



Variety - The Children's Charity of Victoria

ABN: 80 145 257 414

Financial Report

For the Year Ended 30 September 2023

Variety - The Children's Charity of Victoria

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General information

The financial statements cover Variety – The Children's Charity of Victoria as an individual entity. The financial statements are presented in Australian dollars, which is Variety – The Children's Charity of Victoria's functional and presentation currency.

Variety – The Children's Charity of Victoria is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

H71, 65-85 Turner Street
Port Melbourne, VIC, 3207

Principal place of business

H71, 65-85 Turner Street
Port Melbourne, VIC, 3207

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 13 December 2023. The directors have the power to amend and reissue the financial statements.

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Directors' report

For the Year Ended 30 September 2023

The directors present their report on Variety - the Children's Charity of Victoria (Variety / the Company) for the financial year ended 30 September 2023.

1. General Information

1.1 Directors

The following persons were Directors of the Company during the financial year and up to the date of this report:

Names	Position	Appointed/Resigned
Amelia Hodge	Board Member	
Anu Villarosa	Board Member	
Bryan Goudsblom	Board Member	Resigned 26/11/2023
Gary Caddy	Board Member	
Geoff Handberg	Treasurer	
Jason McKenzie	Board Member	
Ken Pryor	Chair	
Mike Porter	Board Member	
Nerida Wallace	Board Member	
Paul Serong	Board Member	Appointed 07/03/2023

1.2 Information on Directors

The following provides background information on each of the people who were Directors of the Company during the financial year and up to the date of this report are:

Amelia Hodge A former property lawyer, Amelia is the CEO of the Australian Property Institute and has enjoyed a senior executive career spanning some 30 years, with her depth of experience driving successful outcomes across a range of public and private sector roles, projects, and industries. In addition to her executive career, Amelia has sat on several Boards as a Non-Executive Director and Chair, including most recently, the Council for the Order of Australia. Amelia brings the skills she has developed in all these roles, and a desire to contribute to community in a meaningful way, to Variety Victoria.

Anu Villarosa Anu is a deeply experienced and highly accredited coaching and training professional. She has designed and delivered key internal and client facing training programs such as Service Excellence, Leading High Performing Teams, High Performance under High Pressure, Team Dynamics (using DISC), Brand and Communication, Networking, Presenting with Impact and Influence and Change. Anu is a confident communicator who takes a commercial approach to advisory work. She is a creative, flexible and motivated team player who thrives on managing people and transformational projects. Anu is admitted as a Solicitor in England and Wales and has undertaken a range of post-graduate studies including in Neuro-linguistic programming coaching, Management and Education Studies as well as Oxford's executive leadership course. Anu was appointed to the Board in 2020 and serves on the Risk and Compliance Committee.

Bryan Goudsblom Bryan is the CEO of Monjon (Australia) Pty Ltd, and a Member of the Australian Institute of Company Directors (MAICD). Bryan has established teams and organisations from start-ups to multi-million dollar enterprises. He is a focused, innovative and a dynamic leader who expects results and leads teams by example. Bryan has demonstrated expertise in strategy, systems and structure planning across various industries in Australia and New Zealand. Bryan has also been a board member of the SHINE Foundation for 12 years. Bryan served on the Board and Partnerships committee between 2019 and 2022.

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- Gary Caddy** Gary has been the co-owner of Valley Maintenance Services for the past 35 years, managing contracts for Government Housing and Rail Infrastructure projects. Gary has been a long-time supporter of Variety, participating in the Variety Victoria Bash for the past 18 years and raising over \$1 million in that time. With a private collection of Australian/American muscle cars from the 50's, 60's and 70's the Variety Bash perfectly combines his passion for cars and helping children, living with disability, illness and disadvantaged. Gary was appointed to the Board in 2014 and chairs the Motoring Events Committee.
- Geoff Handberg - Treasurer** Geoff commenced his professional career as a Chartered Accountant in insolvency in 1989. He set up his own business in 1998, acting as an officer of the Supreme and Federal Courts. He played an integral role in developing his business into one with offices throughout Australia and a member of a worldwide affiliation. He retired from public practice as a Registered Liquidator in 2020. He is a keen participant in the Variety Victoria Bash which aligns with his love of classic cars, travelling and having fun whilst helping kids in need at the same time. Geoff was appointed Treasurer in 2021 and is a member of the Motoring Events and Risk & Compliance Committees.
- Jason McKenzie** Jason has been self-employed for over 30 years as the owner of McKenzie Dental Laboratories and now has four Denture Clinics throughout Victoria. His standing in the Dental Industry has resulted in Jason being invited to provide lectures on industry-related topics, best practices and developing dental techniques. Jason was also involved in Martial Arts for over 20 years. Along with this he taught both children and adults of all ages. Jason's love of old cars and his scouting community service background resulted in the perfect fit for Variety. Jason has been involved with 17 Variety Victoria Bash Events and 13 Brats Bash Events to date – with lots of other events along the way. Jason has been on the Brats Bash committee for 10 years, heavily involved in the event's organisation. He joined the Board in 2019 and has been Chair of the Kids Support Grants Committee for the last 3 years, and Chair of the Variety Brats Bash committee and an event official.
- Ken Pryor-Chair** Ken Pryor has been involved in property development, specialising in strategic network planning, property acquisition and construction management for the past 40 years.
- Ken has played a major part in the planning and development of several national and international companies to expand and remodel their Australian store networks.
- Ken began his involvement with Variety in 2008, driven by his desire to help make a difference to children and their families who needed support to improve their health and wellbeing. Ken joined the Variety Board in September 2015.
- Mike Porter** Mike has over forty years' experience in advertising and media and has worked in Australia and the UK. He has led Media Agencies across Australia/New Zealand and the Asia Pacific region, served on global and regional boards and worked with some of the world's largest advertisers. In 2011 he established an independent Media Agency which was acquired by a multinational group in 2020. For six years he served on the NSW regional council of Red Kite - the children's cancer charity. Currently he is an advisor to the OMA - the industry body representing the outdoor media industry in Australia. Mike joined the Variety Victoria Board in July 2022 and is committed to making a difference to children and families that need support. He hopes that his experience in communications, marketing and strategy will add value to the Variety Victoria organisation and the board. Mike also chairs the Partnerships and Fundraising Committee.

