

# **Variety Australia Limited**

ACN 101 609 616

## **Financial Statements**

For the Year Ended 30 September 2020

# Variety Australia Limited

ACN 101 609 616

## Contents

For the Year Ended 30 September 2020

	Page
<b>Financial Statements</b>	
Directors' Report	1
Auditor's Independence Declaration under Section 307C of the Corporations Act 2001	19
Statement of Profit or Loss and Other Comprehensive Income	20
Statement of Financial Position	21
Statement of Changes in Equity	22
Statement of Cash Flows	23
Notes to the Financial Statements	24
Directors' Declaration	40
Independent Audit Report	41

# Variety Australia Limited

ACN 101 609 616

## Directors' Report 30 September 2020

The Directors of Variety Australia Limited (the "Company") have pleasure in submitting the following report in respect of the year ended 30 September 2020 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	Appointed 6 January 2014
Graham Bowring	Co-opted Director	Appointed 30 September 2020.
Don Brooker	Director	Appointed 17 December 2014
Sue Hawes	Co-opted Director	Appointed 4 December 2020.
Nick Harwood	Director	Appointed 3 December 2019.
Liza Houghton	Director	Appointed 5 December 2019
Dr Greg Levenston	Director	Appointed 10 December 2020.
Bruno Palermo	Director	Appointed 19 July 2020.
Ken Pryor	Director	Appointed 11 December 2019
Brenton Ramsey	Director	Appointed 10 December 2019
Narelle Simpson	Co-opted Director	Appointed 5 March 2020.
Mohammad Alderghem	Director	Appointed 20 February 2018, Resigned 26 October 2019
Ben Cox	Director	Appointed 18 December 2018, became alternate Director 3 December 2019.
John Dennis	Director	Appointed 12 December 2017, became alternate to Dr. Greg Levenston 10 December 2020.
David Flower	Director	Appointed 4 December 2014, Resigned 13 July 2020.
Nicole Haack	Director / Deputy National	Appointed 22 November 2011, Resigned 5 March 2020
Rob Kerin	Director	Appointed 20 February 2018, became alternate to Brenton Ramsay 10 December 2020, resigned 9 March 2020.
Paul Manning	Director	Appointed 17 February 2017, became alternate to Ken Pryor on 11 December 2019.
Foster Stavridis	Director	Appointed 2 December 2016, Deceased 4 December 2019
Susan Warda	Director	Appointed 20 April 2012, Resigned 5 March 2020.

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.

# Variety Australia Limited

ACN 101 609 616

## Directors' Report

30 September 2020

### 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 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.

### 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 Co-opted Directors. The Co-opted Directors are chosen to provide an appropriate range of skills and experience. Directors appointed by state-based Tents are encouraged to appoint Alternates. 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;
- Paul 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; and
- In 2019 Paul completed his 25th 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.

## Variety Australia Limited

ACN 101 609 616

### Directors' Report 30 September 2020

#### Graham Bowring

Graham was appointed a co-opted Director on 30 September 2020

#### *Directorships*

Variety Australia Limited

#### *Variety Experience*

Graham has been a Bash Participant and major fund raiser for Variety in three states, Victoria, South Australia and Queensland.

#### *Skills and Experience*

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.

#### Don Brooker

Director Appointed 17 December 2014. Don was originally appointed Alternate Director for Evan Briers on 13 September 2013 and then became a co-opted 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 15 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.

#### Nick Harwood

Nick was appointed a director on 3 December 2019

#### *Directorships*

Variety – the Children's Charity Queensland

#### *Variety Experience*

Nick is the Chair of Variety – the Children's Charity Queensland and Nick served on its board.

## Variety Australia Limited

ACN 101 609 616

## Directors' Report 30 September 2020

### *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.

### Sue Hawes - MRNC, RN, Grad Cert (disability) EMBA

Sue was appointed a co-opted director on 4 December 2020.

