Variety Queensland Incorporated

Financial Statements
For the Year Ended 30 September 2020

ABN: 35940541014 IA 16832

variety
the children's charity

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Committee of Management Report

30 September 2020

Members of the Committee of Management

The Committee Members in office at the date of this report are set out on pages 3-4 of this report. The Committee Members had no interests in contracts or proposed contracts with Variety Queensland during the course of the financial year other than noted in the statutory information contained in this report.

Association Information

Variety Queensland Incorporated is an Incorporated Association in Queensland under the *Associations Incorporation Act 1981*. The Charity is a not-for-profit organisation and is prevented by its constitution from paying dividends.

The registered office of the Association is:

Unit 1
5 Ashtan Place
Banyo QLD 4014

The Association employed 20 staff as at 30 September 2020 (30 September 2019: 16).

Review of Operations

The principal activity of Variety Queensland Incorporated during the year was to supply material aid to children with special needs. No changes in the nature of the following activities occurred during the year; granting of individual and group appeals, provision of Variety Sunshine Coaches and Liberty Swings, Special Children's Christmas Parties and other outings.

The operating surplus for the year ended 30 September 2020 was $5,726 (30 September 2019: $305,740). Kids Support Framework appeals and delivery costs for the year ended 30 September 2020 totalled $1,264,431 (30 September 2019: $1,239,315).

Significant Events after Balance Date

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

In the opinion of the Committee Members there are no likely changes in the operations of the Association which will adversely affect the results in subsequent financial years.

Committee of Management Report

30 September 2020

Committee of Management Meetings

The number of Committee of Management Meetings held during the year and the number of meetings attended by each Committee Member is as follows:

Committee Member	Meetings Attended	Meetings Eligible to Attend
Peter Apel	15	17
Ben Cox	12	17
Helen Debenham	16	17
Nick Harwood	11	17
Duncan Murray	12	17
Jessica-Anne Saayman	17	17
Dr Paul Shumack	11	17

This report is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee on 08 December 2020 by:

Nick Harwood
Chairperson

Jessica-Anne Saayman
Treasurer

Committee of Management Members

30 September 2020

Peter Apel is a solicitor who has worked in private practice in Far North Queensland for over 30 years. He holds degrees in Commerce and Law, is a mediator and a Notary Public. Peter is a Past President and Life Member of the North Queensland Law Association and the Wildlife Conservancy of Tropical Queensland. He is also current Chair of the Quality Industry Training and Employment; a non-profit organisation dedicated to helping the most disadvantaged members of the community gain and retain employment. Peter has been involved in the Variety Bash since 2006.

Ben Cox has dedicated his career to changing the lives of others through his work in the not-for-profit sector. He has extensive experience in fundraising working with the Royal Children's Hospital Foundation, the Cerebral Palsy League, MS Queensland and Legacy. Ben is a passionate advocate for the not for profit sector and is an experienced speaker and thinker on the design, delivery and value of effective fundraising, marketing and communications programs. He also speaks regularly on mentoring, leadership and perseverance. Ben currently serves as Deputy Chair of the Fundraising Institute of Australia's (FIA) Queensland Executive Committee and as a National Director of FIA and sits on several fundraising and marketing advisory panels in the not-for-profit sector.

Helen Debenham is the owner and principal of HD Events, an events management company that assists with the delivery of successful and memorable events such as golf days, gala balls and charity events whose main aim is fundraising. Helen has organised several charity bike rides which has raised over $2 million to support charities, including The Leukaemia Foundation, Royal Children's Hospital Foundation and Aussie Helpers. Helen's background also includes several years as an intensive care nurse in NSW and QLD. Helen and her husband John both feel very fortunate to have four healthy children and are strong believers in contributing to the community, particularly when children in need are involved.

Nick Harwood is a consultant and former partner of Deloitte Australia. Born in the UK, he completed his accounting studies with PwC in London before transferring to their Hong Kong Office. Nick moved to Australia in 2001, joining Deloitte until 2015. While at Deloitte Nick acquired a broad range of business experience, his roles included restructuring and managing companies, transaction management and due diligence, advising boards and executives. On leaving Deloitte, Nick joined a mining services company managing strategic implementation and special projects. He is currently studying an Executive MBA with IMD in Switzerland to further develop his consultancy skills. Nick previously served on the board of Common Ground Queensland, a not for profit organisation seeking to end homelessness in its communities. He is passionate about giving back some of his good fortune to communities.

