

Annual report and accounts 2019



the children's charity

improving young lives every day



Annual Report and Accounts 2019

Year ended 31 December 2019

Chief Barker's report

Welcome to our 2019 Annual Report and Accounts. It's been another busy year for Variety, the Children's Charity ('Variety'), in which we have seen the largest increase in demand for our support in five years.

Due to the impact of Covid-19, many more UK children are now living in poverty and Variety is committed in supporting the disabled and disadvantaged children who so desperately need our help – now more than ever.

Our highlights of the year include welcoming David Walliams as our 70th anniversary celebrity ambassador, hosting an evening reception at Buckingham Palace attended by many of our closest supporters, as well as having the opportunity to attend a number of fundraising events around the UK. We have also been able to bring in and cement relationships with a number of key supporters, who will help the Charity achieve its goals in the future.

The Charity marked its 70th year of supporting children across the UK by delivering 70 new Sunshine Coaches, and almost doubled the number of wheelchairs that were funded in 2019 compared to 2018. The impact our grants can have on the lives of the children and young people we support, enabling them to live more independently and reduce their social isolation is life changing.

In 2019 we contributed, for the first time, to print media in the SEND (Special Educational Needs and Disabilities) sector with a number of articles written by staff and adverts placed to encourage applications for support. With these tentative first steps, the Charity is beginning to position itself as an expert voice on the key issues facing disabled children, young people and families which we aim to expand on in 2020 and beyond.

As part of our aim to increase our reach and awareness of our work, in 2019 we joined the Disabled Children's Partnership. This major coalition brings together more than 70 organisations to campaign for improved health and social care for disabled children, young people and their families and we are proud to add the Variety name to this significant project.

Variety exists to improve the lives of these children and young people throughout the UK by providing tangible, practical help in the following four ways:

- The provision of specially adapted, accessible transport in the form of Variety Sunshine Coaches;
- Customised wheelchair grants;
- Specialist equipment grants which support a child's development or ability to self-care; and
- Memorable experiences in the form of Variety Great Days Out, providing educational and fun day trips.

Annual Report and Accounts 2019

Variety is also very proud to support its own Children's Hospital at the Kings College Hospital London. It is recognized as one of the world's leading children's liver and kidney transplant facilities.

As a national Charity with regional offices, volunteers or committees in Belfast, Birmingham, Blackpool, Bristol, Cardiff, Eastbourne, Glasgow, Leeds, Liverpool, London, Manchester, Newcastle, Stoke and Swansea, we are able to meet local need on a national scale. To this end, Variety partners with individuals and businesses around the UK who offer significant donations and their time to deliver long term impact for every child, family, school and children's or youth organisation that Variety helps.

The Charity's income continued to be drawn principally from businesses and fundraising events as well as legacies, gifts, and the smaller fundraising activities of local volunteers. Variety's corporate and business partners can often select specific programme streams and individual funding applications that they wish to support, with additional opportunities to work face to face with children through the Variety Great Days Out programme. In some instances, the Charity has the ability to track each donation directly from the donor to the children they help.

I have been a Variety Trustee for more than 5 years and a member of the Crew board for 7 years, and will continue to drive the modernisation of the Charity as it aims to reach new audiences and grow its income.

On behalf of all of the Trustees, I would like to thank our supporters, staff and volunteers across the UK, without whom we would not be able to make such a difference to the lives of disabled and disadvantaged children.

Dilaram Kitchlew-Williamson
Chief Barker and Chair of Trustees 2020

Annual Report and Accounts 2019

TRUSTEES 2020

Variety, the Children's Charity

- Malcolm Brenner
- Anthony Harris
- Jason Lewis
- Ronnie Nathan
- Tushar Prabhu
- Stanley A Salter
- Professor Jonathan Shalit OBE
- Neil Sinclair
- Pamela Sinclair
- Dilaram Kitchlew-Williamson

Acting Chief Executive

Conrad Hollingsworth

ADMINISTRATIVE INFORMATION

Secretary and registered office:

Stanley A Salter
Variety House
93 Bayham Street
London
NW1 0AG

Charity number:

209259 (England and Wales)
SC038505 (Scotland)

Company number:

509811 (England and Wales)

Auditors:

Saffery Champness LLP
71 Queen Victoria Street
London
EC4V 4BE

Bankers:

NatWest
2nd Floor, Argyll House
246 Regent Street
London
W1B 3PB

Annual Report and Accounts 2019

Trustees' Annual Report for the year ended 31 December 2019

The Trustees submit their Annual Report and Financial Statements of Variety, the Children's Charity (Variety or the Charity), a company limited by guarantee, for the year ended 31 December 2019.

Structure, governance and management

The Charity has 10 Trustees, who are elected every 3 years, with one third due for re-election each year. Trustees cannot serve for more than 9 years. They convene at least four times each year. There is a supporting committee covering Audit, Finance and Risk which also convenes at least four times each year.

All Trustees give their time voluntarily and receive no benefits from the Charity.

On appointment, Trustees sign a register of interests, which is renewed annually. At each meeting, Trustees are asked to declare any conflicts of interest.

Trustees' induction and ongoing involvement includes visits to the activities delivered by the Charity and presentations of Sunshine Coaches, wheelchairs and other equipment, engagement with beneficiaries, meetings with programme staff, senior staff, volunteers and stakeholders, including funders and corporate supporters.

The Trustees are responsible for governance, strategy, risk management, setting headline objectives and monitoring performance against these objectives. To this end, Trustees receive regular updates, including full reports on activities, targets, impact and financial information, including management accounts on a quarterly basis. Business plans and strategic plans are discussed, agreed, amended and revised by the Trustees at Board meetings.

To facilitate effective operations, the Chief Executive has delegated authority, within the terms of delegation approved by the Trustees, for the operational matters of the Charity. The Chief Executive reports on performance against the strategic and operational plans approved by the Board and meets with the Chair on a regular basis.

The Chief Executive has responsibility for recruitment and management of the Senior Management Team to ensure that programmes and values are delivered and upheld against plans and priorities agreed by the Board. The Senior Management Team has experience in charity communications and marketing, charity programmes, fundraising, finance, HR and operations and meets on a regular basis with the Chief Executive to discuss operations and strategy.

The Trustees and staff are supported in the business of the Charity by a number of volunteers. There are 160 volunteers who pay an annual subscription and are known as "Barkers". The Chair of Trustees, elected annually for a term of one year, is known as the Chief Barker. Each year, the Trustees elect a number of Barkers to a standing committee (known as "Crew") whose focus is on fundraising, the development of new events and furthering the mission of the Charity.

The Trustees during the year were:

Malcolm Brenner, Laurence Davis (resigned 5th June 2020), Jonathan Gold (resigned 22nd May 2019), Trevor Green (deceased 30th April 2020), Anthony Harris, Jason Lewis, James Martin (resigned 30th September 2020), Ronnie Nathan, Tushar Prabhu, Stanley A Salter, William Sangster (resigned 5th June 2020), Professor Jonathan Shalit OBE, Nicholas Shattock (resigned 2nd April 2019), Neil Sinclair, Pamela Sinclair, Duncan Syers (resigned 4th February 2019), Harold Tillman CBE (appointed 26th February 2019 and resigned 5th June 2020), Dilaram Kitchlew-Williamson

History

Variety was formed in the US in 1927 in Pittsburgh, inspired by an abandoned baby, Catherine Variety Sheridan, found in Sheridan's Theatre. After a press campaign to find her mother, a material need was recognised and the "Variety Club" was formed with the first meeting in a circus tent, hence the terminology of 'Tents' and 'Barkers'. The Charity was created in the UK in 1949 following a dinner at The Savoy hosted by HRH, Prince Philip, the Duke of Edinburgh.