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Nerida Wallace

Nerida is a Victorian legal practitioner (registered) and strategic advisor with over 40 years' experience ranging from senior management, courts, government policy, law reform, risk management and associations representation. She led a consultancy that introduced new alternative dispute systems throughout Australia. Nerida currently serves on the Code Authority of the Fundraising Institute of Australia and was previously a legal author in banking law and courts administration and CEO of the Law Institute of Victoria. She has since advised boards on crisis management, mentored CEOs and taken up charities law to assist charities. Nerida also has experience in technology as a co-founder and in-house counsel of a Melbourne technology firm providing solutions in public and private sectors. Nerida chairs the Risk & Compliance Committee.

Paul Serong

Paul has recently retired from work after working in the Insurance Industry for 56 years. His roles included CEO roles for Catholic Church Insurances, Cambridge/ Xchanging – WorkCover Victoria Agent and Managing Director and Owner of Counselling Appraisal consultants a leading Occupational Rehabilitation Provider in the Victorian WorkCover Scheme.

Paul has board positions with the Personal Injury Education Foundation Ltd., Golf Premier League Pty. Ltd. Paul is a Past president of the Australian Insurance Institute – Victoria, Past President of the Australian Rehabilitation Providers Association – Victoria and Past President of the Adoptive Parents Association of Victoria.

Paul is a former field umpire with the AFL and was President of the AFL Umpires Association in 1981. He is also a member of the AFL umpires Hall of Fame. Paul is co-chair of the Kids Support Grants Committee.

1.3 Company Secretary

Peter Bruce (Head of Finance & Risk) was appointed Company Secretary of Variety - the Children's Charity of Victoria (appointed 19 August 2020). Peter is a qualified accountant with over 20 years of finance experience with large corporates and not for profit organisations.

1.4 Principal activities and state of affairs

The principal activity of Variety - the Children's Charity of Victoria during the financial year was to assist children living with disability, illness and disadvantage. Variety's fundraising and event activities achieved a revenue over \$4.1M enabling the capacity of Variety to grant to children in need and deliver children's activities expending \$1.3M or approximately 68% of Net Revenue.

1.5 Short- and long-term objectives

Variety continued its ambition to increase support to children living with disability, illness, and disadvantage, achieving a 57% increase in the number of children impacted (17,010 children in FY2023 (10,854 in FY2022)). This work was a result of targeting regional and disadvantaged communities and seeking systemic impact. Variety also made significant progress in its objectives for digital transformation and revenue diversification.

1.6 Strategy for achieving the objectives

Variety's 2025 Strategy focuses on 3 key priorities: diversifying revenue, supporting kids and building capacity. This has translated to initiatives to diversify fundraising in philanthropy and crypto-philanthropy as well as evolving events for sustainability. Initiatives to support children in need are expanding leadership and inclusion as well as developing suitable impact measurement tools Operationally, strategic initiatives focus on digital efficiency, data analysis, people leadership and culture.

2. Operating results and review of operations for the year

Net operating result:

The operating net surplus for the year ended 30 September 2023 was \$43,274 (2022 operating net surplus: \$58,703).

Operating revenue:

Total revenues and other income for the year ended 30 September 2023 was \$4,219,784 (30 September 2022: \$5,105,900).

Operating result before Kids Support Framework appeals and delivery:

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The operating result before Kids Support for the year ended 30 September 2023 was \$2,055,200 (30 September 2022: \$2,853,566).

Kids Support appeals granted:

Grants, scholarships and other support to sick, special needs and disadvantaged children for the year ended 30 September 2023 was \$1,290,121 (30 September 2022: \$2,246,880).

In the 2023 financial year cash expenditure on Kids Support Grants was \$1,824,451 (FY22 \$977,017).

The total accrued liability for Kids Support Grants as at 30 September 2023 is \$1,985,577 (30 September 2022 \$2,519,907). The cash to meet this liability is held.

3. Other items

3.1 Significant changes in state of affairs

There were no significant changes in the organisation's state of affairs that occurred during the financial year.

