



variety[®]
the children's charity

Variety - The Children's Charity
Tent 75 South Australia Incorporated

Incorporation Number A22631

ABN 79 071 397 629

Annual Financial Report 30 September 2022

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Board of Members

Tanya Stratton, Chair

Tanya is currently a Director at Stratland Pty Ltd and an Executive Director of Terra Artemis Foundation. Tanya holds a bachelor's degree in science, Mathematics/Statistics from Adelaide University, a certificate in COGNOS Administration from the University of NSW and is an AICD affiliate. Tanya spent 20 years as a Systems Analyst at Stratco (Australia) Pty Ltd where her key responsibilities included online store development, geo-spatial analysis of demographic data for new site locations and the implementation of the national sales reporting system.

Tanya's involvement with Variety began in 2014, as the first 4WD Adventure father-daughter team and later as part of the first all-female 4WD team.

Kate Hobbs, Deputy Chair

Kate Hobbs is a passionate change maker who finds it hard to walk past an opportunity to make a difference. She started her professional life as a marketing consultant however has spent much of the last twenty years in the mining industry. She has a broad range of experience from operational, project and consulting roles and is degree qualified in Marketing, International Studies, and Mining Engineering.

Kate works for OZ Minerals as Prominent Hill's Studies Manager and most recently led the innovative PHOX study to reimagine the mine's future, with the resulting \$600m expansion project approved for investment in August 2021. She is passionate about ensuring different perspectives are heard and, through her ability to influence change within the industry, was recognised in 2020 as one of the 100 Global Inspirational Women in Mining (WIM100).

First getting involved with Variety as a Bash entrant in 2010, Kate has now been on nine bashes and is a passionate supporter of everything Variety. She is a regular attendee of Variety-related events and can often be seen sporting a costume of some sort.

Sally Paech, Board Member and Interim Deputy Chair

Sally is Marketing Director of her family-owned business, The Beerenberg Family Farm, makers of home-style jams, sauces and dressings sold throughout Australia and 23 countries across the world.

After completing a Bachelor of Business (Marketing) and a later a Masters of Social Science, she worked in international development and community services management in Victoria before returning to South Australia in 2008 to join the family business. She was proud to accept the Telstra South Australian Business of the Year Award on behalf of Beerenberg in 2011. Sally is also the Director of the Beerenberg Foundation, set up in 2011 to support community organisations to conserve and celebrate Hahndorf's natural, built and cultural heritage. As Marketing Director and Board Member, Sally oversaw the dramatic and very successful rebranding of Beerenberg in 2013. Today, she works to grow Beerenberg into an internationally loved and recognised Australian brand.

Sally has enjoyed two Variety Bashes and numerous Variety fundraising events and looks forward to many more.

Morgan Griffin, Treasurer

Morgan is a Chartered Accountant at Nitschke Nancarrow Accountants, having graduated from Adelaide University with a Commerce (Accounting) degree and going on to complete her Chartered Accountant and Financial Planning studies.

She has a broad range of experience in finance and business management, from preparation of budgets and financial reporting to advising on strategy, investment decisions and cashflow management. She also has a passion for leading teams to produce successful outcomes, through her mentorship of many accounting graduates.

Morgan's involvement started when she joined Young Variety in 2016, she held the Treasurers position and went on to become Chair. She thrives off using her skills to help the wider community. Coming from country South Australia she has seen how beneficial Variety is to the state, and she is looking forward to her new role

Dr. Bronte Ayres AM, Board Member and Chair of the Grants Committee

Dr. Bronte Ayres is a consultant Cardiologist and former State Chairman of the Royal Australasian College of Physicians in SA. He was Deputy Chairman of the Ashford Community Hospital as well as sitting on the board of its foundation. He has had a passion for growing merlot grapes in the Adelaide Hills and is a life member of the Brighton Beef Steak and Burgundy Club. His involvement with Variety began as the Bash Doctor in 1991 and fifteen years as a medico for the Bash and nine years for the 4WD Challenge followed. He's been an honorary Medical Advisor to Variety SA since 1995, is a former Chair of the Board and has been a member of the Board since 2000.

Selena Bushell, Board Member

Selena has more than 26 years' experience in the insurance industry and is currently a Director at iCorp Insure. She specialises in human resources, working with clients, business relationships, insurance broking and compliance management.

Selena has a Diploma in Financial Services (Insurance Broking) and is a Qualified Insurance Professional. She uses her strong analytical and critical thinking skills to help solve complex operational problems.

A former Softball player who was a member of the National Team for over 5 years and won a Bronze Medal at the Sydney 2000 Olympics. She is currently Chair of the South Australian Olympic Council and enjoys giving back to her community.

Selena became involved in Variety back in 2016 as a Bash entrant and multiple bashes under her belt. She thoroughly enjoys everything Variety and is looking forward to her new role.

Peter Cochrane OAM, Board Member

Peter Cochrane OAM is the Managing Director of Peter Cochrane Transport, a proudly South Australian express logistics business that delivers across SA and into Mildura and Broken Hill.

Peter's involvement with Variety began in 1989 when he was an entrant in the first SA Bash. He became Bash Chairman in 1993 and held that role until 1998. During this time he ran six highly successful Bashes with his late wife Christine. Peter was appointed to the Variety Board in 1993 and became Chair of the Board in 2003. During his term he oversaw many major developments including raising capital for the construction of a new building to house Variety headquarters. Peter is also involved in the Sunshine Coach and People Mover Program that sees families and schools provided with specially equipped vehicles.

Peter also maintains his involvement with the Bash, supplying and driving the “Bag Truck”. Peter was made a life member of Variety SA in 2007 and in 2018 became only the third Australian to be awarded the prestigious Catherine Variety Sheridan Award for his philanthropic support in serving children.

Peter de Cure AM, Board Member

Peter is a professional Non-Executive Director. He holds a Bachelor of Economics from Adelaide University and is a Fellow of the Institute of Company Directors and Chartered Accountants Australia & New Zealand. After 25 years at KPMG Peter retired as a senior partner in 2012.

Peter is currently, Chairman of the Royal Flying Doctor Service-Central Operations, Accord Property Development Pty Ltd, the Gifford Hill Joint Venture, Wirra Wirra Vineyards and the South Australian Fire and Emergency Services Commission. Peter is a Director of Royal Flying Doctor Service of Australia, a member of the Remuneration Tribunal of South Australia, the Tax Practitioner’s Board and advisory Chairman of Tim Adams Wines.