Annual Report and Accounts 2019

Employees and volunteers

Variety employs 28 people (both full-time and part-time) in its offices across England and Scotland. The Charity depends on the commitment and hard work of these staff, who are highly valued. Traditionally, Variety is a volunteer-run charity and relies heavily on volunteer involvement for the running of its many events, including fundraising events and Variety Great Days Out. The Trustees are enormously indebted to these volunteers for their continued support.

Volunteers assist us in a diverse range of roles and activities, at many levels, and throughout the UK. For example, volunteers serve on committees across England and Scotland, for the following aspects of the Charity's activities:

- Events
- Fundraising
- Programmes
- Special projects

Management remuneration policy

The CEO is appointed by the Trustees. All other key management personnel are appointed by the CEO.

Appointments at this level take into account the following factors:

- The Charity's ability to pay the wages of senior staff
- The types of skills, experiences and competencies the Charity needs from its senior staff and the scope of the role being recruited
- The Charity's objectives and the number and nature of senior staff needed to fulfil these
- The impact of market rates on appointments

Equal opportunities

Variety is committed to the principle and practice of equal opportunities and aims to be an equal opportunities employer. Variety's employment policy aims to ensure that no job applicant or employee receives less favourable treatment on the grounds of age, disability, national origin, race, religion and sex or any other grounds which are unjustifiable in terms of equality of opportunity for all.

Annual Report and Accounts 2019

Objectives and activities

The legal objects of the charity, as set out in the Memorandum of Association, the governing document of Variety, are as follows:

- to promote and provide for the care and upbringing of sick, disabled and disadvantaged children within the United Kingdom
- the advancement of education and the relief of financial need of children within the United Kingdom
- to undertake, and to assist others to undertake, research into any illness or affliction affecting children which will advance knowledge and to publish the useful results of such research
- the provision of facilities for recreation and other leisure time occupation for children in the interests of their social welfare with the object of improving the conditions of life for such children.

Meeting our objectives through Variety's work

When statutory funding cannot adequately meet a child's needs and a family's own resources can't stretch far enough, Variety steps in to provide grant funding and memorable experiences for children and young people living with disability or disadvantage wherever they are in the UK. We recognise that each child's situation is unique and so adopt a broad definition of disadvantage to include children and young people living in poverty, looked after children, young carers, children and young people living with long term sickness.

Variety provides grants across five areas of need to eligible individuals and organisations:

1. Manual, powered and sports wheelchairs;
2. Assistive technology such as car seats, profile beds, sensory equipment, adapted bathroom equipment, tough furniture, walking frames, monitors and more;
3. Non-Assistive equipment such as sports equipment, interactive whiteboards and outdoor play equipment to schools and youth clubs;
4. Accessible transport in the form of our Sunshine Coaches;
5. Special capital build projects such as playgrounds or sensory spaces for schools and hospitals.

Our grant giving programmes improve children and young people's mental and physical wellbeing, reduce loneliness and social isolation, enable independence and mobility, increase participation in sport, contribute to sustained improvements in health and physical development and more.

Applications for individual grants can be made by parents, carers, healthcare professionals or young people themselves. The child or young person for whom the grant application is being made must be 18 or under at the point at which the grant is approved, a permanent resident of the UK and have a recognised disability or long term health condition. Eligibility for funding is then based on Variety's assessment of the family's financial situation, the frequency of use, the family's ability to cover maintenance costs, safe storage and the availability of funding from other sources.

Applications for organisational grants are only accepted from not-for-profit statutory and voluntary organisations such as schools, hospices, hospitals, youth clubs and community organisations with charitable, Community Interest Company (CIC) or other appropriate status.

Each grant application is initially screened by our staff to ensure it falls within the Charity's funding guidelines. It is then passed to a committee of volunteers for assessment which will be conducted either via an in-person visit or over-the-phone.

A recommendation for full, part or no funding is then made to a relevant committee of volunteers on behalf of the Trustees. Applicants receive dedicated support from a member of staff and a volunteer assessor through the process in order to ensure they receive the right support at every step.

In addition to our grant-giving programmes, Variety also provides memorable and valuable childhood experiences through our Variety Great Days Out programme. The programme aims to improve wellbeing in children and young people by reducing social isolation and increasing participation in previously inaccessible experiences. We do this by removing barriers to opportunities, by building social skills and increasing confidence. In short, these trips out are of the kind that most children take for granted but which our beneficiaries may not otherwise have the chance to enjoy or participate in.

Annual Report and Accounts 2019

The Charity works with a network of almost 1,000 schools and children's organisations to ensure that our Variety Great Days Out are available to as many children as possible. All of our days out are accessible.

In 2019 the Charity has continued to invest in marketing its programmes, focusing on campaigns directly aimed at parents of, and those who work professionally with, disabled children. This has resulted in an increase in demand and performance, positioning the Charity well for our future ambition.

Providing high quality, practical, bespoke equipment solutions and educational experiences through memorable activities, remains Variety's fundamental objective.

The impact of our programmes

In 2019 Variety spent £4m on equipment grants and provision of 192 day trips out to 566 families and organisations.

Our grant-giving programmes made 330 grants worth £3.5m, benefiting 18,152 children and young people. This is a 14% increase on the number of equipment grants made in 2018, accounted for as follows:

- 94 wheelchair grants totaling £405,096. 27 grants were for manual wheelchairs, 30 for powered wheelchairs, 33 for sports wheelchairs and 4 for powered assist devices.
- 164 assistive and essential non-assistive equipment grants totaling £339,333. 121 grants were made to families and 43 grants to Special Education Needs and Disability (SEND) and mainstream schools, youth clubs and other organisations supporting 5,687 children and people. Sensory equipment, car seats, specialist beds, orthopedic seating and sports equipment were the most popular grants requested, accounting for 58% of those awarded.
- 70 Sunshine Coach grants totaling £2,247,763. 49 Coaches were provided for use mainly by disabled children at SEND schools and care units with the remaining 21 given to mainstream schools and youth organisations. These vehicles will support Additional Support Needs units and disadvantaged children and young people.
- Two specialist capital build projects totaling £506,862 supporting two SEND schools in Leeds and Harrogate.

Our Variety Great Days Out Programme benefited 20,355 children and young people, an increase of 17% from 2018. We also increased our provision with an additional 20 Great Days Out on offer; a 12% increase compared to 2018.

On average, Variety funds six and a half grants and provides almost four Variety Great Days Out each week. The breadth of our impact is evident in our support for children and young people from 242 towns and cities across the UK. Around half of our beneficiaries are disadvantaged and half have a disability. In 2019, Variety supported children and young people with over 90 different conditions.

The Charity continues to work on developing a suitable impact measurement framework for its programmes. Each Variety grant enables a better quality of life often not just for a child but their family too. Our equipment and services have a tangible day to day impact on children and young people in the following main ways:

1. An improvement in children and young people's mental health by providing equipment which reduces frustration and which helps, especially those with neurodevelopmental disabilities, manage their anxiety levels.

Lucas is 13 and from Yorkshire. His diagnoses include severe autism, refractory epilepsy, global development delay and severe learning and behavioral difficulties. Like so many disabled children, Lucas also has severe anxiety. Variety funded a range of sensory and outdoor play equipment for Lucas and his twin brother. Dad Michael told us:

"Lucas has a long list of disabilities. He is so loving and happy most of the time. However, Lucas also has anxiety, which means he can get extremely frustrated at times and also aggressive. Lucas's anxiety and mental health issues have worsened over the years. He can become extremely anxious and then get upset and lash out at teaching staff and ourselves. I think having the right support and equipment can make a difference, especially for anxiety issues. Lucas now has access to sensory equipment, and while this does not completely take away his problems, it greatly helps him relax, settle and calm down."

