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Committee of Management Report

30 September 2023

Members of the Committee of Management

The Committee Members in office at the date of this report are set out on pages 3-4 of this report. The Committee Members had no interests in contracts or proposed contracts with Variety Queensland during the course of the financial year other than noted in the statutory information contained in this report.

Association Information

Variety Queensland Incorporated is an Incorporated Association in Queensland under the *Associations Incorporation Act 1981*. The Charity is a not-for-profit organisation and is prevented by its constitution from paying dividends.

The registered office of the Association is:

2 Pine Hills Drive,
Bunya QLD 4055

Review of Operations

The principal activity of Variety Queensland Incorporated during the year was to improve the lives of kids who are sick, disadvantaged, or living with disability. There have been no changes in the nature of how this was achieved through the provision of grants of equipment and services, scholarships, experiences and various programs. Variety Queensland refers to this as their Kids Support Program.

The operating deficit for the year ended 30 September 2023 was (\$968,154) (30 September 2022: \$134,226 deficit). Kids Support - Granted and Program Delivery costs for the year ended 30 September 2023 totalled \$1,688,825 (30 September 2022: \$1,430,174).

Significant Events after Balance Date

Since the end of the financial year, the Committee Members have not become aware of any matter or circumstance not otherwise dealt with in the report or financial statements that has significantly, or may significantly, affect the operations of the Association, the results of those operations or the state of affairs of the Association in subsequent financial years.

In the opinion of the Committee Members there are no likely changes in the operations of the Association which will adversely affect the results in subsequent financial years.

Committee of Management Report**30 September 2023****Committee of Management Meetings**

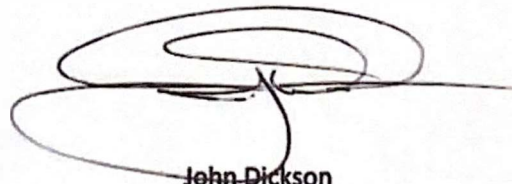
The number of Committee of Management Meetings held during the year and the number of meetings attended by each Committee Member is as follows:

Committee Member	Meetings Attended	Meetings Eligible to Attend
Peter Apel	9	12
Ben Cox (ceased 31/12/23)	9	12
Nick Harwood (ceased 20/03/24)	10	12
Duncan Murray	7	12
Chantelle Essa (ceased 20/03/24)	11	12
Dr Paul Shumack	9	12
Amy Thomas	9	12
Shayne Sutton	9	12

This report is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee on 27 March 2024 by:



Bryan Ponting
Deputy Chairperson



John Dickson
Treasurer

Committee of Management Members

30 September 2023

Peter Apel is a solicitor who has worked in private practice in Far North Queensland for over 30 years. He holds degrees in Commerce and Law, is a mediator and a Notary Public. Peter is a Past President and Life Member of the North Queensland Law Association and the Wildlife Conservancy of Tropical Queensland. He is also current Chair of the Quality Industry Training and Employment; a non-profit organisation dedicated to helping the most disadvantaged members of the community gain and retain employment. Peter is currently Vice Chair of the Mareeba Chamber of Commerce. Peter has been involved in the Variety Bash since 2006.

Ben Cox (resigned 31/12/23) has dedicated his career to changing the lives of others through his work in the not-for-profit sector. He has extensive experience in the sector, having worked with the Royal Children's Hospital Foundation, the Cerebral Palsy League, MS Queensland, Legacy and the Gold Coast Hospital Foundation.

Ben is a passionate advocate for the not-for-profit sector and is an experienced speaker and thinker on the design, delivery and value of effective fundraising, marketing and communications programs. He also speaks regularly on governance, ethics, mentoring, leadership and perseverance.

Ben currently serves on the Board of Variety QLD (Deputy Chair), as a Director of Variety Australia, a member of Fundraising Institute Australia's (FIA) Queensland State Committee, a national Director of FIA (Treasurer) and a member of the inaugural FIA Code Authority. He also serves on the Healthcare Innovations Advisory Board for Bond University and the Gold Coast Hospital and Health Service Research Committee and Arts Committee.

Nick Harwood (resigned 20/03/24) 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.

Duncan Murray is a Specialist Emergency Physician, with experience in Public Hospitals and as Director of a Private Emergency Department. His interests include retrieval and remote area medicine, something Variety has been lucky enough to benefit from on the Bash. Director and owner of Xigent Locums, a medical locum agency, Duncan is also Medical Director for Falck (Australia). Duncan was first exposed to Variety on the Bash in 2012; since then has assisted in providing medical support on the Bash. Duncan is also a busy father of three.

