



**Variety – the Children’s Charity  
(NSW/ACT)**

ABN 38 003 354 934

**Financial Statements**  
for the Year Ended 30 September 2021



**variety**  
the children’s charity

# CONTENTS

For the Year Ended 30 September 2022

## Financial Statements

Directors' Report	1
Auditor's Independence Declaration	8
Statement of Profit or Loss and Other Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Statement of Cash Flows	12
Notes to the Financial Statements	13
Directors' Declaration	30
Independent Audit Report	31

# DIRECTORS' REPORT 30 SEPTEMBER 2022

The directors present their report on Variety - the Children's Charity (NSW/ACT) for the financial year ended 30 September 2022.

## 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	
Vanessa Beggs	Director	
Jack Cannons AM	Director	
Greg Lewis	Director	Appointed as Deputy Chair on 17 December 2021
Paul Mullaly	Director	
John Dennis	Director	
Michael Starkey	Director	
Caoimhe Toouli	Director	
Matthew Saunders	Director	Appointed Treasurer 30 August 2022
Lauren Nash	Director	
Justine Perkins	Deputy Chair	Resigned on 23 November 2021

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

## Company secretary

Ashwin Rathod, Chief Finance Officer, was the Company Secretary of Variety the Children's Charity (NSW/ACT) from July 2021 until August 2022. A new Company Secretary will be elected at the forthcoming AGM.

## Principal activities

Variety has diverse streams fundraising including our principle activity at hosting multiple large scale fundraising events. These include the Variety B to B Bash, The NSW Bash, The Variety 4WD Adventure, The Postie Bike Dash, the Adventure Bike Ride, Spin4Kids and dining events like Variety of Chefs.

Variety also runs Hair with Heart, a national hair donation and fundraising campaign. Hair with Heart enjoyed a buoyant FY22.

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

No significant changes in the nature of the Company's activity occurred during the financial year.

## Strategy for achieving the 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 \$247,648 (2021: \$ 1,941,581).

After a number of events were delayed by Covid restrictions in 2021, Variety was able to successfully host the 4WD Adventure, B to B Bash and Newcastle Variety of Chef's in 2022. Money raised for these events in 2021 was accounted for in the 2021 FY, however, as mentioned last year, the expenses for the delayed events are accounted for in the 2022FY, as well as any additional income they generated. The additional expenses for 2 years are reflected in the reduced net income above.

With Covid Restrictions now lifted, the 2023FY should return to the normal cycle of income and expenses for Variety events.

A focus on non-event income has also returned, and a plan to grow the Hair with Heart program is being implemented.

Reserve capital remains in a robust position.

## INFORMATION ON DIRECTORS



### Greg Levenston Chair

Qualifications Dr. Greg 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. Participated in 2022 and 2018 4WD Adventure (Medics). Previous Basher (2014)

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 pediatrics 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.

### **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.

### **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's 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.

### **Greg Lewis - Deputy Chair**

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 and has also completed in 7 B to B Bashes and is an active fundraiser for Variety.

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. Since joining the board, Greg, has been deputy Chair and is the current Chair of the Grants and Kids Support Committee's, been a member of the Kids Support Governance Committee.



### 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 till 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.

---



### 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 since 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.

### **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) as part of their executive team, 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 president for the local AHA subbranch.

### **Caoimhe Touli - 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.

As the Partner in Charge of KPMG's Sydney Audit & Assurance division, Caoimhe leads a team of more than 500 exceptional professionals, who are dedicated to providing outstanding client service and serving our community.

Beginning her KPMG career in Dublin, Ireland before moving to Silicon Valley in 2002, Caoimhe has in-depth experience with technology, software and services industries, having worked in Silicon Valley from 2002 to 2006 and with many of Australia's leading technology companies since then.

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

Caoimhe was Chair of the Audit and Finance Committee until September 2022.

### **Matthew Saunders - Director**

Matthew (Mat) joined the Board in 2020 and has worked with KPMG for over 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.

## Lauren Nash - Director

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-milliondollar 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, 6 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	DIRECTORS MEETINGS	
	Number eligible to attend	Number attended
Greg Lewis	6	6
Vanessa Beggs	6	5
Jack Cannons AM	6	6
Justine Perkins	1	1
Dr Greg Levenston	6	6
Paul Mullaly	6	6
John Dennis	6	6
Michael Starkey	6	3
Caoimhe Toouli	6	5
Matthew Saunders	6	5
Lauren Nash	6	4

## Significant changes in state of affairs

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

## Events after the reporting date

No 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 and results

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 auditor

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 2022 has been received and can be found on page 8 of the financial report.