Annual Report and Accounts 2019

2. An improvement in a child or young person's physical wellbeing by ensuring that their care needs can be better met at home, school or on the move. Having the correct equipment ensures greater dignity for the child and their parents while offering much greater levels of comfort and safety when at home, school or travelling around.

Emily from Hampshire, is 13 years old and has spina bifida. Variety funded a mobile electric hoist so that she can transfer smoothly from her wheelchair onto her bed and other places, protecting her parent-carers' backs in the process.

"My wheelchair is pink and black and I call it the 'Turbochaser'. Although my chair is fabulous, Mum and Dad have trouble getting me in and out because they're old now! So, Variety provided us with a mobile electric hoist. Now I can be lifted from the Turbochaser onto my bed, floor or sofa without Dad moaning about his really, really old back. Its silver, it has wheels and it's awesome".

3. A reduction in loneliness and social isolation through the provision of equipment and experiences which enable participation in social activities. These include grants for accessible transport, assistive and non-assistive sports equipment, mobility equipment communication aids and equipment in youth and children's clubs as well as trips out for fun or educational purposes.

In 2019, 3,787 children and young people attended Christmas parties. 710 of which attended one of three Christmas parties in the Midlands. Nurturing Assistant, Jane Apperley from St. Patrick's Primary School in Birmingham tells us about the longer term impact of our parties on raising children's expectations of themselves:

"The postcode we work in is one of the most deprived in the country. Your Christmas parties give a child a real quality experience and something just for them, and that they take home with them. We're always looking to take it back into school and home life, where they may have had difficulties in the past to give them, perhaps, a 'have-a-go' attitude that they've been lacking in the past. A lot of our children are used to saying 'It's hard!', 'I don't want to!' and 'I can't!' It's after these sorts of parties that we

can say 'Ooh! You did that! That's when you did that', 'Oh look weren't you brave', 'You tried something different', and 'You concentrated'. Some of our children's attention spans are very short so we remind them they went to the party for the whole day. It's all these sorts of things that we're building up so that when they're back in class and they have to do a task that they don't want to do they'll think 'oh well, you know, I'll have a go. I can do it on my own, I can try".

4. An increase in levels of independence, enabled by giving young people the opportunity to provide higher levels of self-care and be in control of their own mobility. Our grants cover eating assistants, toileting equipment, walking frames, blood sugar monitors and more. As well as providing vital levels of care, our wheelchair grants enable children and young people to move around independently, especially socially.

Ezzy is five and lives in Bristol. She was born with cerebral palsy, which affects all four of her limbs, making them stiff and contracted. To get around, Ezzy uses a walking frame and wears orthotics daily. She also has Autism Spectrum Disorder and has a sensory processing disorder. All of these conditions have an impact on Ezzy's social life with her peers as well as her everyday independence. She struggles to fully extend her left arm and is unable to rotate her left hand. This compromises the fine motor skills involved in tasks like dressing, writing, holding things and personal care. Variety provided a new lightweight manual wheelchair for Ezzy. This means she is now able to manoeuvre herself around, do what she likes and go wherever she likes.

Mum Esme told us:

"Thank you Variety for your generosity in funding Ezzy's wheelchair. It is giving much-needed independence to our little warrior. To see Ezzy have greater freedom and access to the world around her is priceless."

Ezzy herself explained:

"Thank you Variety for my new chair. I love it so much, especially the horses on the side. I can go super-fast, but not so fast that mummy gets worried. I like it that I can go and see things on my own and I don't have to ask for help. My chair makes me very happy."

Annual Report and Accounts 2019

5. An increase in participation in sporting activities to encourage health and fitness amongst young people. We provide power football, rugby, basketball, racing and tennis wheelchairs which enable participation in team and individual sports as well as sports equipment to youth clubs. The majority of our Sunshine Coaches are used regularly for sporting activities.

Fundraising Activities

Variety relies wholly on voluntary funds and our supporters are vitally important to our mission.

For that reason we never take support for granted and work hard to ensure that every supporter has a positive and rewarding experience. Our fundraisers and volunteers are committed to acting with professionalism, honesty, respect and transparency.

Variety is a founding member of the scheme established by the Fundraising Regulator which seeks to ensure the highest possible standards in fundraising. All of our work to raise funds is carried out in line with guidance issued by the Fundraising Regulator and the Institute of Fundraising.

Variety did not receive any complaints about its fundraising activities in 2019. Variety's complaints procedure is published on our website; in the event of a complaint we would respond within 10 working days of receipt and would aim to resolve at the earliest opportunity.

Variety did not use the services of professional fundraisers in 2019 nor did it carry out any 'face to face' fundraising in the year.

Funds are raised principally through partnership with corporate supporters and grant making trusts; legacies and other donations from individuals; sponsorship via individuals taking on challenge events; and through the sale of 'Variety Gold Hearts'.

Crest Nicholson PLC raised more than £370k in 2019 through their divisions holding awards dinners and golf days and employees taking part in challenge events. The total raised for Variety to date has now topped the £2m mark which is testament to the longstanding support and generosity of Crest Nicholson staff, suppliers and contractors.

The Bingo Association raised £307k through fundraising activities at its member clubs by staff and members, taking their total raised to a wonderful £1.6m over five years.

Trusts and Foundations continued to provide valuable funding across all of our programme work and we are grateful for the contributions they make towards improving the lives of children across the country.

St. James's Place Charitable Foundation continued supporting the delivery of Sunshine Coaches with 19 sponsored since 2016, to the value of £500,000.

Variety's fundraising events are carried out through the Charity's wholly owned subsidiary company, Variety Events Limited. The Company's net profit is donated to Variety, the Children's Charity. The Events team manage a number of longstanding events which are a real fixture in the calendar and we are grateful to our Volunteer Committees and our attendees for continuing to ensure we generate a good return from these activities.

Financial review

The financial statements cover the activities of Variety, the Children's Charity, and its trading subsidiary, Variety Events Limited, for the year ended 31 December 2019. The results are set out on page 18.

A summary of the results of the subsidiary is set out in note two to the financial statements.

Incoming resources increased by 1.4% to £7,663,408 over the previous year (2018: £7,553,989). Of this, £2,179,592 was generated through the trading subsidiary (2018: £2,386,884). Donations received totalled £4,484,725 (2018: £4,047,956) and legacy income was £70,939 (2018: £214,697). Donated goods and services income was £828,610 (2018: £816,091) including Variety Great Days Out of £397,383 being gift-in-kind value placed on donated outings given for children under this programme, and £431,227 for Springwater and Green Meadows School Big Builds.

Annual Report and Accounts 2019

During the year, expenditure on charitable activities was £4,536,508 (2018: £4,430,736) of which £2,401,284 was applied for the purchase of Sunshine Coaches, £506,942 for electric wheelchairs and £986,282 for grants to individuals principally for the purchase of specialist care or sensory play adaptive equipment, children's hospitals, and other organisations to help children who are disabled or living with financial disadvantage. £642,000 was applied to Variety Great Days Out activities.

Financial position and reserves policy

Variety's charitable giving commitments are conditional upon the raising of specific funds.

The surplus in the year before gains on investments of £257,443 (2018: deficit £200,288) comprised a deficit on unrestricted funds of £21,107 (2018: surplus £71,566) and surplus on restricted funds of £278,550 (2018: deficit £271,854). The surplus on restricted funds results from monies received in 2019 for specific purposes, but not being spent until 2020.

Like all charitable organisations, Variety must retain unrestricted reserves to allow the Charity to meet its ongoing commitments and bridge any unforeseen gaps between the spending and receiving of income. The Trustees had set a target for unrestricted reserves of four months' operating and administration costs by the end of 2020, currently circa £500,000. The position at 31 December 2019 falls short of that target and is unlikely to be achieved by the end of 2020. Unrestricted reserves are monitored quarterly by the Trustees.