### *Directorships*

Variety Australia Limited  
Australian college of Nursing

### *Variety Experience*

Sue is actively involved with Variety – the Children's Charity Northern Territory

### *Skills and Experience*

Sue has worked in the health and welfare sector for over 35 years as a senior clinician and health executive, she has extensive experience in strategic and operational management and a proven track record of leading large scale quality improvements.

Sue currently works in the NT Health as the Executive Director – Hazard Management Authority, leading the COVID-19 response. She has worked in the private, not for profit and government sector across a number of jurisdictions and held a Commonwealth Ministerial appointment for nearly 10 years. Sue is a Fellow of the Australian College of Nursing and an Associate Fellow of the Australian College of Health Service Management.

### 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*

Lisa is the Chair of Variety -the Children's charity Northern Territory.

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.

## Variety Australia Limited

ACN 101 609 616

## Directors' Report 30 September 2020

### *Skills and Experience*

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.

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 Menzies School of Health Research.

### Dr Greg Levenston

Greg was appointed an alternate to John Dennis on 10 December 2019 and became a director 10 December 2020.

### *Directorships*

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

### *Variety Experience*

Greg is the chair of Variety – the Children's Charity NSW/ACT.

Greg was a board member of Variety – the Children's Charity NSW/ACT from 2012 to 2017. He re-joined 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 4WD 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 and became a Director on 19 July 2020 representing Daniel Hoult.

## Variety Australia Limited

ACN 101 609 616

### Directors' Report 30 September 2020

#### *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.

#### **Ken Pryor**

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 is the Chair of Variety – the Children's Charity Victoria.

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 Australia Limited

ACN 101 609 616

### Directors' Report 30 September 2020

#### *Variety Experience*

Brenton is the Chair of Variety – the Children’s Charity South Australia.

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.

#### **Narelle Simpson**

Narelle was appointed a co-opted director on 5 March 2020.

#### *Directorships*

Narelle is the owner and Director of a number of private businesses. She has also served on numerous boards for Swimming and Cerebral Palsy Association. Narelle has served on the Advisory Committee for Swim Australia from 2017- to present.

#### *Variety Experience*

Narelle’s association with Variety goes back almost 30 years when a Sunshine Coach was granted to the Special Education School where she was working. Narelle has been a Bash Participant for the past 5 years.

#### *Skills and Experience*

Narelle has worked in Special Education since 1981, specialising in autism, CP and sight impaired. Her background is in teaching, psychology, and coaching.

#### **Neil Wykes OAM FCA, AGIA, ACIS, BCom**

National Company Secretary Appointed 1 January 2012.

## Variety Australia Limited

ACN 101 609 616

## Directors' Report 30 September 2020

### *Directorships*

Director, President of National Trust of Australia (New South Wales). Member of Finance, Audit and Risk Management Committee and various other committees of the National Trust of NSW.

Director of the Australian Council of National trusts

Director and Chair of the Audit and Risk Management Committee of Macular Disease Foundation Australia.

Committee member of the Esse Quam Videri Foundation, part of the Bindyi Club for ex-students of Dubbo High Schools.

### *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.**

#### **John Dennis**

Appointed a Director on 12 December 2017. Became alternate director for Dr. Greg Levenson 10 December 2020.

### *Directorships*

John is a director of many private companies.

## Variety Australia Limited

ACN 101 609 616

### Directors' Report 30 September 2020

#### *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 to 2017 and Chair 2017 to 2020.

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. He resigned on 13 July 2020.

#### *Directorships*

Variety – the Children’s Charity Tasmania.

#### *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.

## Variety Australia Limited

ACN 101 609 616

## Directors' Report 30 September 2020

### 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. Nicole resigned 5 March 2020.

### *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.

### *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.

### 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 and on 9 March 2020 he resigned.

### *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 Australia Limited

ACN 101 609 616

### Directors' Report 30 September 2020

#### *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 and became an alternate Director to Ken Pryor on the 11 December 2019.