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

Director:   
Dr Greg Levenston

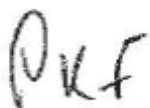
Director:   
Matthew Saunders

Dated 24 November 2022

Auditors' 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 2022, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the under Section 60-40 of the 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

24 NOVEMBER 2022  
SYDNEY, NSW

## Statement of Financial Position

As At 30 September 2022

	NOTE	2022 \$	2021 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	6,482,402	6,106,848
Trade and other receivables	7	41,887	52,798
Other assets	8	162,001	225,217
<b>TOTAL CURRENT ASSETS</b>		<b>6,686,290</b>	<b>6,384,863</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	5,183,853	5,117,482
Intangible asset	10	2,302	25,765
Right of use asset 11	11	238,774	306,904
<b>TOTAL NON-CURRENT ASSETS</b>		<b>5,424,929</b>	<b>5,450,151</b>
<b>TOTAL ASSETS</b>		<b>12,111,219</b>	<b>11,835,014</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables 12	12	286,706	318,232
Grants payable	13	1,804,799	1,478,085
Lease liabilities	11	75,348	71,349
Contract liabilities	14	248,472	338,184
Provisions	15	147,140	259,276
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,562,465</b>	<b>2,465,126</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	11	169,854	238,059
Provisions	15	13,818	14,395
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>183,672</b>	<b>252,454</b>
<b>TOTAL LIABILITIES</b>		<b>2,746,137</b>	<b>2,717,580</b>
<b>NET ASSETS</b>		<b>9,365,082</b>	<b>9,117,434</b>
<b>EQUITY</b>			
Retained earnings		6,849,137	6,601,489
Revaluation reserve		2,515,945	2,515,945
<b>TOTAL EQUITY</b>		<b>9,365,082</b>	<b>9,117,434</b>

## Statement of Changes in Equity

For The Year Ended 30 September 2022

	Accumulated Surplus \$	Revaluation Reserve \$	Total \$
<b>Balance at 1 October 2021</b>	6,601,489	2,515,945	9,117,434
Surplus for the year	247,648	-	247,648
<b>Balance at 30 September 2022</b>	<b>6,849,137</b>	<b>2,515,945</b>	<b>9,365,082</b>
<b>Balance at 1 October 2020</b>	4,659,908	2,515,945	7,175,853
Surplus for the year	1,941,581	-	1,941,581
<b>Balance at 30 September 2021</b>	<b>6,601,489</b>	<b>2,515,945</b>	<b>9,117,434</b>

## Statement of Cash Flows

For The Year Ended 30 September 2022

	NOTE	2022 \$	2021 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from donors, sponsors, members and functions		7,242,623	6,891,210
Payments to suppliers and employees		(4,406,634)	(2,984,020)
JobSaver and JobKeeper payments		104,205	238,800
Cash receipts – other COVID-19 support		12,987	15,000
Interest received		8,714	3,048
Interest paid		(7,128)	(6,550)
Kids support grants paid		(2,396,910)	(1,286,340)
Net cash provided by/(used in) operating activities		<b>557,857</b>	<b>2,871,148</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Proceeds from sale of plant and equipment		49,500	-
Purchase of property, plant and equipment		(158,704)	(19,569)
Net cash provided by/(used in) investing activities		<b>(109,204)</b>	<b>(19,569)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Payment of lease liabilities		(73,099)	(65,734)
Net cash provided by/(used in) financing activities		<b>(73,099)</b>	<b>(65,734)</b>
<b>EQUITY</b>			
Net increase/(decrease) in cash and cash equivalents held		375,554	2,785,845
Cash and cash equivalents at beginning of year		6,106,848	3,321,003
Cash and cash equivalents at end of financial year	6	<b>6,482,402</b>	<b>6,106,848</b>

## Notes to the Financial Statements

For The Year Ended 30 September 2022

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, registered and domiciled in Australia.

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

Comparatives are consistent with prior years, unless otherwise stated.

### 1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act 2012*.

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

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.

