

# **Variety Australia Limited**

ACN 101 609 616

## **Financial Statements**

For the Year Ended 30 September 2023

# Variety Australia Limited

ACN 101 609 616

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For the Year Ended 30 September 2023

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## Variety Australia Limited

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### Directors' Report 30 September 2023

The directors present their report on Variety Australia Limited for the financial year ended 30 September 2023.

#### Directors

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

Names	Position	Appointed/Resigned
John Dennis	Co-Opted Chair	
Bruno Palermo	Director TAS	
Graham Bowring	Co-Opted Director	
Nick Harwood	Director QLD	
Dr Greg Levenston	Director NSW/ACT	
Ken Prior	Director VIC	
Tanya Stratton	Director SA	
Brad Dean	Director WA	
Christine Smith	Director NT	
Narelle Simpson	Director	Resigned March 2023

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

#### Principal activities

The principal activities of Variety Australia Limited are to assist the member Tents in achieving their objectives within Australia and represent Variety International in Australia.

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

#### Objectives and Strategies

Variety Australia Limited ('Variety') exists to assist the Member Tents to achieve their objective of helping Australian children, who are sick, disadvantaged or have special needs. The Variety Australia Board is committed to providing the Tents with good governance including policies and procedures and a clear strategy on the best way forward for Variety in Australia.

#### Operating and financial review

The deficit of the Association amounted to \$60,803 (2022: surplus of \$17,428).

Variety Australia Limited exists to help its member Tents, all the state and territories based, Variety - the Children's Charity, organisations in Australia to help Australian children, who are sick, disadvantaged or have special needs.

Consequently, looking at the figures of Variety Australia Limited in isolation does not give an understanding of Variety Australia's real purpose and results. Variety Australia is part of the Variety Family worldwide and under the Variety International charter it is the Australian Association responsible for the performance of the Variety Tents in Australia. These financial statements provide only the results of operations and state of affairs of Variety Australia Limited because Variety Australia Limited does not have any ownership interest in the Australian Tents. The Australian Tents own Variety Australia Limited

# Variety Australia Limited

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## Directors' Report 30 September 2023

### Information on directors

**John Dennis**  
Qualifications

Co-Opted Chair  
John holds Bachelor of Commerce (Accounting, Finance & Systems) and Master of Commerce (Finance) degrees.

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

Experience

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

John was appointed as Chairperson in February 2021 and has been on the Variety Australia board since December 2017.

John has been a Director of NFP/ DGR status Charities and Foundations since 2001. He has been involved with Variety NSW since 2007 as a major donor and Bash participant; as a Board member since 2012; Deputy Chair 2015-16 and Chair 2017-2020 and continues to be Board member in 2021.

**Bruno Palermo**  
Qualifications

Director TAS  
Bruno Palermo is a business adviser at Collins SBA. Bruno graduated with a Bachelor of Commerce degree from the University of Tasmania, is a Chartered Accountant through the CAANZ and a Registered Tax Agent.

Experience

Bruno is all about building lasting relationships. By understanding his client's needs and wants, Bruno assists with increasing profits for their business, advises on business strategies and provides advice on the most tax effective way to structure businesses and personal affairs.

Born and raised in Hobart, Bruno enjoys spending time with his wife and their two daughters. Playing soccer on weekends and hitting the gym!  
Bruno joined Variety in 2017 with main purpose of helping children (and their families) in need and who are less fortunate than others.

**Graham Bowring**  
Experience

Co-Opted Director  
Graham is a retired senior executive from the mining and associated Industries. He started with Caterpillar as a financial analyst and then moved into product support and marketing. His career with Caterpillar included working in the USA, South Africa, PNG, New Zealand and most states of Australia.

Graham was appointed a co-opted Director on 30 September 2020 and reappointed on 16 February 2022.

Graham has been a Bash Participant for 16 years and a major fundraiser for Variety in three states, Victoria, South Australia and Queensland.

# Variety Australia Limited

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## Directors' Report 30 September 2023

### Information on directors (cont'd)

Nick Harwood  
Experience

Director QLD

Nick is a consultant and former partner of Deloitte Australia. Born in the UK he completed his accounting studies with PwC in London, before transferring to their Hong Kong Office. Nick moved to Australia in 2001, joining Deloitte until 2015. While at Deloitte Nick acquired a broad range of business experience, his roles included restructuring and managing companies, transaction management and due diligence, advising boards and executives.

