

# **Variety Australia Limited**

ACN 101 609 616

## **Financial Statements**

For the Year Ended 30 September 2019

# Variety Australia Limited

ACN 101 609 616

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For the Year Ended 30 September 2019

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# Variety Australia Limited

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## Directors' Report 30 September 2019

The Directors of Variety Australia Limited (the "Company") have pleasure in submitting the following report in respect of the year ended 30 September 2019 and in accordance with a resolution of Directors.

### Directors

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

<b>Names</b>	<b>Position</b>	<b>Appointed/Resigned</b>
Paul Mullaly	National Chairman	
Neil Wykes OAM	National Company Secretary	
Nicole Haack	Director / Deputy National Chairman	
Don Brooker	Director	
John Dennis	Director	
David Flower	Director	
Daniel Hoult	Director	
Paul Manning	Director	
Susan Warda	Director	
Ben Cox	Director	Appointed 18 December 2018 Became Alternate Director 3 December 2019
Rob Kerin	Director	Appointed 20 February 2018 Became Alternate Director 10 December 2019
Foster Stavridis	Director	Appointed 2 December 2016 Deceased 4 December 2019
Lisa Houghton	Director	Appointed 5 December 2018
Nick Harwood	Director	Appointed 3 December 2018
Brenton Ramsay	Director	Appointed 10 December 2019
Mohammad Alderghem	Director	Resigned 26 October 2019
David Hoult	Director	Resigned 5 February 2019

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

### Company secretary

Neil Wykes OAM was appointed National Company Secretary on 1 January 2012.

### 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 Company's activity occurred during the financial year.

### Operating and financial review

Variety Australia Limited exists to help its member Tents, all the state 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 provide the reader with 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.

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## Directors' Report

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### Information on Directors

The Board of Variety Australia Limited is comprised of the Chair (or the nominee) of each State Tent and a number of seconded Directors. The seconded Directors are chosen to provide an appropriate range of skills and experience. Alternate Directors are generally selected to ensure some continuity and as a consequence are encouraged to attend the Company's Board Meetings.

The following directors and alternate directors held office during the period from start of the financial year until the date of this report.

### Current Directors at the date of this report:

#### **Paul Mullaly MEM, BE**

##### *National Chairman*

Paul was originally appointed a director on 6 January, 2014, and moved to alternate director for Amanda Mead on 10 December, 2015. On 20 February, 2018 Paul became a co-opted Director and on, 1 May 2018, Paul was elected the National Chairman of Variety Australia.

##### *Directorships*

Variety – the Children's Charity New South Wales/ACT

##### *Variety Experience*

Variety – the Children's Charity NSW/ACT

- Paul is a past Chairperson of Variety NSW/ACT and Paul has actively supported Variety for more than 20 years and was elected to the Variety NSW Board in 2009 and continues to serve as a Director.
- Variety NSW/ACT made Paul a life member at its 2018 AGM
- In 2019 Paul completed his 25<sup>th</sup> B to B Bash and was inducted into its Hall of Fame.

Variety – the Children's Charity Australia

- Paul has been an active Director since 2014

Paul, along with other members of his family, is a recipient of an International Presidential Citation Award for his support of Variety.

##### *Skills and Experience*

Paul holds a Master's Degree in Engineering Management, a Bachelor of Engineering and is a director of his family companies.

#### **Nicole Haack**

##### *Deputy National Chairman*

Director Appointed 22 November, 2011. Nicole stepped down as National Chairman on 1 May 2018 and was appointed a co-opted director.

##### *Directorships*

Variety - the Children's Charity South Australia.

##### *Variety Experience*

Variety – the Children's Charity South Australia

- Nicole has been involved in Variety the Children's Charity for in excess of 20 years,. She is a past Chairperson of Variety SA and still holds the roles of Chair of the Marketing and Communications Committee (both for Variety Australia and Variety SA), Chair of the Large Appeals Committee (Variety SA), member of the Governance and Audit Committee.

Variety – the Children's Charity Australia

- Nicole joined the board of Variety Australia in 2011
- Chair from 2014 to 2018
- member of the Governance and Audit Committee.

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### *Skills and Experience*

Nicole Haack is the founder and Managing Director of corporate communications and public relations firm The Message Bureau, advising on high-profile communications and marketing campaigns as well as stakeholder engagement and crisis management. Nicole also has more than 20 years' experience in the media, encompassing television, radio and print. She was a presenter on talk back radio, leading discussion on news and current affairs and held the role of Director of News and Current Affairs for leading Adelaide radio station FIVEaa for eight years. Nicole is a previous Telstra South Australian Young Businesswoman of the Year and also a recipient of the Prime Minister's Centenary Medal for service to Australian society in business leadership.

### **Don Brooker**

Director Appointed 17 December 2014. Don was originally appointed Alternate Director for Evan Briers on 13 September 2013 and then became a Director on 17 December, 2014. On 26 November 2018, he became the WA representative in place of Anthony Begley.

### *Directorships*

Variety - the Children's Charity Western Australia.

### *Variety Experience*

Don has been involved in Variety WA for 14 years. He has been actively involved in Bashes, Bike Run, 4WD Challenges and Splash events. He is the proud sponsor of the WA Coleman Variety 4WD challenge.

### *Skills and Experience*

Don is the owner of a wholesale distribution company in the sports and camping industry.

### **John Dennis**

Appointed a Director on 12 December 2017.

### *Directorships*

John is a director of many private companies.

### *Variety Experience*

Variety – the Children's Charity NSW/ACT

- He has been involved with Variety NSW since 2007 as a major donor and Bash participant; as a Board member since 2012; Deputy Chair since 2015 and Chair since 2017.

Variety – the Children's Charity International

- Became a Director in May 2019.

John has been a Director of NFP/ DGR status Charities and Foundations since 2001.