3.2 Events after the reporting date

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

3.3 Environmental issues

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

3.4 Meeting of Directors

The number of meetings of Directors held during the year, and the number of meetings attended by each Responsible Entity, are as follows:

Director	Number Of Meetings Eligible	Meetings Attended	Notes
Amelia Hodge	7	4	
Anu Villarosa	7	4	
Bryan Goudsblom	1	1	Resigned 26/11/2023
Gary Caddy	7	5	
Geoff Handberg	7	7	
Jason McKenzie	7	7	
Ken Pryor	7	6	
Mike Porter	7	5	
Nerida Wallace	7	7	
Paul Serong	5	4	Appointed 07/03/2023

3.5 Indemnification and insurance of officers and auditors

During or since the end of the year, the company has given indemnity or entered into an agreement to indemnify or paid or agreed to pay insurance premiums to indemnify the Directors of the company.

4. Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 60-40 of the *Australian Charities and Not for Profits Commission Act 2012* and section 307C of the *Corporations Act 2001* is set out on page 5 of the financial report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.



Ken Pryor, Director
Melbourne, 13 December 2023



Geoff Handberg, Director



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Certified Practising Accountant.
Authorised Audit Company (ASIC)
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Mornington VIC 3931

Auditor's Independence Declaration

To the directors of Variety - The Children's Charity of Victoria,

In accordance with the requirements of section 60-40 of the *Australian Charities and Not for Profits Commission Act 2012*, as lead auditor for the audit of Variety - The Children's Charity of Victoria for the year ended 30 September 2023, I declare that, to the best of my knowledge and belief, there have been:

- (a) No contraventions of the auditor independence requirements of the *Australian Charities and Not for Profits Commission Act 2012* in relation to the audit; and
- (b) No contraventions of any applicable code of professional conduct in relation to the audit.

Oak Audit & Assurance
OAK AUDIT & ASSURANCE PTY LTD
Authorised Audit Company (Reg No. 527784)


Scott A Cosgriff
Director

Mornington, 13 December 2023

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Statement of surplus or deficit and other comprehensive income

For the Year Ended 30 September 2023

	Notes	2023	2022
		\$	\$
Revenue, direct costs, & other income			
Revenue from events	3	2,812,294	3,350,830
Event costs	3	(1,662,275)	(1,517,468)
Net income from events		1,150,019	1,833,362
Revenue from fundraising	3	1,351,641	1,531,939
Fundraising costs	3	(608,451)	(545,076)
Net income from fundraising		743,190	986,863
Other income	3	55,849	223,131
Movement in market value of investments	3	106,142	(189,790)
Income from other & market movement		161,991	33,341
Net income from events, fundraising and other income		2,055,200	2,853,566
Operating expenditure			
Appeals granted	9	(1,813,070)	(2,535,266)
Appeals rescinded	9	522,949	288,386
Employee benefits expense	3(b)	(181,380)	(191,335)
Depreciation and amortisation expense		(52,761)	(58,101)
Administration costs		(275,359)	(96,031)
Other expenses		(192,177)	(164,197)
Finance costs		(20,128)	(38,319)
Total operating expenditure		(2,011,926)	(2,794,863)
Surplus for the year		43,274	58,703
Other comprehensive income		-	-
Total surplus and other comprehensive income for the year		43,274	58,703

The statement of surplus or deficit and other comprehensive income should be read in conjunction with the accompanying notes.

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Statement of financial position

As at 30 September 2023

	Notes	2023 \$	2022 \$
Assets			
Current Assets			
Cash and cash equivalents	4	1,526,607	3,500,489
Financial Assets	5	1,000,000	-
Trade and other receivables	6	358,663	179,220
Other Assets	7	46,080	35,860
Total Current Assets		2,931,350	3,715,569
Non-Current Assets			
Financial Assets	5	1,603,514	1,471,150
Property, plant and equipment	8	659,612	709,700
Total Non-Current Assets		2,263,126	2,180,850
Total Assets		5,194,476	5,896,419
Liabilities			
Current Liabilities			
Trade and other payables	9	2,192,642	2,966,224
Other liabilities	10	69,006	73,578
Employee entitlements	11	174,110	143,796
Total Current Liabilities		2,435,758	3,183,598
Non Current Liabilities			
Employee entitlements	11	7,534	4,911
Total Non Current Liabilities		7,534	4,911
Total Liabilities		2,443,292	3,188,509
Net Assets		2,751,184	2,707,910
Equity			
Retained Earnings		2,751,184	2,707,910
Total Equity		2,751,184	2,707,910

The statement of financial position should be read in conjunction with the accompanying notes.

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Statement of changes in equity

For the Year Ended 30 September 2023

	Retained earnings	Total
	\$	\$
At 1 October 2021	2,649,207	2,649,207
Net Surplus for the year	58,703	58,703
Transfers to and from reserves	-	-
At 30 September 2022	2,707,910	2,707,910
At 1 October 2022	2,707,910	2,707,910
Net Surplus for the year	43,274	43,274
Transfers to and from reserves	-	-
At 30 September 2023	2,751,184	2,751,184

The statement of changes in equity should be read in conjunction with the accompanying notes.