On leaving Deloitte Nick joined a mining services company, managing strategic implementation and special projects. He is currently studying an Executive MBA with IMD in Switzerland to further develop his consultancy skills.

Nick previously served on the board of Common Ground Queensland, a not for profit organisation seeking to end homelessness in its communities. He is passionate about giving back some of his good fortune to communities.

Dr Greg Levenston  
Qualifications

Director NSW/ACT

Dr. Greg Board Member 2012 – 2017, reappointed in February 2019, Chair since December 2020. Greg has served on the Granting, Kids Support Governance and Scholarship committees since 2011. Participated in 2022 and 2018 4WD Adventure (Medics). Previous Basher (2014)

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

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

Experience

Basher, Adventurer. Long term medical director of the Bronte Medical Centre. Former Deputy Mayor, Woollahra. Currently serving on the South East Sydney Local District Hospitals' Board.

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

Ken Prior  
Experience

Director VIC

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 a number of 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 kids and families who needed support to improve their health and wellbeing.

Ken joined the Variety Victoria Board in September 2015.

# Variety Australia Limited

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## Directors' Report 30 September 2023

### Information on directors (cont'd)

Tanya Stratton	Director SA
Qualifications	Tanya is currently a Director at Stratland Pty Ltd, holds a bachelor degree in Science, Mathematics/Statistics from Adelaide University, a certificate in COGNOS Administration from the University of NSW and is an AICD affiliate.
Experience	<p>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.</p> <p>Tanya was appointed alternate to Brenton Ramsey on 10 December 2019 and became a Director on 24 February 2022. Tanya is a Director at Variety - The Children's Charity South Australia and Stratland Pty Ltd.</p> <p>Tanya's involvement with Variety began in 2014 for the 4WD Adventure as the first father-daughter team and continues as part of the first all-female 4WD team.</p> <p>Tanya is the chair of Variety - the Children's Charity South Australia.</p>
Brad Dean	Director WA
Experience	<p>Bradley has been involved with Variety WA since 2010 has sat on the Board as Treasurer since November 2017. He has completed 11 Variety Bashes, took part in the Ruby Road Trip and loves both what the charity stands for and what it achieves for the kids of WA.</p> <p>He is a director of BDR Business Accountants. Bradley has been involved in business services since 1995 and is a current member of both CPA Australia and The Tax Institute of Australia.</p> <p>Bradley believes in giving back to the community and is involved in Board responsibilities for:</p> <ul style="list-style-type: none"><li>• The Rockingham Kwinana Chamber of Commerce</li><li>• The Peel Thunder Football Club</li><li>• Bridging the Gap</li><li>• Rockingham and Port Kennedy Community Bank</li><li>• CPA Australia Public Practice Committee for WA</li></ul>

# Variety Australia Limited

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## Directors' Report 30 September 2023

### Information on directors (cont'd)

Christine Smith Director NT  
Experience With over 30 years' experience in strategy, management and training, Christine Smith is skilled at building trust and creating sound relationships with people and organisations across the private, for-purpose and government sectors.

As Founder and Consultant with Acute Guess (since 2013), Christine facilitates business growth through innovation, strategy and project development, and executive mentoring. Her track record includes respectful collaboration with Aboriginal and Torres Strait Islander People and organisations. Her approach reflects the value she places on her clients' experience, expertise and insights.

Christine's previous roles include Entrepreneurship Facilitator, Strategist, Policy and Ministerial Liaison Officer in the South Australian Government and Manager / Lecturer in Vocational Education and Training.

Passionate about children having opportunities to grow, Christine joined Variety Northern Territory in 2022. She serves on the Board and chairs the Variety NT Kids Support Committee.

### Meetings of directors

During the financial year, 5 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

Directors' Meetings	
Number eligible to attend	Number attended
John Dennis	5
Bruno Palermo	5
Graham Bowring	5
Nick Harwood	4
Dr Greg Levenston	5
Ken Prior	4
Tanya Stratton	5
Brad Dean	4
Christine Smith	5
Narelle Simpson	-

### Significant changes in state of affairs

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

### Events after the reporting date

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

# Variety Australia Limited

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## Directors' Report 30 September 2023

### Environmental matters

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

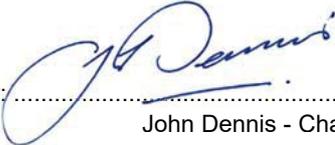
### Indemnification and insurance of officers and auditor

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of Variety Australia Limited.

### Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the year ended 30 September 2023 has been received and can be found on page 7 of the financial report.