### *Skills and Experience*

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

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

### **David Flower**

Director Appointed 4 December 2014. On 20 February 2018, he became an Alternate Director to Mohammad Aldergham and on 26 October 2018 was appointed an Alternate Director for Daniel Hoult. On 5 February 2019, he became the VA representative for Daniel Hoult.

### *Directorships*

Variety – the Children's Charity Tasmania.

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### Directors' Report 30 September 2019

#### *Variety Experience*

David has had an extensive involvement with Variety since 1986 when his father, John, started event managing the Variety Bashes.

#### *Skills and Experience*

David is co-owner and producer of production company Hype TV.

#### **Nick Harwood**

Nick was appointed a director on 3 December 2019

#### *Directorships*

Variety – the Children's Charity Queensland

#### *Variety Experience*

Nick served on the board of Variety – the Children's Charity Queensland

#### *Skills and experience*

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

#### **Liza Houghton**

Liza was appointed as an alternate for Foster Stavridis on 10 September 2018 and became a director on 5 December 2019 following the death of Foster Stavridis.

#### *Directorships*

Variety – the Children's Charity Northern Territory.  
Liza Houghton Consulting

#### *Variety Experience*

In 2018, Liza became a member of Variety, volunteering at many events, and attending others in Darwin. Liza is a member of the Kid's Support Committee reviewing incoming grant requests and allocating or advising the Board on such.

#### *Skills and Experience*

Liza has a Masters Degree in Business Administration, is a Fellow of the Australian College of Health Service Managers, a Member of the Australian Institute of Company Directors, and Lecturer in the Masters Public Health at Menzies School of Health Research.

Liza Houghton has experience as a Registered Nurse, Project and Change Manager for over 25 years, offering a wealth of practical clinical experience and industry knowledge within public healthcare organisations and across Government. Working across Victoria, Western Australia, South Australia and the Northern Territory in the health industry. Liza is a specialist in Strategic Planning, Policy Development, Operational Change, Reform, Governance and Risk, and Health Infrastructure Projects

Liza has experience as a Gateway Review team member for major Commonwealth Government IT Infrastructure programs, Department of Health, Canberra. Based in Darwin, Liza is Director of Liza Houghton Consulting and projects include:

- Advisory Services and facilitation to introduce customized change management solutions across the Top End Health Service facilitating and linking key initiatives.
- Advisory Services and co-facilitation of workshop for Malabam Health Board in Maningrida, Northern Territory as part of business case development for Transition to Community Control.
- Development of Clinical Governance Framework, Policies and Strategic Plan for Red Lily Health Board in preparation for Transition to Aboriginal Community Control.

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#### **Ken Prior**

Ken was appointed a Director on 11 December 2019 following his appointment as Chief Barker of Variety – the Children's Charity Victoria

#### *Directorships*

Director of Variety – the Children's Charity Victoria

#### *Variety Experience*

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.

#### *Skills and Experience*

Ken 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

#### **Brenton Ramsey**

Brenton was appointed as an Alternate Director for Rob Kerin on 14 January 2019 and became a director on 10 December 2019 when he became chair of Variety - the Children's Charity South Australia,

#### *Directorships*

Variety – the Children's Charity South Australia.  
Director Ramsey Bros Pty Ltd.

#### *Variety Experience*

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

This culminated in his Variety From the Heart Award in 2017 and an International Presidential Citation in 2018. Brenton is committed to his involvement with Variety and inspired by the hundreds of volunteers who work so hard for the organization.

#### *Skills and Experience*

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

#### **Susan Warda MAICD, BSAB Diploma of Law, Acc. Spec. Family Law Mediation Training and a Collaborative Family Lawyer**

Director Appointed 20 April 2012.

#### *Directorships*

Susan is the past Chair of the Austlaw Board, an association of independent law firms located throughout NSW, Victoria, Queensland and the ACT, a founding member of the Greater Sydney Collaborative Family Lawyers network, a member of the Australian Institute of Company Directors (AICD) and a Director of Variety Australia. Susan also sits on the Collaborative Professionals NSW (Inc) Board.

#### *Variety Experience*

Susan was a member of the Board of Variety NSW/ACT from 2010 to December 2016 and was previously the Chair of the Teen Variety Committee and the Risk Committee in NSW. Susan was a member of Variety International Asian Pacific Regional Committee.

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### *Skills and Experience*

Susan Warda is team leader and partner at Mills Oakley. Susan has particular expertise in family law matters that involve complex financial issues, including property settlements that incorporate family businesses, multiple assets and superannuation splitting. Susan is an accredited specialist in family law, and was named 2013 Woman Lawyer of the Year in Private Practice by the Women Lawyers Association of NSW. Susan also has extensive experience in resolving family law matters outside of the Court system. She is an experienced mediator and trained collaborative law practitioner.

**Neil Wykes OAM FCA, AGIA, ACIS, BCom**  
National Company Secretary Appointed 1 January 2012.

### *Directorships*

Director, President, Treasurer and Chair of Finance, Audit and Risk Management Committee of National Trust of Australia (New South Wales).  
Director and Chair of the Audit and Risk Management Committee of Macular Disease Foundation Australia.

### *Variety Experience*

Variety - the Children's Charity International

- Director since 2011,
- Treasurer since 2012
- Chair of Audit, Ethics & Risk Committee

Variety –the Children's Charity Australia

- Treasurer and National Company Secretary
- Member Governance and Audit Committee.

Life member of Variety NSW/ACT. Neil was the Honorary Auditor of Variety NSW/ACT and Variety Australia for 15 years prior to retiring from Ernst & Young in 2010.

### *Skills and Experience*

Neil is a Retired Partner from Ernst & Young and recently retired from the role of General Manager, Audit and Risk for Ramsay Health Care. At Ernst & Young Neil was responsible for the audit of many charitable and Not for Profit clients. Neil's skills include Accounting and Finance, Risk Management and Corporate Governance.