Dr Paul Shumack is the Managing Director of Australasian Aeromedical Specialist Services. He is a Specialist Physician and a Life Fellow of the Royal Australasian College of Physicians. Although he has recently retired from active service on the Specialist Reserve of the Royal Australian Air Force, he remains a Senior Aviation Medical Officer for the RAAF. Paul has participated in many Variety Queensland events, donating his time as Chief Medical Officer. Paul has been a Committee of Management Member since the mid-eighties and is currently on the Appeals Committee as well as being the Chief Medical Officer for Variety Qld.

Committee of Management Members

30 September 2023

Amy Thomas is a collaborative leader specialising in corporate communications, employee engagement and media relations, holding Bachelor's and Master's degrees in Communications. She has led strategies for organisations in retail, technology, media, franchise and not-for-profit to build authentic, inclusive and results-focused communications campaigns. Amy is passionate about corporate and personal social responsibility, and has successfully launched several national fundraising campaigns, employee giving activations and corporate partnership programs to benefit a wide range of charities.

Shayne Sutton is an experienced public and private sector leader having served as an elected councillor on Australia's largest local government, the Brisbane City Council, and as Chief Executive of the North Queensland Regional Organisation of Councils. She is currently an Associate Director for the SAS Group, a leading government relations, public affairs, media and communications corporate consultancy. Shayne's experience also includes serving as a Non-Executive Director on the \$1 billion Townsville Hospital and Health Services Board, and as a specialist advisor for the Queensland Government and peak industry organisation, the Local Government Association of Queensland. Throughout her career she has provided expert counsel and advice to serving Prime Ministers, Premiers, Ministers, local government officials, Board Members and CEOs on a range of complex projects and policy issues. Shayne holds a Bachelor of Arts and a Bachelor of Commerce with Honours from Griffith University and is a Graduate of the Australian Institute of Company Directors.

Chantelle Essa (resigned 20/03/24) works in the resources sector having held several senior finance and operations leadership roles in multiple commodities across mining and manufacturing. Chantelle has a degree in Commerce, a Masters in Business Administration and Global Project Management and a Doctorate of Business Leadership.

John Wadley (Appointed 20/03/24) is a semi-retired pharmacist, having owned and managed several pharmacies across North Queensland for over 35 years. He has been on the Pharmacy Guild of Queensland and numerous advisory boards on a national level. John was the managing director/partner of an organisation that managed 14 pharmacies across North Queensland. John is a past Board Member of Variety Queensland and served a time as Chief Barker. Since 1996, John has been an active supporter, participating in iconic events such as the Bash, 4WD Adventure, RV Adventure and the Jet Trek, both as a participant and as an official.

Bryan Ponting (Appointed 20/03/24) is a managing director of a successful commercial transmission company, which he established in 1986. He has a diverse skill set covering all aspects of operating a successful business, including high level management as well as practical business experience. He has overcome more than three decades of market change and global downturns to establish a sustainable and resilient enterprise. Bryan is now focusing on fundraising and volunteering in the charity sector.

John Dickson (Appointed 20/03/24) is an experienced CFO with a deep understanding of various management styles across a variety of industries. He specialises in turn-around strategies to enable businesses to achieve their maximum potential. He has participated in 5 Variety Queensland Bashes and 4 Variety Queensland 4WD Explorer events. In one of these events, his car won the prestigious highest fundraiser award. John has a strong interest in the many areas that we are able to assist the sick and disadvantaged children of Queensland.

Statement of Comprehensive Income
For The Year Ended 30 September 2023

	Note	2023 \$	2022 \$
Event Fees and Levies Income		575,813	1,199,354
Event Direct Costs		(665,843)	(1,011,163)
Net Event Contribution		(90,030)	188,191
Event Fundraising Income		2,084,211	2,846,446
Other Fundraising Income		1,616,072	1,206,315
Other Income		22,690	129,460
Total Income		3,632,943	4,370,412
Event Delivery Expenses		(1,967,894)	(1,663,563)
Fundraising Costs		(150,468)	(623,128)
Total Cost of Fundraising		(2,118,362)	(2,286,691)
Gross Profit		1,514,581	2,083,721
Employment Expenses		(340,893)	(273,639)
Communications		(32,284)	(39,595)
Advertising and Promotion		-	(16,305)
Design Printing and Stationery		(13,222)	(18,611)
Rent		(29,549)	(26,585)
Utilities		(13,681)	(13,831)
Finance Costs	3(b)	(2,674)	(5,744)
Insurance		(42,337)	(35,417)
Motor Vehicles		(16,523)	(67,859)
Travel		(5,940)	(14,577)
Depreciation and Amortisation	3(a)	(138,134)	(96,654)
Information Technology		(39,445)	(73,812)
Subscriptions		(19,919)	(38,678)
Variety Australia and International Fees		(53,025)	(46,687)
Other Expenses		(164,643)	(19,778)
Total Expenses		(912,269)	(787,772)
Surplus before Kids Support Granted and Program Delivery		602,312	1,295,949
Kids Support Framework - granted		(1,315,467)	(1,162,599)
Kids Support Framework - delivery		(254,999)	(267,576)
Surplus / (Deficit) for the Year		(968,154)	(134,226)