Duncan Murray is a Specialist Emergency Physician, with experience in Public Hospitals and as Director of a Private Emergency Department. His interests include retrieval and remote area medicine, something Variety has been lucky enough to benefit from on the Bash. Director and owner of Xigent Locums, a medical locum agency, Duncan is also Medical Director for Falck (Australia). Duncan was first exposed to Variety on the Bash in 2012; since then has assisted in providing medical support on the Bash. Duncan is also a busy father of three.

Committee of Management Members

30 September 2020

Jessica-Anne Saayman is an independent consultant and specialist in Assurance Consulting Services. Following migration to Australia in late 2013, she joined Deloitte Australia as an assurance and advisory partner, and remained with the firm until 2017. On leaving Deloitte Australia, Jessica started her own consulting business, focusing on regulatory and advisory solutions for her clients. Her extensive experience in the areas of technical, assurance and advisory applicable to listed, unlisted, and privately held entities over a number of industries, and more recently the public and not-for-profit sectors, provides a wealth of knowledge for Variety as it faces new regulatory challenges affecting the not-for-profit sector. Her passion involves assisting her clients with practical solutions for legislative and governance issues affecting them. Jessica and her husband believe in paying their blessings forward, and in particular to children in need. She is excited to bring this passion and her financial expertise to the Variety Board to serve the broader community.

Dr Paul Shumack is the Managing Director of Australasian Aeromedical Specialist Services. His qualifications include MB BS, FAFOEMRACP, FACAsM, MRAeS, and Specialist Physician. He is a Group Captain in the RAAF Specialist Reserves. Paul has participated in many Variety Queensland events, donating his time as Chief Medical Officer. Paul has been a Committee of Management Member since the mid-eighties and is currently on the Appeals Committee as well as being the Chief Medical Officer.

Statement of Comprehensive Income

For the Year Ended 30 September 2020

	Note	2020 $	2019 $
Event Fees and Levies Income		227,253	931,252
Event Direct Costs		(225,298)	(749,292)
Net Event Contribution		**1,955**	**181,960**
Event Fundraising Income		1,380,121	2,789,814
Other Fundraising Income		1,693,854	1,197,620
Government COVID-19 Stimulus		453,500	-
Other Income		28,352	32,832
Total Revenue		**$3,557,782**	**$4,202,226**
Other Event Expenses		(764,244)	(1,238,518)
Fundraising Costs		(722,790)	(494,158)
Total Cost of Fundraising		**($1,487,034)**	**($1,732,676)**
Gross Profit		**$2,070,748**	**$2,469,550**
Advertising and Promotion		(19,228)	(42,878)
Communications		(37,830)	(36,788)
Depreciation and Amortisation	4(a)	(34,438)	(38,026)
Design, Printing and Stationery		(13,466)	(11,270)
Employee Expenses		(287,560)	(285,597)
Finance Costs	4(b)	(5,932)	(6,472)
Information Technology		(83,490)	(78,408)
Insurance		(21,911)	(20,375)
Motor Vehicle Expenses		(42,811)	(42,439)
Rent		(93,474)	(130,392)
Subscriptions		(25,962)	(48,534)
Travel and Accommodation		(20,996)	(14,023)
Utilities		(19,399)	(19,276)
Variety Australia and Variety International Fees		(41,530)	(61,665)
Other Expenses		(52,564)	(88,352)
Total Expenses		**($800,591)**	**($924,495)**
Surplus before Kids Support Framework appeals and delivery		**$1,270,157**	**$1,545,055**
Kids Support Framework - granted		(1,085,254)	(1,111,260)
Kids Support Framework - delivery		(179,177)	(128,055)
Surplus / (Deficit) for the Year		**$5,726**	**$305,740**

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 30 September 2020

	Note	2020 $	2019 $
Assets			
Current Assets			
Cash and Cash Equivalents	5	839,896	828,921
Trade and Other Receivables	6	147,570	173,050
Inventory		111,013	17,161
Other Current Assets	7	363,210	141,794
Investments	10	-	59,861
Total Current Assets		**$1,461,689**	**$1,220,787**
Non-Current Assets			
Property Plant and Equipment	8	140,889	176,941
Intangible Assets	9	4,987	12,910
Total Non-Current Assets		**$145,876**	**$189,851**
Total Assets		**$1,607,565**	**$1,410,638**
Liabilities			
Current Liabilities			
Trade and Other Payables	11	475,994	494,976
Provisions for Employee Benefits	12	140,435	99,698
Borrowings	13	26,067	24,693
Deferred Income		334,991	249,247
Total Current Liabilities		**$977,487**	**$868,614**
Non-Current Liabilities			
Provisions for Employee Benefits	12	24,758	16,363
Borrowings	13	158,234	84,301
Total Non-Current Liabilities		**$182,992**	**$100,664**
Total Liabilities		**$1,160,479**	**$969,278**
Net Assets		**$447,086**	**$441,360**
Equity			
Retained Earnings		447,086	441,360
Total Equity		**$447,086**	**$441,360**