At the end of the year, unrestricted funds were £2,788,182, of which fixed assets, net of the mortgage secured on our head office represented £2,437,241. Thus unrestricted free reserves at 31 December 2019 amounted to £350,941, which is significantly less than the Charity's target for 2020, but in the Trustees' view is acceptable in the short term and not material in the light of the substantial overall unrestricted funds surplus and ability to borrow in a prudent manner, which it has subsequently done as stated in note 25 post balance sheet events, of the Financial Statements.

The total funds of the Charity at 31st December 2019 were £3,967,594 including cash of £1,710,958, which has increased by £285,109 over the year.

The majority of the working capital is in restricted funds reflecting the Charity's commitment to fund as many Sunshine Coaches, wheelchairs and other charitable commitments as practically possible (as fully set out in note 17).

The Trustees have considered the level of funds held and the expected cashflows and income and expenditure for the foreseeable future, being a period of at least a year from the date the accounts are signed. They have also specifically considered the likely impact of COVID-19 on the charity and its finances as referred to in note 25. The Trustees have a reasonable expectation that the charity will be able to continue in business and meet its liabilities as they fall due. The accounts have therefore been prepared on a going concern basis.

Investment policy

The Charity's primary investment objective is to maintain the value of its investments. The Charity does not hold long term cash investments. Since 1998 the Charity has owned the freehold interest in a commercial office building from which its Head Office operates and of which 35.51 per cent is sublet. The investment value of the sublet property, based upon a valuation on 15 April 2019 by Robert Irving Burns Property Consultants, is £1,735,000. All income arising from it is unrestricted income.

In addition, certain office car parking spaces that form part of the curtilage of the freehold office building are rented out on a short term basis.

The Charity's commercial activities are undertaken by its wholly owned subsidiary, Variety Events Limited with all profits donated under Gift Aid to the Charity.

Principal risks and uncertainties

There are a number of risks and uncertainties that can impact on the performance of the Charity, some of which are beyond the control of Trustees.

The Audit, Finance and Risk Committee meets and assesses the major risks to which Variety is exposed.

The key risks are reviewed on an ongoing basis and the current top risks (and their mitigations) are as follows:

- Insufficient level of unrestricted income;

Variety, the Children's Charity

Annual Report and Accounts 2019

A recovery plan is being compiled in light of the pandemic. We will also focus Variety's Crew Committee activity to develop new and innovative ideas to generate unrestricted income e.g. development and sale of Variety branded face masks.

We will also focus on re-invigorating key corporate relationships to secure a higher level of corporate support, as well as developing new fundraising initiatives that deliver unrestricted income.

- The level of income could fall noticeably, whether from donations or trading subsidiary activities;

In such an event, the total of grants committed will have to be reduced. Since grants are paid once the money becomes available, there is limited risk of financial exposure to the Charity. Variety operates an annual planning and budgeting system with an annual budget approved by the Trustees. Reforecasting is done quarterly and all significant budget variations are subject to Trustee approval.

Impact of COVID - 19 on our organisation

In March 2020 the World Health Organisation declared the outbreak of Coronavirus as a global pandemic, as a consequence of this the UK Government implemented a UK national lockdown.

Our response to this in the early stage of the crisis was as follows:

- To protect our cash and reduce expenditure wherever possible which included taking advantage of the Coronavirus Job Retention Scheme to enable staff to be retained in the organisation and to reduce our overall costs.

We reluctantly reduced our current workforce.

We revised our operating budget, and carried out a sensitivity analysis and scenario planning exercise.

We looked at the feasibility of introducing various fundraising activities and initiatives to replace predicted income loss.

We carried out a review of our service delivery with the aim in the future to be able to highlight to our beneficiaries the new constraints we were working within due to the pandemic.

In ensuring the health and well-being of our staff we carried out the following actions:

- We observed Government guidance and implemented the ability for all staff, as far as possible, to work from home.
- We ensured those with particular health needs were afforded extra flexibility, care and attention and have continued to supply Sunshine Coaches, wheelchairs and grants to our beneficiaries.

Plans for the future

Our future planning has been greatly influenced by the major and unexpected impact of the pandemic COVID-19 on our current business model.

We will continue to plan to protect our cash, by reducing expenditure wherever possible; making plans to take advantage of all Government available schemes and further focussing plans on increasing our Trusts and Foundation income revenue in the hope of mitigating the inevitable negative impact of COVID-19 on our events and corporate income revenue streams. In also accepting the inevitable reduction of our paid staff team, and to reduce the negative impact of this, we plan to review and strengthen our volunteer committee structure. We will also explore the viability of refreshing and updating our website, to further incorporate technological and online advancements, to reduce our operating costs and enhance overall efficiency and effectiveness.

We will make further plans to ensure the health and well-being of our staff, and adopt flexible and new ways of working and practices to implement this objective. We will also review and revise our risk area of work to take into account the new and more fragile operating environment.

Given the negative impact of COVID-19 on the delivery of our services, and the knock on effect of this on our beneficiaries, (especially as we

Annual Report and Accounts 2019

will be working with a far reduced financial resource), we will carry out a review of our overall service delivery. This is to ensure we manage our reputational risk, alongside minimizing the inevitable negative impact on our beneficiaries, and the need to manage our beneficiaries' expectations accordingly.

We will also consider the potential of replicating our recent successful Big Build Project initiative for Springwater Special Educational Needs School to other regional areas, for example Birmingham.

Finally, we intend to review and revise our strategic plan and business model, (especially in light of the impact of COVID-19 on our current business model), in a way that both maintains our entertainment and events roots, but also introduces a diversity of offer that builds towards a far greater future sustainability.

Auditors

Saffery Champness LLP have expressed their willingness to remain in office as auditors of the company.

Annual Report and Accounts 2019

Statement of Trustees' responsibilities

The Trustees (who are also directors of Variety, the Children's Charity, for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006, relating to small companies.

This report of the Trustees, was approved by the Board of Trustees on 12th November 2020, and is signed as authorised on its behalf by:


 Stanley A Salter


 Date

Annual Report and Accounts 2019

Independent auditor's report to the Trustees and members

Opinion

We have audited the financial statements of Variety, the Children's Charity for the year ended 31 December 2019 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

In our opinion the financial statements:

- give a true and fair view of the state of the affairs of the group and the parent charitable company as at 31 December 2019 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Annual Report and Accounts 2019

Other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report which includes the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- proper and adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report in preparing the Trustees' Annual Report.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 14, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable 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 trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

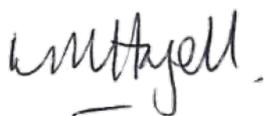
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) 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 these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Annual Report and Accounts 2019

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Liz Hazell (Senior Statutory Auditor)

for and on behalf of Saffery Champness LLP

Chartered Accountants
Statutory Auditors
71 Queen Victoria Street
London
EC4V 4BE

Date: 10 December 2020

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Variety, the Children's Charity
 Consolidated Statement of Financial Activities
 (incorporating an Income and Expenditure account)
 For the year ended 31 December 2019

