

# **Variety Australia Limited**

ACN 101 609 616

## **Financial Statements**

For the Year Ended 30 September 2022

# Variety Australia Limited

ACN 101 609 616

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For the Year Ended 30 September 2022

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## Directors' Report

30 September 2022

### About Variety Australia Limited

Variety may seem an unusual name for a children's charity, however, not only is it embodied in our Variety Performers showbusiness history, it also perfectly describes the diverse "variety" of unmet vital needs of children living in Australia our donors, partners and supporters solve every day through the charity.

Our mission is to be Australia's most trusted and effective children's charity, solving exclusion and delivering equity in collaboration with our donors, partners and supporters by funding and delivering life changing grants and programs that assist children who are sick, experiencing disadvantage or living with a disability to achieve their personal best.

Variety Australia Limited is the national association, and owned by, of the seven state and territory offices (Tents), assisting in providing efficiencies, economies of scale and national coordination. Variety's grants and programs are delivered at a local level by our state and territory offices.

Each of Variety's state and territory offices interact with the community and fundraise at a local level. Consequently, to review the impact and results of Variety across Australia, the financial statements of Variety Australia Limited should not be read in isolation, but in conjunction with the seven state and territory financial statements and Donor Impact Reports. These Financial Statements only cover the results of Variety Australia Limited.

### Principal Activities

The principal activity of Variety Australia Limited is multi state and national coordination for the seven Australian state and territory offices.

No significant changes in the nature of the Company's activities occurred during the financial year.

### Information on Directors

The Board of Variety Australia Limited is comprised of the Chairs of the seven state and territory Offices (Tents), or a nominated representative from the Office (Tent) Board to act as a Director of Variety Australia Limited in the Chairs place, and up to four skills based Co-Opt Directors. State and Territory Chairs also appoint an alternate person to provide continuity in the absence of the Director. The Variety Australia Limited Chair is drawn from the Co-Opt Directors.

Variety Australia Limited Directors receive no remuneration.

Name	Position	Appointed/Resigned
John Dennis	Co-Opt Director and Chair	<ul style="list-style-type: none"> <li>Appointed Alternate to Dr Amanda Mead (NSW/ACT) December 10 2015</li> <li>Appointed Director December 12 2017</li> <li>Appointed Alternate to Dr Greg Levenston (NSW/ACT) February 21 2020</li> <li>Appointed Co-Opt Director and Chair February 24 2021</li> </ul>
Dr Greg Levenston	NSW/ACT Chair	<ul style="list-style-type: none"> <li>Appointed Alternate to John Dennis (NSW/ACT) December 12 2017</li> <li>Appointed Director December 10 2020</li> </ul>
Ken Pryor	Victoria Chair	<ul style="list-style-type: none"> <li>Appointed December 11 2019</li> </ul>
Bruno Palermo	Tasmanian Chair and Treasurer	<ul style="list-style-type: none"> <li>Appointed July 19 2019</li> </ul>
Tanya Stratton	South Australia Chair	<ul style="list-style-type: none"> <li>Appointed February 22 2022</li> </ul>
Don Brooker	West Australia Rep	<ul style="list-style-type: none"> <li>Appointed December 17 2014</li> </ul>
Melinda Fleming	Northern Territory Rep	<ul style="list-style-type: none"> <li>Appointed December 14 2021</li> </ul>
Nick Harwood	Queensland Chair	<ul style="list-style-type: none"> <li>Appointed December 3 2019</li> </ul>
Sue Hawes	Co-Opt Director	<ul style="list-style-type: none"> <li>Appointed December 4 2020</li> <li>Reappointed February 16 2022</li> <li>Resigned July 20 2022</li> </ul>
Narelle Simpson	Co-Opt Director	<ul style="list-style-type: none"> <li>Appointed March 15 2020</li> <li>Reappointed February 16 2022</li> </ul>
Graham Bowring	Co-Opt Director	<ul style="list-style-type: none"> <li>Appointed September 30 2020</li> <li>Reappointed February 16 2022</li> </ul>

## Directors' Report

### 30 September 2022

The Directors have been in office since the start of the financial year unless otherwise stated.

