



Variety - the Children's Charity
(NSW/ACT)

ABN 38 003 354 934

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023



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Directors' Report 30 September 2023

The directors present their report on Variety the Children's Charity (NSW/ACT) for the financial year ended 30 September 2023.

Directors

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

NAMES	POSITION	APPOINTED/RESIGNED
Dr Greg Levenston	Chair	
Vanessa Beggs	Director	Resigned 13 December 2022
Jack Cannons AM	Director	
Greg Lewis	Director	
Paul Mullaly	Director	
John Dennis	Director	
Michael Starkey	Director	Resigned 28 March 2023
Caoimhe Touli	Director	
Matthew Saunders	Director	
Lauren Nash	Director	Resigned 13 December 2022
Penny Docherty	Director	Appointed 13 December 2022
Tracey Stephens	Co-Opted Director	Appointed 4 July 2023
Roslyn Miller	Co-Opted Director	Appointed 28 March 2023
Tatiana Nikiforova	Co-Opted Director	Appointed 28 February 2023

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

Company secretary

Matthew Saunders was appointed as the Company Secretary of Variety the Children's Charity (NSW/ACT) from December 2022.

Principal activities

To fund Variety the Children's Charity (NSW/ACT)'s support of children experiencing disadvantage or living with a disability, Variety – the Children's Charity (NSW/ACT) principal activity involves the running of multiple large scale fundraising events.

These include the Variety B to B Bash, NSW Bash, 4WD Adventure, Postie Bike Dash, Adventure Bike Ride and a number of Spin4Kids events.

Variety also runs Hair with Heart, a national hair donation and fundraising campaign.

Variety also enjoys a number of Corporate Partnerships of varying size, the largest of which is Woolworths.

There were no changes to the nature of the Company's activity occurred during the financial year.

Strategy for achieving the objectives

Variety the Children's Charity (NSW/ACT) has the long-term objective of striving to meet unmet needs that empower children who have a disability, chronic illness, require critical care or are facing financial or geographic disadvantage to reach their full potential regardless of ability or background. Each year this long-term objective is translated into a yearly objective of fundraising and granting appeals.

Variety strives to meet these objectives through the operation of core grants programs, with help of dedicated staff, volunteers and generous individual and corporate supporters.

Members' guarantee

In the event of the Company being wound up, member's liability is limited to an amount of \$100. If the Company ceases to operate, assets are distributed to some other institution or institutions with similar objectives.

1. Operating results

With the unknown duration of Covid, the Variety NSW/ACT Board were mindful of maintaining a reserve during that time. Coming out of Covid, the Board agreed to use a portion of that reserve to help children and increase the amount of Kids Support Framework (grants). Hence the net loss of the Company after kids support amounted to \$1,157,614 (2022 surplus of \$247,648).

After a number of years with events being delayed and impacted by Covid, we were able to resume full operation in 2023 and were able to host all our events.

A focus on non-event income has also returned.

Reserve capital remains in a robust position.

2. Operating revenue

Total Fundraising income for the year ended 30th September 2023 was \$7,295,829 (30 September 2022: \$7,141,183).

3. Operating result before Kids Support Framework appeals and delivery

The operating results before Kids Support Framework appeals granted and delivery cost for the year ended 30th September 2023 was \$2,879,259 (30 September 2022: \$3,120,314).

4. Kids Support Framework appeals granted

Appeals granted to sick, special needs and disadvantaged children increased during the financial year, totalling \$3,786,545 (30 September 2022: \$2,685,801).

INFORMATION ON DIRECTORS



Greg Levenston Chair

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

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

Long term medical director of Bronte Medical Centre, with specific interests in pediatrics and men's health.

In conjunction with Jeff Kennett and Beyond Blue, Greg developed the Australian Men's Health program "No More Secrets", which evolved into the current Men's Health Research Foundation based at the University of Adelaide, where Greg serves on the Board of Patrons.

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.



Jack Cannons AM – Director

With a long history of involvement with Variety locally, nationally and internationally, Jack re-joined the Variety (NSW/ACT) Board in December 2016 after a hiatus.