##### 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.

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

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

#### 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 till a firm commitment has been received.

#### Government grants – JobSaver and JobKeeper

Government grants include amounts received or receivable under the Federal Government's Jobsaver and JobKeeper Payment Schemes 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) 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.

### (c) Income Tax

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

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

### (d) Property, plant and equipment

Plant and equipment is carried at cost or fair value 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 asset's 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
Plant and Equipment	3-5 years
Motor Vehicles	4 years
Property improvements	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.

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).

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

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

#### 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 that 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.

#### 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 asset has increased significantly 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.



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

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

#### Financial assets (cont'd)

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.

#### 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 and lease liabilities, which are measured at amortised cost using the effective interest rate method.

### (f) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

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

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

### (g) 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.

### (h) 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 three 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.

### (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 to 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.

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

### (j) 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.

### (k) 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 nonaccumulating 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.

### (l) 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.

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.

### (m) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 30 September 2022, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

### (n) New accounting standards for application in future periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The directors have decided against early adoption of these Standards, but does not expect the adoption of these standards to have any impact on the reported position or performance of the Company.

### 3 Critical Accounting Estimates and Judgments

Those charged with governance 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.

##### *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 assumptions used at the date of the valuation remain appropriate as at 30 September 2022.

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

## 4 Income

### Fundraising information and administration costs

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

	TOTAL INCOME	DIRECT EXPENSES	2022 NET INCOME	2021 NET INCOME
	\$	\$	\$	\$
Events	4,802,360	(1,592,985)	3,209,375	2,619,980
Corporate partnerships	1,328,823	(2,811)	1,326,012	1,792,323
Individual giving & philanthropy	161,001	(16,026)	144,975	513,300
Community fundraising	849,000	(57,519)	791,481	947,535
Fundraising and event staff costs	-	(1,331,440)	(1,331,440)	(1,039,826)
Unallocated costs	-	(61,423)	(61,423)	(185,872)
	7,141,184	(3,062,204)	4,078,980	4,647,440
Contribution towards grants	101,818	-	101,818	69,839
Other income	159,217	-	159,217	264,314
Administration costs	-	(1,219,701)	(1,219,701)	(1,143,880)
<b>Net surplus before Kids Support Framework</b>	<b>7,402,219</b>	<b>(4,281,905)</b>	<b>3,120,314</b>	<b>3,837,713</b>
Kids Support Framework Expenses (Grants/Delivery/in-kind)	-	(2,872,666)	(2,872,666)	(1,896,132)
<b>Net surplus</b>	<b>7,402,219</b>	<b>(7,154,571)</b>	<b>247,648</b>	<b>1,941,581</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.

During the year, the organisation received donated goods and services to the value of \$109,568 (2021: \$38,513). As these were acquired for no consideration, the goods and services were valued at current replacement cost and are included in the relevant revenue or expense category.

### Other Income

	2022	2021
	\$	\$
Interest received	8,714	3,048
JobSaver and JobKeeper payments	117,192	238,800
Gain on disposal of property, plant and equipment	29,884	2,966
Other	3,427	19,500
	159,217	264,314

## 5 Expenses

	2022	2021
	\$	\$
<b>Employee expense</b>		
Wages & Salaries	537,094	385,445
Other employee benefit expense	25,162	5,570
Staff training and development	2,000	3,901
Recruitment	3,239	24,398
	<u>567,495</u>	<u>419,314</u>
<b>Depreciation</b>		
Buildings	43,880	55,355
Plant and equipment	19,669	16,584
Depreciation in overheads	63,549	71,939
Depreciation - right of use asset	75,402	74,172
	<u>138,951</u>	<u>146,111</u>
<b>Fundraising costs</b>		
Motor vehicles depreciation	<u>23,130</u>	<u>32,133</u>

## 6 Cash and Cash Equivalents

Cash on hand	200	100
Cash at Bank	6,482,202	6,106,748
	<u>6,482,202</u>	<u>6,106,748</u>

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

Trade receivables	34,212	-
Accrued income	7,675	52,798
	<u>41,887</u>	<u>52,798</u>

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

## 8 Other assets

Prepayments	71,877	156,050
Other assets	90,124	69,167
	<u>162,001</u>	<u>225,217</u>