Director Profiles

#### John Dennis – Co-Opt Director and Chair

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

#### Directorships

Variety –the Children’s Charity NSW/ACT

Variety – the Children’s Charity International

Variety Australia Limited

John is a director of several private companies and trusts.

#### Variety Experience

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

#### 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 NSW and the work we undertake.

#### Dr Greg Levenston (NSW/ACT)

Dr Greg was appointed an alternate to John Dennis December 12, 2017, and as a Director representing NSW/ACT December 10 2020.

#### Directorships:

Variety – the Children’s Charity NSW/ACT

Variety Australia Limited

South East Sydney Local Health District

#### Variety Experience:

Dr Greg is the Chair of Variety – the Children’s Charity NSW/ACT. He was a director from 2012 to 2017 and re-joined the Board in February 2019. Dr Greg has served on the Grants, Kids Support, Scholarships and Governance Committees since 2011. He has participated in the B to B Bash and been a medic on the 4WD Adventure.

#### Skills and Experience:

Dr Greg is a past Grand Master Freemasonry and former Deputy Mayor of Woollahra Council (2012 to 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, Dr Greg developed the “No More Secrets” Australian means health program, which evolved into the current Men’s Health Research Foundation based at the University of Adelaide. Dr Greg serves on the Board of Patrons.

Dr Greg’s paediatric background and advocacy for children in our community is ideally suited to Variety’s goals.

## **Directors' Report**

### **30 September 2022**

#### **Ken Pryor (Victoria)**

##### **Directorships:**

Variety – the Children's Charity of Victoria

Variety Australia Limited

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

Ken began his involvement with Variety in 2008, driven by his desire to help make a difference to kids and families who needed support to improve their health and wellbeing.

Ken joined the Variety Victoria Board in September 2015.

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

Ken Pryor has been involved in Property Development, specialising in Strategic Network Planning, Property Acquisition and Construction Management for the past 40 years.

Ken has played a major part in the planning and development of several national and international companies to expand and remodel their Australian store networks.

#### **Bruno Palermo - Treasurer (Tasmania)**

##### **Directorships:**

Variety – the children's Charity of Tasmania

Variety Australia Limited

##### **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 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 client's needs and wants, Bruno assists with increasing profits for their business, advises on business strategies and provides advice on the most tax effective way to structure businesses and personal affairs.

Born and raised in Hobart, Bruno enjoys spending time with his wife and their two daughters. Playing soccer on weekends and hitting the gym!

#### **Tanya Stratton (South Australia)**

##### **Directorships:**

Variety – the Children's Charity South Australia

Variety Australia Limited

Terra Artemis Foundation

Stratland Pty Ltd

## Directors' Report 30 September 2022

### Variety Experience:

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.

"The Variety family create a wonderful environment where individuals can give back to the community with purpose".

### Skills and Experience:

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

### Don Brooker (West Australia)

#### Directorships:

Sportsworld of WA

Variety Australia limited

#### Variety Experience:

Don has supported Variety WA since 1997, participating in all Variety motoring events including 15 Bashes, 12 Motorbike Runs, 11 4WD Adventures, 7 Creative Car Cruises, Geraldton 4WD Getaways, Splashes and the Ruby Road Trip. He was the major sponsor of the 4WD Adventure for a number of years and a supporting supplier for the Variety of Choice Home Lottery.

Don currently sits on the Variety National Board, where he has proudly represented the charity since 2014. He previously served on the Variety WA Board from 2008-2012 and volunteered on countless Variety committees over the years.

Having passion for events, Don wishes to increase the importance of raising funds for the kids through motoring events and putting the fun back into fundraising.

Variety has given him so much over the years and he now finds himself in the position to give time back.

### Melinda Fleming (Northern Territory)

#### Directorships:

Variety – the Children's Charity Northern Territory

Variety Australia Limited

#### Variety Experience:

Mel is the current Deputy Chair of Variety – the Children's Charity NT, having been a director since 2019. Mel has been involved with Variety since holding the position of General Manager in the NT during 2015-2016 during which time VNT celebrated its 25th year. Since then, she has continued her commitment through fundraising efforts, personal sponsorship and participating in Bash events every year.