He's previously held the following roles within the organisation:

Board Member – Variety – the Children's Charity (NSW/ACT) – 1992 – 2011

Chair – Variety – the Children's Charity (NSW/ACT) - 2004 – 2006

Deputy Chair – Variety Australia – 2006 – 2009

Vice President / Board Member – Variety International - 2006 – 2012

Chair – Variety Australia – 2009 – 2011

CEO – Variety International – 2012 – 2013

Jack is currently Chair of the NSW Motoring Events Committee.



Greg Lewis – Director

Greg has been associated with Variety NSW/ACT since 1995 when he was provided support with a laptop. The laptop enabled Greg, who has Cerebral Palsy, to attend mainstream high school and complete subjects that interested Greg and ultimately assisted in him carrying out a career in the IT Industry.

Greg has been assisting Variety NSW/ACT by telling his story at a number of Variety and Corporate Sponsors events since 2005 and has also completed in 7 B to B Bashes and is an active fundraiser for Variety.

Greg was also awarded the 2014 Variety National Youth Hearts Award.

Greg joined Young Variety in 2010 and the Grants committee in 2013, joining the board as a director in November 2013. Since joining the Board, Greg has been Deputy Chair and is the current Chair of the Grants and Kids Support Committees. He has also been a member of the Kids Support Governance Committee.



Paul Mullaly - Director

Paul's introduction to Variety was by attending an event in late 1980s and then as an entrant in the 1991 B to B Bash. Since that time Paul has supported Variety in many ways including 24 B to B Bashes as either an Official or Entrant, an entrant in six Newcastle Splashes, volunteering at over 15 Variety Children's Christmas Parties, attending numerous Variety NSW functions including the Heart Awards, lunches, dinners, events and fundraising events. Paul has also attended numerous Variety International Conventions, where, with other members of his family, he was awarded an International Presidential Citation for their support of Variety.

In 2009, after almost 10 years on the Sunshine Coach Committee, Paul joined the Variety NSW Board and continues on the Board today. During his time on the Board, Paul has served as Deputy Chair, Chair and on numerous committees including Grants, Motoring, Events and Finance. Paul joined Variety Australia Board in 2015 till March 2021, during this period, he was Chair from May 2018 to March 2021.

After a career of 30 years in the construction and engineering industry, working at times as a Site Engineer, Project Manager, Construction Manager and Managing Director, Paul is currently a director of his family owned business. Paul holds a Bachelor of Engineering and a master's degree in Engineering Management as well as a commercial pilot's licence.



John Dennis - Director

John has been a Director of NFP/ DGR status Charities and Foundations since 2001. He has been involved with Variety NSW/ACT since 2007 as a major donor and Bash participant; as a Board member since 2012; Deputy Chair since 2015 and Chair since 2017 to 2020. John has been a Director of Variety Australia Limited since 2017 (Chair from March 2021) and Variety – the Children's Charity International since 2019. 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/ACT and the work we undertake.



Caoimhe Touli - Director

Caoimhe joined the Variety NSW/ACT Board and the Finance Committee in 2018. Caoimhe brings extensive experience in finance and governance as well as innovation and leadership.

As the Partner in Charge of KPMG's Sydney Audit & Assurance division, Caoimhe leads a team of more than 500 exceptional professionals, who are dedicated to providing outstanding client service and serving our community.

Beginning her KPMG career in Dublin, Ireland before moving to Silicon Valley in 2002, Caoimhe has in-depth experience with technology, software and services industries, having worked in Silicon Valley from 2002 to 2006 and with many of Australia's leading technology companies since then.

Caoimhe is a Member of the Institute of Chartered Accountants in Australia, and a Fellow of the Institute of Chartered Accountants Ireland, a Registered Company Auditor – Australia, and qualified as a CPA whilst in the US (2006).

Caoimhe was Chair of the Audit and Finance Committee until September 2022.



Matthew Saunders - Director

Matthew (Mat) joined the Board in 2020 and has worked with KPMG for over 30 years.

Whilst Mat is a chartered accountant, his experience at KPMG has largely focused on Merger & Acquisition (M&A) activity specialising in due diligence. This has meant Mat has had exposure to some of Australia's largest M&A deals looking at transformational transactions that are complex and often associated with large scale change and high-profile events. Mat has experience in working with some of Australia's largest Businesses and State Governments. He brings skills around team leadership having been a Partner at KPMG since 2007 and has an appreciation of key cultural features of successful teams.