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

Director:  .....  
John Dennis - Chair

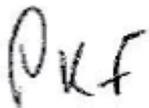
Director:  .....  
Bruno Palermo

Dated: 18th January 2024

## Auditors' Independence Declaration under Section 60-40 of the Charities and Not-for-profits Commission Act 2012 to the Directors of Variety Australia Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 September 2023, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the under Section 60-40 of the Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



PKF



KYM REILLY  
PARTNER

18 JANUARY 2024  
SYDNEY, NSW

## Variety Australia Limited

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### Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 September 2023

	Note	2023	2022
Contribution from fundraising	4	364,192	504,940
Donation Income	4	4,130	2,656
Contribution to operating expenses	4	174,589	170,449
Contribution to Tent shared expenses	4	104,700	178,822
Reimbursement of salary costs	4	89,008	28,485
Other income	4	16,206	8,053
Federal Government covid support	4	-	23,868
<b>Total Revenue</b>		<b>752,825</b>	<b>917,273</b>
Employment expenses	5	(170,756)	(215,652)
Advertising & promotion		(66,407)	(82,574)
Software subscriptions		(18,850)	(20,095)
Motor vehicle expenses		-	(108)
Other Expenses		(3,847)	(4,617)
Finance		(2,074)	(556)
Audit and accounting fees		(24,675)	(27,597)
<b>Total operating expense</b>		<b>(286,609)</b>	<b>(351,199)</b>
Communications		(114,087)	(100,489)
Miss World Fund Raising Costs		(120,782)	(68,373)
<b>Total shared expenses</b>		<b>(234,869)</b>	<b>(168,862)</b>
<b>Total expenses</b>		<b>(521,478)</b>	<b>(520,061)</b>
<b>Surplus before grants and income tax</b>		<b>231,347</b>	<b>397,212</b>
Tent Distributions		(292,150)	(379,784)
<b>(Deficit)/surplus before income tax</b>		<b>(60,803)</b>	<b>17,428</b>
<b>(Deficit)/surplus for the year</b>		<b>(60,803)</b>	<b>17,428</b>
Other comprehensive income for the year		-	-
<b>Total comprehensive (loss)/income for the year</b>		<b>(60,803)</b>	<b>17,428</b>

The accompanying notes form part of these financial statements.

## Variety Australia Limited

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### Statement of Financial Position As At 30 September 2023

	Note	2023	2022
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	6	<b>627,410</b>	522,003
Trade and other receivables	7	<b>191,391</b>	158,927
Financial assets	8	-	116,373
TOTAL CURRENT ASSETS		<b>818,801</b>	797,303
NON-CURRENT ASSETS			
Other assets		<b>3</b>	3
TOTAL NON-CURRENT ASSETS		<b>3</b>	3
TOTAL ASSETS		<b>818,804</b>	797,306
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	9	<b>162,951</b>	72,885
Provisions	11	<b>34,826</b>	43,786
TOTAL CURRENT LIABILITIES		<b>197,777</b>	116,671
NON-CURRENT LIABILITIES			
Provisions	11	<b>5,077</b>	3,882
TOTAL NON-CURRENT LIABILITIES		<b>5,077</b>	3,882
TOTAL LIABILITIES		<b>202,854</b>	120,553
NET ASSETS		<b>615,950</b>	676,753
<b>EQUITY</b>			
Accumulated surplus		<b>615,950</b>	676,753
TOTAL EQUITY		<b>615,950</b>	676,753

The accompanying notes form part of these financial statements.

## Variety Australia Limited

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### Statement of Changes in Equity For the Year Ended 30 September 2023

	Accumulated Surplus	Member's Interest	Total
<b>Balance at 1 October 2022</b>	<b>436,753</b>	<b>240,000</b>	<b>676,753</b>
Deficit for the year	(60,803)	-	(60,803)
<b>Balance at 30 September 2023</b>	<b>375,950</b>	<b>240,000</b>	<b>615,950</b>
<b>Balance at 1 October 2021</b>	419,325	240,000	659,325
Surplus for the year	17,428	-	17,428
<b>Balance at 30 September 2022</b>	<b>436,753</b>	<b>240,000</b>	<b>676,753</b>

The accompanying notes form part of these financial statements.