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 30 September 2020

2019	Note	Retained Earnings $	Total $
Balance as at 01 October 2018		135,620	135,620
Surplus for the Year		305,740	305,740
Balance as at 30 September 2019		**$441,360**	**$441,360**

2020	Note	Retained Earnings $	Total $
Balance as at 01 October 2019		441,360	441,360
Surplus for the Year		5,726	5,726
Balance as at 30 September 2020		**$447,086**	**$447,086**

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the Year Ended 30 September 2020

	Note	2020 $	2019 $
Cash Flows from Operating Activities			
Receipts from Donors, Sponsors and Others		3,219,469	4,154,952
Payments to Suppliers and Employees		(2,938,088)	(3,376,153)
Interest Received		1,846	1,392
Interest Paid		(5,932)	(6,472)
Appeals Paid		(316,840)	(447,578)
Net Cash provided by / (used in) Operating Activities	5 (a)	**($39,545)**	**$326,141**
Cash Flows from Investing Activities			
Payments for Property Plant and Equipment		(24,787)	(59,404)
Proceeds from Sale of Property Plant and Equipment		-	67,986
Net Cash from/(used in) Investing Activities		**($24,787)**	**$8,582**
Cash Flows from Financing Activities			
Repayment of Borrowings		(24,693)	(24,909)
Proceeds from Borrowings	13	100,000	-
Net Cash provided by / (used in) Financing Activities		**$75,307**	**($24,909)**
Net Increase/(Decrease) in Cash and Cash Equivalents		10,975	309,814
Cash and Cash Equivalents at Beginning of Year		828,921	519,107
Cash and Cash Equivalents at End of Year	5	**$839,896**	**$828,921**

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 September 2020

1 Basis of Preparation

The financial statements cover Variety Queensland Incorporated as an individual entity. Variety Queensland Incorporated is an incorporated Association established under the provisions of the *Associations Incorporation Act 1981*. The Association is domiciled in Queensland and the registered office, which is the principal place of business, is located at:

Unit 1
5 Ashtan Place
BANYO QLD 4014

The financial statements of Variety Queensland Incorporated for the year ended 30 September 2020 were authorised for issue in accordance with a resolution of the Committee of Management on 8 December 2020.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB'), the *Associations Incorporations Act 1981* and the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act 2012).

Historical Cost Convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

In the event of the Association being wound up, any property remaining after satisfaction of the debts and liabilities of the Association shall be distributed to another incorporated Association having objects similar to those of the Association; or for charitable or benevolent purposes, as determined by resolution of the Committee Members. No member, or former member, of the Association shall be a recipient of any assets after the winding up.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

Notes to the Financial Statements

For the Year Ended 30 September 2020

2 Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Property Plant and Equipment

Plant and equipment is measured on the cost basis and is therefore carried at cost less accumulated depreciation and any impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carry amount is written down immediately to its estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 2 (e) for details of impairment).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Association and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit and loss during the financial period in which they are incurred.

Depreciation
The depreciable amount of all fixed assets, including buildings and capitalised lease assets, is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is available for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Assets	Depreciation Rate
Building Improvements	33.33%
Computer Equipment	30%
Plant and Equipment	20%
Motor Vehicles	20%

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Sales of Non-current Assets
The gross proceeds of non-current asset sales are included at the date control of the asset passes to the buyer. The gain or loss on disposal of assets is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

Notes to the Financial Statements

For the Year Ended 30 September 2020

2 Summary of Significant Accounting Policies continued

(b) Trade and Other Receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current.

Variety Queensland has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

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

(d) Financial Instruments

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL) depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted. The fair values of quoted investments are based on current bid prices. For unlisted investments, the Association establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership.

Notes to the Financial Statements

For the Year Ended 30 September 2020

2 Summary of Significant Accounting Policies continued

(d) Financial Instruments continued

Financial Assets at Amortised Cost
Financial Assets are subsequently measured at amortised cost if they meet the following criteria:

- The asset is held within a business model whose objective is to hold the financial asset in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on a specified.

Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)
Financial assets can be subsequently measured at FVOCI if they meet the following criteria:

- An equity investment issued by listed and unlisted companies that are not held for trading; or
- A debt instrument is held within a business model whose objective is achieved by both holding the financial asset in order to collect contractual cash flows and selling the financial asset, and the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All subsequent changes in fair value are recognised in other comprehensive income

Financial Assets at Fair Value through Profit or Loss (FVTPL)
Financial assets are subsequently measured at FVTPL if they meet the following criteria:

- The asset is held-for-trading;
- A debt instrument that does not qualify to be measured at amortised cost or FVOCI;
- An equity instrument which the Association has not elected to classify as at FVOCI; or
- A financial asset where the Association has elected to measure the asset at FVTPL under the fair value option.

All subsequent changes in fair value are recognised in profit or loss.

Loans and Receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Financial Liabilities
Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment of Financial Assets
The Association has two types of financial assets subject to AASB 9's expected credit loss model, being financial assets at amortised cost and trade and other receivables. An assessment is performed on expected credit losses using the simplified approach for these financial assets. There was no material impairment loss identified.

Notes to the Financial Statements

For the Year Ended 30 September 2020

2 Summary of Significant Accounting Policies continued

(d) Financial Instruments continued

Cash and cash equivalents, and investments are also subject to the impairment requirements of AASB 9. There was no material impairment loss identified for these types of assets.

(e) Impairment of Non-Financial Assets

At the end of each reporting period, the Association assesses whether there is any indication that an asset may be impaired. The assessment will consider both external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of that asset, being the higher of the asset's fair value less costs to sell and its value-in-use, to the asset's carrying amount. An impairment loss is recognised in the profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount.

Where it is not possible to estimate the recoverable amount of an individual asset, the Association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(f) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Association during the reporting period that remain unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(g) Appeals Payable

Appeals payable are carried at cost and are recognised when the entity has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits as a result of past transactions or events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

(h) Finance Costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred, including:

- interest on the bank overdraft
- interest on short-term and long-term borrowings
- interest on finance leases
- unwinding of the discount on provisions

Notes to the Financial Statements

For the Year Ended 30 September 2020

2 Summary of Significant Accounting Policies continued

(i) Employee Benefits

Provision is made in respect of the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

(j) Income Taxes

No provision for income tax has been made in the financial report as Variety Queensland is exempt from income tax under the *Income Tax Assessment Act 1997* as it is a public benevolent institution.

(k) Goods and Services Tax (GST)

Revenues, 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). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Contingencies and commitments are also disclosed net of GST payable or recoverable. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows within the receipts from members, funding and others and payments to suppliers and employees.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the ATO.

(l) Revenue Recognition

Revenue from contracts with customers

The Association applies AASB 15 to recognise revenue when an agreement is enforceable and contains performance obligations to transfer goods or services that are sufficiently specific to determine when the obligation has been satisfied. For an arrangement that is not within the scope of AASB 15, and not otherwise within the scope of other standards, it would be treated as contribution income under AASB 1058 (for example a cash donation without conditions).

Notes to the Financial Statements

For the Year Ended 30 September 2020

2 Summary of Significant Accounting Policies continued

(l) Revenue Recognition continued

Revenue from contracts with customers is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Contract assets and liabilities

AASB 15 uses the terms 'contract asset' and 'contract liability' to describe what is commonly known as 'accrued revenue' and 'deferred revenue'. Contract assets are balances due from customers under contracts as work is performed and therefore a contract asset is recognised over the period in which the performance obligation is fulfilled. This represents the entity's right to consideration for the services transferred to date. Amounts are generally reclassified to receivables when these have been certified or invoiced to a customer. Contract liabilities arise where payment is received prior to work being performed.

Donation Income

Revenue from donations under enforceable agreements, where there are sufficiently specific performance obligations imposed, is deferred in the statement of financial position as a 'contract liability' until the obligations are satisfied. If the performance obligations are not sufficiently specific, revenue will be recognised immediately under AASB 1058 when the company obtains control of the cash.

If conditions are attached to the donation which must be satisfied before the company is eligible to retain the contribution, the donation will be recognised in the statement of financial position as a 'contract liability' until those conditions are satisfied.

Event and Fundraising Tickets and Levies

Revenue from event and fundraising activities are recognised in the statement of comprehensive income during the period in which the event or fundraising activity occurs, as this is the satisfaction of the performance obligation.