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	4	496,786	1,533,133
Trade and Other Receivables	5	86,049	77,962
Inventory		21,100	19,681
Other Current Assets	6	222,384	127,433
Total Current Assets		826,319	1,758,209
Non-Current Assets			
Property Plant and Equipment	7	191,819	292,720
Computer Software	8	770	3,297
Right of Use Assets		88,385	-
Total Non-Current Assets		280,974	296,017
Total Assets		1,107,293	2,054,226
Liabilities			
Current Liabilities			
Trade and Other Payables	9	425,457	444,002
Provisions for Employee Benefits	10	246,773	191,337
Borrowings	11	13,287	-
Lease Liability		30,473	1,232
Deferred Income		426,808	490,453
Total Current Liabilities		1,142,798	1,127,024
Non-Current Liabilities			
Provisions for Employee Benefits	10	38,159	40,581
Borrowings	11	84,537	100,000
Lease Liability		57,910	34,578
Total Non-Current Liabilities		180,606	175,159
Total Liabilities		1,323,404	1,302,183
Net Assets		(216,111)	752,043
Equity			
Retained Earnings		(216,111)	752,043
Total Equity		(216,111)	752,043

The accompanying notes form part of these financial statements.

Statement of Changes in Equity
For the Year Ended 30 September 2023

2022	Note	Retained Earnings \$	Total \$
Balance as at 01 October 2021		886,269	886,269
Surplus / (Deficit) for the Year		(134,226)	(134,226)
Balance as at 30 September 2022		752,043	752,043
2023	Note	Retained Earnings \$	Total \$
Balance as at 01 October 2022		752,043	752,043
Surplus / (Deficit) for the Year		(968,154)	(968,154)
Balance as at 30 September 2023		(216,111)	(216,111)

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 and Others		4,233,288	5,079,402
Payments to Suppliers and Employees		(3,628,397)	(3,673,495)
Interest Received		-	2,258
Interest Paid	3 (b)	(2,674)	(4,330)
Appeals Paid		(1,570,466)	(1,430,174)
Net Cash provided by / (used in) Operating Activities	4 (a)	(968,249)	(26,339)
Cash Flows from Investing Activities			
Payments for Property Plant and Equipment		(7,723)	(109,615)
Proceeds from Sale of Property Plant and Equipment		4,593	118,181
Net Cash from/(used in) Investing Activities		(3,130)	8,566
Cash Flows from Financing Activities			
Repayment of Borrowings		(2,176)	(58,234)
Repayment of lease liability		(62,792)	-
Net Cash provided by / (used in) Financing Activities		(64,968)	(58,234)
Net Increase/(Decrease) in Cash and Cash Equivalents		(1,036,347)	(76,007)
Cash and Cash Equivalents at Beginning of Year		1,533,133	1,609,140
Cash and Cash Equivalents at End of Year	4	496,786	1,533,133

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 September 2023

1 Basis of Preparation

The financial statements cover Variety Queensland Incorporated as an individual entity. Variety Queensland Incorporated is an incorporated Association established under the provisions of the *Associations Incorporation Act 1981*. The Association is domiciled in Queensland and the registered office, which is the principal place of business, is located at:

2 Pine Hills Drive,
Bunya QLD 4055

The financial statements of Variety Queensland Incorporated for the year ended 30 September 2023 were authorised for issue in accordance with a resolution of the Committee of Management on 27 March 2024.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures and Interpretations issued by the Australian Accounting Standards Board ('AASB'), and the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act 2012).

Historical Cost Convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

In the event of the Association being wound up, any property remaining after satisfaction of the debts and liabilities of the Association shall be distributed to another incorporated Association having objects similar to those of the Association; or for charitable or benevolent purposes, as determined by resolution of the Committee Members. No member, or former member, of the Association shall be a recipient of any assets after the winding up.