#### *Directorships*

Variety – the Children's Charity Victoria.

#### *Variety Experience*

Paul has been on the Board of Variety Victoria for over 5 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.

#### *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; and
- Composition Sub Committee (NT) Scholarships Program Committee (NT).

## Variety Australia Limited

ACN 101 609 616

### Directors' Report 30 September 2020

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.

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.

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

Director Appointed 20 April 2012 resigned 5 March 2020.

#### *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.

#### *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.

# Variety Australia Limited

ACN 101 609 616

## Directors' Report

30 September 2020

### 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.

#### 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.

## Variety Australia Limited

ACN 101 609 616

### Directors' Report 30 September 2020

#### 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. He serves as an alternate to Bruno Palermo

#### *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.

#### Tanya Stratton

Tanya was appointed alternate to Brenton Ramsey on 9 March 2020.

#### *Directorships*

Tanya is a Director at Stratland Pty Ltd

#### *Variety Experience*

Tanya is deputy chair of Variety -the Children's Charity South Australia.

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.

#### *Skills and Experience*

Tanya 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. 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.

#### **Operating revenue for Variety Australia Limited**

The operating revenue for the year ended 30 September 2020 was \$739,403 (30 September 2019: \$1,350,871) and comprised:



## Variety Australia Limited

ACN 101 609 616

### Directors' Report 30 September 2020

	2020	2019
	\$	\$
Funds raised for distribution to Tents	365,717	572,030
Reimbursement of operating costs by Tents	146,144	280,197
Reimbursement of Capital Expenditure from Tents	-	-
Shared costs paid by Variety Australia, reimbursed by Tents	138,987	493,948
Reimbursement of Salary Costs	23,403	-
Federal Government COVID support	39,412	-
Other Income	25,440	4,122
<b>Total income</b>	<b>739,403</b>	<b>1,350,871</b>

#### Operating result before appeals granted and distributions for Variety Australia Limited

The operating profit before grants and distributions to the State Associations for the year ended 30 September 2020 was \$324,038 (30 September 2019 was \$547,562).

#### Net operating result for Variety Australia Limited

The operating result for the year ended 30 September 2020 was a profit of \$19,024 (30 September 2019 was a loss of \$17,968).

#### 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 18 for a list of these organisations).

#### Operating Revenue for the Variety family in Australia

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 \$20.2 million (2019: \$30.0 million).

#### Operating result before appeals granted and distributions for the Variety family in Australia

The operating profit before grants was \$7.9 million (2019: \$12 million). The amount granted to children in the year ended 30 September 2020 was \$6.6 million (2019: \$11.4 million).

#### Net operating result for the Variety family in Australia

The net operating result for the year ended 30 September 2020 was a profit of \$1.2 million (2019: profit of \$0.6 million).

#### Other Comprehensive Income for the Variety family in Australia

Other comprehensive income of \$1.2 million, (2019: \$0) being revaluation of land and building, was included in the results for the year ended 30 September 2020.

## Variety Australia Limited

ACN 101 609 616

## Directors' Report

30 September 2020

### State of affairs for the Variety family in Australia

The aggregated net assets, after eliminating duplications, of the Variety Family in Australia are \$20 million 2019: \$17.6 million).

The operations of each state Tent have been adversely affected by the Pandemic lockdowns to varying degrees depending on the state in which they operate.

Variety in Australia has received Federal Government assistance related to the Pandemic totalling \$ 2,102,580.