Interest Income

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

Notes to the Financial Statements

For the Year Ended 30 September 2020

2 Summary of Significant Accounting Policies continued

(l) Revenue Recognition continued

Donated Goods
Goods are donated to be sold at auctions, to be used in events or functions or to be granted as appeals. Donated goods are recognised as revenue at their replacement cost when received if there are no sufficiently specific performance obligations associated with the donation, and expensed when the goods are sold, or otherwise used.

Donations of Services
Donated services, such as the use of a conference centre to host an event, are recognised as revenue at their replacement cost when received if there are no sufficiently specific performance obligations associated with the donation. An equivalent amount is recognised as an expense, relating to the type of service donated.

Membership Income
Revenue from the provision of membership subscriptions is recognised when they are received.

Other Income
Other income is recognised when it is received or when the right to receive payment is established.

(m) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(n) Critical Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Impairment
The Association assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the Association that may be indicative of impairment triggers. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Notes to the Financial Statements

For the Year Ended 30 September 2020

2 Summary of Significant Accounting Policies continued

(n) Critical Accounting Judgements, Estimates and Assumptions continued

Estimation of Useful Life of Assets
The Association determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Assessment of Fair Value for Donated Goods and Services
The assessment of the fair value of goods and services donated to the Association 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.

No other significant judgements, estimates and assumptions were made during the financial year except for those disclosed in Note 3.

(o) Adoption of New, Revised or Amended Accounting Standards and Interpretations

The Association has adopted all of the new, revised or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the Association:

AASB 16 *Leases*
The incorporated Association has adopted AASB 16 from 1 October 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs).

In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities.

Notes to the Financial Statements

For the Year Ended 30 September 2020

2 Summary of Significant Accounting Policies continued

(o) Adoption of New, Revised or Amended Accounting Standards and Interpretations continued

As at 30 September 2020, there is only one agreement that falls under the AASB 16 lease classification, however, the Association has applied the short term practical expedient and the remaining rental payments have been expensed.

AASB 15 *Revenue from Contracts with Customers*
The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised. AASB 15 provides the following five-step process:

- Identify the contract(s) with a customer;
- Identify the performance obligations in the contract(s);
- Determine the transaction price;
- Allocate the transaction price to the performance obligation in the contracts;
- Recognise revenue when (or as) the performance obligations are satisfied.

AASB 1058 *Income of Not-for-Profit Entities*
AASB 1058 establishes principles and guidance when accounting for:

- Transactions where the consideration to acquire an asset is significantly less than the fair value, principally to enable a NFP to further its objectives, and
- The receipt of volunteer services.
- Grant agreements which are not eligible to be recognised over time

Impact of Adoption
AASB 15 and AASB 1058 were adopted using the modified retrospective approach and as such comparatives have not been restated.

The impact of the new Accounting Standards compared with the previous Accounting Standards on the current reporting period is as follows:

	In accordance with AASB 15 and AASB 1058 $	Revenue recognition policy to 1 October 2019 $	Impact of Adoption of AASB 15 and AASB 1058 $
Statement of Comprehensive Income			
Event Fundraising Income	1,380,121	430,889	949,232
Other Fundraising Income	1,693,854	1,605,185	88,669
Surplus/(Deficit) for the year	5,726	(1,032,175)	1,037,901
Statement of Financial Position			
Deferred Income	334,991	1,372,892	(1,037,901)
Retained Earnings	447,086	(590,815)	1,037,901

Notes to the Financial Statements

For the Year Ended 30 September 2020

2 Summary of Significant Accounting Policies continued

(p) Going Concern

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

The entity has recognised a net surplus of $5,726 with a net cash outflow from operating activities of $39,545 for the year ended 30 September 2020 and as at that date, current assets exceed current liabilities by $484,202 and the Association had a net asset position of $447,086.

In the Committee Members' opinion, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable and will continue as a going concern. The ability of the entity to continue as a going concern is dependent upon the continued successful implementation of management's revised strategy to manage operational cash flows and overheads, the diversification of revenue streams and the management's ability to remain agile and relevant in the current environment through continuous monitoring; all of which will ensure the entity is able to pay its debts as and when they fall due.

At the date of this report and having considered the above factors, the Committee Members are confident that the entity will be able to continue as a going concern.

Notes to the Financial Statements

For the Year Ended 30 September 2020

3 COVID-19 Impact

The World Health Organisation declared a respiratory illness caused by a new virus COVID-19, a pandemic in March 2020. COVID-19, as well as measures to slow the spread of the virus, have since had a significant impact on global economies and equity, debt and commodity markets.