Going Concern Basis

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

As disclosed in the financial statements, the Association incurred a deficit for the year of \$968,154, and has net operating cash outflows for the year of \$968,249. As at 30 September 2023 the Association has cash of \$496,786 and a net current asset deficit of \$316,479 and a net asset deficiency of \$216,111. Included in the net current asset deficit of \$316,479 is deferred income of \$426,808 and accrued leave entitlements of \$246,773. In the normal course of business these amounts are not expected to be paid out in their entirety in cash over the next 12 months. Excluding these items, net current assets is \$357,102.

Subsequent to balance date the Association entered into a funding facility with Variety Australia Limited for \$300,000. As at the date of this report, the association has not yet drawn down on this facility.

The ability of the Association to continue as a going concern is dependent on:

1. The ability of the Association to manage its cashflows effectively; and
2. The ongoing support of the other Australian Tents through Variety Australia Limited;

Notes to the Financial Statements

For the Year Ended 30 September 2023

These conditions give rise to a material uncertainty that may cast doubt over the Association's ability to continue as a going concern.

The Committee of Management are satisfied that the Association is able to continue as a going concern based on the ability of the Association to adjust its expenditure to ensure operations remain viable, steps undertaken subsequent to balance date to reduce costs and based on the support shown by Variety Australia Limited and the other Australian Tents to help the Association manage its cashflow fluctuations.

Should the Association be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities, and appropriate disclosures that may be necessary should the Association be unable to continue as a going concern.

Notes to the Financial Statements

For the Year Ended 30 September 2023

2 Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Property Plant and Equipment

Plant and equipment is measured on the cost basis and is therefore carried at cost less accumulated depreciation and any impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carry amount is written down immediately to its estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 2 (e) for details of impairment).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Association and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit and loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets, including leasehold improvements and capitalised lease assets, is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is available for use.

The depreciation rates used for each class of depreciable assets are:

Class of Assets	Depreciation Rate
Leasehold Improvements	33.33%
Computer Equipment	30%
Plant and Equipment	20%
Motor Vehicles	20%
Computer Software	30%

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Sales of Non-current Assets

The gross proceeds of non-current asset sales are included at the date control of the asset passes to the buyer. The gain or loss on disposal of assets is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

Notes to the Financial Statements

For the Year Ended 30 September 2023

2 Summary of Significant Accounting Policies continued

(b) Trade and Other Receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current.

Variety Queensland has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(d) Financial Instruments

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL) depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted. The fair values of quoted investments are based on current bid prices. For unlisted investments, the Association establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership.

Notes to the Financial Statements

For the Year Ended 30 September 2023

2 Summary of Significant Accounting Policies continued

Financial Assets at Amortised Cost

Financial Assets are subsequently measured at amortised cost if they meet the following criteria:

- The asset is held within a business model whose objective is to hold the financial asset in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on a specified.

Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)

Financial assets can be subsequently measured at FVOCI if they meet the following criteria:

- An equity investment issued by listed and unlisted companies that are not held for trading; or
- A debt instrument is held within a business model whose objective is achieved by both holding the financial asset in order to collect contractual cash flows and selling the financial asset, and the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All subsequent changes in fair value are recognised in other comprehensive income

Financial Assets at Fair Value through Profit or Loss (FVTPL)

Financial assets are subsequently measured at FVTPL if they meet the following criteria:

- The asset is held-for-trading;
- A debt instrument that does not qualify to be measured at amortised cost or FVOCI;
- An equity instrument which the Association has not elected to classify as at FVOCI; or
- A financial asset where the Association has elected to measure the asset at FVTPL under the fair value option.

All subsequent changes in fair value are recognised in profit or loss.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment of Financial Assets

The Association has two types of financial assets subject to AASB 9's expected credit loss model, being financial assets at amortised cost and trade and other receivables. An assessment is performed on expected credit losses using the simplified approach for these financial assets. There was no material impairment loss identified.

Cash and cash equivalents, and investments are also subject to the impairment requirements of AASB 9. There was no material impairment loss identified for these types of assets.

Notes to the Financial Statements**For the Year Ended 30 September 2023****2 Summary of Significant Accounting Policies continued****(e) Impairment of Non-Financial Assets**

At the end of each reporting period, the Association assesses whether there is any indication that an asset may be impaired. The assessment will consider both external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of that asset, being the higher of the asset's fair value less costs to sell and its value-in-use, to the asset's carrying amount. An impairment loss is recognised in the profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount.

