

### Annual General Meeting

### Via Zoom 6:00pm Thursday 10<sup>th</sup> December 2020

Dear Members of Tent 56 – Variety the Children's Charity NSW/ ACT, welcome to the 2020 AGM to be held at 6.00pm on Thursday 10<sup>th</sup> December via Zoom due to COVID restrictions.

To simplify proceedings, I write to you in advance of the AGM with an overview of the past year, the actions taken by your Board and our 2021 outlook.

I also ask that any questions you wish to ask or pose at the AGM should be directed to the company Secretary – Bryan Mattes [bryan.mattes@variety NSW.org.au](mailto:bryan.mattes@variety NSW.org.au) by COB Tuesday 8<sup>th</sup> December to ensure they can be adequately addressed. (I am also available to respond in person on [john.dennis@variety NSW.org.au](mailto:john.dennis@variety NSW.org.au) ).

As you are aware, COVID19 decimated the global economy with organisations like Variety that rely heavily on "Event" based income, particularly hard hit.

Prior to COVID19 we were on Budget to generate Revenue of \$9.70 million with granting to children of \$3.70 million (excluding in-kind grants) forecast.

As the spread of COVID evolved, we all experienced unprecedented levels of uncertainty and apprehension.

Supermarkets ran out of daily necessities and work, social and travel restrictions emerged compelling us to cancel our 4WD Adventure on 21<sup>st</sup> March, the day before our scheduled departure.

Fortunately, our Board included several individuals with significant financial management experience and we were able to react quickly to the emerging crisis that saw all of our "physical" fundraising events cancelled or deferred; all instore fundraising activations with our major corporate partner Woolworths suspended and ultimately, our entire staff of 30 being cut back to two-three days a week on reduced salaries, placed onto JobKeeper/ JobSeeker or stood down.

With revenue severely impacted, our CEO David Sexton secured \$500,000 in financial support from Woolworths along with two \$100,000 donations from major long term individual Tent 56 Members, while our incredible staff and motoring community continued to raise funds for events that had been indefinitely deferred.

Once we were able to better assess the financial impact of COVID, our CEO sought a redundancy package in late March, leaving us on 3<sup>rd</sup> July and the decision was made by the Board to restructure the entire Executive level of the business, as we were facing a near catastrophic decline in revenue with a very uncertain timetable for recovery and

could no longer justify operating costs reflective of a much larger organisation geared for growth in light of a protracted decline in revenue.

The Board appropriately took the view that Variety's supporters raised funds for Children in need and consequently, we felt obligated to preserve those funds to support our survival and future Mission delivery, rather than maintaining a cost structure that was unsustainable based upon our conservative revised COVID impacted revenue forecasts.

The 30 September 2020 Financial Statements have been provided to all Members and reflect the impact of COVID on our revenue generation and granting capabilities.

Fundraising Revenue fell from \$10.01 million in 2019 to just \$5.15 million in 2020 plus \$623,500 in JobKeeper and Cash Boost Government COVID Support.

Motoring Events were forecast to contribute a gross \$4.60 million of our 2020 Revenue target, but reached only \$1.56 million - a \$3.00 million reduction for the financial year – still an incredible result given the November 2019 Postie Bike Dash was the only motoring event completed during the accounting period, with the balance of funds raised by supporters for events that had been deferred at least a year.

With significant uncertainty in income emerging, the decision was made to reduce and defer new uncommitted granting for the remainder of the 2020 financial year to ensure we retained sufficient funds to maintain operations; meet our outstanding grants liabilities from 2019; employee entitlements and potential redundancy costs.

Grants are expensed to our Profit and Loss in the Financial year they are awarded and remain a Current Liability on our Balance Sheet if still unpaid at our 30 September financial year end as many grants recipients take time to have equipment ordered and manufactured, scholarships completed or services delivered.

You will note from the Balance Sheet provided that our opening Current Liability for Grants Payable from 2019 was \$2,262,133. This represents grants awarded and expensed during 2019 that we were obligated to meet from cash reserves. Consequently, while new 2020 grants from cashflow were eventually capped at \$1,444,094 for the year, \$2,693,519 was physically paid out of cash reserves during the period, significantly reducing our grants liability heading into the new 2021 financial year.

Total funds applied to Kids support was \$2,137,842 for 2020 and included cash paid for equipment, consumables and services of \$1,444,094; In kind grants – for example ICC, McDonald Jones Stadium, Sydney Zoo, etc making facilities available without cost to Variety for our kids in need along with donors providing toys and gifts to our children, etc totalling \$409,991; and Kids Support framework of \$283,757 reflecting staff costs specific to the delivery of our Grants and inclusive play programs.