The ongoing COVID-19 pandemic has increased the estimation uncertainty in the preparation of financial statements due to the volatile economic outlook resulting from actions taken by governments, the wider business community and consumers to contain the spread of the virus.

The Association is continuing to assess the impact of the COVID-19 outbreak on fundraising and event revenue, sponsors and our granting community. The Governments' restrictions on domestic and international borders, travel generally and on gatherings and social distancing measures have affected revenue in 2020 and have the potential to impact them further in 2021.

While COVID-19 did not result in the identification of any further areas of judgement and critical accounting estimates in addition to those specifically disclosed below it did result in the application of additional judgement. Given the dynamic and evolving nature of COVID-19, limited recent experience of the economic and financial impacts of such a pandemic, changes to the estimates and outcomes that have been applied in the measurement of the Company's assets and liabilities may arise in the future. Other than adjusting events that provide evidence of conditions that existed at the end of the reporting period, the impact of events that arise after the reporting period will be accounted for in future reporting periods.

In making estimates of the impact of COVID-19 on future performance the Association has assumed that the trend of general recovery across Australia and the world will continue through FY21 and that a 'second wave' event that will result in a major lockdown, comparable with those seen in the second half of 2020, will not occur.

Notes to the Financial Statements

For the Year Ended 30 September 2020

	2020 $	2019 $
4 Expenses		
(a) Depreciation and Amortisation Expense		
Depreciation		
Plant and Equipment	11,411	11,288
Computer Equipment	9,806	6,553
Motor Vehicles	49,802	52,989
Building Improvements	853	2,170
Amortisation	8,891	8,950
Total Depreciation and Amortisation Expenses before Allocation	**$80,763**	**$81,950**
Less: Motor Vehicles Re-allocated to Other Event Expenses	(46,325)	(43,924)
Total Depreciation and Amortisation Expenses After Allocation	**$34,438**	**$38,026**
(b) Finance Costs		
Interest Expense	640	4
Finance Costs	5,292	6,468
Total Finance Costs	**$5,932**	**$6,472**
5 Cash and Cash Equivalents		
Cash on Hand	900	800
Cash at Bank	838,896	828,121
Total Cash and Cash Equivalents	**$839,896**	**$828,921**

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

Notes to the Financial Statements

For the Year Ended 30 September 2020

	2020 $	2019 $
5 Cash and Cash Equivalents continued		
(a) Reconciliation of Cash Flows from Operating Activities		
Operating Surplus/(Deficit)	5,726	305,740
Adjustments for:		
Depreciation and Amortisation Expense	80,763	81,950
Gain on Sale of Fixed Assets	-	(26,909)
Non Cash (Donations)/Expenditure	(12,000)	(1,347)
(Increase) / Decrease in Trade and Other Receivables	83,367	(25,134)
(Increase) / Decrease in Prepayments	(221,416)	(91,507)
(Increase) / Decrease in Accrued Income	1,974	(55,612)
(Increase) / Decrease in Inventory	(93,852)	7,713
Increase / (Decrease) in Trade and Other Payables	78,793	169,576
Increase / (Decrease) in Provisions	49,132	9,472
Increase / (Decrease) in Deferred Income	85,743	(15,973)
Increase / (Decrease) in Appeals Payable	(97,776)	(31,828)
Cashflows from Operating Activities	**($39,545)**	**$326,141**

6 Trade and Other Receivables		
Trade Receivables	-	22,939
GST Recoverable	11,039	(585)
Other Receivables	136,531	150,696
Total Trade and Other Receivables	**$147,570**	**$173,050**

Accrued Income is included in Other Receivables. Accrued Income is fundraising income owing but not received as at 30 September 2020.

7 Other Current Assets		
Prepayments	363,210	141,794
Total Other Current Assets	**$363,210**	**$141,794**

Notes to the Financial Statements

For the Year Ended 30 September 2020

	2020 $	2019 $
8 Property Plant and Equipment		
Buildings Improvements		
At Cost	17,895	14,894
Less: Accumulated Depreciation	(15,614)	(14,760)
Total Buildings Improvements	**$2,281**	**$134**
Plant and Equipment		
At Cost	189,644	185,083
Less: Accumulated Depreciation	(163,535)	(152,124)
Total Plant and Equipment	**$26,109**	**$32,959**
Computer Equipment		
At Cost	87,592	59,333
Less: Accumulated Depreciation	(57,585)	(47,779)
Total Computer Equipment	**$30,007**	**$11,554**
Motor Vehicles		
At Cost	252,872	252,872
Less: Accumulated Depreciation	(170,380)	(120,578)
Total Motor Vehicles	**$82,492**	**$132,294**
Property Plant and Equipment		
At Cost	548,003	512,182
Less: Accumulated Depreciation	(407,114)	(335,241)
Total Property Plant and Equipment	**$140,889**	**$176,941**