In recent years, Mat has been heavily involved in the Spin4Kids events run in Sydney.



Penny Docherty - Director

Penny Docherty is a long time member of Variety and has been involved in many facets of the organisation, including Variety NSW/ACT, Variety Australia and Variety International.

Penny has served as Vice President for Variety International, a director on the Board of Variety Australia Ltd, and has held director and committee member positions for Variety NSW/ACT, including Chair. Penny was a founding member of the Ladies of Variety Committee and served as Chair for three years. She has participated in numerous Variety B to B Bashes and has served as an official on three Bashes.

Penny has led or leads many fundraising events, including the Wharfies Long Lunch at Woolloomooloo Wharf, The Heart Awards and Radiothons. Penny, together with her husband David, have founded and successfully managed several companies.



Tracey Stephens - Co-Opted Director

Tracey has worked in Finance (16yrs) and Public Education as a Special Needs educator for the past 24 years, currently as Principal of Newcastle Senior School. As the sibling and aunty of people with special needs she is drawn to helping not only raise awareness but also much needed funds in this area. She has been an active member of Variety the Children's charity for over 17 years and is now embracing her role as a board member. She is a passionate believer in inclusivity and providing opportunities for all in need. She would like to continue to assist young people in need in any way that she can through her job and as an active member of Variety the Children's Charity.



Roslyn Miller - Co-Opted Director

Roslyn joined the Variety NSW Board in March 2023. She has been actively involved in the not-for-profit sector for 20 plus years, working for large and small charities including Cancer Council NSW, The Girls & Boys Brigade, Mirabel Foundation and Asthma Victoria. Having been a Foster Carer, she is focused on improving the lives of children, allowing them the opportunity to grow and fulfil their potential.



Tatiana Nikiforova - Co-Opted Director

Tatiana has over a decade of experience in finance and property having worked as a fixed income trader in financial markets prior to investing into alternative asset classes.

At Kingsmeade, Tatiana established the funds management business KMD Partners, growing it to over \$125m of assets under management in its first two years of operation. This included establishing the investment strategy, capital raising and developing the operating framework of the business.

Tatiana holds an MBA with distinction from INSEAD, Diploma in Financial Markets, B. Commerce in Finance & Economics from the University of Sydney and St Gallen University (Switzerland). Tatiana also invests in startups, is on the advisory committee for the Foundation of the Art Gallery of NSW.

Meetings Of Directors

During the financial year, 11 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	DIRECTORS MEETINGS	
	Number eligible to attend	Number attended
Dr Greg Levenston	11	11
Vanessa Beggs	2	1
Jack Cannons AM	11	10
Greg Lewis	11	11
Paul Mullaly	11	8
John Dennis	11	9
Michael Starkey	6	5
Caoimhe Toouli	11	7
Matthew Saunders	11	11
Lauren Nash	2	-
Penny Docherty	9	5
Roslyn Miller	6	4
Tatiana Nikiforova	7	3
Tracey Stephens	3	3

Significant changes in state of affairs

There have been 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 which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Future developments and results

Variety the Children's Charity (NSW/ACT) will continue to pursue its charitable objectives described above.

Environmental matters

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

Indemnification and insurance of officers and auditor

Variety - the Children's Charity (NSW/ACT) has, during the financial year, paid an insurance premium in respect of an insurance policy for the benefit of the Directors and Executive Officers of Variety. The insurance is in the normal course of business and grants indemnity for liabilities permitted to be identified by Variety under Section 300 of the Corporations Act 2001. In accordance with commercial practice, the insurance policy prohibits disclosure of the terms of the policy including the nature of the liability insured against and the amount of the premium.

Auditor's independence declaration

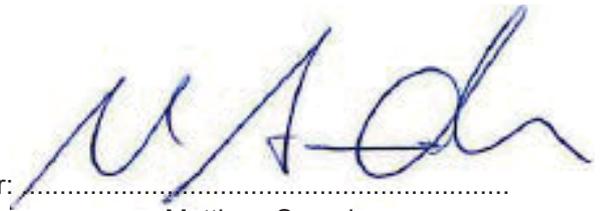
The auditor's independence declaration in accordance with section 307C of the Corporations Act 2001 for the year ended 30 September 2023 has been received and can be found on page 9 of the financial report.