Notes	Unrestricted funds	Restricted funds	Total 2019	Unrestricted funds	Restricted funds	Total 2018
	£	£	£	£	£	£
Income and expenditure						
Income from:						
Donations and legacies						
	1,051,529	3,433,196	4,484,725	1,015,433	3,032,523	4,047,956
	27,576	43,363	70,939	214,697	-	214,697
3	-	828,610	828,610	-	816,091	816,091
Other trading activities						
2	1,709,707	469,885	2,179,592	1,951,552	435,332	2,386,884
Investments						
	99,513	-	99,513	88,350	-	88,350
	29	-	29	11	-	11
Total	2,888,354	4,775,054	7,663,408	3,270,043	4,283,946	7,553,989
5 Expenditure on:						
Raising funds						
5	835,944	10,646	846,590	870,445	7,037	877,482
Expenditure on other trading activities:						
2	835,361	194,947	1,030,308	1,170,424	197,819	1,368,243
5	755,539	237,020	992,559	837,818	239,998	1,077,816
	2,426,844	442,613	2,869,457	2,878,687	444,854	3,323,541
5 Charitable activities						
	-	2,401,284	2,401,284	8,497	2,605,748	2,614,245
	138,263	368,679	506,942	82,251	239,243	321,494
	155,780	830,502	986,282	112,535	952,599	1,065,134
	188,574	453,426	642,000	116,507	313,356	429,863
	482,617	4,053,891	4,536,508	319,790	4,110,946	4,430,736
Total	2,909,461	4,496,504	7,405,965	3,198,477	4,555,800	7,754,277
Net income/ (expenditure) before gains on investments	(21,107)	278,550	257,443	71,566	(271,854)	(200,288)
9 Net gains on investments	-	-	-	1,069,186	-	1,069,186
Net income/ (expenditure) before transfers	(21,107)	278,550	257,443	1,140,752	(271,854)	868,898
14 Transfers between funds	81,639	(81,639)	-	-	-	-
Net movement in funds	60,532	196,911	257,443	1,140,752	(271,854)	868,898
Reconciliation of funds						
Total funds brought forward	2,727,650	982,501	3,710,151	1,586,898	1,254,365	2,841,263
14 Total funds carried forward	2,788,182	1,179,412	3,967,594	2,727,650	982,501	3,710,151

All amounts relate to continuing activities.

All recognised gains and losses are included in the consolidated statement of financial activities.

The notes on pages 22 to 33 form part of these financial statements.

Variety, the Children's Charity
Consolidated Balance Sheet
At 31 December 2019

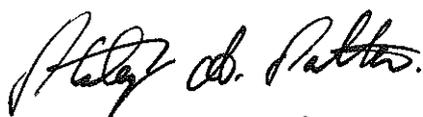
Notes	2019	2018
	£	£
Fixed assets		
8 Tangible assets	1,719,952	1,751,891
9 Investments	<u>1,735,000</u>	<u>1,735,000</u>
	3,454,952	3,486,891
Current assets		
10 Debtors	511,182	499,764
Cash at bank and in hand	<u>1,710,958</u>	<u>1,425,849</u>
	2,222,140	1,925,613
11 Creditors: amounts falling due within one year	<u>735,134</u>	<u>684,642</u>
Net current assets	<u>1,487,006</u>	<u>1,240,971</u>
Total assets less current liabilities	4,941,958	4,727,862
12 Creditors: amounts falling due after more than one year	974,364	1,017,711
Total net assets	<u>3,967,594</u>	<u>3,710,151</u>
The funds of the group:		
14 Restricted income funds	1,179,412	982,501
14 Unrestricted funds	2,788,182	2,727,650
Total group funds	<u>3,967,594</u>	<u>3,710,151</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The parent charity has taken advantage of the legal dispensation not to present its own income and expenditure account as permitted under Section 408(3) of the Companies Act 2006. The charity's net income for the year was £257,443 (2018: net income of £868,898).

These financial statements were approved by the Board of Trustees on 12th November 2020.

Trustees



Stanley A Salter



Dilly Kitchlew-Williamson

The notes on pages 22 to 33 form part of these financial statements.

Company number 509811

Variety, the Children's Charity
Company Balance Sheet
At 31 December 2019

Notes	2019	2018
	£	£
Fixed assets		
8 Tangible assets	1,719,952	1,751,891
9 Investments	<u>1,735,100</u>	<u>1,735,100</u>
	3,455,052	3,486,991
Current assets		
10 Debtors	1,099,664	968,037
Cash at bank and in hand	<u>938,698</u>	<u>761,470</u>
	2,038,362	1,729,507
11 Creditors: amounts falling due within one year	<u>551,456</u>	<u>488,636</u>
Net current assets	<u>1,486,906</u>	<u>1,240,871</u>
Total assets less current liabilities	4,941,958	4,727,862
12 Creditors: amounts falling due after more than one year	974,364	1,017,711
Total net assets	<u>3,967,594</u>	<u>3,710,151</u>
The funds of the charity:		
14 Restricted income funds	1,179,412	982,501
14 Unrestricted funds	2,788,182	2,727,650
Total charity funds	<u>3,967,594</u>	<u>3,710,151</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the Board of Trustees on 12th November 2020.

Trustees



Stanley A Saiter



Dilly Kitchlew-Williamson

The notes on pages 22 to 33 form part of these financial statements.

Company number 509811

Variety, the Children's Charity
Consolidated Cash Flow Statement
For the year ended 31 December 2019

Notes	2019	2018
	£	£
20 Net cash provided by (used in) operating activities	246,762	(372,366)
Cash flows from investing activities:		
Dividends, interest and rent from investments	99,542	88,361
Purchase of tangible fixed assets	(20,166)	(13,718)
Net cash used in investing activities	79,386	74,643
Cash flow from financing activities:		
Repayments of borrowing	(41,039)	(38,853)
Net cash used in investing activities	(41,039)	(38,853)
Change in cash and cash equivalents in the year	285,109	(336,576)
Cash and cash equivalents at the beginning of the year	1,425,849	1,762,425
Cash and cash equivalents at the end of the year	1,710,958	1,425,849

Analysis of changes in net debt

2019

	At start of year £	Cash-flows £	Transfers £	At end of year £
Cash	1,425,849	285,109	-	1,710,958
Loans falling due within one year	(41,039)	41,039	(43,347)	(43,347)
Loans falling due after more than one year	(1,017,711)	-	43,347	(974,364)
Total	367,099	326,148	-	693,247

2018

	At start of year £	Cash-flows £	Transfers £	At end of year £
Cash	1,762,425	(336,576)	-	1,425,849
Loans falling due within one year	(38,853)	38,853	(41,039)	(41,039)
Loans falling due after more than one year	(1,058,750)	-	41,039	(1,017,711)
Total	664,822	(297,723)	-	367,099

The notes on pages 22 to 33 form part of these financial statements.

Variety, the Children's Charity
Notes forming part of the financial statements
For the year ended 31 December 2019

1 Accounting Policies

- 1.1 The financial statements have been prepared under the historical cost convention, subject to the revaluation of freehold and investment property and are in accordance with applicable accounting standard (FRS 102), and Charities SORP (FRS 102), and the Companies Act 2006.

Variety, the Children's Charity (Variety) is a charitable company limited by guarantee incorporated in England and Wales.

Variety meets the definition of a public benefit entity under FRS 102. The Trustees have considered the level of funds held and the expected cashflows and income and expenditure for the foreseeable future, being a period of at least a year from the date the accounts are signed. They have also specifically considered the likely impact of COVID-19 on the charity and its finances as referred to in note 25. The Trustees have a reasonable expectation that the charity will be able to continue in business and meet its liabilities as they fall due. The accounts have therefore been prepared on a going concern basis.

The following principal accounting policies have been applied:

1.2 Income and expenditure

All incoming resources, including legacies, are recognised as income when Variety is entitled to the income, that it is probable the income will be received and the amount can be measured reliably.

Expenditure is included on an accruals basis and includes irrecoverable VAT. Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Grants payable are charged in the year where the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions are no longer seen to be within the control of the Trustees. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

- 1.3 Donated goods and services have been included in the financial statements at a valuation which is an estimate of the market value of the services provided, where such a cost is quantifiable and measurable.