With Variety Peter has been a Board Member since in 2007, Chair in 2010 and 2011 a member of the Bash and Grants committees and Chair of the Governance & Audit committee and has participated in 16 Bashes, 6 4WD Adventures and 4 Moto Runs.

Nicole Haack, Board Member, Deputy Chair of Variety Australia Board, Chair of the Marketing & Communications Committee, Chair of the Large Grants Committee

Nicole Haack is Managing Director of corporate communications and public relations firm ‘The Message Bureau’, providing advice to a broad client base on strategic communications, marketing campaigns, stakeholder engagement, issues & crisis management and media relations. Nicole has been involved in Variety for in excess of 20 years, serving as a Director at both at a local, national, and international level (Variety Asia Pacific), and as a fundraiser for a number of Variety SA’s motoring events. Nicole is a previous Telstra South Australian Young Businesswoman of the Year and she was also a recipient of the Prime Minister’s Centenary Medal for service to Australian society in business leadership.

Rob Kerin, Board Member

Rob has been a regular Bash entrant over the last 2 decades! Rob was Managing Director of Kerin Agencies, an agribusiness in the Mid North of S.A. until 1993. He then entered the State Parliament for 15 years, serving as Deputy Premier, Premier and Leader of the Opposition. He held many portfolios, but spent most time as Minister for Primary Industries, Mines and Energy, and Regional Development.

Rob is immediate past Executive Chair of Primary Producers SA, Chair of Regional Development SA and SANFL Commission, and Deputy Chair of the Adelaide Oval Stadium Management Authority. Rob chairs several other Boards and committees, and is the owner of Rob Kerin Consulting, which has done restructures of the State’s Regional Development structure, the ex SA Farmers Federation, and the operational side of Viterra, the State’s largest grain handling company.

Chris Meulengraaf, Board Member

Chris is the Owner and Managing Director of SES Industrial Services Pty Ltd which is an engineering and construction company specialising in heavy manufacturing industries.

He is a qualified engineer and married with four children.

Previously a board member at Pembroke School for 12 years from 2009 to 2019. Chair of Finance Committee and Board Deputy Chair from 2015 to 2019.

Became involved with variety through flying a support plane for the Bash from 2012 and assisting in transporting personnel for the Variety 4WD Adventure and Variety Moto Run during this time.

Brenton Ramsey, Board Member

Brenton Ramsey joined his family's Farm Machinery business, Ramsey Bros. Pty. Ltd. in 1975 and has remained an Owner and Director to this day. During that time the business has developed into one of the largest Machinery Dealerships in South Australia with 6 branches.

His involvement with Variety started with Bashing in 1995 and has continued including 5 4WD events. Brenton became Chair of the SA Variety Bash in 2015 and continued through 2016 and 2017 where the Bash raised in excess of \$7.5 million.

This culminated in his Variety from the Heart Award in 2017 and an International Presidential Citation in 2018.

Brenton is committed to his involvement with Variety and inspired by the hundreds of volunteers who work so hard for the organization.

Members' Report

The Members of Variety The Children's Charity Tent 75 South Australia have pleasure in submitting the following report in respect of the year ended 30 September 2022 in accordance with a resolution of Members.

MEMBERS

The Members in office during the year through to the date of this report are set out on pages 3 to 6 of this report.

The Members had no interests in contracts or proposed contracts with Variety during the course of the financial year other than noted in the statutory information of this report.

ASSOCIATION INFORMATION

Variety The Children's Charity is an Association incorporated under the *Associations Incorporation Act 1985* Section 25(5)(b) and domiciled in South Australia.

The registered office of the Association is 68 Richmond Road, Keswick South Australia 5035.

The entity employed fourteen staff at 30 September 2022 (30 September 2021: fourteen).

PRINCIPAL ACTIVITIES

The principal activities of Variety during the year were to supply material aid to less fortunate children in the community. No changes in the nature of the following activities occurred during the year; granting of individual and group grants, provision of Variety Sunshine Coaches, Children's Christmas Party and Children's outings.

OPERATING AND FINANCIAL REVIEW

Operating revenue

The operating revenue for the year ended 30 September 2022 was \$7,739,106.
(30 September 2021: \$7,975,789).

Operating result before grants approved

The operating profit before grants approved for the year ended 30 September 2022 was \$4,565,922.
(30 September 2021: \$4,858,331).

Grants approved

Grants approved to sick, disabled and disadvantaged children for the year ended 30 September 2022 was \$4,796,624 (30 September 2021: \$2,880,977).

Net operating result

The operating surplus for the year ended 30 September 2022 was \$71,663. (30 September 2021: \$3,089,559).

Members' Report (continued)

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the Members, there were no other significant changes in the state of affairs of the Association, which occurred during the financial year, not otherwise disclosed in this Annual Financial Report.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

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

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

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

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Association is not subject to any particular or significant environmental regulation.

MEMBERS' BENEFITS

No Member of the Association has, since the end of the previous financial year, received or become entitled to receive a benefit by reason of a contract made by the Association with the Director or with a firm of which they are a member, or with an Association in which they have substantial financial interest except for those items disclosed in the notes to this Annual Financial Report.

INDEMNIFICATION AND INSURANCE OF MEMBERS

Variety The Children's Charity has, during the financial year, paid an insurance premium in respect of an insurance policy for the benefit of the Members 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 the *Associations Incorporation Act 1985*. 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.

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Association has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

MEMBERS' MEETINGS

The number of Meetings of Members held during the year and the numbers of meetings attended by each member were as follows:

	Members' Meetings Attended	Members' Meetings Eligible to Attend
Tanya Stratton	10	11
Kate Hobbs	5	11
Morgan Griffin	8	8
Bronte Ayres	8	11
Selena Bushell	10	11
Peter Cochrane	7	11
Peter de Cure	8	11
Nicole Haack	9	11
Rob Kerin	9	11
Chris Meulengraaf	7	11
Sally Paech	10	11
Brenton Ramsey	9	11
Richard Wilson	2	3

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

Member



Adelaide

Date: 5 December 2022

Member



Statement of Comprehensive Income

FOR THE YEAR ENDED 30 SEPTEMBER 2022	Notes	2022 \$	2021 \$
Fundraising income	4 (a)	6,970,741	6,812,417
Donation income	4 (a)	704,383	782,118
Other income	4 (a)	63,981	381,054
Total Revenues		7,739,105	7,975,589
Salaries & wages		(978,882)	(883,021)
Advertising & promotion		(134,632)	(138,847)
Communications		(8,418)	(7,575)
Depreciation	5	(52,922)	(62,527)
Amortisation	5	-	-
Design, print and stationery		(15,856)	(23,669)
Insurance		(61,129)	(62,808)
Motor vehicle expenses		(29,449)	(37,263)
Production costs		(52,267)	(55,131)
Utilities		(5,429)	(5,470)
Other expenses	5	(1,834,199)	(1,840,947)
Total Expenses		(3,173,183)	(3,117,258)
Profit before grants approved		4,565,922	4,858,331
Grants approved	4 (a)	(4,796,624)	(2,880,977)
Grants written back		302,366	1,112,205
Net surplus/(deficit) for the period		71,664	3,089,559
Other Comprehensive Income		-	-
Total Comprehensive Income		71,664	3,089,559