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Statement of cash flows

For the Year Ended 30 September 2023

	Notes	2023 \$	2022 \$
Cash flows from operating activities:			
Receipts from donors, sponsors, members and functions		3,979,137	4,512,423
Payments to grantees, suppliers and employees		(3,145,305)	(2,188,983)
Payments for Kids Support		(1,824,451)	(977,017)
Interest received		10,764	399
Net cash flows (used in) / from operating activities	17	(979,855)	1,346,822
Cash flows from investing activities:			
Purchase of property, plant and equipment		(3,360)	(23,668)
Net movement in investments at fair value through surplus & deficit		(26,222)	(49,307)
Payment for investment in financial assets at amortised cost		(1,000,780)	-
Dividend income		36,335	62,738
Net cash flows used in investing activities		(994,027)	(10,237)
Net (decrease) / increase in cash and cash equivalents held		(1,973,882)	1,336,585
Cash & cash equivalents at beginning of year		3,500,489	2,163,904
Cash & cash equivalents at end of financial year	4	1,526,607	3,500,489

The statement of cash flows should be read in conjunction with the accompanying notes.

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Notes to the financial statements

For the Year Ended 30 September 2023

1 Summary of material accounting policies

The principal accounting policies adopted in the preparation of the Variety – The Children's Charity of Victoria's (the company) financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) New or amended Accounting Standards and Interpretations adopted

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

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted, unless otherwise stated. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance, financial position or the cash flows of the company.

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

Conceptual Framework for Financial Reporting (Conceptual Framework):

The company has adopted the revised Conceptual Framework from 1 October 2022. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the company's financial statements.

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities ('AASB 1060', 'SD'):

The company has adopted AASB 1060 from 1 October 2022, due to the removal of *Australian Accounting Standards – Reduced Disclosure Requirements* (RDR). The AASB 1060 standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs, and developed in conjunction with *AASB 2020-2 Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities*. Given consistencies in disclosure requirements between RDR and SD, there are no significant changes in disclosure in the company's financial statements as compared to the prior period financial statements and comparative figures.

See Note 1 (c) for explanation of the transition to AASB 1060 simplified disclosures.

(b) Basis of preparation

These general purpose financial statements have been prepared in accordance with the *Australian Accounting Standards - Simplified Disclosures* issued by the Australian Accounting Standards Board ('AASB'), the *Australian Charities and Not-for-profits Commission Act 2012* and associated regulations and the *Corporations Act 2001*, as appropriate for not-for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, modified, where applicable, by the measurement at fair value of selected financial assets and financial liabilities.

Going concern basis of accounting

The directors have reviewed the business outlook and the assets and liabilities of the company and are of the opinion that the use of the going concern basis of accounting is appropriate.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

(c) Explanation of the transition to *Australian Accounting Standards – Simplified Disclosures*

Previous reporting framework and transition adjustments:

The company previously prepared general purpose financial statements as a separate financial statement, under the former Tier 2 *Australian Accounting Standards – Reduced Disclosure Requirements*.

On transition to *Australian Accounting Standards – Simplified Disclosures*, the company continued to apply the recognition and measurement requirements of accounting standards given the former Tier 2 RDR requirements were in compliance with all of the recognition and measurement requirements of Australian Accounting Standards. As such the accounting standard AASB 1 *First-Time Application of Australian Accounting Standards* was not applicable, and accordingly the company has not needed to make any adjustments as their general purpose financial statements for the 30 September 2022 period end were prepared complying with the recognition and measurement criteria of applicable Australian Account Standards.

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Notes to the financial statements

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1 Summary of material accounting policies (Continued)

(d) Revenue and Other Income

Revenue 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.

Donated goods

Goods are donated to be sold at auctions, or to be used in events or functions. In such cases, the goods are not recognised as donation income on the basis that the value is often inconsequential and not material to the financial statements, or there is no right for the company to retain the donation given the purpose is specifically to generate fundraising from the auction or at the event or function. Otherwise, goods are recognised at their replacement cost as donation revenue at the time of the donation, and expenses when the goods are sold, or otherwise used.

Donations

Amounts arising from donations are under the scope of AASB 1058 and are recognised at fair value when received.

Dividend revenue

Dividends are recognised when the company's right to receive payment is established.

Events revenue

Revenue from events is recognised at the time of the sponsored event. Where payment is received in advanced, it is recognised as a liability until the performance obligation is satisfied, defined as the event taking place. Cost recovery and expenses, such as the provision levy on motoring events, are recognised when the event occurs.

Interest revenue

Interest income is recognised on an accrual basis using the effective interest method.

Other income

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

Volunteer services

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

(e) Taxation

No provision for income tax has been raised as the organisation is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

(f) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term investments with an original maturity of three months or less which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. For the purposes of the statement of cash flow, cash and cash equivalents consist of cash and cash equivalents as defined above.

(g) Property, Plant and Equipment

(i) Recognition and initial measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, and any other costs directly attributable to bring the asset to a working condition for its intended use, and the cost of dismantling and removing the items and restoring the site on which they are located.

