,865	-	-

#### Terms and conditions of transactions with related parties

Sales and purchases from related parties are made in arm's length transactions both at normal market prices and on normal commercial terms. Outstanding balances at year end are unsecured, interest free and settlement occurs in cash.



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2021

### 18 Key Management Personnel

#### (a) Details of Key Management Personnel as at 30 September 2021

(i) Directors	
Dr Greg Levenston	Chair
Justine Perkins	Deputy Chair
John Dennis	Director
Vanessa Beggs	Director
Jack Cannon AM	Director
Greg Lewis	Director
Paul Mullaly	Director
Michael Starkey	Director
Caoimhe Tooili	Director
Peter Hebbes AM	Director (until 10 December 2020)
John Hoffman	Director (until 27 October 2020)
Matthew Saunders	Director (from 10 December 2020)
Lauren Nash	Director (from 10 December 2020)

(ii) Employees	
David Small	Acting General Manager (until 31 August 2021)
Vanessa Barry	Chief Executive Officer (from 31 August 2021)
Bryan Mattes	Head of Finance & Corporate Services / Company Secretary (until 18 December 2020)
Ashwin Rathod	Chief Financial Officer / Company Secretary (from 18 December 2020)
Alys Holz	Head of Marketing & Communications
Elizabeth Gearing	Head of Kids Support (from 11 January 2021)
Peter Harvey	Head of Fundraising & Business Development (from 8 February 2021)
Kim Becherand	Head of Inclusive Play

#### (b) Compensation of key management personnel

	2021 \$	2020 \$
Short-term employee benefits - Salary and fees	656,890	738,363
Post-employment benefits - Superannuation	54,389	67,583
Termination benefits	-	191,679
	<b>711,279</b>	<b>997,625</b>

### 19 Events after the end of the Reporting Period

As at the date of this report, the future impact of COVID-19 on the domestic economy and the impact on the Company remains uncertain. Variety has and continues to monitor the situation.

Since the end of the financial year, the Directors have not become aware of any matter or circumstances not otherwise dealt with in the report or financial statements that has significantly, or may significantly, affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

## **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 30 September 2021**

### **20 Auditors' Remuneration**

Audit fees of \$24,500 (2020: \$23,500) have been billed, with a corresponding in-kind donation of \$13,500 (2020: \$13,500) received or to be received.

### **21 Statutory Information**

The registered office and principal place of business of the company is:

Variety - The Children's Charity (NSW/ACT)  
47 Herbert Street,  
Artarmon, NSW 2064  
AUSTRALIA

## DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Variety - the Children's Charity (NSW/ACT), we state that in the opinion of the directors:

- a) the financial statements and notes of the Company are in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:
  - (i) giving a true and fair view of the Company's financial positions as at 30 September 2021 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements, and the *Australian Charities and Not-for-Profits Commission Regulation 2013*; and
- b) there are reasonable grounds to believe that the Company will be able to pay all of its debts, as and when they become due and payable;

### Declaration under the Charitable Fundraising Act 1991 (the "Act")

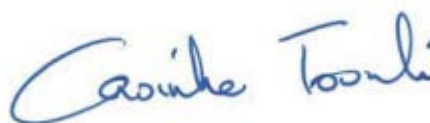
- (i) the Statement of Comprehensive Income gives a true and fair view of the state of affairs of the Company with respect to fundraising appeals;
- (ii) the Statement of Financial Position gives a true and fair view of the state of affairs of the Company with respect to fundraising appeals;
- (iii) the provisions and regulations of the NSW Charitable Fundraising Act 1991 and the conditions attached to the authority to fundraise have been complied with by the Company; and
- (iv) the internal controls exercised by the Company are appropriate and effective in accounting for all income received and applied by the Company from any of its fundraising appeals.

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



Director .....

Dr Greg Levenston



Director .....

Caoimhe Toouli

Dated this 26 day of November 2021

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF VARIETY – THE CHILDREN'S CHARITY (NSW/ACT) Report on the Audit of the Financial Report Opinion

We have audited the financial report of Variety – the Children's Charity (NSW/ACT) (the Company), which comprises the statement of financial position as at 30 September 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the financial report of Variety – the Children's Charity (NSW/ACT), has been prepared in accordance with *Division 60 of the Australian Charities and Not-for-profits Commission Act 2012*, including:

- i. giving a true and fair view of the Company's financial position as at 30 September 2021 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.
- iii. the financial report gives a true and fair view of the financial result of fundraising appeals for the year;
- iv. the financial report and associated records of Variety – the Children's Charity (NSW/ACT) have been properly kept during the year in accordance with the New South Wales Charitable Fundraising Act 1991 and the regulations;
- v. money received as a result of fundraising appeals conducted during the year has been properly accounted for in accordance with the New South Wales Charitable Fundraising Act 1991 and the regulations; and
- vi. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

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

### Independence

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 Standard) (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.

PKF (NS) Audit & Assurance Limited Partnership  
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## 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 30 September 2021, 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 of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012*. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, directors are responsible for assessing the Company'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 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 Company'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 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 the 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:

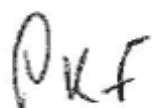
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a 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.

## Auditor's Responsibilities for the Audit of the Financial Report (cont'd)

- 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's 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 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, action taken to eliminate threats or safeguards applied.



PKF



KYM REILLY  
PARTNER

26 NOVEMBER 2021  
SYDNEY, NSW