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



Director:

Dr Greg Levenston



Director:

Matthew Saunders

Dated

17/11/23



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Auditors' Independence Declaration under Section 60-40 of the Charities and Not-for-profits Commission Act 2012 to the Directors of Variety – the Children's Charity (NSW/ACT)

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

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

A handwritten version of the PKF logo, with the letters 'PKF' written in a cursive, black ink style.

PKF

A handwritten signature in black ink, appearing to read 'Kym Reilly', written in a fluid, cursive style.

KYM REILLY
PARTNER

17 NOVEMBER 2023
SYDNEY, NSW

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 September 2023

	NOTE	2023 \$	2022 \$
Donations and Collections	4	6,585,629	6,187,039
Other Fundraising Income	4	710,200	954,145
		7,295,829	7,141,184
Contributions towards appeals granted	4	375,501	101,818
		7,671,330	7,243,002
Other income	4	273,833	159,217
Total Income		7,945,163	7,402,219
Event Production Costs		(1,903,035)	(2,057,269)
Merchandise Costs		(108,644)	(73,859)
Fundraising Costs		(1,377,650)	(931,076)
Total Direct Costs	4	(3,389,329)	(3,062,204)
		4,555,834	4,340,015
Gross Profit		4,555,834	4,340,015
Employee expense	5	(748,926)	(567,495)
Advertising & promotion		(95,076)	(51,432)
Bank charges		(12,401)	(10,922)
Occupancy costs		(87,057)	(48,914)
Other operating costs		(216,051)	(141,861)
Travel & accommodation		(56,924)	(16,235)
Depreciation	5	(178,777)	(138,951)
Amortisation		(5,239)	(23,463)
International and national dues (non-cash)		(75,765)	(82,004)
Insurance		(70,461)	(67,259)
Consultants		(129,901)	(71,165)
Total Administrative cost		(1,676,578)	(1,219,701)
Surplus before Kids Support Framework appeals and delivery		2,879,256	3,120,314
Kids Support Framework - granted		(3,786,545)	(2,685,801)
Kids Support Framework - delivery		(250,325)	(186,865)
Total Kids Support Framework	4	(4,036,870)	(2,872,666)
Net (Deficit)/ Surplus for the year		(1,157,614)	247,648
Other comprehensive income for the year		-	-
Total comprehensive (loss)/income for the year		(1,157,614)	247,648

The accompanying notes form part of these financial statements.

Statement of Financial Position

As At 30 September 2023

	NOTE	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	5,871,631	6,482,402
Trade and other receivables	7	51,015	41,887
Other financial assets	8	1,030,188	-
Other assets	11	254,332	162,001
TOTAL CURRENT ASSETS		7,207,166	6,686,290
NON-CURRENT ASSETS			
Property, plant and equipment	9	240,158	5,183,853
Investment properties	10	4,956,885	-
Intangible asset	12	464	2,302
Other assets	11	136,603	-
Right of use asset	13	603,176	238,774
TOTAL NON-CURRENT ASSETS		5,937,286	5,424,929
TOTAL ASSETS		13,144,452	12,111,219
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	272,974	286,706
Grants payable	15	3,383,233	1,804,799
Lease liabilities	13	137,384	75,348
Contract liabilities	16	426,461	248,472
Provisions	17	223,132	147,140
TOTAL CURRENT LIABILITIES		4,443,184	2,562,465
NON-CURRENT LIABILITIES			
Lease liabilities	13	379,831	169,854
Provisions	17	113,969	13,818
TOTAL NON-CURRENT LIABILITIES		493,800	183,672
TOTAL LIABILITIES		4,936,984	2,746,137
NET ASSETS		8,207,468	9,365,082
EQUITY			
Retained earnings		5,691,523	6,849,137
Revaluation reserve		2,515,945	2,515,945
TOTAL EQUITY		8,207,468	9,365,082

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For The Year Ended 30 September 2023

	Accumulated Surplus \$	Revaluation Reserve \$	Total \$
Balance at 1 October 2022	6,849,137	2,515,945	9,365,082
Surplus for the year	(1,157,614)	-	(1,157,614)
Balance at 30 September 2023	5,691,523	2,515,945	8,207,468
Balance at 1 October 2021	6,601,489	2,515,945	9,117,434
Surplus for the year	247,648	-	247,648
Balance at 30 September 2022	6,849,137	2,515,945	9,365,082