Balance Sheet

AS AT 30 SEPTEMBER 2022	Notes	2022 \$	2021 \$
ASSETS			
Current Assets			
Cash and cash equivalents	6	3,330,236	1,768,982
Bank Term Deposits	6	7,050,000	6,980,000
Receivables	7	171,230	172,166
Inventories	8	1,949	1,949
Other assets	9	833,204	766,361
Total Current Assets		11,386,619	9,689,458
Non-Current Assets			
Property, plant and equipment	10	1,147,412	1,295,218
Intangible assets	11	-	-
Total Non-Current Assets		1,147,412	1,295,218
TOTAL ASSETS		12,534,031	10,984,676
LIABILITIES			
Current Liabilities			
Grants payable	12	3,970,565	2,201,061
Trade and other payables	12	156,535	161,779
Provisions	13	156,982	189,264
Deferred income	14	274,877	526,227
Total Current Liabilities		4,558,959	3,078,332
Non-Current Liabilities			
Provisions	13	25,192	28,129
Total Non-Current Liabilities		25,192	28,129
TOTAL LIABILITIES		4,584,150	3,106,461
NET ASSETS		7,949,879	7,878,215
EQUITY			
Reserves	15(b)	267,497	267,497
Retained earnings	15(a)	7,682,382	7,610,718
TOTAL EQUITY		7,949,879	7,878,215

Statement of Changes in Equity

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Donation Reserve – Plant & Equipment \$	Donation Reserve – Land & Buildings \$	Retained Earnings \$	Total Equity \$
At 1 October 2020	-	267,497	4,521,159	4,788,656
Surplus for the year	-	-	3,089,559	3,089,559
Transfers to/from Reserves	-	-	-	-
Total income and expenses for the period	-	-	-	-
At 30 September 2021	-	267,497	7,610,718	7,878,215
Surplus for the year	-	-	7,610,718	7,878,215
Transfers to/from Reserves	-	-	71,664	71,664
Total income and expenses for the period	-	-	-	-
At 30 September 2022	-	267,497	7,682,382	7,949,879

Cash Flow Statement

FOR THE YEAR ENDED 30 SEPTEMBER 2022

Notes

		2022 \$	2021 \$
Cash flows from operating activities			
Receipts from donors, sponsors, members and functions		7,197,342	7,196,349
Payments to suppliers and employees		(3,049,854)	(3,167,520)
Interest received		27,769	28,545
Grants paid		(2,724,755)	(898,637)
Net cash flows used in operating activities	6(a)	1,450,502	3,158,737
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		188,155	-
Movement in Bank Term Deposits		(70,000)	(3,443,019)
Purchase of property, plant and equipment		(7,401)	(164,763)
Net cash flows from/(used in) investing activities		110,754	(3,607,782)
Cash flows from financing activities			
Financing activities		-	-
Net cash flow from/(used in) financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		1,561,256	(449,045)
Cash and cash equivalents at beginning of period		1,768,980	2,218,025
Cash and cash equivalents at end of period	6	3,330,236	1,768,980

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1. ASSOCIATION INFORMATION

The financial report of Variety - the Children's Charity Tent 75 South Australia Incorporated for the year ended 30 September 2022 was authorised for issue in accordance with a resolution of the Members on 6 December 2022.

The financial report is presented in Australian dollars.

Variety - the Children's Charity Tent 75 South Australia Incorporated is an incorporated association and was incorporated on 10 October 1995.

The Association is incorporated and domiciled in Australia. The registered office, which is the principal place of business, is located at 68 Richmond Road, Keswick South Australia 5035.

The Association is a Tent admitted to the membership of Variety Australia Limited and Variety Clubs International Inc.

In the event of the Association being wound up, members' liability is limited to an amount of nil. If on winding up of the Association, any property of the Association remains after satisfaction of the debts and liabilities of the Association and the costs, charges, and expenses of that winding up, that the property shall be distributed: (a) to another incorporated association having objects similar to those of the Association; or (b) for charitable or benevolent purposes, which incorporated association or purposes, as the case requires shall be determined by resolution of the members to prepare a distribution plan for the distribution of the surplus property of the Association. No members, or former members, of the Association shall be recipients of any assets after the winding up.

The nature of the operations and principal activities of the Association are described in the Members' report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Associations Incorporation Act 1985*, Australian Accounting Standards and the *Australian Charities and Not for Profits Commissions Act 2012*. The financial report has also been prepared on a historical cost basis.

(b) Statement of compliance

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. The accounting policies have been applied consistently during the year.

(b) (i) Investment Policy

Variety invests funds held to support operations outside of the immediate needs of the Association in term deposits whose maturity ranges from 3-12 months. The notes carry an interest rate of 0.45% to 3.10%, and are recognised at amortised cost, which approximates fair value.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Land and buildings are measured at cost less accumulated depreciation on buildings and less any impairment losses.

Depreciation is calculated on a straight-line basis over the estimated life of the assets as follows:

Buildings – forty years
Computer equipment – three years
Plant and equipment – five years
Motor vehicles – ten years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year-end.

Disposal

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.

Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(d) Trade and other receivables

Trade receivables, which generally have 30-day terms, are recognised and carried at original invoice amount less an allowance for any expected credit loss.

(e) Inventories

Inventories are valued at the lower of cost and net realisable value.

Inventory also includes donated goods, some of which are to be sold at auction for fundraising purposes. These are valued at approximate net realisable value, and this value is used as the reserve at auction to ensure that the auction proceeds exceed cost. Other donated goods (including those, which may subsequently be provided as grants) are also measured at approximate net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Financial Instruments

Financial instruments are recognised initially on the date that the Association becomes party to the contractual provisions of the instrument. On initial recognition, all financial instruments are measured at fair value plus transaction costs.