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1 Summary of material accounting policies (Continued)

Property, plant and equipment that have been contributed at no cost, or for nominal cost, are revalued at the fair value of the asset at the date it is acquired. This revalued amount forms the cost component for initial recognition and measurement at cost.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

(ii) Subsequent cost

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the entity and its cost can be measured reliably. The carrying amount of the replaced asset is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Buildings and property improvements are depreciated over the useful lives of the asset on a straight-line basis. Whereas, plant & equipment, vehicles and computer equipment are depreciated over the useful lives of the asset on a diminishing value basis. The estimated useful lives used for depreciable assets equate to rates of depreciation of between 2.5% - 50%.

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

Fixed asset class	Depreciation rate
Buildings	2.50%
Improvements	2.50%
Plant and equipment	7.5-35%
Motor vehicles	25%
Computer equipment	20-50%

The assets' depreciation rate and useful life are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to the statement of surplus or deficit and other comprehensive income.

(h) Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

(i) Financial instruments

Financial instruments are recognised initially on the date that the company becomes party to the contractual provisions of the instrument. On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred). Financial assets are classified and subsequently measured at amortised cost and fair value through profit and loss.

Financial assets at amortised cost

Financial assets at amortised cost are made up of term deposits and trade and other receivables. If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

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Notes to the financial statements

For the Year Ended 30 September 2023

1 Summary of material accounting policies (Continued)

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income, are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit. Fair value movements are recognised in profit or loss.

Impairment of financial assets

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

The company 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 company comprise of trade payables, Kids Support payables, and other liabilities.

(j) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

(k) Trade and other receivables

Trade and other receivable include amounts due from sponsors and donors and any outstanding grant receipts.

Receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(h) and (i) for further discussion on the determination of impairment losses.

(l) Contract assets

Contract assets are recognised when the company has transferred goods or services to the customer but where the company is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

(m) 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 company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Kids Support payables are approved by the board resulting in a constructive obligation committing to payment to the grant applicant. The Kids Support payable is recognised at the nominal value approved by the board via a formal appeals application process. The payable balance is recognised as a current liability with the amounts normally expended within 12 months of recognition of the liability.

(n) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Variety - The Children's Charity of Victoria

ABN: 80 145 257 414

Notes to the financial statements

For the Year Ended 30 September 2023

1 Summary of material accounting policies (Continued)

(o) Employee entitlements

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the reporting date.

Short term benefits:

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

Long term benefits:

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

Contributions are made to employee superannuation funds and are charged as expenses when incurred.

(p) Contract liabilities (including deferred income, and fees and funding received in advance)

Fees and grants received in advance represent the company's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the company recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the company has transferred the goods or services to the customer.

Included in contract liabilities commonly are: income for future events/programs received that relate to the event/programs that is held subsequent to balance date (ie deposits received in advance of the year end date), capital funding not yet drawn down as milestones of completion are yet to be met, and grants received that are to be recouped in future periods or are unutilised at the year end.

(q) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. 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. 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 components of investing and financing activities, which are disclosed as operating cash flows.

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

(r) Leases

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

All current leases fall under the low value/short term lease exemption and have been expensed through the statement of surplus or deficit and other comprehensive income.

For leases that have significantly below-market terms and conditions principally to enable the company to further its objectives (commonly known as peppercorn/concessionary leases), the company adopts the temporary relief allowable under accounting standards and measures any right-of-use-assets at cost on initial recognition.

Variety - The Children's Charity of Victoria

ABN: 80 145 257 414

Notes to the financial statements

For the Year Ended 30 September 2023

1 Summary of material accounting policies (Continued)

(s) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

(t) Comparative figures

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

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

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are:

Kids Support payable – committed spending:

Further to note 1 (m), the key judgement surrounds satisfying the definition of a liability in the area of present obligation and obligating event. Determination is made via the charity's resolved purpose, at the board level, to commit to granting the majority of remaining net surplus at each year end as Kids Support. There are also key estimates and judgements surrounding the amount of grants expected to be rescinded in the subsequent financial year (which are then re-committed as appeals in the subsequent financial year). Any provision for rescission is based on historical information excluding any one off non-recurring matters.

Variety - The Children's Charity of Victoria

ABN: 80 145 257 414

Notes to the financial statements

For the Year Ended 30 September 2023

3 Revenues & Expenses

(a) Revenue & Direct Costs

	2023			2022		
	Revenue	Direct Costs	Net Proceeds	Revenue	Direct Costs	Net Proceeds
Events	\$	\$	\$	\$	\$	\$
Motoring Events	2,288,923	(1,169,250)	1,119,673	2,932,579	(1,116,937)	1,815,642
Corporate Events	523,371	(493,025)	30,346	418,251	(400,531)	17,720
Fundraising Income	1,351,641	(608,451)	743,190	1,531,939	(545,076)	986,863
Unallocated Event Income	-		-	-		-
Unallocated Event Costs		-	-		-	-
Total Events	4,163,935	(2,270,726)	1,893,209	4,882,769	(2,062,544)	2,820,225
Other						
Other Income	55,849		55,849	223,131		223,131
<i>Other Costs:</i>						
Administration Costs		(721,805)	(721,805)		(547,983)	(547,983)
Grants Approved		(1,813,070)	(1,813,070)		(2,535,266)	(2,535,266)
Rescinded Grants		522,949	522,949		288,386	288,386
Total Other	55,849	(2,011,926)	(1,956,077)	223,131	(2,794,863)	(2,571,732)
Total Events & Other	4,219,784	(4,282,652)	(62,868)	5,105,900	(4,857,407)	248,493

The costs of events staff salaries and other costs directly attributable to fundraising events are included in the direct costs for each category (see note 3(b) following). Included in administrative costs is superannuation expense and other employment costs.