Where it is not possible to estimate the recoverable amount of an individual asset, the Association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(f) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Association during the reporting period that remain unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(g) Appeals Payable

Appeals payable are carried at cost and are recognised when the entity has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits as a result of past transactions or events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

(h) Finance Costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred, including:

- interest on the bank overdraft
- interest on short-term and long-term borrowings
- interest on finance leases
- unwinding of the discount on provisions

Notes to the Financial Statements

For the Year Ended 30 September 2023

2 Summary of Significant Accounting Policies continued

(i) Employee Benefits

Provision is made in respect of the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

(j) Income Taxes

No provision for income tax has been made in the financial report as Variety Queensland is exempt from income tax under the *Income Tax Assessment Act 1997* as it is a public benevolent institution.

(k) Goods and Services Tax (GST)

Revenues, 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). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Contingencies and commitments are also disclosed net of GST payable or recoverable. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows within the receipts from members, funding and others and payments to suppliers and employees.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the ATO.

(l) Revenue Recognition

Revenue from contracts with customers

The Association applies AASB 15 to recognise revenue when an agreement is enforceable and contains performance obligations to transfer goods or services that are sufficiently specific to determine when the obligation has been satisfied. For an arrangement that is not within the scope of AASB 15, and not otherwise within the scope of other standards, it would be treated as contribution income under AASB 1058 (for example a cash donation without conditions).

Notes to the Financial Statements

For the Year Ended 30 September 2023

2 Summary of Significant Accounting Policies continued

(I) Revenue Recognition (continued)

Revenue from contracts with customers is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Contract assets and liabilities

AASB 15 uses the terms 'contract asset' and 'contract liability' to describe what is commonly known as 'accrued revenue' and 'deferred revenue'. Contract assets are balances due from customers under contracts as work is performed and therefore a contract asset is recognised over the period in which the performance obligation is fulfilled. This represents the entity's right to consideration for the services transferred to date. Amounts are generally reclassified to receivables when these have been certified or invoiced to a customer. Contract liabilities arise where payment is received prior to work being performed.

Donation Income

Revenue from donations under enforceable agreements, where there are sufficiently specific performance obligations imposed, is deferred in the statement of financial position as a 'contract liability' until the obligations are satisfied. If the performance obligations are not sufficiently specific, revenue will be recognised immediately under AASB 1058 when the company obtains control of the cash.

If conditions are attached to the donation which must be satisfied before the company is eligible to retain the contribution, the donation will be recognised in the statement of financial position as a 'contract liability' until those conditions are satisfied.

Event and Fundraising Tickets and Levies

Revenue from event and fundraising activities are recognised in the statement of comprehensive income during the period in which the event or fundraising activity occurs, as this is the satisfaction of the performance obligation.

Interest Income

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Notes to the Financial Statements

For the Year Ended 30 September 2023

2 Summary of Significant Accounting Policies continued

(l) Revenue Recognition continued

Donated Goods

Goods are donated to be sold at auctions, to be used in events or functions or to be granted as appeals. Donated goods are recognised as revenue at their replacement cost when received if there are no sufficiently specific performance obligations associated with the donation, and expensed when the goods are sold, or otherwise used.

Donations of Services

Donated services, such as the use of a conference centre to host an event, are recognised as revenue at their replacement cost when received if there are no sufficiently specific performance obligations associated with the donation. An equivalent amount is recognised as an expense, relating to the type of service donated.

Membership Income

Revenue from the provision of membership subscriptions is recognised when they are received.

Other Income

Other income is recognised when it is received or when the right to receive payment is established.

(m) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(n) Critical Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Impairment

The Association assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the Association that may be indicative of impairment triggers. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Notes to the Financial Statements

For the Year Ended 30 September 2023

2 Summary of Significant Accounting Policies continued

(n) Critical Accounting Judgements, Estimates and Assumptions

Estimation of Useful Life of Assets

The Association determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life Computer Software. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Assessment of Fair Value for Donated Goods and Services

The assessment of the fair value of goods and services donated to the Association 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.