## Variety Australia Limited

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### Statement of Cash Flows For the Year Ended 30 September 2023

	Note	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from donors, sponsors, members and functions		712,389	900,663
Payments to suppliers and employees		(731,327)	(1,009,698)
Cash receipts – Government COVID-19 support		-	23,868
Interest received		7,972	610
Net cash used in operating activities		<u>(10,966)</u>	<u>(84,557)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Proceeds from term deposits		<u>116,373</u>	-
Net cash provided by investing activities		<u>116,373</u>	-
Net increase/(decrease) in cash and cash equivalents held		105,407	(84,557)
Cash and cash equivalents at beginning of year		<u>522,003</u>	<u>606,560</u>
Cash and cash equivalents at end of financial year	6	<u><u>627,410</u></u>	<u><u>522,003</u></u>

The accompanying notes form part of these financial statements.

## Variety Australia Limited

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# Notes to the Financial Statements

## For the Year Ended 30 September 2023

The financial report covers Variety Australia Limited as an individual entity. Variety Australia Limited is a not-for-profit Company, registered and domiciled in Australia.

The functional and presentation currency of Variety Australia Limited is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

### 1 Basis of Preparation

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

The financial statements have been prepared on a going concern basis. The financial statements have been prepared on an accrual basis of accounting including the historical cost convention except as otherwise stated and the going concern assumption.

### 2 Summary of Significant Accounting Policies

#### (a) Revenue and other income

##### Revenue from contracts with customers

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

##### Corporate Partnership revenue

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

##### Community Fundraising

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

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

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

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

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

## **Notes to the Financial Statements**

### **For the Year Ended 30 September 2023**

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

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

###### **Government grants – JobSaver and JobKeeper**

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

###### **Interest**

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

###### **Other revenue**

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

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

##### **(b) Goods and services tax (GST)**

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

Receivables and payable are stated inclusive of GST.

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

##### **(c) Income Tax**

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

##### **(d) Volunteer services**

No amounts are included in the financial statements for services donated by volunteers..

##### **(e) 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 (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

###### **Financial assets**

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

## **Notes to the Financial Statements**

### **For the Year Ended 30 September 2023**

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

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

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

###### *Classification*

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

- amortised cost

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing 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 that are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents and other current assets in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

###### *Impairment of financial assets*

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

- financial assets measured at amortised cost

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

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

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

- the other party is unlikely to pay its credit obligations to the Association in full, without recourse to the Association to actions such as realising security (if any is held); or

## **Notes to the Financial Statements**

### **For the Year Ended 30 September 2023**

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

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

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

- the financial assets is more than 90 days past due.

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

###### *Trade receivables*

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

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

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

###### *Other financial assets measured at amortised cost*

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

###### **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 comprise trade payables, bank and other loans and lease liabilities.

##### **(f) Cash and cash equivalents**

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

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

##### **(g) Leases**

At inception of a contract, the Association 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.

## **Notes to the Financial Statements**

### **For the Year Ended 30 September 2023**

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

##### **(g) Leases (cont'd)**

This involves an assessment of whether:

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

##### *Exceptions to Lease accounting*

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

##### **(h) Employee benefits**

Provision is made for the Association's liability for employee benefits, those benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

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

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

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

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

##### **(i) Provisions**

Provisions are recognised when the Association 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 recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

## **Notes to the Financial Statements**

### **For the Year Ended 30 September 2023**

#### **3 Critical Accounting Estimates and Judgments**

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

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

The significant estimates and judgements made have been described below.

##### *(i) Significant accounting judgements*

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

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

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

###### **Key estimates - assessment of fair value for donated goods and services**

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

###### **Key estimates - Provisions**

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

###### **Key estimates - Impairment of receivables**

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

## Variety Australia Limited

ACN 101 609 616

### Notes to the Financial Statements For the Year Ended 30 September 2023

#### 4 Fundraising information and administration costs

(a) Details of aggregate income and expenditure of fundraising are as follows:

	Variety Australia 2023	Tents 2023	Total 2023	Variety Australia 2022	Tents 2022	Total 2022
<b>Contribution from fundraising</b>						
National Corporate Partnership Income	-	364,192	364,192	-	288,544	288,544
Third-Party Fundraising	-	-	-	-	216,396	216,396
<b>Total Contribution from Fundraising</b>	-	364,192	364,192	-	504,940	504,940
<b>Other income</b>						
Donation income	4,130	-	4,130	2,656	-	2,656
Other income	16,206	89,008	105,214	8,053	52,353	60,406
<b>Total other income</b>	20,336	89,008	109,344	10,709	52,353	63,062
<b>Total contributions and income</b>	20,336	453,200	473,536	10,709	557,293	568,002
Cost of Third-Party Fundraising	-	(120,782)	(120,782)	-	(68,373)	(68,373)
<b>Net income for distribution</b>	20,336	332,418	352,754	10,709	488,920	499,629
Net income distributed	-	(292,150)	(292,150)	-	(379,784)	(379,784)
<b>Net income retained by VA</b>	20,336	40,268	60,604	10,709	109,136	119,845
<b>Expenses</b>						
Shared tent expenses	-	(114,087)	(114,087)	-	(100,489)	(100,489)
Operating expenses	-	(286,609)	(286,609)	-	(351,199)	(351,199)
<b>Total expenses</b>	-	(400,696)	(400,696)	-	(451,688)	(451,688)
	20,336	(360,428)	(340,092)	10,709	(342,552)	(331,843)
Expense recoupment from Tents	-	174,589	174,589	-	170,449	170,449
Shared tent expenses recouped	-	104,700	104,700	-	178,822	178,822
	-	279,289	279,289	-	349,271	349,271
<b>(Deficit)/surplus before Income Tax</b>	20,336	(81,139)	(60,803)	10,709	6,719	17,428

(b) Comparison of Monetary figures and percentages

Variety Australia Limited is primarily an administration and cost centre for the state-based Tents of Variety, The Children's Charity in Australia. As a result, comparison of monetary figures and percentages regarding administration costs relative to funds raised is not relevant to Variety Australia Limited.

## Variety Australia Limited

ACN 101 609 616

### Notes to the Financial Statements For the Year Ended 30 September 2023

#### 5 Result for the year

The result for the year includes the following specific expenses:

	2023	2022
<b>Employee expense</b>		
Salaries and Wages	152,234	196,963
Superannuation	17,000	18,196
Other employee benefits expense	1,522	493
	<u>170,756</u>	<u>215,652</u>

#### 6 Cash and Cash Equivalents

Cash at Bank	627,410	522,003
	<u>627,410</u>	<u>522,003</u>

#### 7 Trade and Other Receivables

Trade receivables	161,391	158,927
Other receivables	30,000	-
	<u>191,391</u>	<u>158,927</u>

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

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements

#### 8 Financial assets

CURRENT		
Term Deposit	-	116,373
	<u>-</u>	<u>116,373</u>

#### 9 Trade and Other Payables

Trade payables and accruals	162,951	72,885
	<u>162,951</u>	<u>72,885</u>

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

## Variety Australia Limited

ACN 101 609 616

### Notes to the Financial Statements For the Year Ended 30 September 2023

#### 10 Members Interest

	2023	2022
New South Wales	85,200	85,200
Victoria	59,760	59,760
Queensland	44,160	44,160
South Australia	18,960	18,960
Western Australia	23,520	23,520
Tasmania	6,000	6,000
Northern Territory	2,400	2,400
	<u>240,000</u>	<u>240,000</u>

Each tent has one representative on the Variety Australia Limited Board and one voting right. The Company is a not-for-profit organisation and is prevented by the Corporations Act 2001 from paying its members dividends.

#### 11 Provisions

CURRENT		
Employee benefits	<u>34,826</u>	43,786
NON-CURRENT		
Employee benefits	<u>5,077</u>	3,882

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

#### 12 Key Management Personnel Disclosures

The remuneration paid to key management personnel of the Association is \$ 160,000 (2022: \$ 164,667).

#### 13 Related Parties

(a) **The Company's main related parties are as follows:**

Variety Australia Limited is part of a worldwide organisation, Variety - the Children's Charity International. Each State in Australia is a Member of Variety - the Children's Charity International ("Variety Family").

Key management personnel - refer to Note 13.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

## Variety Australia Limited

ACN 101 609 616

### Notes to the Financial Statements For the Year Ended 30 September 2023

#### 13 Related Parties (cont'd)

##### (b) Transactions with related parties

Variety Australia collects income from various donors and supports and that income is distributed to members of the Variety family based on either the directions of the donors or agreement between the Variety Family.

The amounts distributed to each Variety organisation is as follows:

	2023 Expenses	2022 Expenses	2023 Payable	2022 Payable
Variety - the Children's Charity Queensland	72,509	123,403	37,244	13,914
Variety - the Children's Charity NSW/ACT	70,151	7,675	15,274	7,675
Variety - the Children's Charity Victoria	64,953	31,843	38,081	11,874
Variety - the Children's Charity Tasmania	7,238	28,916	2,117	2,688
Variety - the Children's Charity South Australia	43,555	50,801	9,429	4,067
Variety - the Children's Charity Western Australia	26,745	28,916	5,446	3,125
Variety - the Children's Charity Northern Territory	38,998	28,916	3,790	2,671
	<b>324,149</b>	<b>300,470</b>	<b>111,381</b>	<b>46,014</b>

The costs of running the Variety Australia office are reimbursed by the member Variety States and Territories. In addition Variety Australia incurs expenses that related to two or more member states and is reimbursed by the states involved.