(b) Significant Direct and Indirect Expenses

Employee Expenses

Salaries & Wages - direct costs (as included in note 3(a))	1,377,738	1,063,293
Salaries & Wages - administration & corporate overheads	127,440	145,742
Leave provision expenses	32,939	36,397
Other staff costs	21,001	9,196
	181,380	191,335

4 Cash and cash equivalents

Cash at bank and in hand	1,026,607	3,500,489
Term Deposits - Short Term	500,000	-
Total cash and cash equivalents	1,526,607	3,500,489

Money invested short term in term deposits, as per the accounting policy Note 1(f), relates to short term deposits that are readily converted to cash and are 3 months or less to maturity. Other term deposits have original maturities of 6 and 12 months, and as such have been excluded from the Cash Flow Statement.

Variety - The Children's Charity of Victoria

ABN: 80 145 257 414

Notes to the financial statements

For the Year Ended 30 September 2023

5	Financial assets	2023	2022
		\$	\$
	<i>Current</i>		
	Financial assets at amortised cost	(i) <u>1,000,000</u>	<u>-</u>
		<u>1,000,000</u>	<u>-</u>
	<i>Non-Current</i>		
	Financial assets at fair value through profit or loss	(ii) <u>1,603,514</u>	<u>1,471,150</u>
		<u>1,603,514</u>	<u>1,471,150</u>
	The classification as current or non-current is on the basis of the Note 1(s) accounting policy.		
	(i) Amortised cost financial assets comprise 'short-term' term deposits with maturity dates of over 3 months and interest rates between 4.5% - 5.5%.		
	(ii) The \$1,603,514 (2022: \$1,471,150) disclosed in financial assets relates to funds controlled by the company in a Perpetual Limited investment portfolio account as financial assets held in custody, for the Variety Foundation. The use of financial assets at fair value through profit and loss is to generate income through the receipt of dividends and capital gains. The Variety Foundation has been established to provide an annual income stream to Variety - The Children's Charity of Victoria. Refer to Note 12 for any further disclosures regarding fair value measurement of financial assets at fair value through profit and loss.		
6	Trade and other receivables		
	Trade receivables	113,424	83,305
	Accrued income	245,239	54,849
	Goods & Services Tax receivable	-	41,066
		<u>358,663</u>	<u>179,220</u>
7	Other assets		
	Prepayments	36,376	35,860
	Deposits paid	9,704	-
		<u>46,080</u>	<u>35,860</u>
8	Property, plant and equipment		
	<u>Property</u>		
	<i>Land, buildings and infrastructure</i>		
	At cost	936,796	936,796
	Accumulated depreciation	<u>(439,854)</u>	<u>(416,434)</u>
		496,942	520,362
	<u>Plant & Equipment</u>		
	<i>Office Equipment</i>		
	At cost	21,735	34,898
	Accumulated depreciation	<u>(20,830)</u>	<u>(33,276)</u>
		905	1,622
	<i>Computer Equipment</i>		
	At cost	41,141	94,641
	Accumulated depreciation	<u>(34,957)</u>	<u>(85,823)</u>
		6,184	8,818
	<i>Improvements</i>		
	At cost	159,326	166,642
	Accumulated depreciation	<u>(64,783)</u>	<u>(66,640)</u>
		94,543	100,002
	<i>Motor Vehicles</i>		
	At cost	157,783	157,783
	Accumulated depreciation	<u>(96,745)</u>	<u>(78,887)</u>
		61,038	78,896
	Total Plant & equipment	<u><u>659,612</u></u>	<u><u>709,700</u></u>

Variety - The Children's Charity of Victoria

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Notes to the financial statements

For the Year Ended 30 September 2023

8 Property, plant and equipment (continued)

Movement in Carrying Amounts

Movements in carry amounts for each class of property, plant and equipment between the beginning and the end of the financial year:

	Buildings	Office Equipment	Computer Equipment	Improve- ments	Motor Vehicles	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 October 2022	520,362	1,622	8,818	100,002	78,896	709,700
Additions	-	-	3,360	-	-	3,360
Disposals (at cost)	-	(13,164)	(56,859)	(7,316)	-	(77,339)
Disposals (accum. depreciation)	-	13,002	56,334	7,316	-	76,652
Depreciation expense	(23,420)	(555)	(5,469)	(5,459)	(17,858)	(52,761)
Balance at 31 October 2023	496,942	905	6,184	94,543	61,038	659,612

9 Trade and other payables

	2023	2022
	\$	\$
Trade payables	87,332	365,006
Sundry Payables and Accrued expenses	29,177	-
Goods & Services Tax payable	5,430	-
Kids Support payable	(i) 1,985,577	2,519,907
Other Payables	85,126	81,311
	<u>2,192,642</u>	<u>2,966,224</u>

(i) Further to the note 1 accounting policies, Kids Support payable represents the company's formally pledged commitment to provide financial support to kids, with the support payable being committed using the majority of surplus generated from the current financial year.