## 9 Property, plant and equipment

	2022 \$	2021 \$
<b>LAND AND BUILDINGS</b>		
Freehold land		
At fair value	2,900,000	2,900,000
Total Land	2,900,000	2,900,000
<b>Buildings</b>		
At fair value	2,200,000	2,200,000
Accumulated depreciation	(99,235)	(55,355)
Total buildings	2,100,765	2,144,645
Total land and buildings	5,000,765	5,044,645
<b>PLANT AND EQUIPMENT</b>		
Plant and equipment		
At cost	574,901	543,038
Accumulated depreciation	(519,151)	(484,765)
Total plant and equipment	55,750	58,273
<b>Motor vehicles</b>		
At cost	442,764	342,087
Accumulated depreciation	(315,426)	(327,523)
Total motor vehicles	127,338	14,564
Total plant and equipment	183,088	72,837
	5,183,853	5,117,482

### (a) Movements in Carrying Amounts

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

	LAND \$	BUILDINGS \$	PLANT & EQUIPMENT \$	MOTOR VEHICLES \$	TOTAL \$
<b>Year ended 30 September 2022</b>					
Balance at the beginning of year	2,900,000	2,144,645	58,273	14,564	5,117,482
Additions	-	-	17,901	140,803	158,704
Disposals	-	-	-	(4,899)	(4,899)
Depreciation expense	-	(43,880)	(20,424)	(23,130)	(87,434)
<b>Balance at the end of the year</b>	<b>2,900,000</b>	<b>2,100,765</b>	<b>55,750</b>	<b>127,338</b>	<b>5,183,853</b>

## 10 Intangible Assets

	2022 \$	2021 \$
Computer software		
Cost	152,365	152,365
Accumulated amortisation	(150,063)	(126,600)
	2,302	25,765

## 11 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

	BUILDINGS \$
Balance at the beginning of the year	309,904
Depreciation charge	(75,402)
Additions in right-of-use assets due to changes in lease liability	7,272
<b>Balance at end of year</b>	<b>238,774</b>

### Lease liabilities

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 \$
2022					
Lease liabilities	80,618	174,673	-	255,291	245,202
2021					
Lease liabilities	78,270	247,855	-	326,125	309,408

### 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 interest expense on lease liabilities and short-term leases or leases of low value assets are shown below:

Interest expense on lease liabilities	7,128	6,304
---------------------------------------	-------	-------



## 12 Trade and Other Payables

	2022	2021
	\$	\$
Trade payables	262,136	296,403
Sundry payables and accrued expenses	24,570	21,829
	<b>286,706</b>	<b>318,232</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.

## 13 Grants payable

Grants payable at 1 October	1,478,085	1,012,708
Appeals granted	2,879,522	2,348,905
Grants write back	(155,898)	(597,188)
Grants paid	(2,396,910)	(1,286,340)
<b>Balance at year end</b>	<b>1,804,799</b>	<b>1,478,085</b>

## 14 Contracted Liabilities

Contract liabilities	248,472	338,184
----------------------	---------	---------

## 15 Provisions

CURRENT		
Employee benefits	147,140	259,276
NON-CURRENT		
Employee benefits	13,818	14,395

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.

## 16 Key Management Personnel Disclosures

(a) Details of Key Management Personnel as at 30 September 2022

### (i) Directors

Greg Lewis	Deputy Chair
Vanessa Beggs	Director
Jack Cannons, AM	Director
Dr Greg Levenston	Chair
Paul Mullaly	Director
John Dennis	Director
Michael Starkey	Director
Caoimhe Toouli	Director
Matthew Saunders	Director
Lauren Nash	Director

## 16 Key Management Personnel Disclosures (cont'd)

(a) Details of Key Management Personnel as at 30 September 2022 (cont'd)

### (ii) Employees

David Small	Acting General Manager (from 20 August 2022)
Vanessa Barry	Chief Executive Officer (until 30 September 2022)
Ashwin Rathod	Chief Financial Officer & Company Secretary (until 31 August 2022)
Alys Holz	Head of Marketing & Communications (until 2 September 2022)
Elizabeth Gearing	Head of Kids Support
Peter Harvey	Head of Fundraising & Business Development (until 12 August 2022)
Tara Beath	Head of Marketing and Fundraising (from 1 August 2022)

(b) The remuneration paid to key management personnel of the Company:

	2022 \$	2021 \$
Short-term employee benefits - Salary and fees	820,753	656,890
Post-employment benefits - Superannuation	77,991	54,389
	<b>898,744</b>	<b>711,279</b>

## 17 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:

	PAYMENT FROM RELATED PARTIES \$	PAYMENT TO RELATED PARTIES \$	AMOUNTS OWNED BY RELATED PARTIES \$	AMOUNTS OWNED TO RELATED PARTIES \$
<b>Key management personnel</b>				
2022	-	10,127	-	-
2021	-	125,588	-	-
<b>Variety Tasmania</b>				
2022	200	26,631	-	1,382
2021	1,033	21,117	-	8,457
<b>Variety Western Australia</b>				
2022	22,127	78,741	-	-
2021	4,543	99,855	-	46,273
<b>Variety Northern Territory</b>				
2022	935	13,767	-	1,457
2021	-	13,425	-	6,264

## 17 Related Parties (cont'd)

<b>Variety Queensland</b>				
2022	2,125	122,958	-	32,026
2021	4,663	149,164	-	57,663
<b>Variety South Australia</b>				
2022	-	58,751	-	19,516
2021	9,316	60,079	-	17,341
<b>Variety Victoria</b>				
2022	-	196,905	-	42,794
2021	3,510	205,974	-	42,605
<b>Variety Australia</b>				
2022	-	78,967	7,675	11,491
2021	33,009	83,311	48,390	44,264
<b>Variety International</b>				
2022	-	31,448	-	-
2021	-	30,006	-	-

## 18 Financial Risk Management

	2022	2021
	\$	\$
Financial assets		
Held at amortised cost		
Cash and cash equivalents	6,482,402	6,106,848
Trade and other receivables	41,887	52,798
	<b>6,524,289</b>	<b>6,159,646</b>
Financial liabilities		
Held at amortised cost		
Trade and other payables	286,706	318,232
Grants payable	1,804,799	1,478,085
Lease Liabilities	245,202	309,408
	<b>2,336,707</b>	<b>2,105,725</b>

## 19 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 September 2022 (30 September 2021:None).

## 20 Events after the end of the Reporting Period

The financial report was authorised for issue on 21 November 2022 by those charged with governance.

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

## 21 Auditors' Remuneration

Audit fees of \$25,700 (2021: \$24,500) have been billed, with a corresponding in-kind donation of \$14,200 (2021: \$13,500) received or to be received.

## 22 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.

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

ABN 38 003 354 934

### 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   
Matthew Saunders

Dated 24 November 2022

## 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 2022, 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:

- a) giving a true and fair view of the Company's financial position as at 30 September 2022 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards – Simplified Disclosure Requirements and *Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013*.
- c) the financial report gives a true and fair view of the financial result of fundraising appeals for the year;
- d) 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;
- e) 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
- f) 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  
ABN 91 850 861 839

Liability limited by a scheme approved  
under Professional Standards Legislation

Sydney  
Level 8, 1 O'Connell Street  
Sydney NSW 2000 Australia  
GPO Box 5446 Sydney NSW 2001  
p +61 2 8346 6000  
f +61 2 8346 6099

Newcastle  
755 Hunter Street  
Newcastle West NSW 2302 Australia  
PO Box 2368 Dangar NSW 2309  
p +61 2 4962 2688  
f +61 2 4962 3245

## 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 2022, 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:

- a) giving a true and fair view of the Company's financial position as at 30 September 2022 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards – Simplified Disclosure Requirements and *Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013*.
- c) the financial report gives a true and fair view of the financial result of fundraising appeals for the year;
- d) 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;
- e) 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
- f) 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  
ABN 91 850 861 839

Liability limited by a scheme approved  
under Professional Standards Legislation

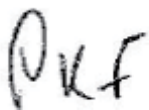
Sydney  
Level 8, 1 O'Connell Street  
Sydney NSW 2000 Australia  
GPO Box 5446 Sydney NSW 2001  
p +61 2 8346 6000  
f +61 2 8346 6099

Newcastle  
755 Hunter Street  
Newcastle West NSW 2302 Australia  
PO Box 2368 Dangar NSW 2309  
p +61 2 4962 2688  
f +61 2 4962 3245

- 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

24 NOVEMBER 2022  
SYDNEY, NSW