### 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.

## Variety Australia Limited

ACN 101 609 616

### Directors' Report 30 September 2020

#### Meetings of directors

During the financial year, 6 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

Director Meetings	
Number Eligible to attend	Number attended
Paul Mullaly	6
Neil Wykes OAM	6
Graham Bowring	0
Don Brooker	6
Sue Hawes	0
Nick Harwood	6
Lisa Houghton	6
Dr Greg Levenston	0*
Bruno Palermo	1**
Ken Pryor	6
Brenton Ramsey	6
Narelle Simpson	5
Mohammad Alderghem	0
Ben Cox	0
John Dennis	6
David Flower	4
Nicole Haack	2
Rob Kerin	0
Paul Manning	0
Foster Stavridis	0
Susan Warda	2

\* Attended 4 of 6 meetings as an alternative director to John Dennis

\*\* Attended 3 of 5 meetings as an alternative director to David Flower

#### 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 2020**

**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 2020 has been received and can be found on page 19 of the financial report.

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

Director: .....

Director: Paul Mullaly

Director: .....

Company Secretary: Neil Wykes

Dated this 24th day of February 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 2020, 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

[Enter place of signing]

## Variety Australia Limited

ACN 101 609 616

### Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 September 2020

		2020	2019
	Note	\$	\$
Contribution from fundraising	5	365,717	565,530
Donation income	5	19,237	6,500
Contribution to operating expenses	5	146,444	280,771
Contribution to Tent shared expenses	5	138,987	493,948
Reimbursement of salary costs	5	23,403	-
Other income	5	6,203	4,122
Federal Government covid support	5	39,412	-
<b>Total Revenues</b>		<b>739,403</b>	1,350,871
Employment expenses	6	(189,655)	(213,252)
Communications		(4,350)	(2,466)
Contractors		-	(17,004)
Design print and stationery		(56)	(175)
Occupancy expenses		(6,000)	(12,000)
Travel		(833)	(18,828)
Other expenses		(13,693)	(15,844)
<b>Total operating expense</b>		<b>(214,587)</b>	(279,569)
Amortisation	6	-	(22,757)
Depreciation	6	(1,088)	(1,201)
<b>Total amortisation and depreciation</b>	6	<b>(1,088)</b>	(23,958)
Communications		(138,681)	(172,403)
Production costs		(306)	(301)
Miss World Fundraising costs		(60,703)	(72,245)
Individual giving program expenses		-	(254,833)
<b>Total shared expenses</b>		<b>(199,690)</b>	(499,782)
<b>Total expenses</b>		<b>(415,365)</b>	(803,309)
<b>Profit before grants and income tax</b>		<b>324,038</b>	<b>547,562</b>
Tent Distributions	5	(305,014)	(565,530)
<b>Profit / (loss) before income tax</b>		<b>19,024</b>	(17,968)
Income Tax Expense		-	-
<b>Profit / (loss) for the year</b>		<b>19,024</b>	(17,968)
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>19,024</b>	(17,968)

The accompanying notes form part of these financial statements.

# Variety Australia Limited

ACN 101 609 616

## Statement of Financial Position As At 30 September 2020

	Note	2020 \$	2019 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	7	571,915	522,958
Trade and other receivables	8	59,877	143,831
Other assets	9	116,088	113,425
TOTAL CURRENT ASSETS		<u>747,880</u>	<u>780,214</u>
NON-CURRENT ASSETS			
Property, plant and equipment	10	-	1,088
Other assets	9	3	3
TOTAL NON-CURRENT ASSETS		<u>3</u>	<u>1,091</u>
TOTAL ASSETS		<u>747,883</u>	<u>781,305</u>
<b>LIABILITIES</b>			
Trade and other payables	12	75,417	140,075
Short-term provisions	14	20,993	8,781
TOTAL CURRENT LIABILITIES		<u>96,410</u>	<u>148,856</u>
NON-CURRENT LIABILITIES			
Provisions	14	2,471	2,471
TOTAL NON-CURRENT LIABILITIES		<u>2,471</u>	<u>2,471</u>
TOTAL LIABILITIES		<u>98,881</u>	<u>151,327</u>
NET ASSETS		<u>649,002</u>	<u>629,978</u>
<b>EQUITY</b>			
Members interests	13	240,000	240,000
Accumulated profit		409,002	389,978
TOTAL EQUITY		<u>649,002</u>	<u>629,978</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 2020