The directors have classified these liabilities as 'current' as they are expect to settle expenditure on pledges within 12 months of the current year end.

Kids Support payable is reconciled as follows:

Appeals payable at 1 October	2,519,907	1,250,044
Appeals granted	1,813,070	2,535,266
Grants rescinded to be re-committed	(522,949)	(288,386)
Grants paid	(1,824,451)	(977,017)
	<u>1,985,577</u>	<u>2,519,907</u>

10 Other liabilities

Deferred Income	69,006	73,578
	<u>69,006</u>	<u>73,578</u>

11 Employee entitlements

Current liability

Provision for Annual Leave	156,958	120,409
Provision for Long Service Leave	17,152	23,387
	<u>174,110</u>	<u>143,796</u>

Non-Current liability

Provision for Long Service Leave	7,534	4,911
	<u>7,534</u>	<u>4,911</u>

Variety - The Children's Charity of Victoria

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Notes to the financial statements

For the Year Ended 30 September 2023

12 Financial Risk Management

2023

2022

\$

\$

The main risks Variety - The Children's Charity of Victoria is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, foreign currency risk and equity price risk.

The organisation's financial instruments consist of mainly deposits with banks, local money market instruments, short-term investments, accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements are as follows:

Financial Assets

Cash and cash equivalents	1,526,607	3,500,489
Trade and other receivables	358,663	179,220
Financial assets	2,603,514	1,471,150
Total financial assets	4,488,784	5,150,859

Financial Liabilities

Trade and other payables	2,192,642	2,966,224
Borrowings	-	-
Total financial liabilities	2,192,642	2,966,224

Financial assets at fair value through profit and loss, the fair values have been determined based on closing quoted bid prices in an active market at the end of the reporting period.

13 Key Management Personnel Disclosures

2023

2022

\$

\$

Total remuneration Paid

The total aggregated remuneration paid to all key management personnel of Variety - The Children's Charity of Victoria during the year as follows:

Total key management personnel remuneration	318,985	319,103
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Variety - The Children's Charity of Victoria

ABN: 80 145 257 414

Notes to the financial statements

For the Year Ended 30 September 2023

14 Related Party Transactions	2023 \$	2022 \$
<u>Transactions with related parties</u>		
There were no material related party transactions with directors or their associates. Unless mentioned elsewhere in the financial statements, the transactions with related parties of Variety - The Children's Charity of Victoria during the year are limited to the following:		
<i>Variety International</i>		
Revenue from related parties	2,360	-
Payments to related parties	(23,527)	(67,982)
Amount owed to related parties	-	6,094
	<u>(21,167)</u>	<u>(61,888)</u>
<i>Variety Australia</i>		
Revenue from related parties	26,872	31,843
Payments to related parties	(44,309)	(15,196)
Amount owed by related parties	38,081	-
Amount owed to related parties	-	(81,077)
	<u>20,645</u>	<u>(64,430)</u>
<i>Variety Queensland</i>		
Payments to related parties	(2,233)	-
	<u>(2,233)</u>	<u>-</u>
<i>Variety New South Wales</i>		
Revenue from related parties	47,125	212,880
Amount owed by related parties	24,529	42,975
	<u>71,654</u>	<u>255,855</u>
<i>Variety South Australia</i>		
Payments to related parties	(2,206)	-
Amount owed to related parties	-	978
	<u>(2,206)</u>	<u>978</u>
<i>Variety Tasmania</i>		
Payments to related parties	-	(2,493)
	<u>-</u>	<u>(2,493)</u>
<i>Variety Western Australia</i>		
Revenue from related parties	-	21,677
Payments to related parties	(109)	(227)
	<u>(109)</u>	<u>21,450</u>
<i>Variety Northern Territory</i>		
Payments to related parties	-	(553)
	<u>-</u>	<u>(553)</u>
Total (Payable to) / receivable from related parties	<u><u>66,584</u></u>	<u><u>148,919</u></u>

Variety - The Children's Charity of Victoria

ABN: 80 145 257 414

Notes to the financial statements

For the Year Ended 30 September 2023

15 Commitments & Contingencies

Commitments

In the opinion of the directors, the company did not have any commitments for expenditure at 30 September 2023 (30 September 2022: None), not otherwise mentioned elsewhere in this financial report.

Contingent liabilities

In the opinion of the directors, the company did not have any contingent liabilities at 30 September 2023 (30 September 2022: none).

Contingent assets

The company had the following contingent assets at the end of the reporting period:

- A painting by Jamie Cooper entitled "Variety Entertainers of the Century" was purchased in 2005 for a sum of \$237,419. This painting was subsequently written down to nil value in 2006. On the basis that the fair value for the painting is unknown, it is prudent to disclose the organisation's ownership of this asset as a contingent asset.