Lease Recognition Exemption

The Association has elected not to apply the requirements in paragraphs 22–49 of AASB 16 to short-term leases. The Association recognises the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

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

(o) Adoption of New, Revised or Amended Accounting Standards and Interpretations

The Association has adopted all of the new, revised or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Notes to the Financial Statements
For the Year Ended 30 September 2023

	2023	2022
	\$	\$
3 Expenses		
(a) Depreciation and Amortisation Expense		
Depreciation		
Plant and Equipment	10,818	23,744
Computer Equipment	22,780	21,281
Motor Vehicles	15,445	29,391
Leasehold Improvements	59,581	52,317
Amortisation	29,510	3,208
	<hr/>	<hr/>
Total Depreciation and Amortisation Expenses before Allocation	138,134	129,941
Less: Motor Vehicles Re-allocated to Other Event Expenses	-	(33,287)
	<hr/>	<hr/>
Total Depreciation and Amortisation Expenses After Allocation	138,134	96,654
	<hr/> <hr/>	<hr/> <hr/>
(b) Finance Costs		
Interest Expense	2,674	4,330
Finance Costs	-	1,414
	<hr/>	<hr/>
Total Finance Costs	2,674	5,744
	<hr/> <hr/>	<hr/> <hr/>
4 Cash and Cash Equivalents		
Cash on Hand	-	1,208
Cash at Bank	496,786	1,531,925
	<hr/>	<hr/>
Total Cash and Cash Equivalents	496,786	1,533,133
	<hr/> <hr/>	<hr/> <hr/>

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

Notes to the Financial Statements
For the Year Ended 30 September 2023

	2023	2022
	\$	\$
4 Cash and Cash Equivalents continued		
(a) Reconciliation of Cash Flows from Operating Activities		
Operating Surplus/(Deficit)	(968,154)	(134,226)
<i>Adjustments for:</i>		
Depreciation and Amortisation Expense	138,134	129,941
Gain on Sale of Fixed Assets	(4,597)	(118,181)
Non Cash (Donations)/Expenditure	-	-
(Increase) / Decrease in Trade and Other Receivables	(49,636)	(2,532)
(Increase) / Decrease in Prepayments	(94,950)	11,752
(Increase) / Decrease in Accrued Income	52,380	59,313
(Increase) / Decrease in Inventory	(1,419)	56,089
Increase / (Decrease) in Trade and Other Payables	39,000	104,092
Increase / (Decrease) in Provisions	53,014	60,084
Increase / (Decrease) in Deferred Income	(63,645)	(238,514)
Increase / (Decrease) in Other Current Liabilities	(68,376)	45,843
Cashflows from Operating Activities	(968,249)	(26,339)
5 Trade and Other Receivables		
Trade Receivables	56,935	7,299
GST Recoverable	29,114	18,284
Other Receivables	-	52,379
Total Trade and Other Receivables	86,049	77,962
Accrued Income is included in Other Receivables. Accrued Income is fundraising income owing but not received as at 30 September.		
6 Other Current Assets		
Prepayments	222,384	127,433
Total Other Current Assets	222,384	127,433

Notes to the Financial Statements

For the Year Ended 30 September 2023

	2023	2022
	\$	\$
7 Property Plant and Equipment		
Leasehold Improvements		
At Cost	207,419	201,232
<i>Less: Accumulated Depreciation</i>	<u>(140,521)</u>	<u>(80,940)</u>
Total Leasehold Improvements	<u>66,898</u>	<u>120,292</u>
Plant and Equipment		
At Cost	253,204	294,401
<i>Less: Accumulated Depreciation</i>	<u>(214,509)</u>	<u>(203,692)</u>
Total Plant and Equipment	<u>38,695</u>	<u>90,709</u>
Computer Equipment		
At Cost	140,469	134,408
<i>Less: Accumulated Depreciation</i>	<u>(116,063)</u>	<u>(94,954)</u>
Total Computer Equipment	<u>24,406</u>	<u>39,454</u>
Motor Vehicles		
At Cost	179,979	146,980
<i>Less: Accumulated Depreciation</i>	<u>(118,160)</u>	<u>(104,715)</u>
Total Motor Vehicles	<u>61,819</u>	<u>42,265</u>
Property Plant and Equipment		
At Cost	781,071	777,021
<i>Less: Accumulated Depreciation</i>	<u>(589,252)</u>	<u>(484,301)</u>
Total Property Plant and Equipment	<u>191,819</u>	<u>292,720</u>

Notes to the Financial Statements
For the Year Ended 30 September 2023

	2023	2022
	\$	\$
7 Property Plant and Equipment continued		
Movements in Carrying Amounts		
Movement in the carrying amount for each class of property, plant and equipment between the beginning and the end of the current financial year is as follows:		
Building Improvements		
Balance at the Beginning of the Year	120,292	132,186
Additions	14,987	40,423
Depreciation Expense	(68,381)	(52,317)
	<u>66,898</u>	<u>120,292</u>
Plant and Equipment		
Balance at the Beginning of the Year	90,709	57,431
Additions	-	57,021
Disposals	(26,095)	-
Depreciation Expense	(25,919)	(23,743)
	<u>38,695</u>	<u>90,709</u>
Computer Equipment		
Balance at the Beginning of the Year	39,454	50,900
Additions	8,535	9,835
Disposals	(803)	-
Depreciation Expense	(22,780)	(21,281)
	<u>24,406</u>	<u>39,454</u>
Motor Vehicles		
Balance at the Beginning of the Year	42,265	33,512
Additions	34,999	38,144
Depreciation Expense	(15,445)	(29,391)
	<u>61,819</u>	<u>42,265</u>