The total amounts reimbursed by the member states is as follows.

	2023 Income	2022 Income	2023 Receivable	2022 Receivable
Variety - the Children's Charity Queensland	58,328	68,946	21,859	17,536
Variety - the Children's Charity NSW/ACT	131,997	78,967	35,811	12,640
Variety - the Children's Charity Victoria	67,997	15,196	31,232	81,077
Variety - the Children's Charity Tasmania	12,533	46,407	5,688	5,830
Variety - the Children's Charity South Australia	48,426	44,552	21,859	12,229
Variety - the Children's Charity Western Australia	66,000	46,407	30,392	16,668
Variety - the Children's Charity Northern Territory	11,065	46,407	4,550	2,949
	<b>396,346</b>	<b>346,882</b>	<b>151,391</b>	<b>148,929</b>

#### 14 Members' Guarantee

The Company is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstandings and obligations of the Company. At 30 September 2023 the number of members was 7 (2022: 7).

## Variety Australia Limited

ACN 101 609 616

### Notes to the Financial Statements For the Year Ended 30 September 2023

#### 15 Financial Risk Management

	2023	2022
Financial assets		
Held at amortised cost		
Cash and cash equivalents	627,410	522,003
Financial assets	-	116,373
Trade and other receivables	191,391	158,927
	<u>818,801</u>	<u>797,303</u>
Financial liabilities		
Held at amortised cost		
Trade and other payables	162,951	72,885
	<u>162,951</u>	<u>72,885</u>

#### 16 Contingencies

In the opinion of the Directors, the Association did not have any contingencies at 30 September 2023 (30 September 2022: None).

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

The financial report was authorised for issue on 13 February 2024 by the Committee of Management.

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

#### 18 Auditors' Remuneration

Variety Australia Limited pay PKF an audit fee of \$16,600 (2022: \$14,150). PKF make a donation to Variety Australia Limited of \$8,300 (2022: \$7,350).

#### 19 Statutory Information

The registered office and principal place of business of the association is:  
Variety - The Children's Charity (NSW/ACT)  
47 Herbert Street, Artarmon,  
NSW 2064.

# Variety Australia Limited

ACN 101 609 616

## Directors' Declaration

In accordance with a resolution of the directors of Variety Australia Limited, we state that in the opinion of the directors:

- a) the financial statements and notes of the Company are in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:
  - i. giving a true and fair view of the Company's financial positions as at 30 September 2023 and of its performance for the year ended on that date; and
  - ii. complying with Australian Accounting Standards - Reduced Disclosure Requirements, and the *Australian Charities and Not-for-Profits Commission Regulation 2013*; and
- b) there are reasonable grounds to believe that the Company will be able to pay all of its debts, as and when they become due and payable;

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

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

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

Director .....



Director .....



Dated: 18th January 2024

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF VARIETY AUSTRALIA LIMITED

#### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Variety Australia Limited (the Association), which comprises the statement of financial position as at 30 September 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the financial report of Variety Australia Limited, has been prepared in accordance with *Division 60 of the Australian Charities and Not-for-profits Commission Act 2012*, including:

- a) giving a true and fair view of the Association's financial position as at 30 September 2023 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and *Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013*.
- c) the financial report gives a true and fair view of the financial result of fundraising appeals for the year;
- d) the financial report and associated records of Variety Australia Limited have been properly kept during the year in accordance with the New South Wales Charitable Fundraising Act 1991 and the regulations;
- e) money received as a result of fundraising appeals conducted during the year has been properly accounted for in accordance with the New South Wales Charitable Fundraising Act 1991 and the regulations; and
- f) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report.

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

#### Independence

We are independent of the Association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

## Other Information

The directors are responsible for the other information. The other information comprises the information included in the Association'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 Directors for the Financial Report

The directors of the Association 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*. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, directors are responsible for assessing the Association'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 Association or to cease operations, or has no realistic alternative but to do so.

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

## Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

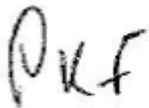
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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



PKF



KYM REILLY  
PARTNER

18 JANUARY 2024  
SYDNEY, NSW