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For The Year Ended 30 September 2023

	NOTE	2023 \$	2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from donors, sponsors, members and functions		7,874,954	7,242,623
Payments to suppliers and employees		(5,019,759)	(4,406,634)
JobSaver and JobKeeper payments		-	104,205
Cash receipts – other COVID-19 support		-	12,987
Interest received		73,979	8,714
Interest paid		(6,562)	(7,128)
Kids support grants paid		(2,311,551)	(2,396,910)
Net cash provided by operating activities		<u>611,061</u>	<u>557,857</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of plant and equipment		165,091	49,500
Purchase of property, plant and equipment		(155,305)	(158,704)
Payments for financial assets and security deposits		(1,145,267)	-
Net cash provided by/(used in) investing activities		<u>(1,135,481)</u>	<u>(109,204)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payment of lease liabilities		(86,351)	(73,099)
Net cash used in financing activities		<u>(86,351)</u>	<u>(73,099)</u>
Net increase in cash and cash equivalents held		(610,771)	375,554
Cash and cash equivalents at beginning of year		6,482,402	6,106,848
Cash and cash equivalents at end of financial year	6	<u>5,871,631</u>	<u>6,482,402</u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For The Year Ended 30 September 2023

The financial report covers Variety - the Children's Charity (NSW/ACT) as an individual entity. Variety - the Children's Charity (NSW/ACT) is a not-for-profit Company, registered and domiciled in Australia.

The functional and presentation currency of Variety - the Children's Charity (NSW/ACT) 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 the historical cost basis except for land and buildings which are measured at fair value.

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

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

Events Revenue

Event revenue from donations is recognised in the financial year it is received. Cost recovery and expenses, such as the provision fee on motoring events that are refundable if asked, are recognised when the event occurs.

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.

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.

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*.

2 Summary of Significant Accounting Policies (cont'd)

(d) Property, plant and equipment

Plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Land and buildings

Land and buildings are measured at fair value less accumulated depreciation on buildings and less any impairment losses recognised after the date of the revaluation. The land and building were revalued by an accredited valuer on 17 November 2020.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the asset's 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
Buildings	50 years
Plant and Equipment	3-5 years
Motor Vehicles	4 years
Property improvements	4 years

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.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the statement of comprehensive income.

(e) Investment property

Investment property is carried at fair value. Changes to fair value are recorded in the statement of profit or loss and other comprehensive income as other income/expenses.

(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).

2 Summary of Significant Accounting Policies (cont'd)

(f) Financial instruments (cont'd)

Financial assets

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 assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income.

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 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 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.

Impairment of financial assets

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

- financial assets measured at amortised cost

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

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

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

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

2 Summary of Significant Accounting Policies (cont'd)

(f) Financial instruments (cont'd)

Financial assets (cont'd)

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.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired.

The Company's financial liabilities include trade and other payables and lease liabilities, which are measured at amortised cost using the effective interest rate method.

(g) 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.

(h) Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Company makes a formal estimate of recoverable amount.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. In determining recoverable amount, the expected net cash flows have been discounted to their present value using a market determined risk adjusted discount rate. Non-financial assets that suffered an impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed. No indicators for impairment have been identified by Management and as such no specific impairment testing has been done.

2 Summary of Significant Accounting Policies (cont'd)

(i) Intangible assets

Software

Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between one and three years.

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Derecognition

An intangible item is derecognised when no further future economic benefits are expected from its use or disposal.

(j) 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.

(k) Grants Payable

Grants payable are approved by the board resulting in a constructive obligation to make a further payment to the applicant. The grant payable is recognised at the nominal value approved by the board.

(l) Employee benefits

(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.

2 Summary of Significant Accounting Policies (cont'd)

(m) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

3 Critical Accounting Estimates and Judgements

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

Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience as well as manufacturers' warranties (for plant and equipment), lease terms (for leased equipment) and turnover policies (for motor vehicles). In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

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.

Assessment of fair value of land and buildings

The Company carries its land and buildings at fair value with changes in fair value recognised in the asset revaluation reserve. Independent valuations are obtained every 3-5 years and at the end of each reporting period the Directors update their assessment of the fair value, taking into consideration the most recent valuations and movements in the market. The Company's land and buildings were revalued on 17 November 2020 by independent valuers at \$5,100,000. The critical assumption adopted in determining the valuation included the location of the land and buildings, the current strong demand for land and buildings in the area and recent sales data for similar properties.