	Accumulated profit	Funds held for distribution reserve	Members Interest	Total
	\$	\$	\$	\$
<b>Balance at 1 October 2019</b>	<b>389,978</b>	-	<b>240,000</b>	<b>629,978</b>
Profit for the year	19,024	-	-	19,024
<b>Balance at 30 September 2020</b>	<b>409,002</b>	-	<b>240,000</b>	<b>649,002</b>
<b>Balance at 1 October 2018</b>	407,946	-	240,000	647,946
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>

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 2020

	2020	2019
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Payments to suppliers and employees	(920,638)	(1,518,537)
Receipts from donors, sponsors, members and functions	963,392	1,661,167
Net cash provided by/(used in) operating activities	<u>42,754</u>	<u>142,630</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest received	6,203	4,122
Net cash provided by/(used in) investing activities	<u>6,203</u>	<u>4,122</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net increase/(decrease) in cash and cash equivalents held	48,957	146,752
Cash and cash equivalents at beginning of year	522,958	376,206
Cash and cash equivalents at end of financial year	7 <u>571,915</u>	<u>522,958</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 2020

The financial report covers Variety Australia Limited ("the Company") for the year ended 30 September 2020 was authorised for issue in accordance with a resolution of the Directors on 24 February 2021.

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 Change in Accounting Policy

#### Revenue from Contracts with Customers - Adoption of AASB 15

The Company has adopted AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* for the first time in the current year with a date of initial application of 1 October 2019.

The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment.

Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

The Company has applied AASB 15 using the cumulative effect method which means the comparative information has not been restated and continues to be reported under AASB 111, AASB 118 and related interpretations. There was no impact on opening retained profits as at 1 October 2019.

## **Notes to the Financial Statements**

### **For the Year Ended 30 September 2020**

#### **2 Change in Accounting Policy**

##### **Leases - Adoption of AASB 16**

The Company has adopted AASB 16 *Leases* using the modified retrospective method from 1 July 2019 and therefore the comparative information for the year ended 30 September 2019 has not been restated and has been prepared in accordance with AASB 117 *Leases* and associated Accounting Interpretations. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 October 2019.

##### **Impact of adoption of AASB 16**

On adoption of AASB 16, the entity recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of AASB 117 *Leases*. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 October 2019.

The Company has elected to use the exception to lease accounting for short-term leases and leases of low value assets, and the lease expense relating to these leases are recognised in the statement of profit or loss and other comprehensive income on a straight line basis.

The Company has elected to use the exception to lease accounting for short-term leases and leases of low value assets, and the lease expense relating to these leases are recognised in the statement of profit or loss on a straight line basis.

##### *Practical expedients used on transition*

AASB 16 includes a number of practical expedients which can be used on transition, the Company has used the following expedients:

- contracts which had previously been assessed as not containing leases under AASB 117 were not re-assessed on transition to AASB 16;
- lease liabilities have been discounted using the Company's incremental borrowing rate at 1 October 2019;
- right-of-use assets at 1 October 2019 have been measured at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments;
- excluded leases with an expiry date prior to 30 September 2020 from the statement of financial position and lease expenses for these leases have been recorded on a straight-line basis over the remaining term;
- used hindsight when determining the lease term if the contract contains options to extend or terminate the lease;

##### **Financial statement impact of adoption of AASB 16**

The Company has not recognised any right-of-use assets or lease liabilities as at 1 October 2019; as all leases held are short term in nature.

## **Notes to the Financial Statements**

### **For the Year Ended 30 September 2020**

#### **3 Summary of Significant Accounting Policies**

##### **(a) Revenue and other income**

###### **Revenue from contracts with customers**

For current year

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

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

###### **Corporate Partnership Revenue**

Corporate Partnership revenue is recognised as received.