Notes to the Financial Statements
For the Year Ended 30 September 2023

	2023	2022
	\$	\$
8 Computer Software		
Computer Software		
At Cost	160,414	160,414
Less: Accumulated Amortisation	(159,644)	(157,117)
Total Computer Software	770	3,297

Movements in Carrying Amounts

Movement in the carrying amount for each class of Computer Software between the beginning and the end of the current financial year is as follows:

	2023	2022
	\$	\$
Computer Software		
Balance at the Beginning of the Year	3,297	6,505
Additions	-	-
Amortisation Expense	(2527)	(3,208)
Carrying Amount at the End of the Year	770	3,297

9 Trade and Other Payables

Trade Payables	(i)	196,005	146,174
Appeals Payable		127,093	177,680
Accrued Expenses and Other Payables	(ii)	102,359	120,148
Total Current Trade and Other Payables		425,457	444,002

- (i) Trade Payables are non-interest bearing and are normally settled on 30 day terms.
- (ii) Accrued expenses and other payables are non-interest bearing and have an average term of 30 days.

10 Provision for Employee Benefits

Current			
Provision for Annual Leave		225,145	186,750
Provision for Long Service Leave		21,628	4,587
Total Current Provision for Employee Benefits		246,773	191,337

Notes to the Financial Statements
For the Year Ended 30 September 2023

	2023	2022
	\$	\$
10 Provision for Employee Benefits continued		
Non-Current		
Provision for Long Service Leave	38,159	40,581
	<hr/>	<hr/>
Total Non-Current Provision for Employee Benefits	38,159	40,581
	<hr/> <hr/>	<hr/> <hr/>
11 Borrowings		
QRIDA	97,824	100,000
	<hr/>	<hr/>
Total Borrowings	\$97,824	100,000
	<hr/> <hr/>	<hr/> <hr/>
Current		
QRIDA	13,287	-
	<hr/>	<hr/>
Total Current Borrowings	13,287	-
	<hr/> <hr/>	<hr/> <hr/>
Non-Current		
QRIDA	84,537	100,000
	<hr/>	<hr/>
Total Non-Current Borrowings	84,537	100,000
	<hr/> <hr/>	<hr/> <hr/>
12 Auditor's Remuneration		
Audit of Financial Report	13,000	12,900
	<hr/>	<hr/>
Total Auditor's Remuneration	13,000	12,900
	<hr/> <hr/>	<hr/> <hr/>

The auditor of Variety Queensland Incorporated is BDO Audit Pty Ltd.

Notes to the Financial Statements

For the Year Ended 30 September 2023

13 Key Personnel

(a) Details of Key Personnel

Committee of Management Members

Nick Harwood	Chairperson
Ben Cox	Vice Chairperson (ceased 31/12/23)
Peter Apel	Secretary
Chantelle Essa	Treasurer
Duncan Murray	Board Member
Paul Shumack	Board Member
Amy Thomas	Director
Shayne Sutton	Director

Key Management Executives

Steve Wakerley	Chief Executive Officer (ceased Oct 2023)
Ian Allan	Finance & Corporate Services Manager (ceased Dec 2022)
Karyn Hicks	Finance & Corporate Services Manager (appointed Jan 2023, appointed General Manager Oct 2023, ceased Dec 2023)
Mathew Lang	Head of Fundraising and Marketing (ceased Oct 2023)
Erin Lazarou	Head of Event Fundraising (appointed Oct 2023)
Katherine Rowe	Marketing and Communications Manager
Angela Haines	Kids Support Manager (ceased Oct 2023)
David Small	Executive Director – Variety Australia (appointed Jan 2023 acting CEO)

(b) Compensation of Key Executives

The total benefits paid to executives are \$651,980 (30 September 2022: 627,592). These benefits include short-term employee benefits (salary and fees and non-monetary benefits), superannuation, annual leave and long service leave accrued.

The costs of these benefits are spread across the expense lines on the Statement of Comprehensive Income.

Notes to the Financial Statements
For the Year Ended 30 September 2023
14 Related Party Disclosure

Variety Queensland is a member or “Tent” of a worldwide organisation, Variety International – The Children’s Charity. Other entities also members of this body are “Tents” from each State and Territory in Australia, are considered related parties to Variety Queensland.