**Directors who served for part of the year and at the date of this report are now Alternate directors or are no longer Directors or Alternate Directors.**

### **Ben Cox**

Ben was appointed a Director on 18 September 2018 and on 3 December 2019 became the alternate to Nick Harwood.

### *Directorships*

Variety – the Children's Charity Queensland

### *Variety Experience*

Since becoming a director of Variety QLD, Ben regularly supports Variety as a donor through their events. Ben also assists Variety through the support of Fundraising, Marketing, Communications and not-for-profit strategies.

### *Skills and Experience*

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



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### **Daniel Hoult**

Daniel was appointed a Director on 26 October 2018 and resigned on 5 February 2019 when he appointed David Flower as his VA representative.

### *Directorships*

Variety – the Children's Charity Tasmania

### *Variety Experience*

Daniel has been a Director of Variety Tasmania for the last 4 years. He is currently Chair of Variety – the children's Charity Tasmania.

### *Skills and Experience*

Daniel is currently a National Manager at NBN and has a background in project management and a Bachelor's Degree in Electronics and Communications Engineering from the University of Tasmania.

### **Rob Kerin**

Rob was appointed Alternate Director for Kathryn Zeitz on 11 December 2016 and on 20 February 2018 he became a Director. On 10 December 2019 stepped down as a director and became the alternate for Brenton Ramsey..

### *Directorships*

Variety – the Children's Charity South Australia

Rob is currently the Executive Chair of Primary Producers SA, is Chair of Regional Development SA, is a member of the State's Economic Development Board and is on the SANFL Board.

### *Variety Experience*

Rob has been a regular Bash entrant over the last decade.

### *Skills and Experience*

Rob is the owner of Rob Kerin Consulting which is responsible for strategically restructuring organisations.

### **Paul Manning**

Director appointed 17 February 2017.

### *Directorships*

Variety – the Children's Charity Victoria.

Independent Director – Williamstown Housing Association.

### *Variety Experience*

Paul has been on the Board of Variety Victoria for over 4 years with 2 years as Treasurer and 2 years as President.

### *Skills and Experience*

Paul has worked in finance and banking industries for more than 25 years including a range of senior leadership positions. As Chief Financial Officer for State Trustees, Paul was responsible for financial management, investments, risk, compliance and corporate legal services. Prior to State Trustees, Paul was Chief Financial Officer at BankVic, driving a number of major transformation projects including obtaining a banking license, process reengineering for superannuation services and implementing a detailed management reporting system.

Paul has also held lead roles at JPMorgan, Members Equity Bank, Primary Superannuation, Westpac and PwC. He has travelled extensively and worked in Budapest, Bucharest, London, Wellington, Sydney and Melbourne. As well as senior corporate roles, Paul previously spent four years as Director/Treasurer of Experimenta, a not-for-profit arts organisation based in Melbourne.

### **Foster Stavridis**

Director Appointed 2 December 2016. Immediate past Alternate Director for Patrick Gray Appointed 3 June 2014. Deceased 4 December 2019.

### *Directorships*

Vice-Chair Red Cross Advisory Board Northern Territory.

Member of the Council of the Australian Red Cross Society.

Vice President YMCA.

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### *Variety Experience*

Variety – the Children's charity Northern Territory:

- Board Member since December 2012.
- Chair of a number of sub-committees, Strategic/Business Plan Sub Committee (NT) Governance/Board Composition Sub Committee (NT) Scholarships Program Committee (NT).

Variety - the Children's Charity International:

- Board Member since April 2019,
- Chair of Central Asia and Middle East Committee;
- Member of Asian Pacific Regional Committee.

Variety – the Children's Charity Australia

- Chair of the Governance and Audit Committee.

### *Skills and Experience*

Master of Business Administration (MBA), Majoring in Human Resource Management and Industrial Relations; Bachelor of Commerce, Majoring in Personnel, Industrial Relations and Economics; Graduate Diploma in Further Education and Training, majoring in constructing training and designing development programs; Graduate Certificate in Public Sector Management, Majoring in administrative and fiscal management and Certificate IV in Assessment and Workplace Training.

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Foster has extensive experience in addressing strategic workforce planning, strategic planning generally, organisational development and change management initiatives stemming from a number of reforms/reviews. These stem from two jurisdictions across Queensland and the Northern Territory within the areas of law enforcement, community services and the health industry.

### **Alternate Directors**

#### ***Alternate Directors at the date of this report***

#### **Anthony Begley**

On becoming Chair of Variety – the Children's Charity West Australia Anthony nominated Don Brooker as his representative on the board of Variety Australia and was appointed Alternate Director to Don Brooker on 26 November 2018.

#### ***Directorships***

Variety – the Children's Charity West Australia.

#### ***Variety Experience***

Anthony's involvement with Variety stretches back some 18 years; including a total of 17 Bash attendances, 6 Creative Car Cruises and 7 years as Committee Member (including 2 years as President) of the Bashers' Club Committee.

#### ***Skills and Experience***

Anthony is currently the Executive Chairman and owner of 89's The Garage Door Specialists – a residential and commercial garage door and shutter business based in Willetton. A successful and rapidly expanding multi-million dollar venture, this WA business employs approximately 25 people across branches in Perth, Karratha and Port Hedland. He is also the Director of Force Rolla Shutter, a locally owned commercial roller shutter manufacturer.

#### **Dr Greg Levenston**

Greg was appointed an alternate to John Dennis on 10 December 2019.