In accordance with the Charities SORP (FRS 102), the general volunteer time of the committee members and other volunteers is not recognised. However, the Trustees' annual report provides more information about their contribution.

- 1.4 Expenditure on raising funds are those costs which are incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

- 1.5 Charitable activities include grants and donations applied for the purchase of Sunshine Coaches and electric wheelchairs, grants for the benefit of individuals, hospitals and other organisations to help sick and disabled children. These include both the direct costs and support costs relating to the various activities.

- 1.6 Support costs relate to costs of central activities. These are allocated to activities in proportion to staff time on the relevant activity.

- 1.7 Governance costs, which are included in support costs include those incurred in the governance of the Charity and its assets and are primarily associated with constitutional and statutory requirements.

1.8 Basis of consolidation

The consolidated accounts incorporate the financial statements of Variety, the Children's Charity (Variety) and its subsidiary undertaking, Variety Events Limited (Events).

1.9 Restricted funds

Where a donor has specified a particular purpose for a donation, all transactions have been reflected within restricted funds. Movements in these funds are detailed in note 14 to the financial statements.

1.10 Depreciation

Variety took the option under FRS 102 to treat the previous valuation of the freehold land and property as deemed cost. Other tangible fixed assets are carried at historical cost. Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets over their expected useful lives. It is calculated on the original cost (or valuation) of the assets at the following rates:

Office equipment	-	20% to 33% per annum
Freehold building	-	2% per annum

No depreciation is charged on land with a value of £625,000. There is no set limit below which fixed assets are not capitalised.

Variety, the Children's Charity.
Notes forming part of the financial statements
For the year ended 31 December 2019

1.11 Pension costs

Contributions to Variety's money purchase group personal pension plan are charged to the Statement of Financial Activities in the accounting period in which they are payable.

1.12 Investment property

Investment property, which is property held to earn rent and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the Statement of Financial Activities.

1.13 Financial instruments

Variety only has financial instruments and financial liabilities of a kind that qualify as basic financial instruments. Basic financial assets, including trade and other debtors, and cash and bank balances, are initially recognised at the transaction price. Such assets are subsequently carried at amortised cost using the effective interest method, less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party.

Basic financial liabilities, including trade and other creditors, and loans from third parties are initially recognised at the transaction price. Trade creditors are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade creditors are initially recognised at the transaction price and are subsequently carried at amortised cost using the effective interest method.

Debt instruments include bank loans and mortgages. These are subsequently carried at amortised cost using the effective interest method.

1.14 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The freehold property comprises three floors, two of which are occupied by Variety and the third floor is let at a commercial rent. The third floor investment property was revalued at £1.735m on 15 April 2019 by Robert Irving Burns Limited, 29-30 Fitzroy Square, London W1T 6LQ. The market value is based on the long leasehold interest, with the existing tenancy.

The Charity estimates the market value of intangible income using publicly available price lists, or through direct confirmation with the suppliers of the amount that would have been charged had the gift or donated service been invoiced.

Variety, the Children's Charity
Notes forming part of the financial statements
For the year ended 31 December 2019

2 Net income from trading activities of subsidiary

The principal activity of the subsidiary, Variety Events Limited (company no. 02280720), is the organisation and promotion of fund-raising activities and the sale of Gold Hearts and other merchandise on behalf of Variety. A summary of the results is set out below. Audited accounts are filed with the Registrar of Companies. The company has the same registered office as the charity.

	2019	2018
	£	£
Profit and loss account		
Turnover	2,179,592	2,386,884
Cost of sales	1,030,308	1,368,243
Gross profit	1,149,284	1,018,641
Fundraising and publicity	579,197	630,208
Management and administration (payable to the Charity)	16,920	16,440
Net profit	553,167	371,993
Gift aid donation to Charity	553,167	371,993
Retained profit	-	-

The aggregate of the assets, liabilities and funds was:

	2019	2018
Assets	1,096,064	1,014,891
Liabilities	(1,095,964)	(1,014,791)
Funds (representing 100 ordinary shares of £1 each)	100	100

3 Donated goods and services

	2019	2018
	£	£
Intangible Income - Gift in Kind	828,610	816,091
	828,610	816,091

Total expenditure includes £828,610 (2018: £816,091) an equivalent amount being described as Donated goods and services in the Statement of Financial Activities. This comprises £397,383 (2018: £269,783) in respect of Variety Great Days Out activities and £431,227 (2018: £546,308) in respect of grants to institutions (part of direct charitable expenditure). The rest of these activities are funded from the donations.

4 Employees

	2019	2018
	£	£
Staff costs		
Wages and salaries	1,250,027	1,316,597
Social security costs	123,752	113,515
Other pension costs	74,944	59,341
	1,448,723	1,489,453

The average number of employees during the year was as follows:

	2019	2018
Fundraising	10	11
Events	14	17
Sunshine Coaches	2	2
Wheelchairs	2	2
Grants	3	2
Variety Great Days Out activities	2	1
Support	6	9
	39	44

Included in the above is a termination payment of £20,000 (2018 £6,437).

The number of employees whose total remuneration (excluding pension) exceeded £60,000 was as follows:

	Number 2019	Number 2018
£60,000 to £69,999	1	1
£70,000 to £79,999	-	1
£80,000 to £89,999	1	-

The key management personnel of Variety comprises the Trustees, the Chief Executive Officer and Senior Management Team. The total combined contractual benefits of the key management personnel of Variety was £392,577 (2018: £303,309).

Variety, the Children's Charity
Notes forming part of the financial statements
For the year ended 31 December 2019

5 Expenditure	Direct staff costs	Grant costs (Note 17)	Other direct costs	Support costs (Note 6)	Total
	£	£	£	£	£
2019					
Expenditure on raising donations and legacies	376,248	-	202,478	267,864	846,590
Cost of sales of trading subsidiary	-	-	1,030,308	-	1,030,308
Events support	552,356	-	-	440,203	992,559
	<u>928,604</u>	<u>-</u>	<u>1,232,786</u>	<u>708,067</u>	<u>2,869,457</u>
Sunshine Coaches	81,469	2,247,733	-	72,082	2,401,284
Wheelchairs	49,277	405,096	-	52,569	506,942
Grants	71,938	846,195	-	68,149	986,282
Variety Great Days Out	64,865	504,106	-	73,029	642,000
	<u>267,549</u>	<u>4,003,130</u>	<u>-</u>	<u>265,829</u>	<u>4,536,508</u>
	<u>1,196,153</u>	<u>4,003,130</u>	<u>1,232,786</u>	<u>973,896</u>	<u>7,405,965</u>

2018	Direct staff costs	Grant costs (Note 17)	Other direct costs	Support costs (Note 6)	Total
	£	£	£	£	£
Expenditure on raising donations and legacies	400,075	-	177,466	299,941	877,482
Cost of sales of trading subsidiary	-	-	1,368,243	-	1,368,243
Events support	598,389	-	-	479,427	1,077,816
	<u>998,464</u>	<u>-</u>	<u>1,545,709</u>	<u>779,368</u>	<u>3,323,541</u>
Sunshine Coaches	76,234	2,479,181	160	58,670	2,614,245
Wheelchairs	42,270	240,486	-	38,738	321,494
Grants	53,594	965,903	-	45,637	1,065,134
Variety Great Days Out	30,506	369,818	-	29,539	429,863
	<u>202,604</u>	<u>4,055,388</u>	<u>160</u>	<u>172,584</u>	<u>4,430,736</u>
	<u>1,201,068</u>	<u>4,055,388</u>	<u>1,545,869</u>	<u>951,952</u>	<u>7,754,277</u>