Financial Assets – Classification

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

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets. The relevant classification categories for the Association are as follows:

Financial Assets - Amortised cost

Assets measured at amortised cost are financial assets where:

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

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents 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, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Financial assets through other comprehensive income

These investments are carried at fair value with changes in fair value recognised in other comprehensive income. On disposal any balance in the financial asset reserve is transferred to retained earnings and is not reclassified to 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
- debt investments measured at FVOCI

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is

relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

based on the Association's historical experience and informed credit assessment and including forward looking information.

Financial liabilities

The Association measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Association primarily comprise trade payables and grants payable liabilities.

(g) Impairment of non-financial assets

At each reporting date, the Association assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Association makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In determining recoverable amount, the expected net cash flows have been discounted to their present value using a market determined risk adjusted discount rate.

(h) Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and on hand, short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdraft. Bank overdrafts are shown within interest-bearing loans and borrowings in current liabilities on the balance sheet.

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

(i) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Association prior to the end of the financial year that are unpaid and arise when the Association becomes obliged to make future payments in respect of the purchase of these goods and services.

(j) Grants payable

Grants 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Provisions

Provisions are recognised when the Association 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 pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(l) Employee benefits

Provision is made for the Association's liability for employee benefits as a result of employees rendering services up to the reporting date. 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, plus related on-costs. 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.

Employee entitlements expenses and revenues arising in respect of the following categories:

- wages and salaries, non-monetary benefits, annual leave, long service leave, sick leave and other leave benefits; and
- other types of employee benefits

These are recognised against profits on a net basis in their respective categories.

(m) Income tax

Variety The Children's Charity Tent 75 South Australia is exempt from income tax. It is a Deductible Gift Recipient (DGR) and an Income Tax Exempt Corporation (ITEC).

(n) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Cash Flow Statement 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 are classified as operating cash flows.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Revenue and other income

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Association and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(p) Guarantee from an unrelated party for the performance in a contract by the joint venture.

During the year, guarantees of \$nil (2021: \$500,000 for the deposit paid in relation to the Hurtle Square project have been received.) No liability is expected to arise.

Events revenue

In some cases, revenue is received in respect of an event that falls into the following financial year. In such cases, the revenue (and any associated costs) is deferred and recognised as deferred income. Any donation received in respect of an event that falls into the following financial year is recognised as income in the current year.

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.

Sales of non-current assets

The gross proceeds of non-current assets 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.

Donations

Donations of cash are brought to account as the cash is received, not pledged.

Donated goods

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 goods that have a useful life continuing over a number of years are capitalised and depreciated in line with purchased property plant and equipment.

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. An equivalent amount is recognised as an expense, relating to the type of service donated. Where the value of donated services cannot be reliably measured, these are not brought to account.

Other Income

Other income is recognised on an accruals basis when the Association is entitled to it.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Association's principal financial instruments comprise cash and short-term deposits.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

The main purpose of these financial instruments is to raise finance for the Association's operations. The Association has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. The main risks arising from the Association's financial instruments are cash flow interest rate risk and credit risk. The Board reviews and agrees policies for managing each of these risks as summarised below.

It is the Association's policy that no trading in financial instruments shall be undertaken. This was the case throughout the period under review.

Credit risk - Trade Debtors

The Association trades only with recognised, creditworthy parties.

It is the Association's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

In addition, receivable balances are monitored on an ongoing basis with the result that the Association's exposure to bad debts is not significant.

The Association minimises concentration of credit risk in relation to trade receivables by undertaking transactions with a large number of customers. Credit risk in trade receivables is managed in the following ways:

- payment terms are 30 days;
- management review older amounts due and pursue customers for payment; and
- a provision is held to cover any potential bad debts that may arise

Since the Association trades only with recognised creditworthy third parties, there is no requirement for collateral.

Credit risk - Cash & Term Deposits

The Association's policy is to use A grade rated companies or higher in relation to it's banking policy.

Interest rate risk

At balance date, the Association had the following financial assets exposed to Australian variable interest rate risk that are not designated in cash flow hedges:

	2022 \$	2021 \$
Financial and Investment assets		
Cash assets	3,330,236	1,768,982
Bank Term Deposits	7,050,000	6,980,000
Total financial assets	<u>10,380,236</u>	<u>8,748,982</u>
Financial Liabilities		
Interest bearing liabilities	-	-

The Association's interest risk is limited to the interest earned on its significant cash balances held. The remaining financial assets and liabilities will not be materially affected by changes in interest rate.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

The Association constantly analyses its interest rate exposure. Within this analysis consideration is given to potential renewals of existing positions. The following sensitivity analysis is based on the interest rate exposures in existence at the balance sheet date.

At 30 September 2022, if interest rates had moved, as illustrated in the table below, with all other variables held constant, total recognised income and expense and equity would have been affected as follows:

	Recognised income and expense		Equity	
	Higher/(Lower)		Higher/(Lower)	
	2022	2021	2022	2021
	\$	\$	\$	\$
+1% (100 basis points)	24,318	16,070	24,318	16,070
-1% (100 basis points)	(24,318)	(16,070)	(24,318)	(16,070)

The movements in the recognised income and expense and equity are due to the higher/lower interest costs from variable cash balances. Refer to Note 20 for financial instruments exposed to interest rate risk.

Liquidity risk

To limit this risk, management maintains a balance between the continuity of revenue funding through donations and donated goods and services, and expenditure. This is achieved through regular monitoring of operational bank balances in relation to future funding needs, and transferring funds into or out of investment accounts as necessary. This is performed by the finance team.

Market risk

Market risk is the risk that the fair value of equity securities held in the investment portfolio decreases. Management have assessed the risk as nil for the Association, as it holds no equity securities.

Capital Management

When managing capital, management's objective is to ensure the Association continues as a going concern as well as to maintain optimal benefits to its stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

Management is constantly adjusting the capital structure to take advantage of favourable costs of capital or high returns on assets.

Management monitors capital through distribution levels. The target for the Association's distribution approximates 90% of available surpluses or higher.

4. (a) FUND RAISING INFORMATION AND ADMINISTRATION COSTS

Additional information to be furnished under the *Charitable Purposes Act, 1939*.