###### **Grant income**

Grant income is recognised as revenue and it is expended on programs to which it relates in accordance with the terms of the grant agreements. The revenue is recognised in line with the service provided.

###### **Community Fundraising**

Revenue from fundraising includes all funds raised from the activities under the fundraising authority of the Company which is in compliance with Charitable Fundraising Act 1991 (NSW). The revenue of sponsorship, registration and ticketing relating to the fundraising events are recognised when these events occurs.

# Variety Australia Limited

ACN 101 609 616

## Notes to the Financial Statements For the Year Ended 30 September 2020

### 3 Summary of Significant Accounting Policies

#### (a) Revenue and other income

##### 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.

##### Government grants - JobKeeper and Cash Flow Boost

Government grants include amounts received or receivable under the Federal Government's JobKeeper Payment Scheme and Cash Flow Boost Scheme, 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).

##### Contract liabilities

Contract liabilities include event sponsorship and grant revenue received in advance and are carried at the original invoice amount for goods and services to be provided after the year end.

#### (b) 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.

## Notes to the Financial Statements

### For the Year Ended 30 September 2020

#### 3 Summary of Significant Accounting Policies

##### (c) 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.

##### (d) Volunteer services

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

##### (e) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, 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:

Fixed asset class	Depreciation rate
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.

##### (f) 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.

## Notes to the Financial Statements

### For the Year Ended 30 September 2020

#### 3 Summary of Significant Accounting Policies

##### (f) Financial instruments

###### 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.

###### *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

## **Notes to the Financial Statements**

### **For the Year Ended 30 September 2020**

#### **3 Summary of Significant Accounting Policies**

##### **(f) Financial instruments**

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

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
- 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, bank and other loans and lease liabilities.



## Notes to the Financial Statements

### For the Year Ended 30 September 2020

#### 3 Summary of Significant Accounting Policies

##### (g) 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.

##### (h) 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.

##### (i) Leases

For current year

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

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 Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company 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 for 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.

##### (j) 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.

## **Notes to the Financial Statements**

### **For the Year Ended 30 September 2020**

#### **3 Summary of Significant Accounting Policies**

##### **(j) Employee benefits**

###### **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.

##### **(k) 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.

##### **(l) Adoption of new and revised accounting standards**

The Company has adopted all standards which became effective for the first time at 30 September 2020, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company or refer to Note 2 for details of the changes due to standards adopted.