Highlighting the ongoing volatility in managing our revenue; fundraising income for the September 2020 quarter for example, was down by some 71% on the same period last year.

### **That said, 2020 was not all doom and gloom!**

I am very pleased to note the actions of the Board and committed staff (who were largely on reduced working days until 1<sup>st</sup> of October and have been working from home

since March) together with our incredible fundraising community have enabled Tent 56 to survive this initial stage of COVID and has positioned us for renewed growth during 2021.

Cash reserves and liquidity remain strong even after paying out \$2.7 million in grants while meeting redundancies that saw staff levels drop from 30 (26.7FTE) to 18 (14.8FTE) across the Artarmon and Newcastle offices.

We were able to engage David Small, a past Tent 56 Board member and CEO and current Variety Australia CEO on a part time basis as Acting General Manager from June 2020 as a shared service from Variety Australia where he remains employed.

Our Auditors requested our building be restated in our Accounts at current market value and recent improvements that now include a lift and accessible toilets to cater for guests, visitors and staff saw this value increase.

Most importantly, notwithstanding reduced granting and strict COVID restrictions, we assisted over 28,500 children and their families across NSW in 2020.

During the 2020 Financial year we delivered nine **Variety Sunshine Coaches** (seven of which were approved in prior years) commencing with the 1,400<sup>th</sup> coach to be delivered by Variety in Australia - a unit approved in 2017 and handed over to Chalmers Road School, Strathfield in November 2019.

Additional deliveries approved in FY2019 and delivered during the 2020 Financial Year included vehicles for Trundle Central School, Jumbunna Community Preschool and Early Intervention Centre, Blind Sport NSW, Chromehurst School, Bates Drive School and Grafton Public School while two coaches delivered to Jamison High School and Lucas Heights Community School were approved and delivered during the FY2020 year. An outstanding accomplishment (that also highlights the issue we regularly face around year-end grants liabilities raised in my earlier comments).



**Jumbunna Community Preschool March 2020**



**Grafton Public School May 2020**

We opened a new **Variety Livvi's Place inclusive playground** in Taree and new inclusive play spaces within Stockland Retail centres in Shellharbour and Merrylands, with Stockland Cairns to follow later this month. The Stockland Edgebrook residential development opens its inclusive playground on 18 December with new playgrounds scheduled for Glenfield to open in March and construction to commence in Liverpool at the same time. We have over 14 active Council and Stockland led projects in the inclusive play pipeline at present.





Variety Livvi's Place Taree

During 2020, our **Just Like You** program was delivered in person (pre COVID) to 8,323 primary school children in Sydney and Newcastle by presenters with disabilities, with a new streamlined physical and online program now developed and trialled that will extend our reach further in 2021.



Our **Hair with Heart** Alopecia program (managed nationally by Tent 56, with revenue shared amongst the Australian Tents), reached record levels during the year and continues to experience strong growth. Part of these fund are allocated to the Variety Alopecia Adventure Camp facilitated by the Australia Alopecia Areatra Fund each year.





## Variety got over 5,500 hair donations in the last year!













Our **Tech for Schools Grants** in June/ July supported over 330 children with new laptops for remote learning, including 167 from bushfire impacted communities. Some 83% of recipients were from regional or remote areas.



Our **Every Chance to Play** grants supported the junior sport registration costs for 215 ACT kids from low income families during 2020.



Our **Scholarships Program** has supported hundreds of young Australians achieve their dreams over recent years across a multitude of activities.



As we commence our 2021 financial year, we have benefited significantly from seven generous investors in Future Generation Investment Company Ltd (FGX) who nominated Variety to receive \$229,000 in grant funding; from Woolworths continued support with their Halloween activation and rounding up campaign in October; from the Newcastle



community who supported our first post COVID dining event – Dine for Kids at the Newcastle Club to raise over \$40,000; from our motoring events participants who through the Postie Bike Dash, new Adventure Bike Ride and Resurrection Run events collectively raised over \$650,000 during October and November.



We are indeed blessed to have such deep roots within our volunteer base who have continued to raise funds for Tent 56 to support us through COVID and position us to resume more significant granting activities in 2021.

As part of the restructure of Tent 56, we will see additional staff engaged in the coming months including a new Finance Manager, Head of Fundraising and eventually a full time General Manager – once we have a firmer view on the Australian economic outlook and potential for revenue recovery in the first quarter of calendar 2021.

We are extremely grateful that Variety Australia agreed to sub-contract the services of David Small to Tent 56 three days a week (particularly as David seems to work 20 hours a day) however we will be “going to market” to secure a new leader to complete the organisational restructure and take Variety forward during 2021.