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

	2022 Total Income \$	2022 Direct Expenses \$	2022 Net Income \$	2021 Net Income \$
Fundraising information				
Bash	3,008,018	805,544	2,202,474	2,705,933
4WD Adventure	1,114,180	370,052	744,128	578,024
Variety Moto Run	825,356	205,222	620,134	487,962
Aussie Muscle Car Run	701,697	294,025	407,672	77,540
Melbourne Cup Luncheon	87,177	70,048	17,129	18,009
Annual Ball	422,703	301,822	120,881	144,677
Variety from the Heart	6,146	20,367	(14,221)	(6,476)
Variety Vintage	482,948	169,835	313,113	278,441
Young Variety	-	-	-	-
Chairman's Dinner	-	(159)	(159)	-
Variety House Projects	-	(7,619)	(7,619)	-
Radiothon	160,354	31,849	128,505	149,323
Variety Jet	-	293	(293)	24,021
Showdown Events	83,049	54,947	28,102	4,387
Other Fundraising	10,350	19,073	(8,723)	68,486
Total contribution from events	6,901,978	2,335,299	4,551,123	4,522,138
Donations	704,383	12,739	691,644	743,319
Subtotal	7,606,361	2,363,594	5,242,768	5,265,457
Other Income	57,635	-	132,744	44,197
Memberships	6,347			
Gain on Sale of property, plant & equipment	68,763			
COVID19 Support Income & Grants	-	-	-	336,857
Total	7,739,106	2,363,594	5,375,512	5,646,511
Administration costs	-	809,590	(809,590)	(788,182)
Surplus before grants			4,565,922	4,858,329
Grants approved during the year			4,796,624	2,880,977
Less: Grants written back			(302,366)	
Surplus/(deficit) for the year			71,664	1,977,352

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.

Goods and services in kind received of \$231,715 (2021: \$351,652) and goods and services in kind expended of \$nil (2021: \$nil) are included in the relevant expense or revenue category.

4. (b) FUND RAISING INFORMATION AND ADMINISTRATION COSTS

	2022	2022	2021	2021
	\$	%	\$	%
Comparison of monetary figure and percentages				
Total direct costs of events fundraising & donations	2,363,594	31	2,329,078	31
Gross income from fundraising & donation	7,606,362		7,594,535	
Net surplus from events fundraising & donations	5,075,776	69	5,265,457	69
Gross income from fundraising & donations	7,606,362		7,594,535	
Total costs of events fundraising & donations	2,363,594	74	2,329,078	75
Total expenditure	3,173,184		3,117,260	
Total costs of events fundraising & donations	2,363,594	31	2,329,078	29
Total income received	7,739,106		7,975,589	
Total cost of administration	809,590	10	788,182	10
Total income received	7,739,106		7,975,589	

5. OTHER EXPENSES

	2022 \$	2021 \$
Operating profit is stated after charging the following items:		
Superannuation expense	87,627	71,924
Depreciation: Buildings and Property Improvements	17,832	17,828
Depreciation: Plant and equipment	14,173	23,629
Depreciation: Motor vehicles	20,917	21,070
Total depreciation	<u>52,922</u>	<u>62,527</u>
Amortisation	-	-
Total amortisation	<u>-</u>	<u>-</u>
Variety National & International expenses	92,451	42,357
Other event & function expenses	1,536,863	1,564,341
Other administration expenses	204,885	234,249
Total Other Expenses	<u>1,834,199</u>	<u>1,840,947</u>

6. CASH AND CASH EQUIVALENTS

	2022 \$	2021 \$
Cash at bank	930,236	760,464
Short-term deposits	2,400,000	1,008,518
	<u>3,330,236</u>	<u>1,768,982</u>

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

Reconciliation to the Cash Flow statement

For the purposes of the Cash Flow statement, cash and cash equivalents comprise the following:

Cash at bank and in hand	930,236	760,464
Short-term deposits	2,400,000	1,008,518
	<u>3,330,236</u>	<u>1,768,982</u>

(a) Reconciliation of the net profit after tax to the net cash flows from operations

	2022 \$	2021 \$
Net surplus/(deficit)	71,664	3,089,557

Non-cash items

Depreciation	52,922	62,527
Amortisation	-	-
Net (profit)/loss on disposal of property, plant and equipment	(68,763)	-
Other Movements	(17,105)	-
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	936	(4,372)
(Increase)/decrease in inventory	-	-
(Increase)/decrease in other assets	(66,842)	(648,371)
(Decrease)/increase in trade and other creditors	(5,245)	120,137
(Decrease)/increase in grants payable	1,769,503	870,135
(Decrease)/increase in deferred income	(251,350)	(394,672)
(Decrease)/increase in provisions	(35,219)	63,496
Net cash flow from operating activities	<u>1,450,500</u>	<u>3,158,737</u>

(b) Non-cash financing and investing activities

Credit card facility

At balance date, Bendigo Bank provided the organisation with a new business credit card facility with a limit of \$50,000 (2021: \$ \$50,000). The balance owing at 30 September 2022 is reflected in the liabilities.

Donated goods

During the year, the organisation received donated goods and services to the value of \$231,715 (2021: \$351,652). As these were acquired for no consideration, the goods and services were valued at current replacement cost.

6. CASH AND CASH EQUIVALENTS (continued)

(c) Bank Term Deposits

Short-term deposits are made for varying periods of between one day and twelve months, depending on the immediate cash requirements of the Association, and earn interest at the respective short-term deposit rates. Bank Term Deposits exceeding three months in terms and held to support operations outside of the Associations immediate need are recognised separately to cash and cash equivalents. (less than three months) Bank Term Deposits are recognised at amortized costs, which approximates fair value.

	2022	2021
	\$	\$
Bank Term Deposits (over 3 months)	<u>7,050,000</u>	<u>6,980,000</u>

7. TRADE AND OTHER RECEIVABLES (CURRENT)

	2022	2021
	\$	\$
Trade receivables	35,646	101,342
Allowance for doubtful debts	-	-
	<u>35,646</u>	<u>101,342</u>
Other receivables	93,655	58,760
Accrued income	41,929	12,064
	<u>171,230</u>	<u>172,166</u>

Trade debtors are non-interest bearing and generally on 30 day terms.

(a) Allowance for impairment loss

Impairment of trade receivables has been determined using the simplified approach under AASB 9 which uses and estimation of lifetime expected credit losses. The Association has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from the default. No impairment loss of has been recognised by the group (2021: \$nil) in the current year.

Receivables past due but not considered impaired are \$5,958 (2021: \$13,750). Other balances within trade and other receivables do not contain impaired assets and are not past due. It is expected that these other balances will be received when due.

Movements in the provision for impairment loss for the Association were as follows:

	2022	2021
	\$	\$
At 1 October 2021	-	-
Charge for the year	-	-
At 30 September 2022	-	-

As at 30 September, the ageing analysis of trade receivables is as follows:

	TOTAL	0-30 Days	31-60 Days PDNI*	60-90 Days PDNI*	+91 Days PDNI*	+91 Days CI*
2022 Total	35,646	26,688	-	5,958	-	-
2021 Total	101,342	87,592	13,750	-	-	-

*Past due not impaired ('PDNI') *Considered impaired ('CI')

8. INVENTORIES

	2022	2021
	\$	\$
Auction items - current	1,949	1,949
Vehicle stock - current	-	-
	<u>1,949</u>	<u>1,949</u>

Inventory write-downs recognised as an expense totalled \$nil (2021: \$nil) for the Association.