#### ***Directorships***

Variety – the Children's Charity NSW/ACT  
Director South East Sydney Local Health District

#### ***Variety Experience***

Greg was a board member of Variety – the Children's Charity NSW/ACT from 2012 to 2017. He rejoined the board in February 2019. Greg has served on the Granting, Kids Support, Governance and Scholarships committees since 2011. He is a previous bash 2014 and \$WD Adventurer (2018 Medics)

#### ***Skills and experience***

Greg is a past Grand Master freemasonry, former deputy major Woollahra (2012 -2017). He is a long term director of Bronte Medical Centre with specific interests in paediatrics and men's health. In conjunction with Jeff Kennett and Beyond Blue Greg developed the Australian Men's Health program "No More Secrets" which evolved into the current Men's Health Research Foundation based at the University of Adelaide, where Greg serves on the board of Patrons. Greg's medical background and his advocacy for children in our community assisting them to reach their potential is ideally suited to the goals of Variety.

#### **Bruno Palermo**

Bruno was appointed as an Alternate Director for David Flower on 5 February 2019.

#### ***Directorships***

Variety – The Children's Charity Tasmania.

#### ***Variety Experience***

Bruno joined Variety in 2017 with main purpose of helping children (and their families) in need and who are less fortunate than others.

#### ***Skills and Experience***

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.

Bruno is all about building lasting relationships. By understanding his clients' 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.

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*Alternate Directors who served part of the year but are no longer alternate directors at the date of this report*

### **Kirsty Turner**

Kirsty was appointed as an Alternate Director for Paul Manning on 8 December 2018 and resigned 25 May 2019.

### *Directorships*

Variety – The Children's Charity Victoria.

### *Variety Experience*

Board member Variety – the Children's Charity Victoria

### *Skills and Experience*

Kirsty is a Graduate of the Australian Institute of Company Directors, a Chartered Accountant, and holds a Bachelor of Commerce. Kirsty has extensive risk management and governance experience gained from over 21 years in both consulting and large, diverse, ambitious and complex ASX 100 listed companies. Kirsty has held executive level risk and/or internal audit roles at JB Hi-Fi Limited, Wesfarmers Limited, Symbian Health Limited, and Mayne Group Limited, where she has been influential in changing the risk culture. Kirsty is now the Managing Director of Cohesive Risk Consulting, a boutique consultancy specialising in delivering innovative and strategic risk management solutions. Having worked with both small to medium private companies and in ASX 100 listed companies, maximising the benefits of shareholders, customers and stakeholders alike is always at the forefront of Kirsty's mind when executing solution focused deliverables. She contributes to maximise returns through bringing structured, disciplined analytical thinking that is both commercial and impactful, often benchmarking and challenging what exists, whilst also ensuring it aligns with what is commercially achievable for the organisation and its strategic direction.

Kirsty's experience extends from guiding executive directors and management towards strategy optimisation, to designing and implementing governance and risk strategies, frameworks, policies and procedures. She has significant experience in establishing and restructuring high performing risk and assurance functions and teams, along with advising on appropriate functional structures throughout and post significant corporate M&A transaction activity. Kirsty has been sought out for her mentoring ability to empower both individuals and teams to achieve desired objectives throughout challenging corporate activity.

Kirsty's consulting career commenced at PwC (Coopers and Lybrand) in business services and tax, before transitioning to Deloitte's Melbourne and London enterprise risk management practices, affording her opportunities to work with clients in Switzerland, Hong Kong and New Zealand.

### **Amanda Mead PhD**

Amanda was appointed Alternate Director for Paul Mullaly on 30 January, 2012. She was appointed a Director on 10 December, 2015 and on 12 December 2017 she became alternate Director for John Dennis. She resigned as an alternate for John Dennis on 12 December 2018.

### *Directorships*

Variety - the Children's Charity New South Wales. Centre for Disability Studies, an affiliate of the Sydney Medical School, The University of Sydney.

### *Variety Experience*

Amanda has been a Non-Executive Director of Variety NSW since 2004 and Chair since December 2015. She has worked in a range of Board committees, Charing the Grants and Programs Committee (from 2013 until 2015), earlier General Appeals Committee (since 2008) and member of the Risk and Governance Committee since 2011.

### *Skills and Experience*

Amanda is an experienced leader with extensive executive management experience in the food industry. She currently works as researcher, strategist and academic mentor in marketing innovation, organisational change and strategic development. Amanda researches emotions and self-identity in organisational change and her work focuses on the food, tourism and humanitarian supply chain sectors. Amanda is interested in building long term sustainability of organisations and communities through good governance. Her alignment with Variety's work with children and the community stems from volunteer work in a Leonard Cheshire Home for children permanently disabled through war when she was a child in West Africa.

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#### **Kathryn Zeitz**

Kathryn was appointed Alternate Director for Ron Barton on 24 December 2014. She moved to Director on 25 November 2015. Kathryn became an Alternate Director for Rob Kerin when Rob became a Director on 20 February 2018. Kathryn ceased to be Rob Kerin alternate on 14 January 2019.

#### **Directorships**

Variety-the Children's Charity (SA)  
Zeitz Enterprises Pty Ltd.

#### **Variety Experience**

Kathryn was first introduced to Variety after providing medical support to the SA Variety Bash in 1989. She has been a Board Director for Variety-the Children's Charity SA since November 2007 and became chair in November 2015. Kathryn is a member of the Governance and Audit committee for Variety Australia and Variety SA.

#### **Skills and Experience**

Kathryn is currently Interim Director Medicine Stream at St Vincent's hospital in Sydney.

#### **John Hoffman**

John was appointed Alternate Director for John Dennis on 2 February 2019 and resigned 10 December 2019.

#### **Directorships**

Variety – the Children's Charity NSW/ACT.

#### **Variety Experience**

John joined the Variety NSW Board in 2015 after serving a year on the Revenue Committee.

#### **Skills and Experience**

John brings extensive experience in technology, innovation, leadership and human resources. John spent the last 10 years as the Chief Executive of Altis Consulting which is Australia's largest independent Information Management consultancy with over 90 team members across three countries. Altis is one of only 7 companies recognized by BRW as a Top 50 places to work in Australia for 6 or more years. Prior to Altis, John led two different digital agencies and moved to Australia from Silicon Valley in 2000.