During the year, land and buildings were reclassified from property plant and equipment to investment property. Changes to fair value of investment properties are recognised as other income in the statement of profit and loss and comprehensive income.

The Directors have considered the key assumptions adopted by the independent valuer at 17 November 2020 and concluded that the assumptions used at the date of the valuation remain appropriate as at 30 September 2023.

No other significant judgements, estimates and assumptions were made during the financial year.

4 Income

Fundraising information and administration costs

Details of aggregate income and expenditure of fundraising are as follows:

	DONATIONS AND COLLECTIONS \$	OTHER FUNDRAISING INCOME \$	TOTAL INCOME \$	DIRECT EXPENSES \$	2023 NET INCOME \$	2022 NET INCOME \$
Motoring events	3,638,679	675,975	4,314,654	(1,589,350)	2,725,304	2,387,974
Other events	152,181	16,500	168,681	(60,848)	107,833	284,134
Corporate partnerships	1,398,411	-	1,398,411	(28,643)	1,369,768	1,326,012
Individual giving & philanthropy	842,147	17,725	859,872	(167,118)	692,754	620,819
Community fundraising	554,211	-	554,211	(122,847)	431,364	791,481
Staffing costs	-	-	-	(1,420,523)	(1,420,523)	(1,331,440)
Total fundraising	6,585,629	710,200	7,295,829	(3,389,329)	3,906,500	4,078,980
Contributions towards grants			375,501	-	375,501	101,818
Other income			273,833	-	273,833	159,217
Administration costs			-	(1,676,578)	(1,676,578)	(1,219,701)
Net profit before appeals			7,945,163	(5,065,907)	2,879,256	3,120,314
Kids Support Framework expenses (Grants/Delivery/in-kind)			-	(4,036,870)	(4,036,870)	(2,872,666)
Net surplus			7,945,163	(9,102,777)	(1,157,614)	247,648

The costs of events staff salaries and other costs directly attributable to fundraising events are included in the cost of fundraising and excluded from administration expenses.

During the year, the organisation received donated goods and services to the value of \$90,255 (2022: \$109,568). As these were acquired for no consideration, the goods and services were valued at current replacement cost and are included in the relevant revenue or expense category.

Other Income

	2023 \$	2022 \$
Interest received	104,167	8,714
JobSaver and JobKeeper payments	-	117,192
Gain on disposal of property, plant and equipment	165,091	29,884
Other	4,575	3,427
	273,833	159,217

5 Expenses

	2023 \$	2022 \$
Employee expense		
Wages & Salaries	520,590	537,094
Other employee benefit expense	115,869	25,162
Staff training and development	13,160	2,000
Recruitment	99,307	3,239
	<u>748,926</u>	<u>567,495</u>
Depreciation		
Buildings	43,880	43,880
Plant and equipment	44,519	19,669
Depreciation in overheads	88,399	63,549
Depreciation - right of use asset	90,378	75,402
	<u>178,777</u>	<u>138,951</u>
Fundraising costs		
Motor vehicles depreciation	<u>53,716</u>	<u>23,130</u>

6 Cash and Cash Equivalents

Cash on hand	300	200
Cash at Bank	5,871,331	6,482,202
	<u>5,871,631</u>	<u>6,482,402</u>

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

7 Trade and Other Receivables

Trade receivables	-	34,212
Accrued income	51,015	7,675
	<u>51,015</u>	<u>41,887</u>

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

8 Other Financial Assets

CURRENT		
Held at amortised cost		
Term deposits	<u>1,030,188</u>	-

9 Property, plant and equipment

	2023 \$	2022 \$
LAND AND BUILDINGS		
Freehold land		
At fair value	-	2,900,000
Total Land	-	2,900,000
Buildings		
At fair value	-	2,200,000
Accumulated depreciation	-	(99,235)
Total buildings	-	2,100,765
Total land and buildings	-	5,000,765
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	260,173	574,901
Accumulated depreciation	(198,551)	(519,151)
Total plant and equipment	61,622	55,750
Motor vehicles		
At cost	247,102	442,764
Accumulated depreciation	(68,566)	(315,426)
Total motor vehicles	178,536	127,338
Total plant and equipment	240,158	183,088
	240,158	5,183,853