#### **4 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.

##### **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.

## Variety Australia Limited

ACN 101 609 616

# Notes to the Financial Statements

## For the Year Ended 30 September 2020

### 4 Critical Accounting Estimates and Judgments

#### 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 2020

### 5 Fundraising information and administration costs

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

	Variety Australia 2020 \$	Tents 2020 \$	Total 2020 \$	Variety Australia 2019 \$	Tents 2019 \$	Total 2019 \$
<b>Contribution from fundraising</b>	-	-	-	-	-	-
National Corporate Partnership Income	-	153,257	153,257	-	230,529	230,529
Third-Party Fundraising	-	212,460	212,460	-	177,274	177,274
Individual Giving Program	-	-	-	-	157,727	157,727
<b>Total Contribution from Fundraising</b>		<b>365,717</b>	<b>365,717</b>		<b>565,530</b>	<b>565,530</b>
<b>Other income</b>						
Donation income	19,239	-	19,239	6,500	-	6,500
Other income	6,203	-	6,203	4,122	-	4,122
<b>Total other income</b>	<b>25,442</b>	<b>-</b>	<b>25,442</b>	<b>10,622</b>	<b>-</b>	<b>10,622</b>
<b>Total contributions and income</b>	<b>25,442</b>	<b>365,717</b>	<b>391,159</b>	<b>10,622</b>	<b>565,530</b>	<b>576,152</b>
Cost of Third-Party Fundraising	-	(60,703)	(60,703)	-	(72,245)	(72,245)
<b>Net income for distribution</b>	<b>25,442</b>	<b>-</b>	<b>25,442</b>	<b>10,622</b>	<b>493,285</b>	<b>503,907</b>
Net income distributed	-	305,014	305,014	-	(565,530)	(565,530)
<b>Net income retained by VA</b>	<b>25,442</b>	<b>-</b>	<b>25,442</b>	<b>10,622</b>	<b>(72,245)</b>	<b>(61,623)</b>
Shared tent expenses	-	(138,681)	(138,681)	-	(172,703)	(172,703)
Operating expenses	(6,418)	(146,444)	(152,862)	(22,757)	(280,771)	(303,528)
Individual giving program costs	-	-	-	-	(254,833)	(254,833)
<b>Total expenses</b>	<b>(6,418)</b>	<b>(285,431)</b>	<b>(291,543)</b>	<b>(22,757)</b>	<b>(708,307)</b>	<b>(731,064)</b>
	<b>19,024</b>	<b>(285,431)</b>	<b>(266,101)</b>	<b>(12,135)</b>	<b>(780,552)</b>	<b>(792,687)</b>
Expense recoupment from Tents	-	146,444	146,444	-	280,771	280,771
Shared tent expenses recouped	-	138,987	138,987	-	244,948	244,948
IGP costs recouped	-	-	-	-	249,000	249,000
	<b>-</b>	<b>285,431</b>	<b>285,431</b>	<b>-</b>	<b>774,719</b>	<b>774,719</b>
<b>Profit / Loss before Income Tax</b>	<b>19,024</b>	<b>-</b>	<b>19,024</b>	<b>(12,135)</b>	<b>(5,833)</b>	<b>(17,968)</b>

# Variety Australia Limited

ACN 101 609 616

## Notes to the Financial Statements For the Year Ended 30 September 2020

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

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.

### 6 Result for the Year

The result for the year includes the following specific expenses:

	2020	2019
	\$	\$
<b>Amortisation and depreciation</b>		
Amortisation	-	22,757
Depreciation	1,088	1,201
	<b>1,088</b>	<b>23,958</b>
<b>Employment expenses</b>		
Salary and wages	172,142	209,352
Workers compensation	-	1,061
Superannuation	14,481	23,081
Other employee benefits expense	3,032	(20,242)
	<b>189,655</b>	<b>213,252</b>

#### Audit Fees

Variety Australia Limited pay PKF an audit fee of \$13,000 (2019: \$13,000). PKF make a donation to Variety Australia Limited of \$6,500 (2019: \$6,500).

### 7 Cash and Cash Equivalents

Cash at bank	571,915	522,958
--------------	---------	---------

### 8 Trade and other receivables

CURRENT		
Tent reimbursements receivable	59,877	143,140
Accrued income / prepayments	-	691
	<b>59,877</b>	<b>143,831</b>

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

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

### 9 Other Assets

CURRENT		
Term Deposits held with Westpac	116,088	113,425
NON-CURRENT		
Shares in Insurance Underwriter	3	3

## Variety Australia Limited

ACN 101 609 616

### Notes to the Financial Statements For the Year Ended 30 September 2020

#### 10 Property, plant and equipment

	2020	2019
	\$	\$
Plant and equipment		
At cost	52,051	52,051
Accumulated depreciation	(52,051)	(50,963)
Total plant and equipment	-	1,088

##### (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:

	Plant and Equipment	Total
	\$	\$
<b>Year ended 30 September 2020</b>		
Balance at the beginning of year	1,088	1,088
Depreciation expense	(1,088)	(1,088)
<b>Balance at the end of the year</b>	-	-

#### 11 Intangible Assets

National Website		
Cost	67,206	67,206
Accumulated amortisation and impairment	(67,206)	(67,206)
	-	-
Database		
Cost	70,250	70,250
Accumulated amortisation and impairment	(70,250)	(70,250)
	-	-