John has a MBA from the Australian Graduate School of Management, a Bachelor of Arts in economics from the University of California, San Diego, became a member of the Australian Institute of Company Directors in 2007 and is a Pay Equity Ambassador for Australian Government Workplace Gender Equality Agency.

#### **Kim Wainwright**

Kim was appointed as an Alternate Director for Ben Cox on 18 September 2018, Kim resigned on 20 August 2019.

#### **Directorships**

Variety – the Children's Charity Queensland.  
The Prince Charles Hospital Foundation, Kontrarian Resource Fund No 1 Pty Ltd, Xplore Resources Pty Ltd.

#### **Variety Experience**

Kim has been a Board member of Variety Queensland for 6 years.

#### **Skills and Experience**

In 2009 Kim Wainwright took her first step into business ownership, launching a consultation business in the mining, transport and training sectors. In 2014, Kim founded Xplore Resources to provide professional and technical services to the mining industry.

Xplore Resources now has around 60 employees across Australia and overseas and specialises in battery minerals, as well as coal. Kim has embarked on a continued drive for improvement, starting numerous new companies, and accepting a range of directorships and board positions including being a founding director on a resources Private Equity Fund since 2015.

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## Directors' Report 30 September 2019

### Operating revenue

The operating revenue for the year ended 30 September 2019 was \$1,278,053 (30 September 2018: \$2,063,427) and comprised:

	2019	2018
	\$	\$
Funds raised for distribution to Tents	572,030	966,316
Reimbursement of operating costs by Tents	280,197	343,557
Reimbursement of Capital Expenditure from Tents	-	-
Shared costs paid by Variety Australia, reimbursed by Tents	493,948	749,413
Funds Received for distribution to Children's Hospitals	-	-
Other Income	4,122	4,141
<b>Total income</b>	<b>1,350,871</b>	<b>2,063,427</b>

### Operating result before appeals granted and distributions

The operating profit before grants and distributions to the State Associations for the year ended 30 September 2019 was \$541,562 (30 September 2018 was \$870,554).

### Net operating result

The operating result for the year ended 30 September 2019 was a loss of \$17,968 (30 September 2018 was a profit of \$16,537).

### Below are the results of the Variety family in Australia. The results contained below are unaudited.

In order to provide the user of these statements with an understanding of the total Variety Operations in Australia we provide the following summary taken from an aggregation of Variety Australia Limited and the Australian Tents (see note 16 for a list of these organisations).

### Operating Revenue

The Variety Family in Australia is comprised of eight (8) separate charities each of which is an event based Charity with aggregated total revenue of \$30 million (2018: \$30.5 million).

### Operating result before appeals granted and distributions

The operating profit before grants was \$12 million (2018: \$11.3 million). The amount granted to children in the year ended 30 September 2019 was \$11.4 million (2018: \$12 million).

### Net operating result

The net operating result for the year ended 30 September 2019 was a profit of \$0.6 million (2018: deficit of \$0.7 million).

### State of affairs

The aggregated net assets, after eliminating duplications, of the Variety Family in Australia are \$17.6 million (2018: \$16.7 million).

# Variety Australia Limited

ACN 101 609 616

## Directors' Report

30 September 2019

### Objectives and strategies

Variety Australia Limited 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.

### Significant changes in state of affairs

No significant changes in the Company's state of affairs occurred during the financial year.

### Events after the reporting date

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.

### Environmental issues

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

### 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
Paul Mullaly	5
Neil Wykes OAM	4
Nicole Haack	5
Don Brooker	3
John Dennis	5
David Flower	3
Daniel Hault	-
Paul Manning	5
Susan Warda	3
Ben Cox	4
Rob Kerin	3
Foster Stavridis	5
Lisa Houghton	-
Nick Harwood	-
Brenton Ramsay	-
Mohammad Aldergham	-
David Hault	-

### Indemnification and insurance of officers and auditors

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.

## Variety Australia Limited

ACN 101 609 616

## Directors' Report 30 September 2019

### Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 September 2019 has been received and can be found on page 14 of the financial report.

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

Handwritten signature of Paul Mullaly in black ink, with a horizontal line underneath the signature.

Director: Paul Mullaly

Handwritten signature of Neil Wykes in black ink, appearing as a stylized cursive signature.

Director: Neil Wykes

Dated this 5<sup>th</sup> day of March 2020



## Auditor's 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 2019, there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profit 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

5 MARCH 2020  
SYDNEY, NSW

## Variety Australia Limited

ACN 101 609 616

### Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 September 2019

		2019	2018
	Note	\$	\$
Contribution from fundraising	4	565,530	958,550
Donation income	4	6,500	7,766
Contribution to operating expenses	4	280,771	343,557
Contribution to Tent shared expenses	4	493,948	749,413
Other income	4	4,122	4,128
Membership dues	4	-	13
<b>Total Revenues</b>		<b>1,350,871</b>	<b>2,063,427</b>
Employment expenses	5	(213,252)	(275,394)
Communications		(2,466)	(3,455)
Contractors		(17,004)	(18,642)
Design, print and stationery		(175)	(300)
Occupancy expenses		(12,000)	(12,000)
Production costs		-	(3,101)
Travel		(18,828)	(17,379)
Other expenses		(15,844)	(11,669)
<b>Total operating expense</b>		<b>(279,569)</b>	<b>(341,940)</b>
Amortisation	5	(22,757)	(24,246)
Depreciation	5	(1,201)	(2,008)
<b>Total amortisation and depreciation</b>		<b>(23,958)</b>	<b>(26,254)</b>
Communications		(172,403)	(229,623)
Production costs		(301)	(806)
Miss World Australia fundraising costs		(72,245)	(75,268)
Individual giving program expenses		(254,833)	(518,982)
<b>Total shared expenses</b>		<b>(499,782)</b>	<b>(824,679)</b>
<b>Total expenses</b>		<b>(803,309)</b>	<b>(1,192,873)</b>
<b>Profit before grants and income tax</b>		<b>547,562</b>	<b>870,554</b>
Tent distributions	4	(565,530)	(854,017)
<b>Profit / (loss) before income tax</b>		<b>(17,968)</b>	<b>16,536</b>
Income tax expense		-	-
<b>Profit / (loss) for the year</b>		<b>(17,968)</b>	<b>16,537</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>(17,968)</b>	<b>16,537</b>

The accompanying notes form part of these financial statements.