(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:

	LAND \$	BUILDINGS \$	PLANT & EQUIPMENT \$	MOTOR VEHICLES \$	TOTAL \$
Year ended 30 September 2023					
Balance at the beginning of year	2,900,000	2,100,765	55,750	127,338	5,183,853
Additions	-	-	50,391	104,914	155,305
Depreciation expense	-	(43,880)	(44,519)	(53,716)	(142,115)
Transfers to investment properties	(2,900,000)	(2,056,885)	-	-	(4,956,885)
Balance at the end of the year	-	-	61,622	178,536	240,158

10 Investment Properties

	2023	2022
	\$	\$
At fair value		
Land and building - Owned Property	4,956,885	-

On 19 December 2022 the company has leased out its owned property at 47 Herbert Street, Artarmon, to a third party. The property was transferred to Investment property as of this date. The occupancy of the premises commenced on 1 August 2023, with a 3 month rent free period offered to the lessee.

11 Other Assets

	2023	2022
	\$	\$
CURRENT		
Prepayments	127,085	71,877
Other current assets	127,247	90,124
	254,332	162,001
Non CURRENT		
Security deposits	136,603	-

12 Intangible Assets

	2023	2022
	\$	\$
Computer software		
Cost	152,365	152,365
Accumulated amortisation	(151,901)	(150,063)
	464	2,302

13 Leases

Company as a lessee

The Company includes options in the leases to provide flexibility and certainty to the Company's operations and reduce the costs of moving premises and the extension options are at the Company's discretion.

At commencement date and each subsequent reporting date, the Company assess where it is reasonably certain that the extension options will be exercised.

Lease liabilities are secured by the related assets. The financial assets pledged as collateral represent a floating charge and cannot be disposed of without consent of the financier.

On 1 August 2023 the company has entered into a new lease agreement for the establishment of a new Sydney office, with commencement date on 1 August 2023. The lease term is 5 years with an option to renew for a period of 5 years.

The right of use asset and lease liability for the new lease agreement has been recognised at the commencement date.

13 Leases (cont)

Right-of-use assets

	BUILDINGS \$
Balance at the beginning of the year	238,774
Depreciation charge	(90,378)
Additions in right-of-use assets due to changes in lease liability	454,780
Balance at end of year	603,176

Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 YEAR \$	1 - 5 YEARS \$	> 5 YEARS \$	TOTAL UNDISCOUNTED LEASE LIABILITIES \$	LEASE LIABILITIES INCLUDED IN THIS STATEMENT OF FINANCIAL POSITION \$
2023					
Lease liabilities	154,991	407,528	-	562,519	517,215
2022					
Lease liabilities	80,618	174,673	-	255,291	245,202

Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to interest expense on lease liabilities and short-term leases or leases of low value assets are shown below:

Interest expense on lease liabilities	<u>6,562</u>	<u>7,128</u>
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14 Trade and Other Payables

	2023	2022
	\$	\$
Trade payables	230,931	262,136
Sundry payables and accrued expenses	42,043	24,570
	272,974	286,706

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.

15 Grants payable

Grants payable at 1 October	1,804,799	1,478,085
Appeals granted	4,147,159	2,879,522
Grants paid	(2,311,551)	(2,396,910)
Grants write back	(257,174)	(155,898)
Balance at year end	(3,383,233)	1,804,799

16 Contracted Liabilities

Contract liabilities	426,461	248,472
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17 Provisions

CURRENT		
Employee benefits	223,132	223,132
NON-CURRENT		
Make good provision	96,352	-
Employee benefits	17,617	13,818
	113,969	13,818

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.