(a) Key Management Executives

Details relating to key management executives, including remuneration, are included in note 13.

(b) Transactions with Related Parties

	2023	2022
	\$	\$
<i>Variety Australia</i>		
Revenue	49,179	123,403
Expenses	(49,094)	(68,946)
Amounts owed to	(19,872)	-
Amounts owed from	37,244	-
<i>Variety International</i>		
Revenue	-	-
Expenses	(14,832)	(13,990)
Amounts owed to	-	-
Amounts owed from	-	-
<i>Variety New South Wales</i>		
Revenue	41,142	-
Expenses	-	-
Amounts owed to	-	-
Amounts owed from	19,141	-
<i>Variety New Zealand</i>		
Revenue	-	-
Expenses	-	-
Amounts owed to	-	-
Amounts owed from	-	-
<i>Variety Northern Territory</i>		
Revenue	2,233	-
Expenses	-	(553)
Amounts owed to	-	-
Amounts owed from	-	-

Notes to the Financial Statements
For the Year Ended 30 September 2023
14 Related Party Disclosure continued

	2023	2022
	\$	\$
<i>Variety South Australia</i>		
Revenue	4,233	-
Expenses	(2,587)	-
Amounts owed to	-	(978)
Amounts owed from	-	-
<i>Variety Tasmania</i>		
Revenue	3,233	-
Expenses	-	-
Amounts owed to	-	-
Amounts owed from	-	-
<i>Variety Victoria</i>		
Revenue	2,233	-
Expenses	-	(2,125)
Amounts owed to	-	-
Amounts owed from	-	-
<i>Variety Western Australia</i>		
Revenue	3,233	-
Expenses	(187)	(2,125)
Amounts owed to	-	-
Amounts owed from	-	-

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.

15 Contingent Liabilities

The Association does not have any other contingent liabilities as of 30 September 2023.

Notes to the Financial Statements

For the Year Ended 30 September 2023

16 Events After the End of the Reporting Period

Following the end of Financial Year 2023, the Committee of Management undertook a thorough review of the organisation, looking at methods to streamline the structure, improve fundraising and improve the return to the cause. This resulted in six roles being made redundant and a restructure of the remaining staff.

While costs for the restructure saw a short-term decrease in cashflow, the start of 2024 has seen the return from event fundraising, and other revenue streams, improve.

Subsequent to balance date the Association entered into a funding facility with Variety Australia Limited for \$300,000. As at the date of this report the association has not yet drawn down on this facility.

Statement by Members of the Committee of Management

For the Year Ended 30 September 2023

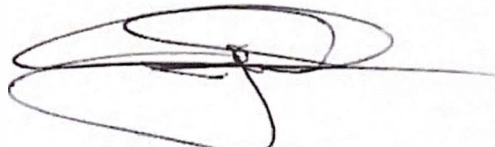
In the opinion of the Committee of Management, the financial report as set out on pages 5 to 28:

1. Presents a true and fair view of the financial position of Variety Queensland Incorporated as of 30 September 2023 and its performance for the year ended on that date in accordance with Australian Accounting Standards – Simplified Disclosures (including Australian Accounting Interpretations) of the Australian Accounting Standards Board, and the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act 2012).
2. At the date of this statement, there are reasonable grounds to believe that Variety Queensland Incorporated will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Committee of Management and is signed for and on behalf of the Committee of Management by:



Bryan Ponting
Deputy Chairperson



John Dickson
Treasurer

Dated this 27th day of March, 2024.

INDEPENDENT AUDITOR'S REPORT

To the members of Variety Queensland Incorporated

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Variety Queensland Incorporated (the registered entity), which comprises the statement of financial position as at 30 September 2023, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, and the statement by members of the management committee.

In our opinion the accompanying financial report of Variety Queensland Incorporated, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) Giving a true and fair view of the registered entity's financial position as at 30 September 2023 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards - Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the registered entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the registered entity's ability to continue as a going concern and therefore the registered entity may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Other information

The responsible entities of the registered entity are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the committee of management report.

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 on the other information obtained prior to the date of this auditor's report, 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 responsible entities for the Financial Report

The responsible entities of the registered entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosures and the ACNC Act, and for such internal control as the responsible entities 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, responsible entities are responsible for assessing the registered entity'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 responsible entities either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

The responsible entities of the registered entity are responsible for overseeing the registered entity'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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd

BDO



A J Whyte

Director

Brisbane, 27 March 2024