#### 12 Trade and Other Payables

CURRENT		
Tent payables	33,096	107,590
Other payables and accruals	42,321	29,270
Income received in advance	-	3,215
	75,417	140,075

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 2020

#### 13 Members interest

	2020	2019
	\$	\$
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 Provisions

##### CURRENT

Employee benefits provision	<u>20,993</u>	8,781
-----------------------------	---------------	-------

##### NON-CURRENT

Employee benefits provision	<u>2,471</u>	2,471
-----------------------------	--------------	-------

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

#### 15 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 and obligations of the Company. At 30 September 2020 the number of members was 7 (2019: 7).

#### 16 Key Management Personnel Remuneration

The total remuneration paid to key management personnel of the Company is \$ 158,009 (2019: \$ 148,435).

#### 17 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 September 2020 (30 September 2019: None).

#### 18 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").

## Variety Australia Limited

ACN 101 609 616

### Notes to the Financial Statements For the Year Ended 30 September 2020

#### 18 Related Parties

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

Key management personnel - refer to Note 16.

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 collects income from various donors and supporters 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:

	Amount payable at 30 September				
	2020 VA Expense	2020 Payments	2019 Payments	2020	2019
	\$	\$	\$	\$	\$
Variety - the Children's Charity Queensland	105,065	170,891	111,970	4,800	70,048
Variety - the Children's Charity NSW/ACT	46,587	43,315	68,325	10,700	11,802
Variety - the Children's Charity Victoria	46,633	47,068	100,834	9,063	2,637
Variety - the Children's Charity Tasmania	6,959	6,409	15,732	1,151	584
Variety - the Children's Charity South Australia	56,164	69,115	110,442	2,823	15,473
Variety - the Children's Charity Western Australia	27,424	23,598	66,230	4,118	38
Variety - the Children's Charity Northern Territory	6,182	6,114	66,230	441	366
Variety - the Children's Charity New Zealand	10,000	10,000	-	-	-
	305,014	376,510	539,763	33,096	100,948

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:

	2020 VA income	2020 Receipts	2019 Receipts	2020	2019
	\$	\$	\$	\$	\$
	Variety - the Children's Charity Queensland	69,939	71,083	83,809	13,420
Variety - the Children's Charity NSW/ACT	33,282	43,943	149,622	3,903	15,991
Variety - the Children's Charity Victoria	59,237	64,378	164,246	9,422	23,409
Variety - the Children's Charity Tasmania	14,285	15,232	25,868	3,098	5,565
Variety - the Children's Charity South Australia	39,758	49,803	79,289	4,518	16,842
Variety - the Children's Charity Western Australia	58,451	49,269	118,196	9,183	25,991
Variety - the Children's Charity Northern Territory	10,479	13,530	23,202	995	5,876
	285,431	307,238	644,232	44,539	130,128



## Variety Australia Limited

ACN 101 609 616

### Notes to the Financial Statements For the Year Ended 30 September 2020

#### 18 Related Parties

##### Transactions with related parties (cont'd)

Variety Australia was reimbursed for work performed by its Executive director.

	2020 VA Income	2020 Receipts	2019 Receipts	Amount Receivable at 30 September	
				2020	2019
	\$	\$	\$	\$	\$
Variety - the Children's Charity NSW/ACT	23,403	14,839	-	8,565	-

##### 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.

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

The financial report was authorised for issue on 24 February 2021 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 2020 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")

- iii. The financial report and associated records of the Company have been properly kept during the year ended 30 September 2020 in accordance with the Act and the Regulation; and
- iv. Money received as a result of fundraising appeals conducted during the year ended 30 September 2020 has been properly accounted for and applied in accordance with the Act and the Regulation; and
- v. There are grounds to believe that the Company will be able to pay its debts as and when they fall due; and
- vi. 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: 24 February 2021

**Variety Australia Limited**

**Independent Audit Report to the members of Variety Australia Limited**