#### Skills and Experience

In her professional career, Mel has held various executive roles in the not-for-profit sector for the last 20 years which have included leading organisations focussed on community development, human services and disability. Mel currently holds the CEO role with Victims of Crime NT, a Territory wide service provider.

## Directors' Report 30 September 2022

### Nick Harwood (Queensland)

#### Directorships:

Variety – the Children's Charity Queensland

Variety Australia Limited

#### Variety Experience:

Board member and Chair of Variety Queensland

#### Skills and Experience:

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

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

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

### Sue Hawes (Co-Opt Director)

#### Directorships:

Australian College of Nursing

Variety Australia Ltd (resigned July 20 2022)

#### Variety Experience:

Sue has been actively involved with Variety – the Children's Charity of the Northern Territory

#### Skills and Experience:

Sue worked in the health and welfare sector for over 35 years. As a senior clinician and health executive, Sue has extensive experience in strategic and operational management and a proven track record of leading large scale quality improvements. Committed to the development of others, I regularly participate in coaching and mentoring, working with Agency for Clinical Innovation, NSW Ministry and in the Emerging Leaders program for the Australian College of Nursing.

Sue was working in the Northern Territory, as the Executive Director of Nursing and Midwifery leading the redesign of the Patient Care Assistant role and the introduction of the Nurse Practitioner role. Prior to that, Sue worked at Children's Health Queensland Hospital and Health Service (CHQ HHS) on their Executive, where Sue designed and implemented a program called iCARE, which is the Health Services' quality improvement and change management framework.

Working in consulting for 5 years with PWC, Sue had a lead role in setting the vision and strategic direction for the firm's national health practice. Sue had the opportunity to work nationally with private and public health sector clients, providing a range of services including coaching, capability development, role and service reviews and transformational change support.

While working for NSW Health Sue was instrumental in the design and implementation of the "take the lead" program, a state-wide initiative to strengthen the Nursing/Midwifery Unit Manager (N/MUM) role. Sue have held a Commonwealth Ministerial appointment, under the Disability Services Act 1985, and currently hold an Adjunct appointment within the Faculty of Health at QUT. Sue is a Fellow of Charles Darwin University, a Fellow of the Australian College of Nursing, and an Associate Fellow of the Australian College of Health Service Management.

## Directors' Report

### 30 September 2022

Due to a conflict in new employment, Sue resigned from the Variety Australia Ltd Board on July 20 2022

#### Narelle Simpson (Co-Opt Director)

##### Directorships:

Narelle is the owner and Director of a number of private businesses. She has also been on major Australian teams and committees for Swimming Australia, NSW Council for Disabilities, SCTA (Swim Coaches and Teachers Australia) and the Cerebral Palsy Association. Narelle has served on the Advisory Committee for Swim Australia from 2017 to present. Narelle is a CEO of two companies.

Variety Australia Ltd

##### Variety Experience:

Narelle's association with Variety goes back almost 30 years when a Sunshine Coach was granted to The Vern Barnett diagnostic Centre, where she was a teacher for children with autism. 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, coaching, business management and development.

#### Graham Bowring (Co-Opt Director)

##### Directorships:

Variety Australia Ltd

##### Variety Experience:

Graham has been a Bash Participant for 16 years 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. Graham graduated with a Bachelor of Business (Accounting & Finance) from RMIT and 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, Singapore, New Zealand and most states of Australia.

#### Operating Revenue

The Operating Revenue for the year ended September 30 2022 was \$917,273 (September 30 2021 \$776,966) and comprised:

	2022	2021
Funds Raised for Distribution to the Tents	\$504,940	\$402,372
Reimbursement of Operating Costs from the Tents	\$170,449	\$72,933
Shared Expenses paid by VA and Reimbursed by the Tents	\$178,822	\$132,095
Reimbursement of Salary Costs from NSW/ACT	\$28,485	\$113,037
Government Covid Support	\$23,868	\$46,441
Other Income	\$10,709	\$10,088
<b>Total Income</b>	<b>\$917,273</b>	<b>\$776,966</b>

#### Operating Result before Appeals Granted and Distributions for Variety Australia Limited

The operating profit before grants and distributions to the state and territory offices (Tents) for the year ended September 30 2022 was \$397,212 (September 30 2021 was \$343,869).