6 Support Costs	Staff	Depreciation	Other	Total
	£	£	£	£
2019				
Governance/Legal	49,694	-	118,756	168,450
Finance & Administration	111,472	-	-	111,472
IT & Database	22,640	-	83,589	106,229
Office costs	22,562	-	230,915	253,477
HR/Staff related costs	12,418	-	99,460	111,878
Media/Publicity	31,327	-	57,119	88,446
Other support costs	2,456	52,094	79,394	133,944
	<u>252,559</u>	<u>52,094</u>	<u>669,233</u>	<u>973,886</u>

2018	Staff	Depreciation	Other	Total
	£	£	£	£
Governance/Legal	22,953	-	108,698	131,651
Finance & Administration	133,140	-	-	133,140
IT & Database	38,796	-	74,851	113,647
Office costs	9,678	-	253,606	263,284
HR/Staff related costs	15,820	-	89,134	104,954
Media/Publicity	61,213	-	24,825	86,038
Other support costs	6,783	46,252	66,203	119,238
	<u>288,383</u>	<u>46,252</u>	<u>617,317</u>	<u>951,952</u>

Variety, the Children's Charity
Notes forming part of the financial statements
For the year ended 31 December 2019

7 Net income/expenditure is stated after charging:	2019	2018
	£	£
Depreciation		
- office equipment	27,911	22,070
- freehold building	24,184	24,184
Auditors' remuneration - audit	27,200	26,350
Auditors' remuneration - taxation services	6,440	3,845
Operating lease expenditure	21,812	21,690

8 Tangible assets	Freehold	Office	
	land and buildings	equipment	Total
Group and company	£	£	£
Cost			
1 January 2019	2,279,182	97,195	2,376,377
Additions	-	20,156	20,156
31 December 2019	<u>2,279,182</u>	<u>117,351</u>	<u>2,396,533</u>
Depreciation			
1 January 2019	565,916	58,570	624,486
Charge for the year	24,184	27,911	52,095
31 December 2019	<u>590,100</u>	<u>86,481</u>	<u>676,581</u>
Net book value at 31 December 2019	<u>1,689,082</u>	<u>30,870</u>	<u>1,719,952</u>
Net book value at 31 December 2018	1,713,266	38,625	1,751,891

9 Fixed asset investments	Notes	Group	Company	Group	Company
		2019		2018	
		£	£	£	£
Investment in subsidiary	(a)	-	100	-	100
Investment property	(b)	1,735,000	1,735,000	1,735,000	1,735,000
		<u>1,735,000</u>	<u>1,735,100</u>	<u>1,735,000</u>	<u>1,735,100</u>

(a) Variety owns all the issued shares (100 Ordinary shares of £1 each) in Variety Events Limited, a Company which is registered and operates in England (Variety House, 93 Bayham Street, London NW1 0AG) and whose main activity is the organisation and promotion of fund-raising activities and the sale of Gold Hearts and other merchandise on behalf of Variety. These are included in the financial statements at cost.

(b) The freehold property comprises three floors, two of which are occupied by Variety and the third floor is let at a commercial rent. The third floor investment property was revalued at £1.735m on 15 April 2019 by Robert Irving Burns Limited, 29-30 Fitzroy Square, London W1T 6LQ resulting in a revaluation gain of £1,069,186. The market value is based on the long leasehold interest, with the existing tenancy.

10 Debtors	Group	Company	Group	Company
	2019		2018	
	£	£	£	£
Trade debtors	282,315	31,698	320,140	27,311
Amounts due from subsidiary undertaking	-	912,286	-	818,785
Other debtors	138,769	121,266	125,085	99,193
Prepayments and accrued income	90,098	34,414	54,539	22,748
	<u>511,182</u>	<u>1,099,664</u>	<u>499,764</u>	<u>968,037</u>

All debtors are due within one year.

Variety, the Children's Charity
Notes forming part of the financial statements
For the year ended 31 December 2019

11 Creditors: amounts falling due within one year	Group	Company	Group	Company
	2019		2018	
	£	£	£	£
Accruals for grants payable	214,390	214,390	294,353	294,353
Mortgage (secured - see note 12)	43,347	43,347	41,039	41,039
Trade creditors	242,792	217,905	101,760	58,627
Accruals and deferred income	195,990	68,219	193,606	81,117
Other creditors	38,615	7,695	53,884	13,500
	<u>735,134</u>	<u>551,456</u>	<u>684,642</u>	<u>488,636</u>

The movement in creditors for grants and donations is as below:

	2018	Charge for the year	Payments	2019
	£	£	£	£
Wheelchairs	55,354	405,096	(393,506)	66,944
Sunshine Coaches	36,704	2,247,733	(2,253,306)	31,131
General grants	202,295	414,918	(500,898)	116,315
	<u>294,353</u>	<u>3,067,747</u>	<u>(3,147,710)</u>	<u>214,390</u>
	2017	Charge for the year	Payments	2018
	£	£	£	£
Wheelchairs	132,105	236,673	(313,424)	55,354
Sunshine Coaches	61,607	2,479,181	(2,504,084)	36,704
General grants	66,468	419,594	(283,767)	202,295
	<u>260,180</u>	<u>3,135,448</u>	<u>(3,101,275)</u>	<u>294,353</u>

Deferred income

Deferred income comprises advance ticket sales for various events, London Marathon registration fees and rental income received in advance.

	Group	Company
	£	£
Balance as at 1 January 2019	115,510	89,505
Amount released to income earned	(115,510)	(89,505)
Amount deferred in year	133,376	26,566
Balance as at 31 December 2019	<u>133,376</u>	<u>26,566</u>

	Group	Company
	£	£
Balance as at 1 January 2018	47,680	4,469
Amount released to income earned	(47,680)	(4,469)
Amount deferred in year	115,510	89,505
Balance as at 31 December 2018	<u>115,510</u>	<u>89,505</u>

12 Creditors: amounts falling due after one year

Group and company	2019	2018
	£	£
Mortgage (secured)	974,364	1,017,711
	<u>974,364</u>	<u>1,017,711</u>

Mortgage (secured)

The mortgage is secured on Variety's freehold land and building and is repayable over the remaining period of 8.5 years at an interest rate of 5.51% per annum as follows:

	2019	2018
	£	£
In more than one year but not more than two years	45,785	43,347
In more than two years but not more than five years	163,395	146,227
In more than five years	775,184	829,138
	<u>974,364</u>	<u>1,017,712</u>
The proportion of the loan to the value of the assets charged is:	<u>29%</u>	<u>30%</u>

Variety, the Children's Charity
Notes forming part of the financial statements
For the year ended 31 December 2019

13 Analysis of group net assets between funds

	2019 Unrestricted funds £	2019 Restricted funds £	2019 Total funds £
Fixed assets	3,454,952	-	3,454,952
Current assets	828,338	1,393,802	2,222,140
Current liabilities	(520,744)	(214,390)	(735,134)
Long-term liabilities	(974,364)	-	(974,364)
Total net assets	2,788,182	1,179,412	3,967,594

	2018 Unrestricted funds £	2018 Restricted funds £	2018 Total funds £
Fixed assets	3,486,891	-	3,486,891
Current assets	887,758	1,276,854	1,925,613
Current liabilities	(629,288)	(294,353)	(684,642)
Long-term liabilities	(1,017,711)	-	(1,017,711)
Total net assets	2,727,650	982,501	3,710,151

14 Movement on funds

Group and company	2019 Opening Balance £	2019 Income £	2019 Expenditure £	2019 Transfers/ gains and losses £	2019 Closing Balance £
Unrestricted funds	2,727,650	2,888,354	(2,909,461)	81,639	2,788,182
Restricted funds					
Sunshine Coach Programme	47,265	2,224,847	(2,020,074)	(81,639)	170,399
Wheelchair Programme	199,212	240,417	(393,626)	-	46,003
Variety Club Golf Society	317,114	811,049	(758,228)	-	369,935
Special Purpose Funds	325,823	1,498,741	(1,324,576)	-	499,988
Kings College Hospital	93,087	-	-	-	93,087
	982,501	4,775,054	(4,496,504)	(81,639)	1,179,412
Total funds	3,710,151	7,663,408	(7,405,965)	-	3,967,594

Coach sponsors contribute towards the cost of Sunshine coaches as well as an element of Variety's central costs. The transfer between funds reflects the contribution to central costs.