May I also take this opportunity to thank Bryan Mattes – our Company Secretary and CFO since March 2014. Bryan has continued to support our organisation and work closely with the Board through enormous upheaval and structural change these past several months, showing true leadership and we wish him well in his future endeavours.

Similarly, all staff deserve a tremendous vote of thanks for their patience and resilience during a most difficult period. Each staff member was placed onto restricted hours at a significantly reduced salary for an extended period until October. During this period, the entire Executive team departed with many remaining staff required to take on additional

work (despite being paid for less hours) to fill the gaps created. The Board is most appreciative of their patience and loyalty and we look forward to resuming more normal office hours as part of a structured COVID safe return to work in the new year.

The Board of Tent 56 has also undergone a renewal process with Mick Starkey joining the Board in January 2019 to fill a casual vacancy following the departure of Amanda Mead.

Dr Amanda Mead, B.Sc (Hons), M.Com., Ph.D., GAICD had been involved with Tent 56 for nearly 17 years, joining the Board in 2004. She was Chief Barker in 2016-17 and represented Tent 56 on the Variety Australia Board for the same period. Amanda became a Variety Life Member in 2013.

Mick is a long-term supporter of Variety NSW/ ACT having completed NSW and B to B Bash events since 2004. He is a long-term financial member of Tent 56; is General Manager of the Newcastle based Moyle Family Hotel group and was responsible for securing the AHA as principal sponsor of the NSW Bash. Mick is a long-term member of the Variety Newcastle Regional Committee; has Chaired that committee since 2018 and established the Adventure Bike Ride this year.

John Hoffman stood down from the Tent 56 Board at our October 2020 Board meeting. John joined the Tent 56 Board in January 2015 after a stint on the Finance & Fundraising Committee and has always actively participated in Board discussions, challenging the Exec Team and other Board Members views and positions when necessary. A one-time B to B Bash participant in the "Altisaurus" car and generously making the resources of his firm Altis Consulting available to support staff development (and as an ongoing corporate partner supporting workplace giving), John has been an invaluable contributor to our organisation for over six years.

The casual vacancy created through Johns departure was filled by Co-opted Director Matthew Saunders in November.

Mat is a Partner of accounting firm KPMG, holding several senior leadership positions including leadership of their Mergers and Acquisitions teams. Matt is a consummate networker, holding close personal relationships with several of Variety's existing and prospective corporate partners including Woolworths. Matt also provides additional accounting and financial strength to the Board team and has already hosted his own fundraising events for Variety.

Long term Board Member Peter Hebbes AM will retire at the 2020 AGM.

Peter has been an active member of Variety NSW/ACT since 1987 and in 2003 was awarded a Lifetime Membership. In 1990 Peter was elected Chairman of Variety in Australia, prior to the establishment of separate Tents in each State and Territory. He was appointed Chief Barker/ Chair of Tent 56 – Variety NSW in 2000 and again in 2012 and was also on the Variety Australia Board. He was the Tent 56 Motoring Events Chairman for 15 years; the national Motoring Events Chair for 2 years and has run numerous event and fundraising committees during his 33- year executive level engagement with Variety.

Peter plans to remain on the Motoring Events committee and will be part of the soon to be established Advisory Board along with all past CB's and Board members should they wish to remain more closely tied to Variety.

The casual vacancy created by Peters departure will be filled by a new co-opted Director holding skills and credentials currently not reflected within the existing Board. We hope to announce the new Board Member within the next month or so.

I am sure you will join me in thanking both our outgoing and incoming Board members for the many hours of voluntary work these Board roles involve and the significant personal contribution (both in family time, opportunity cost and financially) this commitment requires.

In addition, we could not have survived 2020 without the support of our exceptional sponsors, fundraisers, volunteers, and supporters who I would now like to acknowledge.

Sincere thanks to:

- Woolworths Supermarkets
- Future Generation Fund
- Brydens Lawyers as sponsor of the B to B Bash and for legal services provided
- Australian Hotels Association as sponsor of the NSW Bash
- Pickles Auctions as sponsor of the Adventure (Bike) Ride
- First National, Tamex and Australia Post as sponsors of the Postie Bike Dash
- International Convention Centre Darling Harbour for hosting the 2019 Children's Christmas Party
- McDonald Jones Stadium for hosting the 2019 Newcastle Children's Christmas Party and the COVID responsible 2020 Christmas Toy Drive-Thru event
- Sydney Zoo for inclusion days and the COVID compliant 2020 Children's Christmas Party at the zoo
- Mapp Family Foundation as sponsor of our Scholarships Program
- McPhersons Consumer Products/ Lady Jane (Hair with Heart)
- The De Lambert Largess Foundation
- Harvey Norman for supporting our Tech for Schools Grants
- Shirly Ward Foundation
- Allied Express for all courier services provided each year without cost
- Our smaller corporate partners Swish, Tyres 4U, Pfizer and Pirelli

Thanks also to those incredible individuals who have provided venues, auction prizes and experiences as part of our fund raising activities and to those who regularly support us by attending our events and bidding on said prizes – particularly those in our community who specifically request anonymity. You are all very much appreciated.