#### Net Operating Result for Variety Australia Limited

The net operating result for the year ended September 30 2022, was a profit of \$17,428 (September 30 2021 \$10,323).



## Directors' Report

### 30 September 2022

#### Objectives and Strategies

Variety Australia Limited is committed to delivering first rate governance, multi-state or national fundraising, opportunities, cause awareness and collaboration. As the national association of the seven state and territory offices (Tents), Variety Australia delivers cost efficiencies and larger opportunities.

#### Significant Changes in Affairs

There were no significant changes in the state of affairs of the Company during the year.

#### Events After the reporting Date

No matters or circumstances have arisen since the end of the financial year that would significantly affect, or could significantly affect, the operations of the Company, or future operations or results.

#### Environmental Issues

The company's operations are not regulated by any significant environmental regulations under Federal, state or territory laws.

#### 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 Officer or the Auditor of Variety Australia Ltd.

#### Directors Meetings

During the Financial Year, five meetings of the Directors were held on October 13 2021, February 16 2022 (includes the Annual General meeting), May 25 2022, July 20 2022 and September 14 2022.

#### Directors Meetings 21/22 Financial Year

Director	Eligible to Attend	Attended
John Dennis (Chair)	5	5
Dr Greg Levenston	5	5
Ken Pryor	5	2
Bruno Palermo	5	4
Tanya Stratton	5	4
Don Brooker	5	2
Melinda Fleming	5	3
Nick Harwood	5	4
Sue Hawes	4	3
Narelle Simpson	5	3
Graham Bowring	5	5

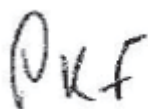
Variety Australia Limited

ACN 101 609 616

Auditor's Independence Declaration under Section 60-40 of the Charities and Not-for-profits Commission Act 2012 to the Responsible Persons of Variety AUSTRALIA LIMITED

**I declare that, to the best of my knowledge and belief, during the year ended 30 September 2022, there have been:**

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



PKF



KYM REILLY  
PARTNER

10 FEBRUARY 2023  
SYDNEY, NSW

## Variety Australia Limited

ACN 101 609 616

### Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 September 2022

		2022	2021
	Note	\$	\$
Contribution from fundraising	4	504,940	402,372
Donation Income	4	2,656	10,088
Contribution to operating expenses	4	170,449	72,933
Contribution to Tent shared expenses	4	178,822	132,095
Reimbursement of salary costs	4	28,485	113,037
Other income	4	8,053	-
Federal Government covid support	4	23,868	46,441
<b>Total Revenue</b>		<b>917,273</b>	<b>776,966</b>
Employment expenses	5	(215,652)	(211,131)
Advertising & promotion		(82,574)	(12,278)
Software subscriptions		(20,095)	-
Motor vehicle expenses		(108)	(144)
Other Expenses		(4,617)	(1,000)
Finance		(556)	(711)
Audit and accounting fees		(27,597)	(6,912)
<b>Total operating expense</b>		<b>(351,199)</b>	<b>(232,176)</b>
Communications		(100,489)	(132,095)
Miss World Fund Raising Costs		(68,373)	(68,826)
<b>Total shared expenses</b>		<b>(168,862)</b>	<b>(200,921)</b>
<b>Total expenses</b>		<b>(520,061)</b>	<b>(433,097)</b>
<b>Profit before grants and income tax</b>		<b>397,212</b>	<b>343,869</b>
Tent Distributions		(379,784)	(333,546)
<b>Profit before income tax</b>		<b>17,428</b>	<b>10,323</b>
<b>Profit for the year</b>		<b>17,428</b>	<b>10,323</b>
Other comprehensive income for the year		-	-
<b>Total comprehensive income for the year</b>		<b>17,428</b>	<b>10,323</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 2022