Notes to the Financial Statements

For the Year Ended 30 September 2020

	2020 $

5 Property Plant and Equipment continued

Movements in Carrying Amounts

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

Building Improvements	
Balance at the Beginning of the Year	134
Additions	3,000
Depreciation Expense	(853)
Carrying Amount at the End of the Year	**$2,281**
Plant and Equipment	
Balance at the Beginning of the Year	32,959
Additions	4,561
Depreciation Expense	(11,411)
Carrying Amount at the End of the Year	**$26,109**
Computer Equipment	
Balance at the Beginning of the Year	11,554
Additions	28,259
Depreciation Expense	(9,806)
Carrying Amount at the End of the Year	**$30,007**
Motor Vehicles	
Balance at the Beginning of the Year	132,294
Additions	-
Depreciation Expense	(49,802)
Carrying Amount at the End of the Year	**$82,492**

Notes to the Financial Statements

For the Year Ended 30 September 2020

	2020 $	2019 $
9 Intangible Assets		
Computer Software		
At Cost	152,714	151,746
Less: Accumulated Amortisation	(147,727)	(138,836)
Total Computer Software	**$4,987**	**$12,910**

Movements in Carrying Amounts

Movement in the carrying amount for each class of intangible assets between the beginning and the end of the current financial year is as follows:

	2020 $
Computer Software	
Balance at the Beginning of the Year	12,910
Additions	968
Amortisation Expense	(8,891)
Carrying Amount at the End of the Year	**$4,987**

10 Investments

	2020 $	2019 $
Term Deposits	-	59,861
Total Investments	**$-**	**$59,861**

Notes to the Financial Statements

For the Year Ended 30 September 2020

		2020	2019
		$	$
11 Trade and Other Payables			
Trade Payables	(i)	297,412	159,129
Appeals Payable		87,698	185,473
Accrued Expenses and Other Payables	(ii)	90,884	150,374
Total Current Trade and Other Payables		**$475,994**	**$494,976**

(i) Trade Payables are non-interest bearing and are normally settled on 30 day terms.
(ii) Accrued expenses and other payables are non-interest bearing and have an average term of 30 days.

12 Provision for Employee Benefits		
Current		
Provision for Annual Leave	126,807	87,739
Provision for Long Service Leave	13,628	11,959
Total Current Provision for Employee Benefits	**$140,435**	**$99,698**
Non-Current		
Provision for Long Service Leave	24,758	16,363
Total Non-Current Provision for Employee Benefits	**$24,758**	**$16,363**

Notes to the Financial Statements

For the Year Ended 30 September 2020

	2020	2019
	$	$
13 Borrowings		
QRIDA	100,000	-
Westpac Banking Corporation	84,301	108,994
Total Borrowings	**$184,301**	**$108,994**
Current		
Westpac Banking Corporation	26,067	24,693
Total Current Borrowings	**$26,067**	**$24,693**
Non-Current		
QRIDA	100,000	-
Westpac Banking Corporation	58,234	84,301
Total Non-Current Borrowings	**$158,234**	**$84,301**

14 Auditor's Remuneration

Audit of Financial Report	11,000	10,390
Audit of Art Union	-	1,432
Total Auditor's Remuneration	**$11,000**	**$11,822**

The auditor of Variety Queensland Incorporated is BDO Audit Pty Ltd.

Notes to the Financial Statements

For the Year Ended 30 September 2020

15 Key Management Personnel

(a) Details of Key Management Personnel

Committee of Management Members

Nick Harwood	Chief Barker
Ben Cox	Vice Chairperson
Peter Apel	Secretary
Jessica-Anne Saayman	Treasurer
Duncan Murray	Board Member / Chairperson, Appeals Committee
Paul Shumack	Board Member
Helen Debenham	Board Member

Executives

Steve Wakerley	Chief Executive Officer
Christine Anderson	Head of Fundraising and Marketing
Ian Allan	Finance Manager
Craig Marriott	Fundraising Events Director

(b) Compensation of Key Management Personnel

The total benefits paid to Key Management Personnel are $585,055 (30 September 2019: $472,457). These benefits include short-term employee benefits (salary and fees and non-monetary benefits), superannuation, annual leave granted, and annual leave unused.