Heartfelt gratitude to the magnificent Ladies of Variety who were to celebrate their 25th year of Variety Children's Christmas Parties this year and are always engaged in supporting kids in need, but were hamstrung in recent months adhering to COVID restrictions on many of the events they would normally hold.



Once again, congratulations to our Variety the Children's Charity NSW/ ACT 2020 Heart Award winners announced in March:



- **Volunteer of the Year:**
- **Fundraiser of the Year:**
- **Young Fundraiser of the Year:**
- **Governance Award:**
- **Chairman's Commendation Award:**

June Coleman  
GJ Gardner South Coast & Illawarra  
(Nathan Fay & Sean Vickery)  
Hayley Schofield (Hair with Heart)  
Amanda Mead  
John Paul Young

Congratulations also to our only Australian based Variety International award winner:

- **2020 VI Presidential Citation:** Con Pieterse (Volunteer since the 1990's)



An observation - as a smaller charity, we often don't fully appreciate just how impactful we can be.

Our Vision for Life program was established in partnership with NETS and Dr Andrew Berry several years ago to install high definition camera systems in regional and metropolitan hospitals in NSW linked back through NETS to the three major paediatric intensive care hospitals (Westmead Children's Hospital, Sydney Children's Hospital Randwick, John Hunter Hospital Newcastle).

Ultimately, Variety funded 96 cameras across 53 hospitals, expanding this program to encompass NETS ambulances operating in Sydney and the Hunter region.

While the initial units were costed at over \$40,000 each, as the program and technology developed and was refined, the unit costs were reduced to under \$10,000 each.

*In recent news, the NSW Government has used our NETS VFL program as a template for the proposed placement of up to 500 camera systems to be installed across all NSW hospitals. This expansion of NSW Health's hospital telemedicine program was developed on the back of the lifesaving outcomes achieved by Variety the Children's Charity NSW/ ACT through our partnership with NETS to establish and support the Vision for Life program.*

Finally, I'd like to welcome Dr Greg Levenston to the role of Chief Barker for the next three years.

Greg was a Board Member from 2012 – 2017, before being reappointed in February 2019.

Greg has served on the Granting, Kids Support Governance and Scholarship committees since 2011. He was a previous Basher (2014) and 4WD Adventurer (2018 Medics).

I step down as Tent 56 Chief Barker/ Chair at the AGM but will remain on the Board for another year or so knowing that Tent 56 - Variety the Children's Charity NSW/ ACT will be in excellent hands with an incoming CB committed to Mission and helping kids in need.

I also plan to continue participating in the NSW Bash, B to B Bash and 4WD Adventure for the foreseeable future to support Variety's fundraising activities.

COVID has created a welfare crisis and exacerbated the needs of those living with a disability, chronic illness, or social/ economic disadvantage. Certainly, demand for support far outstrips our financial capacity to meet their needs.

I ask every Variety Member if you could please consider ways to support our recovery in 2021 whether on a financial basis, as a volunteer, as an attendee or participant once our events resume (and we have a few planned) or simply introducing personal and business relationships to our organisation.

To streamline our first AGM via Zoom Video Conferencing, could I please ask that any questions arising from our Financial Statements, this letter or any general queries be directed via email to Bryan Mattes on [bryan.mattes@variety NSW.org.au](mailto:bryan.mattes@variety NSW.org.au) by COB Tuesday 8<sup>th</sup> December to ensure they can be addressed adequately either prior to, or during the AGM.

I'd also encourage as many Members as possible to join the meeting from the comfort of your own homes with a glass in hand to salute the departure of Mr Peter Hebbes AM – our longest serving Board member and the only one to hold the Chair's role three times since our inception in Australia in 1975.

I look forward to remaining part of this incredible journey Variety is on as we progress into a COVID impacted 2021.

Wishing you all good health and a safe and relaxing COVID free Christmas.

Sincerely,

**John Dennis**

**Chair/ Chief Barker**

**Tent 56 – Variety the Children's Charity NSW/ ACT**