	Note	2022 \$	2021 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	6	522,003	606,560
Trade and other receivables	7	158,927	166,888
Financial assets	8	116,373	116,280
TOTAL CURRENT ASSETS		<u>797,303</u>	<u>889,728</u>
NON-CURRENT ASSETS			
Other assets		3	3
TOTAL NON-CURRENT ASSETS		<u>3</u>	<u>3</u>
TOTAL ASSETS		<u>797,306</u>	<u>889,731</u>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	9	72,885	193,431
Provisions	11	43,786	36,975
TOTAL CURRENT LIABILITIES		<u>116,671</u>	<u>230,406</u>
NON-CURRENT LIABILITIES			
Provisions	11	3,882	-
TOTAL NON-CURRENT LIABILITIES		<u>3,882</u>	<u>-</u>
TOTAL LIABILITIES		<u>120,553</u>	<u>230,406</u>
NET ASSETS		<u>676,753</u>	<u>659,325</u>
<b>EQUITY</b>			
Retained earnings		676,753	659,325
TOTAL EQUITY		<u>676,753</u>	<u>659,325</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 2022

	Accumulated Surplus	Member's Interest	Total
	\$	\$	\$
<b>Balance at 1 October 2021</b>	<b>419,325</b>	<b>240,000</b>	<b>659,325</b>
Surplus for the year	17,428	-	17,428
<b>Balance at 30 September 2022</b>	<b>436,753</b>	<b>240,000</b>	<b>676,753</b>
<b>Balance at 1 October 2020</b>	409,002	240,000	649,002
Surplus for the year	10,323	-	10,323
<b>Balance at 30 September 2021</b>	<b>419,325</b>	<b>240,000</b>	<b>659,325</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 2022

	2022	2021
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from donors, sponsors, members and functions	<b>900,663</b>	669,763
Payments to suppliers and employees	<b>(1,009,698)</b>	(635,118)
Cash receipts – Government COVID-19 support	<b>23,868</b>	-
Interest received	<b>610</b>	-
Net cash provided by/(used in) operating activities	<b>(84,557)</b>	34,645
Net increase/(decrease) in cash and cash equivalents held	<b>(84,557)</b>	34,645
Cash and cash equivalents at beginning of year	<b>606,560</b>	571,915
Cash and cash equivalents at end of financial year	<b>6</b> <b>522,003</b>	<b>606,560</b>

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 2022

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

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

Comparatives are consistent with prior years, unless otherwise stated.

### 1 Basis of Preparation

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

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

### 2 Summary of Significant Accounting Policies

#### (a) Revenue and other income

##### Revenue from contracts with customers

The 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

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

##### Community Fundraising

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

## **Notes to the Financial Statements**

### **For the Year Ended 30 September 2022**

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

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

###### **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 – JobSaver and JobKeeper**

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

###### **Interest**

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

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

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

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

###### **Contract Liabilities**

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

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

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

Receivables and payable are stated inclusive of GST.

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

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

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



## **Notes to the Financial Statements**

### **For the Year Ended 30 September 2022**

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

**(d) Volunteer services**

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

**(e) Financial instruments**

Financial instruments are recognised initially on the date that the 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

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

*Amortised cost*

Assets measured at amortised cost are financial assets where:

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

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

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

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

*Impairment of financial assets*

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

- financial assets measured at amortised cost

## **Notes to the Financial Statements**

### **For the Year Ended 30 September 2022**

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

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

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

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
- 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 2022**

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

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

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

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

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

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

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

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

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

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

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

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

## Notes to the Financial Statements For the Year Ended 30 September 2022

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

#### (i) 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.

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

The Company has adopted all standards which became effective for the first time at 30 September 2022, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

#### (k) 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 directors have decided against early adoption of these Standards, but does not expect the adoption of these standards to have any impact on the reported position or performance of the Company.

### 3 Critical Accounting Estimates and Judgments

Those charged with governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

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

The significant estimates and judgements made have been described below.