# Variety Australia Limited

ACN 101 609 616

## Statement of Financial Position

As At 30 September 2019

	Note	2019 \$	2018 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	6	522,958	376,206
Trade and other receivables	7	143,831	399,357
Other assets	8	113,425	111,122
TOTAL CURRENT ASSETS		<u>780,214</u>	<u>886,685</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	1,088	2,289
Intangible assets	10	-	22,756
Other assets	8	3	3
TOTAL NON-CURRENT ASSETS		<u>1,091</u>	<u>25,048</u>
TOTAL ASSETS		<u>781,305</u>	<u>911,733</u>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	11	140,075	231,356
Provisions	12	8,781	24,212
TOTAL CURRENT LIABILITIES		<u>148,856</u>	<u>255,568</u>
NON-CURRENT LIABILITIES			
Provisions	12	2,471	8,219
TOTAL NON-CURRENT LIABILITIES		<u>2,471</u>	<u>8,219</u>
TOTAL LIABILITIES		<u>151,327</u>	<u>263,787</u>
NET ASSETS		<u>629,978</u>	<u>647,946</u>
<b>EQUITY</b>			
Members interests	13	240,000	240,000
Accumulated profit		389,978	407,946
TOTAL EQUITY		<u>629,978</u>	<u>647,946</u>

The accompanying notes form part of these financial statements.

## Variety Australia Limited

ACN 101 609 616

### Statement of Changes in Equity For the Year Ended 30 September 2019

	Accumulated profit	Funds held for distribution reserve	Members Interests	Total
	\$	\$	\$	\$
<b>Balance at 1 October 2018</b>	<b>407,946</b>	-	<b>240,000</b>	<b>647,946</b>
Loss for the year	(17,968)	-	-	(17,968)
<b>Balance at 30 September 2019</b>	<b>389,978</b>	-	<b>240,000</b>	<b>629,978</b>
<b>Balance at 1 October 2017</b>	391,409	-	240,000	631,409
Profit for the year	16,537	-	-	16,537
<b>Balance at 30 September 2018</b>	<b>407,946</b>	-	<b>240,000</b>	<b>647,946</b>

The accompanying notes form part of these financial statements.

## Variety Australia Limited

ACN 101 609 616

### Statement of Cash Flows For the Year Ended 30 September 2019

	2019	2018
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from donors, sponsors, members and functions	1,661,167	2,038,820
Payments to suppliers and employees	<u>(1,518,537)</u>	<u>(2,109,879)</u>
Net cash provided by/(used in) operating activities	<u>142,630</u>	<u>(71,059)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	-	(1,455)
Interest received	<u>4,122</u>	<u>4,128</u>
Net cash provided by investing activities	<u>4,122</u>	<u>2,673</u>
Net increase/(decrease) in cash and cash equivalents held	146,752	(68,386)
Cash and cash equivalents at beginning of year	<u>376,206</u>	<u>444,592</u>
Cash and cash equivalents at end of financial year	<u>6</u> <u>522,958</u>	<u>376,206</u>

The accompanying notes form part of these financial statements.

# Variety Australia Limited

ACN 101 609 616

## Notes to the Financial Statements For the Year Ended 30 September 2019

The financial report of Variety Australia Limited (the "Company") for the year ended 30 September 2019 was authorised for issue in accordance with a resolution of the Directors on – 5 March 2020

The Company is incorporated and domiciled in Australia as a company limited by guarantee. The registered office, which is the principal place of business, is located at 47 Herbert St, Artarmon, NSW, 2064. The nature of the operations and principal activities of the Company are described in the Directors report.

### 1 Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Australian Charities and Not-for-Profits Commission Act 2012, Australian Accounting Standards Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has been prepared on an accrual basis of accounting including the historical cost convention except as otherwise stated and the going concern assumption.

Variety has adopted AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements for the financial year beginning on 1 October 2011 and continued for the year ending 30 September 2019. Variety is a not-for-profit, private entity and has prepared tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (AASB – RDRs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB). The adoption of AASB 1053 and AASB 2010-2 allowed Variety to remove a number of disclosures. There was no other impact on the current or prior year financial statements.

The financial report is presented in Australian Dollars.

### 2 Summary of Significant Accounting Policies

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

The Company has adopted all standards which became effective for the first time at 30 September 2019, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

The following Accounting Standards and Interpretations are most relevant to the Company.

#### **AASB 9 Financial Instruments**

The Company has adopted AASB 9 from 1 October 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value.

All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income. Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires a portion of the change in fair value that relates to the entity's own credit risk to be presented in other comprehensive income (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity.

## Notes to the Financial Statements

### For the Year Ended 30 September 2019

#### 2 Summary of Significant Accounting Policies

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

New impairment requirements use an 'expected credit loss' model to recognise an allowance. Impairment is measured using a 12-month expected credit loss method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime expected credit loss method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

There was no material impact upon adoption of the Standard.

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

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Company has decided not to early adopt these Standards. The following table summarises those future requirements, and their impact on the Company where the standard is relevant:

<u>Standard Name</u>	<u>Effective date for entity</u>	<u>Requirements</u>	<u>Impact</u>
AASB 16 "Leases"	1 October 2019	AASB 16 will replace the current accounting requirements applicable to leases with a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with terms of more than 12 months, unless the underlying asset is of low value. AASB 16 will result in the Company recognising their operating leases in the statement of financial position	The impact is not expected to be material.
AASB 15 "Revenue from contracts with customers"	1 October 2019	AASB 15 introduces a 5-step process for revenue recognition with the core accounting principle of the new standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration to which the entity expects to be entitled in exchange for those goods or services.	The impact is not expected to be material.