- Miscellaneous sporting memorabilia, books, toys, posters and other similar items. These items are donated to the organisation from time-to-time, for use in the organisation's fundraising or charitable activities. On the basis that it is not practicable to determine an appropriate fair value for these items, and that in aggregate, the total value of these items would be unlikely to be material to the financial report, it is prudent to disclose the organisation's ownership of these assets as contingent.

16 Auditor's Remuneration

The total remuneration paid for services relating to the audit of the financial statements of Variety - The Children's Charity of Victoria is as follows:

PKF Melbourne Audit & Assurance Pty Ltd ('PKF')	<u>6,309</u>	<u>3,500</u>
Oak Audit & Assurance Pty Ltd ('Oak')	<u>-</u>	<u>-</u>

Oak Audit & Assurance Pty Ltd (Oak) was appointed as the company's auditor for the 2022/23 financial year, and during the 2022/23 year there had been no remuneration paid to Oak. The former auditor, PKF, was remunerated for audit services as indicated above.

17 Cash Flow Information

Reconciliation of result for the year to the cashflows from operating activities

Surplus/(deficit) for the period	43,274	58,703
<i>Cash flows excluded from profit attributable to operating activities</i>		
<i>Non-cash flows in surplus</i>		-
Depreciation	52,761	58,101
Net (gain)/loss on disposal of property, plant and equipment	687	-
Net (gain)/loss on disposal of investments	780	-
Realised and unrealised gains in investments	(106,142)	189,790
Dividends reinvested	(36,335)	(62,738)
<i>Changes in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	(179,443)	(18,209)
(Increase)/decrease in prepayments	(10,220)	(4,982)
Increase/(decrease) in trade and other payables	(773,582)	1,617,410
Increase/(decrease) in deferred revenue	(4,572)	(507,149)
Increase/(decrease) in employee benefits	32,937	15,896
	<u>(979,855)</u>	<u>1,346,822</u>

Variety - The Children's Charity of Victoria

ABN: 80 145 257 414

Notes to the financial statements

For the Year Ended 30 September 2023

18 Events after the end of the reporting period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years, unless otherwise disclosed elsewhere in this report.

19 Economic dependency to maximise support to kids

The company has a degree of dependency on donations and contributions income, being the predominant form of income used to operate the charity and provide support to kids. Whilst the effects of government restrictions and lockdowns due to COVID-19 eased during the previous financial year enabling the company to return to running activities in schools with children and operating most fundraising events, in light of the existing state of the economy the company has experienced some decrease in donation revenue and participation levels from varying sources. Nevertheless, the company strategy incorporates diversification of funding streams, as well as varying changes in focus and execution on the sources of donations as and when required - this ensures the inflow of donations is sufficient and reasonably consistent year on year. Accordingly, at the date of this report the directors have no reason to believe donations will not continue to support the company to achieve the maximum grant contributions available to support kids.

20 Going concern principle

The directors consider that the company has sufficient resources to meet all of its obligations as and when they fall due. Therefore, the financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realise its assets and discharge its liabilities in the normal course of business.

21 Company details

The financial report is for Variety - The Children's Charity of Victoria as an individual entity, incorporated and domiciled in Victoria, Australia. The financial report is presented in Australian dollars.

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

Variety - The Children's Charity of Victoria

H71, 65-85 Turner Street

Port Melbourne, VIC, 3207

Variety - The Children's Charity of Victoria

ABN: 80 145 257 414

Directors' declaration

For the Year Ended 30 September 2023

In the opinion of the directors of Variety - The Children's Charity of Victoria:

- a) The attached financial statements and notes of the company, on pages 6 to 22;
 - i. comply with the *Corporations Act 2001*, the *Australian Accounting Standards - Simplified Disclosures*, the *Australian Charities and Not-for-profits Commission Act 2012* and associated regulations, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
 - ii. give a true and fair view of the company's financial position as at 30 September 2023 and of its performance for the financial year ended on that date; and
- b) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



.....
Ken Pryor, Director



.....
Geoff Handberg, Director

Dated this 13th day of December 2023

Independent Auditor's Report

to the members of Variety - The Children's Charity of Victoria

Opinion

We have audited the financial report of Variety - The Children's Charity of Victoria, which comprises the statement of financial position as at 30 September 2023, the statement of surplus or deficit and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements including a summary of material accounting policies and other explanatory information, and the directors' declaration.

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

- (i) giving a true and fair view of the company's financial position as at 30 September 2023 and of its financial performance for the year then ended; and
- (ii) complying with *Australian Accounting Standards - Simplified Disclosures*, and the requirements of 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 company 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 opinion.

Other Matter

The financial report of Variety - The Children's Charity of Victoria for the year ended 30 September 2022 was audited by another auditor who expressed an unmodified opinion on that financial report on 30 January 2023.

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

The directors of the company are responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 30 September 2023, but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

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

The directors of the company are responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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_responsibilities/ar4.pdf. This description forms part of our auditor's report.


OAK AUDIT & ASSURANCE PTY LTD
Authorised Audit Company (Reg No. 527784)


Scott A Cosgriff
Director

Mornington, 13 December 2023