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

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

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

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

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

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

## Variety Australia Limited

ACN 101 609 616

### Notes to the Financial Statements For the Year Ended 30 September 2022

#### 3 Critical Accounting Estimates and Judgments (cont'd)

##### **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 2022

#### 4 Fundraising information and administration costs

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

	Variety Australia 2022 \$	Tents 2022 \$	Total 2022 \$	Variety Australia 2021 \$	Tents 2021 \$	Total 2021 \$
<b>Contribution from fundraising</b>						
National Corporate Partnership Income	-	288,544	288,544	-	222,499	222,499
Third-Party Fundraising	-	216,396	216,396	-	179,873	179,873
<b>Total Contribution from Fundraising</b>	-	504,940	504,940	-	402,372	402,372
<b>Other income</b>						
Donation income	2,656	-	2,656	10,088	-	10,088
Other income	8,053	52,353	60,406	235	159,244	159,479
<b>Total other income</b>	10,709	52,353	63,062	10,323	159,244	169,567
<b>Total contributions and income</b>	10,709	557,293	568,002	10,323	561,616	571,939
Cost of Third-Party Fundraising	-	(68,373)	(68,373)	-	(68,826)	(68,826)
<b>Net income for distribution</b>	10,709	488,920	499,629	10,323	492,790	503,113
Net income distributed	-	(379,784)	(379,784)	-	(333,546)	(333,546)
<b>Net income retained by VA</b>	10,709	109,136	119,845	10,323	159,244	169,567
<b>Expenses</b>						
Shared tent expenses	-	(100,489)	(100,489)	-	(132,096)	(132,096)
Operating expenses	-	(351,199)	(351,199)	-	(232,177)	(232,177)
<b>Total expenses</b>	-	(451,688)	(451,688)	-	(364,273)	(364,273)
	10,709	(342,552)	(331,843)	10,323	(205,029)	(194,706)
Expense recoupment from Tents	-	170,449	170,449	-	72,933	72,933
Shared tent expenses recouped	-	178,822	178,822	-	132,096	132,096
	-	349,271	349,271	-	205,029	205,029
<b>Profit before Income Tax</b>	10,709	6,719	17,428	10,323	-	10,323

(b) Comparison of Monetary figures and percentages

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

# Variety Australia Limited

ACN 101 609 616

## Notes to the Financial Statements For the Year Ended 30 September 2022

### 5 Result for the year

The result for the year includes the following specific expenses:

	2022	2021
	\$	\$
<b>Employee expense</b>		
Salaries and Wages	196,963	192,779
Superannuation	18,196	16,216
Other employee benefits expense	493	2,136
	<u>215,652</u>	<u>211,131</u>

### 6 Cash and Cash Equivalents

Cash at Bank	<u>522,003</u>	606,560
	<u>522,003</u>	<u>606,560</u>

### 7 Trade and Other Receivables

Trade receivables	158,927	132,782
Accrued income	-	34,106
	<u>158,927</u>	<u>166,888</u>

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

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

### 8 Financial assets

CURRENT		
Term Deposit	<u>116,373</u>	116,280

### 9 Trade and Other Payables

Trade payables and accruals	<u>72,885</u>	193,431
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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 2022

#### 10 Members Interest

	2022	2021
	\$	\$
New South Wales	85,200	85,200
Victoria	59,760	59,760
Queensland	44,160	44,160
South Australia	18,960	18,960
Western Australia	23,520	23,520
Tasmania	6,000	6,000
Northern Territory	2,400	2,400
	<u>240,000</u>	<u>240,000</u>

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

#### 11 Provisions

CURRENT		
Employee benefits	<u>43,786</u>	<u>36,975</u>
NON-CURRENT		
Employee benefits	<u>3,882</u>	<u>-</u>

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

#### 12 Members' Guarantee

The Company is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstandings and obligations of the Company. At 30 September 2022 the number of members was 7 (2021: 7).

#### 13 Key Management Personnel Disclosures

The remuneration paid to key management personnel of the Company is \$ 164,667 (2021: \$ 158,195).

#### 14 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 September 2022 (30 September 2021:None).



## Variety Australia Limited

ACN 101 609 616

### Notes to the Financial Statements For the Year Ended 30 September 2022

#### 15 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. EachState in Australia is a Member of Variety - the Children's Charity International ("Variety Family").

Key management personnel - refer to Note 13.