##### (c) Income Tax

Variety Australia Limited is exempt from income tax. It is a Deductible Gift Recipient (DGR) and an Income Tax Exempt Corporation (ITEC). Variety Australia Limited is a Public Benevolent Institution.

## Variety Australia Limited

ACN 101 609 616

# Notes to the Financial Statements

## For the Year Ended 30 September 2019

### 2 Summary of Significant Accounting Policies

#### (d) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

#### Events revenue

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

Consulting revenue is recognised in the period for which the work was performed.

#### Interest income

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate.

#### Donated goods

Goods are donated to be sold at auctions, or to be used in events or functions. In both cases, they are recognised as revenue at their replacement cost, and expensed when the goods are sold, or otherwise used.

#### Donation of services

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

#### Donations – Tax Deductible

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

#### (e) 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.



## Notes to the Financial Statements For the Year Ended 30 September 2019

### 2 Summary of Significant Accounting Policies

**(f) Volunteer services**

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

**(g) Property, plant and equipment**

Each class of property, plant and equipment is carried at cost less any accumulated depreciation and impairment.

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

**Depreciation**

Property, plant and equipment is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

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

<b>Fixed asset class</b>	<b>Depreciation rate</b>
Plant and Equipment	33%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

**(h) 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**

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.

*Classification*

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

- amortised cost
- fair value through profit or loss - FVTPL

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

## Notes to the Financial Statements

### For the Year Ended 30 September 2019

#### 2 Summary of Significant Accounting Policies

##### (h) Financial instruments

###### Financial assets

###### *Amortised cost*

Assets measured at amortised cost are financial assets where:

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

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

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

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

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss (refer to hedging accounting policy for derivatives designated as hedging instruments.)

###### *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 assets has increased significant since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

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

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

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

## Notes to the Financial Statements

### For the Year Ended 30 September 2019

#### 2 Summary of Significant Accounting Policies

##### (h) Financial instruments

###### Financial assets

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

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

###### *Trade receivables*

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

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

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

###### *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 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 trade payables.

##### (i) Intangibles

National website costs have a finite life and are carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of three years.

##### (j) Cash and cash equivalents

Cash and cash equivalents 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.

## Notes to the Financial Statements

### For the Year Ended 30 September 2019

#### 2 Summary of Significant Accounting Policies

##### (k) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

##### (l) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

##### 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.

##### 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 using the projected unit credit method. 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 Government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

##### (m) 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 recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

#### 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.

# Variety Australia Limited

ACN 101 609 616

## Notes to the Financial Statements For the Year Ended 30 September 2019

### 3 Critical Accounting Estimates and Judgments

#### **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 are 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 2019

### 4 Fundraising information and administration costs

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

	Variety Australia 2019 \$	Tents 2019 \$	Total 2019 \$	Total 2018 \$
<b>Contribution from fundraising</b>				
National Corporate Partnership Income	-	230,529	230,529	493,937
Third party fundraising	-	177,274	177,274	169,271
Individual Giving Program	-	157,727	157,727	295,342
<b>Total contribution from fundraising</b>	-	565,530	565,530	958,550
<b>Other income</b>				
Donation income	6,500	-	6,500	7,766
Other income	4,122	-	4,122	4,141
<b>Total other income</b>	10,622	-	10,622	11,907
<b>Total contributions and income</b>	10,622	565,530	576,152	970,457
Cost of third-party fundraising	-	(72,245)	(72,245)	(75,268)
<b>Net income for distribution</b>	10,622	493,285	503,907	895,189
Net income distributed	-	(565,530)	(565,530)	(854,017)
<b>Net income retained by VA</b>	10,622	(72,245)	(61,623)	41,172
<b>Expenses</b>				
Shared tent expenses	-	(172,703)	(172,703)	(230,429)
Operating expenses	(22,757)	(280,771)	(303,528)	(368,194)
Individual giving program costs	-	(254,833)	(254,833)	(518,982)
<b>Total expenses</b>	(22,757)	(708,307)	(731,064)	(1,117,605)
<b>Expenses recouped</b>				
Expense recoupment from tents	-	280,771	280,771	343,557
Shared tent expenses recouped	-	244,948	244,948	230,431
Individual Giving Program costs recouped	-	249,000	249,000	518,982
<b>Total expenses recouped</b>	-	774,719	774,719	1,092,970
<b>Profit/(loss) before income tax</b>	(12,135)	(5,833)	(17,968)	16,537

# Variety Australia Limited

ACN 101 609 616

## Notes to the Financial Statements For the Year Ended 30 September 2019

### (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.

### 5 Result for the Year

The result for the year includes the following specific expenses:

	2019	2018
	\$	\$
Depreciation	1,201	2,008
Amortisation	22,757	24,245
	<u>23,958</u>	<u>26,253</u>
Salary and wages	209,352	218,316
Workers compensation	1,061	804
Superannuation	23,081	29,318
Other employee benefits expense	(20,242)	26,957
	<u>213,252</u>	<u>275,395</u>

### Audit Fees

Variety Australia Limited pay PKF an audit fee of \$13,000 (2017: Ernst and Young \$17,000). PKF make a donation to Variety Australia Limited of \$6,500 (2017: Ernst and Young donation of \$10,000).

### 6 Cash and Cash Equivalents

Cash at bank	<u>522,958</u>	376,206
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### 7 Trade and other receivables

#### CURRENT

Tent reimbursements receivable	143,140	331,275
Accrued income / prepayments	691	68,081
	<u>143,831</u>	<u>399,356</u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances. Trade debtors are non-interest bearing and generally on 7-day terms.