9. OTHER ASSETS (CURRENT)

	2022	2021
	\$	\$
Prepayments	132,753	65,911
Deposits paid	700,000	700,000
Bartercard	451	451
	<u>833,204</u>	<u>766,362</u>

Deposits paid are non-interest bearing and generally on indefinite terms.

10. PROPERTY, PLANT AND EQUIPMENT

	2022	2021
	\$	\$
<i>Land</i>		
Cost	501,336	501,336
Accumulated depreciation and impairment	-	-
Net carrying amount	<u>501,336</u>	<u>501,336</u>
<i>Buildings</i>		
Cost	568,689	568,689
Accumulated depreciation and impairment	(99,520)	(85,303)
Net carrying amount	<u>469,169</u>	<u>483,386</u>
<i>Property improvements</i>		
Cost	36,805	36,805
Accumulated amortisation and impairment	(18,204)	(14,593)
Net carrying amount	<u>18,601</u>	<u>22,211</u>
<i>Plant and Equipment</i>		
Cost	644,637	637,235
Accumulated depreciation and impairment	(607,787)	(586,864)
Net carrying amount	<u>36,850</u>	<u>50,371</u>
<i>Motor vehicles</i>		
Cost	166,456	316,370
Accumulated depreciation and impairment	(45,001)	(78,457)
Net carrying amount	<u>121,455</u>	<u>237,913</u>
<i>Total property, plant and equipment</i>		
Cost	1,917,923	2,060,434
Accumulated depreciation, amortisation and impairment	(770,512)	(765,217)
<i>Net carrying amount</i>	<u>1,147,411</u>	<u>1,295,217</u>
<i>Reconciliations</i>		
<i>Land</i>		
Carrying amount at beginning of period	501,336	501,336
Additions	-	-
Disposals	-	-
Depreciation and impairment charge for the year	-	-
Net carrying amount	<u>501,336</u>	<u>501,336</u>
<i>Buildings</i>		
Carrying amount at beginning of period	483,386	497,603
Additions	-	-
Disposals	-	-
Depreciation and impairment charge for the year	(14,217)	(14,217)
Net carrying amount	<u>469,169</u>	<u>483,386</u>
<i>Property improvements</i>		
Carrying amount at beginning of period	22,211	25,823
Additions	-	-
Disposals	-	-

Depreciation and impairment charge for the year	(3,611)	(3,611)
Net carrying amount	<u>18,600</u>	<u>22,212</u>
<i>Plant and Equipment</i>		
Carrying amount at beginning of period	50,371	50,942
Additions	7,403	40,328
Disposals	-	-
Adjustment – Write Off	-	(27,425)
Depreciation and impairment charge for the year	(20,924)	(13,474)
Net carrying amount	<u>36,850</u>	<u>50,371</u>
<i>Motor vehicles</i>		
Carrying amount at beginning of period	237,913	117,279
Additions	-	141,704
Disposals	(102,287)	-
Depreciation and impairment charge for the year	(14,170)	(21,070)
Net carrying amount	<u>121,456</u>	<u>237,913</u>
<i>Total property, plant and equipment</i>		
Carrying amount at beginning of period	1,295,218	1,192,982
Additions	7,403	182,032
Disposals	(102,287)	-
Adjustments – Write Off	-	(17,271)
Depreciation and impairment charge for the year	(52,922)	(62,527)
Net carrying amount	<u>1,147,412</u>	<u>1,295,218</u>

11. INTANGIBLE ASSETS

	2022	2021
	\$	\$
<i>Intangible Assets</i>		
Cost	-	-
Accumulated amortisation and impairment	-	-
Net carrying amount	<u>-</u>	<u>-</u>
Carrying amount at beginning of period	-	-
Additions	-	-
Disposals	-	-
Depreciation and impairment charge for the year	-	-
Net carrying amount	<u>-</u>	<u>-</u>

12. PAYABLES (CURRENT)

	2022	2021
	\$	\$
Trade payables	(i) 132,053	113,801
Other payables and accruals	(ii) 24,482	47,978
	<u>156,535</u>	<u>161,779</u>

Grants payable	3,970,565	2,201,061
	4,127,100	2,390,325

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

13. PROVISIONS

	2022 \$	2021 \$
Current employee benefits provision	156,982	189,264
	156,982	189,264
Non-current employee benefits provision	25,192	28,129
	25,192	28,129

Employee benefits

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

14. DEFERRED INCOME

	2022 \$	2021 \$
Tickets in advance	25,220	32,111
Corporate Membership	2,682	1,515
Melbourne Cup	6,725	37,980
Bash	31,455	14,820
4WD Adventure	31,000	44,576
Moto Run	126,627	145,702
Aussie Muscle Car Run	44,500	219,545
Variety from the Heart	4,680	4,590
Variety SA Sponsorship in Advance	1,988	25,388
	274,877	526,227

Income is received in the current year relating to an event in the forthcoming year.

15. RESERVES AND RETAINED EARNINGS

(a) Retained earnings

	2022 \$	2021 \$
Movements in retained earnings were as follows:		
Beginning of financial year	7,610,718	4,521,159
Net surplus for the year	71,664	3,089,559
Transfers	-	-
End of financial year	<u>7,682,382</u>	<u>7,610,718</u>

(b) Other reserves

	<i>Donation Reserve – Plant & Equipment \$</i>	<i>Donation Reserve – Land & Buildings \$</i>	<i>Total \$</i>
At 1 October 2020	-	267,497	267,497
Donation received	-	-	-
Depreciation transfer	-	-	-
At 30 September 2021	-	267,497	267,497
Donation received	-	-	-
Depreciation transfer	-	-	-
At 30 September 2022	-	267,497	267,497

Donation reserve

The donation reserve is used to record the fair value of the donated assets when they are recognised on the balance sheet. The donation reserve is also used to record increments and decrements in the fair value of donated assets to the extent that they offset one another.

16. COMMITMENTS AND CONTINGENCIES

(a) Operating lease commitments

The Association has not entered into any commercial leases on its offices or any items of office equipment.

(b) Finance lease and hire purchase commitments

The Association has no finance leases or hire purchase contracts for items of property, plant and equipment.