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

(b) Transactions with related parties

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

The amounts distributed to each Variety organisation is as follows:

	2022 VA Expense	2022 Payments	2021 Payments	Amount payable 2022	2021
	\$	\$	\$	\$	\$
Variety - the Childrens Charity Queensland	123,403	123,403	126,687	13,914	-
Variety - the Childrens Charity NSW/ACT	7,675	-	92,099	7,675	-
Variety - the Childrens Charity Victoria	31,843	31,843	81,047	11,874	-
Variety - the Childrens Charity Tasmania	28,916	25,791	9,393	2,688	-
Variety - the Childrens Charity South Australia	50,801	46,734	28,060	4,067	-
Variety - the Childrens Charity Western Australia	28,916	25,791	18,599	3,125	5,049
Variety - the Childrens Charity Northern Territory	28,916	25,791	4,194	2,671	-
Variety - the Childrens Charity New Zealand	-	-	6,813	-	-
	<u>300,470</u>	<u>279,353</u>	<u>366,892</u>	<u>46,014</u>	<u>5,049</u>

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.

## Variety Australia Limited

ACN 101 609 616

### Notes to the Financial Statements For the Year Ended 30 September 2022

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

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

	2022 VA income	2022 Receipts	2021 Receipts	Amount receivable 2022	2021
	\$	\$	\$	\$	\$
Variety - the Childrens Charity Queensland	68,946	68,946	62,843	17,536	-
Variety - the Childrens Charity NSW/ACT	90,458	78,967	27,838	12,640	-
Variety - the Childrens Charity Victoria	96,273	15,196	53,835	81,077	-
Variety - the Childrens Charity Tasmania	61,559	46,407	9,070	5,830	-
Variety - the Childrens Charity South Australia	44,552	44,552	34,170	12,229	-
Variety - the Childrens Charity Western Australia	61,559	46,407	54,602	16,668	-
Variety - the Childrens Charity Northern Territory	61,559	46,407	8,823	2,949	-
	<u>484,906</u>	<u>346,882</u>	<u>251,181</u>	<u>148,929</u>	<u>-</u>

Variety Australia was reimbursed for work performed by its Executive director and staff members of \$28,485 (2021: \$102,791).

#### 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 is paid on the KMP loans, the terms of the loan are [enter details here].

#### 16 Financial Risk Management

	2022	2021
	\$	\$
Financial assets		
Held at amortised cost		
Cash and cash equivalents	522,003	606,560
Financial assets	116,373	116,280
Trade and other receivables	158,927	166,888
	<u>797,303</u>	<u>889,728</u>
Financial liabilities		
Held at amortised cost		
Trade and other payables	72,885	193,431
	<u>72,885</u>	<u>193,431</u>

## Variety Australia Limited

ACN 101 609 616

### Notes to the Financial Statements For the Year Ended 30 September 2022

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

The financial report was authorised for issue on 10 February 2023 by those charged with governance.

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.

#### 18 Auditors' Remuneration

Variety Australia Limited pay PKF an audit fee of \$14,150 (2021: \$13,500). PKF make a donation to Variety Australia Limited of \$ 7,350 (2021: \$7,000).

#### 19 Statutory Information

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

# Variety Australia Limited

ACN 101 609 616

## Directors' Declaration

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

- a) the financial statements and notes of the Company are in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:
  - i. giving a true and fair view of the Company's financial positions as at 30 September 2022 and of its performance for the year ended on that date; and
  - ii. complying with Australian Accounting Standards - Reduced Disclosure Requirements, and the *Australian Charities and Not-for-Profits Commission Regulation 2013*; and
- b) there are reasonable grounds to believe that the Company will be able to pay all of its debts, as and when they become due and payable;

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

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

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

Director  .....  
John Dennis

Director  .....  
Bruno Palermo

Dated 10 February 2023

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF VARIETY AUSTRALIA LIMITED

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

#### Opinion

We have audited the financial report of Variety Australia Limited (the Company), which comprises the statement of financial position as at 30 September 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- i. giving a true and fair view of the Company's financial position as at 30 September 2022 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards – Simplified Disclosure Requirements 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (including Independence Standard) (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.

PKF (NS) Audit & Assurance Limited Partnership  
ABN 91 850 861 839

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## Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 September 2022, but does not include the financial report and our auditor's report thereon.

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

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

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

## Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012*. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

The directors 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 the financial report.

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

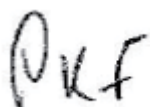
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

- 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 the 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 the 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.

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

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



PKF



KYM REILLY  
PARTNER

10 FEBRUARY 2023  
SYDNEY, NSW