18 Key Management Personnel Disclosures

(a) Details of Key Management Personnel as at 30 September 2023

(i) Directors

Greg Lewis	Deputy Chair
Jack Cannons, AM	Director
Dr Greg Levenston	Chair
Paul Mullaly	Director
John Dennis	Director
Caoimhe Toouli	Director
Matthew Saunders	Director
Penny Docherty	Director
Roslyn Miller	Co-Opted Director
Tatiana Nikiforover	Co-Opted Director
Tracey Stephens	Co-Opted Director

18 Key Management Personnel Disclosures (cont'd)

(a) Details of Key Management Personnel as at 30 September 2023 (cont'd)

(ii) Employees

David Small	Acting General Manager (from 20 August 2022 to 10 September 2023)
Vanessa Barry	Chief Executive Officer (until 30 September 2022)
Anthony Warner	Chief Executive Officer (from 11 September 2023)
Carolina Cordoba	Chief Financial Officer (from 11 October 2022)
Elizabeth Gearing	Head of Kids Support
Tara Beath	Head of Marketing and Fundraising (from 1 August 2022)
Brooke Battam	Head of Operations

(b) The remuneration paid to key management personnel of the Company:

	2023	2022
	\$	\$
Short-term employee benefits - Salary and fees	576,248	820,753
Post-employment benefits - Superannuation	51,794	77,991
Termination Benefits	62,780	-
	690,822	898,744

19 Related Parties

The entity is a member or “Tent” of Variety - the Children’s Charity (International). Other entities also members of this body are “Tents” from each State and Territory in Australia, considered related parties to the Company.

The following table provides the total amount of transactions that were entered into with the related parties for the relevant financial year:

	PAYMENT FROM RELATED PARTIES \$	PAYMENT TO RELATED PARTIES \$	AMOUNTS OWNED BY RELATED PARTIES \$	AMOUNTS OWNED TO RELATED PARTIES \$
Key management personnel				
2023	-	-	-	-
2022	-	10,127	-	-
Variety Tasmania				
2023	-	17,311	-	1,150
2022	200	23,631	-	1,382
Variety Western Australia				
2023	4,349	16,949	-	18,651
2022	22,127	78,741	1,105	-
Variety Northern Territory				
2023	-	2,647	-	1,878
2022	935	13,767	-	1,457
Variety Queensland				
2023	-	41,142	-	19,141
2022	2,125	122,958	-	32,026
Variety South Australia				
2023	-	22,225	-	293
2022	-	58,751	-	19,516
Variety Victoria				
2023	-	47,125	-	24,529
2022	-	169,905	-	42,974
Variety Australia				
2023	60,552	128,100	15,274	33,824
2022	-	78,967	7,675	11,491
Variety International				
2023	-	36,606	-	-
2022	-	31,448	-	-

20 Financial Risk Management

	2023	2022
	\$	\$
Financial assets		
Held at amortised cost		
Cash and cash equivalents	5,871,631	6,482,402
Trade and other receivables	51,015	41,887
Other financial assets	1,030,188	
	6,952,834	6,524,289
Financial liabilities		
Held at amortised cost		
Trade and other payables	272,974	286,706
Grants payable	3,383,233	1,804,799
Lease Liabilities	517,215	245,202
	4,173,422	2,336,707

21 Contingencies

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

22 Events after the end of the Reporting Period

The financial report was authorised for issue on 17 November 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.

23 Auditors' Remuneration

Audit fees of \$30,200 (2022: \$25,700) have been billed, with a corresponding in-kind donation of \$15,100 (2022: \$14,200) received or to be received.

24 Statutory Information

The registered office and principal place of business of the company is:
Variety - The Children's Charity (NSW/ACT)
Suite 1, Level 2, 44 Hampden Rd
Artarmon, NSW 2064.

Variety - The Children's Charity (NSW/ACT)

ABN 38 003 354 934

Directors' Declaration

In accordance with a resolution of the directors of Variety - the Children's Charity (NSW/ACT), we state that in the opinion of the directors:

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

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

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

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

Director
Dr Greg Levenston

Director
Matthew Saunders

Dated 17/11/23

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VARIETY – THE CHILDREN'S CHARITY (NSW/ACT)

Report on the Audit of the Financial Report

Opinion

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

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

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

Basis for Opinion

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

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

Independence

We are independent of the 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.

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 2023, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of Directors for the Financial Report

The directors of the 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.

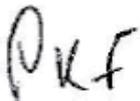
Auditor's Responsibilities for the Audit of the Financial Report (cont'd)

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on 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.

A handwritten signature in blue ink that reads 'PKF'.

PKF

A handwritten signature in blue ink, appearing to be 'Kym Reilly'.

KYM REILLY
PARTNER

17 NOVEMBER 2023
SYDNEY, NSW