(c) Expense and capital commitments

As at the balance sheet date, the Members of Variety The Children's Charity Tent 75 South Australia have committed to spending \$nil (2021: \$nil) in the next financial year on new initiatives.

17. AUDITOR'S REMUNERATION

The auditor of Variety the Children's Charity is Ernst & Young. Ernst & Young received a fee of \$25,000 (2021: \$25,000) for statutory audit services to the Association during the year. The fee will be donated back to Variety the Children's Charity. Other assurance work was carried out on an arm's length basis for \$ nil (2021: \$nil). The provision of these services has not impaired the auditor's independence.

18. KEY MANAGEMENT PERSONNEL

(a) Details of Key Management Personnel

(i) Members

Tanya Stratton	Chair
Kate Hobbs	Deputy Chair
Morgan Griffin	Treasurer
Bronte Ayres	
Selena Bushell	
Peter Cochrane	
Peter de Cure	
Nicole Haack	
Rob Kerin	
Chris Meulengraaf	
Sally Paech	Interim Deputy Chair
Brenton Ramsey	
Richard Wilson (retired)	

(ii) Executives

Mark McGill	Chief Executive Officer
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(b) Compensation of Key Management Personnel

	2022	2021
	\$	\$
Short-term employee benefits – Salary and fees	184,100	154,230
Short-term employee benefits – Non-monetary benefits	15,900	16,612
Post-employment benefits - Superannuation	20,269	16,499
Total benefits	220,269	187,341

(c) Other transactions and balances with Key Management Personnel (KMP) and their related parties

Sales

During the year, sales totalling \$1,650 (2021: \$5,770) for membership and tickets at normal market prices have been made by Variety the Children's Charity to Brenton Ramsey. Sales totalling \$30,000 (2021: \$32,160) for event sponsorship at normal market prices have been made by Variety the Children's Charity to Ramsey Bros, of which Brenton Ramsey is a director. \$nil was outstanding at 30 September 2022 (2021: \$nil).

During the year, sales totalling \$7,256 (2021: \$6,390) for membership, tickets, auction items, entry and participant fees at normal market prices have been made by Variety the Children's Charity to Tanya Stratton. \$150 was outstanding at 30 September 2022 (2021: \$150).

During the year, sales totalling \$9,000 (2021: \$5,000) for event sponsorship, tickets, entry and participation fees and products at normal market prices have been made by Variety the Children's Charity to Peter Cochrane Management, of which Peter Cochrane is a director and controlling shareholder. \$nil was outstanding at 30 September 2022 (2021: \$nil). Sales totalling \$4,680 (2021: \$6,550) for tickets, auction items, entry and participant fees at normal market prices have been made by Variety the Children's Charity to Peter Cochrane. \$nil was outstanding at 30 September 2022 (2021: \$nil).

During the year, sales totalling \$18,700 (2021: \$14,590) for auction items, participant fees, products and membership at normal market prices have been made by Variety the Children's Charity to Peter de Cure. \$nil was outstanding at 30 September 2022 (2021: Nil).

During the year, sales totalling \$9,390 (2021: \$6,535) for tickets, auction items and participant fees at normal market prices have been made by Variety the Children's Charity to Nicole Haack. \$nil was outstanding at 30 September 2022 (2021: Nil).

During the year, sales totalling \$9,260 (2021: \$4,175) for, membership, auction items, participant fees and tickets at normal market prices have been made by Variety the Children's Charity to Kate Hobbs. Nil was outstanding at 30 September 2022 (2021: \$150).

During the year, sales totalling \$3,310 (2021: \$1,700) for tickets and membership at normal market prices have been made by Variety the Children's Charity to Rob Kerin. \$nil was outstanding at 30 September 2022 (2021: \$nil).

During the year, sales totalling \$6,200 (2021: \$8,585) for membership, auction items and entry and participant fees at normal market prices have been made by Variety the Children's Charity to Chris Meulengraaf. Sales totalling \$13,131 (2021: \$26,100) for event sponsorship and tickets at normal market prices have been made by Variety the Children's Charity to SES Industrial, of which Chris Meulengraaf is a managing director. \$nil was outstanding at 30 September 2022 (2021: \$nil).

During the year, sales totalling \$150 (2021: \$460) for membership at normal market prices have been made by Variety the Children's Charity to Sally Paech. \$nil was outstanding at 30 September 2022 (2021: \$nil).

During the year, sales totalling \$2,310 (2021: \$0) for membership and auction items at normal market prices have been made by Variety the Children's Charity to Morgan Griffin. \$nil was outstanding at 30 September 2022 (2021: \$nil).

During the year, sales totalling \$2,300 (2021: \$0) for membership and entry and participation fees at normal market prices have been made by Variety the Children's Charity to Selena Bushell. \$nil was outstanding at 30 September 2022 (2021: \$nil).

(d) Guarantees

During the year, a guarantee of \$nil (2021: \$250,000) for the deposit paid in relation to the Hurtle Square project has been received by Brenton Ramsey, Richard Willson and Chris Meulengraaf.

Amounts recognised at the reporting date in relation to other transactions with KMP:

	2022 \$	2021 \$
<i>Current assets</i>		
Trade and other receivables	-	-
Total assets	-	-
<i>Current liabilities</i>		
Trade and other payables	-	-
Total liabilities	-	-
Revenues and expenses		
Revenue	117,337	118,165
Purchases	-	-

19. RELATED PARTY DISCLOSURE

(a) Key management personnel

Details relating to key management personnel, including remuneration, are included in Note 18.

(b) Transactions with related parties

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

Related party		Payments from related parties	Payments to related parties	Amounts owed by related parties	Amounts owed to related parties
<i>Related body:</i>					
Variety International	2022	-	36,517	-	-
The Children's Charity	2021	-	25,957	-	-
Variety Australia	2022	46,734	44,552	4,067	-
	2021	17,732	-	7,255	25,864
Variety Northern Territory	2022	740	552	-	5,560
	2021	-	-	-	-
Variety Queensland	2022	-	-	-	889
	2021	-	-	-	-
Variety Tasmania	2022	895	-	-	-
	2021	1,032	-	-	-
Variety Victoria	2022	-	-	-	889
	2021	2,109	23	-	-
Variety Western Australia	2022	889	-	-	-
	2021	-	-	-	-
Variety New South Wales	2022	58,751	-	20,708	-
	2021	60,079	9,316	17,341	-
Variety New Zealand	2022	-	-	-	-
	2021	-	-	-	-

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.

20. FINANCIAL INSTRUMENTS

The Association's principal financial instruments consist mainly of cash and term deposit assets, trade receivables and trade payables.