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

### 8 Other Assets

#### CURRENT

Term deposits held with Westpac	<u>113,425</u>	111,122
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#### NON-CURRENT

Shares in Insurance Underwriter	<u>3</u>	3
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# Variety Australia Limited

ACN 101 609 616

## Notes to the Financial Statements For the Year Ended 30 September 2019

### 9 Property, plant and equipment

	2019	2018
	\$	\$
Plant and equipment		
At cost	52,051	52,051
Accumulated depreciation	(50,963)	(49,762)
	<u>1,088</u>	<u>2,289</u>

#### (a) Movements in Carrying Amounts

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

Balance at the beginning of year	2,289	2,842
Additions	-	1,455
Depreciation expense	(1,201)	(2,008)
<b>Balance at the end of the year</b>	<u><u>1,088</u></u>	<u><u>2,289</u></u>

### 10 Intangible Assets

National Website		
Cost	67,206	67,206
Accumulated amortisation and impairment	(67,206)	(44,450)
	<u>-</u>	<u>22,756</u>

#### (a) Movements in carrying amounts of intangible assets

Balance at the beginning of the year	22,756	47,002
Amortisation	(22,756)	(24,246)
<b>Closing value at 30 September 2019</b>	<u><u>-</u></u>	<u><u>22,756</u></u>

### 11 Trade and Other Payables

CURRENT		
Tent payables	107,590	177,457
Other payables and accruals	29,270	53,899
Income received in advance	3,215	-
	<u>140,075</u>	<u>231,356</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 2019

#### 12 Provisions

	2019	2018
	\$	\$
CURRENT		
Employee benefits provision	8,781	24,212
NON-CURRENT		
Employee benefits provision	2,471	8,219

#### Employee benefits

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

#### 13 Members interests

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.

#### 14 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 September 2019 (30 September 2018:None).

#### 15 Key Management Personnel Remuneration

The total remuneration paid to key management personnel of the Company is \$148,435 (2018: \$ 148,920).

# Variety Australia Limited

ACN 101 609 616

## Notes to the Financial Statements For the Year Ended 30 September 2019

### 16 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.

Key management personnel - refer to Note 15.

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.

(b) Transactions with related parties

Variety Australia and the state-based Tents are party to a number of national corporate sponsorships. The table below includes those national corporate sponsorships where the state-based Tent is party to the agreement. In these instances, the funds were received by the state Tent and distributed to the other state Tents in accordance with the trader's agreement signed by both parties.

	<b>Payments from related parties</b>	<b>Payments to related parties</b>	<b>Amounts owed by related parties</b>	<b>Amounts owed to related parties</b>
<b>Variety International</b>				
2019	1,504	1	-	-
2018	-	805	-	-
<b>NT</b>				
2019	23,202	66,230	5,876	366
2018	23,731	15,021	11,702	4,052
<b>QLD</b>				
2019	83,809	68,325	36,454	70,048
2018	78,727	119,351	43,253	23,887
<b>SA</b>				
2019	79,389	110,442	16,842	15,473
2018	103,285	126,303	31,306	48,627
<b>TAS</b>				
2019	25,868	15,732	5,565	584
2018	37,195	23,134	9,870	4,964
<b>VIC</b>				
2019	164,246	100,834	23,409	2,637
2018	102,651	139,448	90,625	24,261
<b>WA</b>				
2019	118,196	66,230	25,991	38
2018	115,519	90,956	77,806	30,532
<b>NSW</b>				
2019	149,622	111,970	15,991	11,802
2018	312,356	245,500	46,773	37,623
<b>NZ</b>				
2019	-	10,000	-	-
2018	79	10,115	-	-

## Variety Australia Limited

ACN 101 609 616

# Notes to the Financial Statements

## For the Year Ended 30 September 2019

### 16 Related Parties

#### Terms and conditions of transactions with related parties

Sales to and purchases from related parties are made in arm's length transactions both at normal market prices and on normal commercial terms. Outstanding balances at year end are unsecured, interest free and settlement occurs in cash

### 17 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 outstanding's and obligations of the Company. At 30 September 2019 the number of members was 7 (2018: 7).

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

The financial report was authorised for issue on 5 March 2020 by the Board of Directors.

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.

## 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:

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 position as at 30 September 2019 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

There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

#### **Declaration under the Charitable Fundraising Act 1991 (the "Act") and Charitable Fundraising Regulation 2008 (the "Regulation")**

- i. The financial report and associated records of the Company have been properly kept during the year ended 30 September 2019 in accordance with the Act and the Regulation; and
- ii. Money received as a result of fundraising appeals conducted during the year ended 30 September 2019 has been properly accounted for and applied in accordance with the Act and the Regulation; and
- iii. There are grounds to believe that the Company will be able to pay its debts as and when they fall due; and
- iv. The Company has complied with the obligations imposed by the Act and the Regulation.

This declaration is made in accordance with a resolution of the Board of Directors.



Director: Paul Mullaly



Director: Neil Wykes

Dated: March 5<sup>th</sup> 2020

## 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, which comprises the statement of financial position as at 30 September 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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 is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- i. giving a true and fair view of Company's financial position as at 30 September 2019 and of its financial performance for the year ended;
- ii. complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*;
- iii. the financial report gives a true and fair view of the financial result of fundraising appeals for the year;
- iv. 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;
- v. 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
- vi. 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 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. Responsibilities of Directors for the Financial Report

## Responsibilities of Directors and Those Charged with Governance of the Financial Report

The directors of the Company are responsible for the preparation of a financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012* and is appropriate to meet the needs of the members. 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, the responsible entities 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.

Those charged with governance 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 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.

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 Company's internal control.
- 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with 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 compiled 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, related safeguards.



PKF  
PARTNER

5 MARCH 2020  
SYDNEY, NSW



KYM REILLY