Notes to the Financial Statements

For the Year Ended 30 September 2020

16 Related Party Disclosure

Variety Queensland is a member or "Tent" of a worldwide organisation, Variety International – The Children's Charity. Other entities also members of this body are "Tents" from each State and Territory in Australia, are considered related parties to Variety Queensland.

(a) Key Management Personnel

Details relating to key management personnel, including remuneration, are included in note 15.

(b) Transactions with Related Parties

	2020 $	2019 $
Variety Australia		
Revenue	171,041	68,325
Expenses	(91,184)	(83,809)
Amounts owed to	-	-
Amounts owed from	-	-
Variety International		
Revenue	-	-
Expenses	(15,746)	(8,229)
Amounts owed to	-	-
Amounts owed from	-	-
Variety New South Wales		
Revenue	177,617	109,822
Expenses	(14,068)	(11,419)
Amounts owed to	-	-
Amounts owed from	-	-
Variety New Zealand		
Revenue	-	118
Expenses	-	-
Amounts owed to	-	-
Amounts owed from	-	-
Variety Northern Territory		
Revenue	205	2,478
Expenses	(1,647)	(1,768)
Amounts owed to	-	-
Amounts owed from	-	-

Notes to the Financial Statements

For the Year Ended 30 September 2020

16 Related Party Disclosure continued

	2020 $	2019 $
Variety South Australia		
Revenue	753	2,015
Expenses	-	-
Amounts owed to	-	-
Amounts owed from	-	-
Variety Tasmania		
Revenue	205	553
Expenses	-	(1,137)
Amounts owed to	-	-
Amounts owed from	-	-
Variety Victoria		
Revenue	2,425	81,436
Expenses	(1,324)	(172)
Amounts owed to	-	-
Amounts owed from	-	-
Variety Western Australia		
Revenue	753	75
Expenses	(159)	(1,324)
Amounts owed to	-	-
Amounts owed from	-	-

Terms and Conditions of Transactions with Related Parties
Sales to 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.

17 Contingent Liabilities

During the Live Appeal section of the 2014 Variety of Chefs, $150,000 in donations were received for assistance dogs. This amount was not previously been shown as a liability as there were no dogs available to appeal and no applications were received. During the financial years 2015 and 2016 $83,300 was spent leaving a balance of $66,700. The Association did not have any other contingent liabilities at 30 September 2020.

Notes to the Financial Statements

For the Year Ended 30 September 2020

18 Commitments

Variety Queensland's lease commitment in relation to its lease of the office at Unit 1, 5 Ashtan Place, Banyo QLD 4104 is as follows:

Future minimum lease payments comprise:

	2020	2019
	$	$
Within One Year	19,956	118,967
In more than one year but less than five years	-	19,956
Total Commitment	**$19,956**	**$138,923**

19 Events After the End of the Reporting Period

No other matters or occurrences have come to attention since the financial year end up to the present time which would materially affect the financial report or disclosure therein.

Statement by Members of the Committee of Management

For the Year Ended 30 September 2020

In the opinion of the Committee of Management, the financial report as set out on pages 5 to 31:

1. Presents a true and fair view of the financial position of Variety Queensland Incorporated as at 30 September 2020 and its performance for the year ended on that date in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (including Australian Accounting Interpretations) of the Australian Accounting Standards Board.

2. At the date of this statement, there are reasonable grounds to believe that Variety Queensland Incorporated will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Committee of Management and is signed for and on behalf of the Committee of Management by:

Nick Harwood
Chairperson

Jessica-Anne Saayman
Treasurer

Dated this 08 December 2020

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INDEPENDENT AUDITOR'S REPORT

To the members of Variety Queensland Incorporated

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Variety Queensland Incorporated (the registered entity), which comprises the statement of financial position as at 30 September 2020, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the statement by members of the committee of management.

In our opinion the accompanying financial report of Variety Queensland Incorporated, is in accordance with *Associations Incorporation Act 1981* and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

(i) Giving a true and fair view of the registered entity's financial position as at 30 September 2020 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*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the registered entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

Those charged with governance are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Committee of Management report, 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.

BDO Audit Pty Ltd ABN 33 134 022 870 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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 responsible entities for the Financial Report

The responsible entities of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, the Associations Incorporation Act 1981 and the ACNC Act, and for such internal control as the responsible entities 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, responsible entities are responsible for assessing the registered entity'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 responsible entities either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the registered entity's financial reporting process.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd

A Whyte
Director

Brisbane, 8 December 2020