(a) Net fair values

All financial assets and liabilities have been recognised at the balance date at their net fair values. The carrying amount of financial assets and liabilities approximate their net fair value. These financial assets and liabilities are included in the assets and liabilities in the balance sheet. There are no financial assets which have a carrying amount exceeding their net fair value.

(b) Financial Instruments	Carrying amount		Fair value	
	2022	2021	2022	2021
	\$	\$	\$	\$
<i>(i) Financial assets</i>				
Cash and Term Deposit assets	10,380,236	8,748,982	10,380,236	8,748,982
Trade and other receivables	171,230	172,166	171,230	172,166
Total financial assets	<u>10,551,466</u>	<u>8,921,148</u>	<u>10,551,466</u>	<u>8,921,148</u>
<i>(ii) Financial liabilities</i>				
Trade creditors	132,053	113,801	132,053	113,801
Other creditors and accruals	24,482	75,463	24,482	43,467
Grants payable	3,970,565	2,201,061	3,970,565	2,201,061
Total financial liabilities	<u>4,127,099</u>	<u>2,390,325</u>	<u>4,127,099</u>	<u>2,358,329</u>

(c) Interest rate risk

The Association's exposure to the risk of changes in market interest rates relates primarily to the Association's financial assets with a floating interest rate.

The following table sets out the carrying amount, by maturity, of the financial instruments exposed to interest rate risk:

Year ended 30 September 2022	<1 year	>1-<2 years	>2-<3 years	>3-<4 years	>4-<5 years	>5 years	Total	Weighted average effective interest rate %
Financial assets								
<i>Floating rate</i>								
Cash and Term Deposit assets	10,380,236						10,380,236	
Weighted average effective interest rate %	0.59%							0.59%
Finance liabilities								
<i>Floating rate</i>								
Trade creditors & accruals	156,534						156,534	
Bank loans								

Year ended 30 September 2021	<1 year	>1-<2 years	>2-<3 years	>3-<4 years	>4-<5 years	>5 years	Total	Weighted average effective interest rate %
Weighted average effective interest rate %	0%							0%
Financial assets								
<i>Floating rate</i>								
Cash and Term Deposit assets	8,748,982						8,748,982	
Weighted average effective interest rate %	0.52%							0.52%
Finance liabilities								
<i>Floating rate</i>								
Trade creditors & accruals	161,779						161,779	
Bank loans								
Weighted average effective interest rate %	0%							0%

Interest on financial instruments classified as floating rate is repriced at intervals of less than one year. Interest on financial instruments classified as fixed rate is fixed until maturity of the instrument. The other financial instruments of the Association that are not included in the above tables are non-interest bearing and are therefore not subject to interest rate risk.

21. EVENTS AFTER BALANCE SHEET DATE

There were no other significant events after the balance date which may affect the Association's operations or results of those operations or the Association's state of affairs.

Members' Declaration

In accordance with a resolution of the Members of Variety The Children's Charity, we state that:

In the opinion of the Members:

- a) The financial statements and notes of the Association are in accordance with the Associations Incorporation legislation, including:
 1. Giving a true and fair view of the Association's financial position as at 30 September 2022 and of its performance, as represented by the results of their operations and their cash flows, for the year ended on that date; and
 2. Complying with Accounting Standards, the Associations Incorporation legislation and the *Australian Charities and Not for Profit Commissions Act 2012*.
- b) There are reasonable grounds to believe the Association will be able to pay its debts as and when they become due and payable.
- c) The provisions of the *Collections for Charitable Purposes Act 1939* and its regulations and the conditions attached to the Authority to conduct fundraising have been complied with.
- d) The financial statements and notes satisfy the requirements of the *Australia Charities and Not-for-profits Commission Act 2012*.
- e) The internal controls exercised by the Association are appropriate and effective in accounting for all income received and applied to its fundraising appeals.

Signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profit Commission Regulation:



Tanya Stratton
Chair



Morgan Griffin
Treasurer

Adelaide
Date: 5 December 2022

Independent Audit Report



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Ernst & Young
121 King William Street
Adelaide SA 5000 Australia
GPO Box 1271 Adelaide SA 5001

Tel: +61 8 8417 1600
Fax: +61 8 8417 1775
ey.com/au

Independent Auditor's Report to the Members of Variety – The Children's Charity Tent 75 South Australia Incorporated

Qualified Opinion

We have audited the financial report of Variety - The Children's Charity Tent 75 South Australia Incorporated (the "registered entity"), which comprises the balance sheet as at 30 September 2022, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the members' declaration.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial report of the registered entity is in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- a) giving a true and fair view of the financial position of the registered entity as at 30 September 2022 and of its financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards and the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

Basis for Qualified Opinion

Income from donations and other fundraising activities is a significant source of revenue for the registered entity. The registered entity has determined that it is impracticable to establish control over the collection of donations and other fundraising income prior to entry in its financial records. Accordingly, as the evidence available to us regarding revenue from this source was limited, our audit procedures with respect to income from donations and other fundraising activities had to be restricted to the amounts recorded in the financial records. We are therefore unable to express an opinion whether the donations and other fundraising income obtained by the registered entity are complete.

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 ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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 qualified opinion.

Information Other than the Financial Report and Auditor's Report Thereon

The members are responsible for the other information. The other information is the members' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.



In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Members for the Financial Report

The members of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-Profits Commission Act 2012* and for such internal control as the members determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the members are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the members either intend to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so.

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 at: http://www.auasb.gov.au/auditors_files/ar3.pdf. This description forms part of our auditor's report.

Ernst & Young

The signature is a stylized, handwritten 'Ernst & Young' in black ink.

Mark Phelps
Partner
Adelaide
5 December 2022

The signature is a handwritten signature in black ink, appearing to read 'Mark Phelps'.



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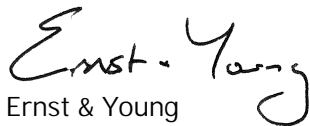
Ernst & Young
121 King William Street
Adelaide SA 5000 Australia
GPO Box 1271 Adelaide SA 5001

Tel: +61 8 8417 1600
Fax: +61 8 8417 1775
ey.com/au

Auditor's Independence Declaration to the Members of Variety – The Children's Charity Tent 75 South Australia Incorporated

In relation to our audit of the financial report of Variety – The Children's Charity Tent 75 South Australia Incorporated for the financial year ended 30 September 2022, and in accordance with the requirements of Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012*, to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of any applicable code of professional conduct; and
- b. No non-audit services provided that contravene any applicable code of professional conduct.


Ernst & Young


Mark Phelps
Partner
5 December 2022