	2018 Opening Balance £	2018 Income £	2018 Expenditure £	2018 Transfers/ gains and losses £	2018 Closing Balance £
Unrestricted funds	1,586,898	4,339,229	(3,198,477)	-	2,727,650
Restricted funds					
Sunshine Coach Programme	249,049	2,011,232	(2,213,016)	-	47,265
Wheelchair Programme	172,703	348,487	(321,978)	-	199,212
Variety Club Golf Society	214,843	840,284	(738,013)	-	317,114
Special Purpose Funds	524,673	1,083,943	(1,282,793)	-	325,823
Kings College Hospital	93,087	-	-	-	93,087
	1,254,355	4,283,946	(4,555,800)	-	982,501
Total funds	2,841,253	8,623,175	(7,754,277)	-	3,710,151

Sunshine Coaches Programme

The fund comprises monies raised to provide Sunshine Coaches, excluding funds raised by Variety Golf Society or contributions from Variety's Special Purpose Funds. Sunshine Coaches are presented to schools, hospitals, children's homes and other such organisations throughout the UK.

Wheelchair Programme

The Wheelchair Programme Committee raises funds to deal with the heavy demand for indoor/outdoor electric wheelchairs and sports/lightweight wheelchairs which are not currently provided by the NHS.

Variety Golf Society

The Variety Golf Society assists Variety by organising Golf events, the funds of which are used to purchase Sunshine Coaches.

Variety, the Children's Charity
Notes forming part of the financial statements
For the year ended 31 December 2019

14 Movement on funds (continue)

Special Purpose Funds

Variety works closely with donors to help them to raise funds and to match those funds to suitable projects. Special Purpose Funds reflect funds raised to help sick, disabled and disadvantaged children and young people which have not yet been matched to specific projects.

Kings College Hospital

Funds raised to contribute to the building of a new wing at the Variety Children's Hospital at King's.

15 Taxation status

Variety is a registered charity and is exempt from corporation tax on its charitable income, provided this is spent on charitable purposes.

The subsidiary undertaking's profits are donated to Variety under Gift Aid. Accordingly there is no provision for taxation on its profit for the year.

16 Members' liability

As Variety is limited by guarantee, there is no share capital. At 31 December 2019, there were 15 members (2018 - 19), each of whom have undertaken to contribute to the assets in the event of Variety being wound up, such amount as may be required, not exceeding £1.

17 Grants and donations

2019	Individuals		Institutions		Total	
	£	No	£	No	£	No
Grants	230,523	121	615,672	45	846,195	166
Sunshine Coaches	-	-	2,247,733	70	2,247,733	70
Wheelchairs	405,096	94	-	-	405,096	94
Variety Great Days Out	504,106	20,355	-	-	504,106	20,355
	<u>1,139,725</u>	<u>20,570</u>	<u>2,863,405</u>	<u>115</u>	<u>4,003,130</u>	<u>20,685</u>

Analysis of grants £5,000 and over made to institutions:

	£
Green Meadows School, Leeds (incl. gift in kind)	371,277
Springwater School, Harrogate (incl. gift in kind)	155,485
Pantysgallog Primary School, Merthyr Tydfil	42,306
Evergreen Primary School, Bishop Auckland	42,306
Nicholas School, Canterbury	42,306
Grantham Additional Needs, Grantham	42,306
Woodlands School, London	42,256
Sir Charles Parsons School, Newcastle Upon Tyne	40,989
Beaufort School, Birmingham	40,676
Ysgol Dyffryn Aman-Canolfan Amanwy, Dyfed	40,456
Beacon Hill School, Wallsend	40,456
Clifton Hill School, Caterham	40,456
Beaucroft Foundation School, Wimborne	40,456
Essex Primary School, Manor Park	40,456
Ifield School, Gravesend	40,456
Marshfield School, Peterborough	40,456
Red Marsh School, Thornton-Cleveleys	40,456
Broomfield School, Leeds	40,456
Woodlands School, Leatherhead	40,456
Dee Banks Special School, Chester	40,456
Astley Park School, Chorley	40,456
Portesbury School, Camberley	40,456
Green Meadows School, Leeds	40,456
Birtenshaw School, Bolton	37,748
The Petty Pool Trust, Northwich	37,748
Firpark Primary School, Motherwell	36,038
Royal Cross Primary School, Ashton-on-Ribble	35,898
Ifield School, Gravesend	35,898
Hazel Court School, Eastbourne	35,898
NYCC Cherry Tree Lodge, Scarborough	35,898
Birtenshaw School, Bolton	35,898
Grangewood School, London	35,898
Nidderdale Children's Resource Centre, Harrogate	35,898
Green Fold Special School, Bolton	35,898
Bede Youth Adventure Project, London	33,425
Bolton Playing for Success, Bolton	31,958
Balance carried forward	<u>1,850,392</u>

Variety, the Children's Charity
Notes forming part of the financial statements
For the year ended 31 December 2019

17 Grants and donations (continued)

	£
Balance brought forward	1,850,392
St Michael's RC Primary School, Newcastle Upon Tyne	31,958
Holy Family Youth Centre, Belfast	30,688
St. Mary's C of E Primary School, Kidderminster	30,248
Wykebeck School, Leeds	30,108
Brimble Hill Specialist, Swindon	30,108
Romans Field School, Milton Keynes	30,108
Oscott Manor School, Birmingham	30,108
Carnforth School, Worcester	30,108
The Somerville, London	30,108
St Anne's School & Sixth Form College, Borough	30,108
Hilbre High School, Liverpool	30,108
The Dales School, Blyth	29,704
Rossmere Primary School, Durham	29,704
Anderson School, London	27,854
Beaucroft Foundation School, Wimborne	27,854
Carew Academy, Wallington	27,854
Four Acres Academy, Bristol	27,854
Greenbank School, Northwich	27,854
Lawnswood Campus, Wolverhampton	27,854
Northern House School, Birmingham	27,854
Grange Park Primary School, Sevenoaks	27,854
St John's RC School, Woodford Green	27,854
Merkland School, Glasgow	27,854
Sycamore Short Stay School, Dudley	27,854
Rowan High School, Liverpool	27,854
Five Acre Wood School, Maidstone	24,456
Maes Ebbw School, Newport	24,456
The Ridgeway School, Farnham	21,898
Brackenfield Special School, Nottingham	20,000
Bradford Central Pupil Referral, Shipley	18,358
St Marys School, Heathfield	17,104
Cuckmere House School, Seaford	17,104
New Horizons School, St Leonards on Sea	17,104
Cuckmere House School, Seaford	17,104
New Horizons School, St Leonards on Sea	17,104
St Mary's School, Heathfield	17,104
The Golf Trust, Barnet	10,000
Hedworthfield Primary, Jarrow	5,117
Foxgloves, Bedford	5,020
Donations under £5,000	53,670
	<u>2,863,405</u>

2018	Individuals		Institutions		Total	
	£	No	£	No	£	No
Grants	189,815	101	776,088	60	965,903	161
Sunshine Coaches	-	-	2,479,181	79	2,479,181	79
Wheelchairs	240,486	49	-	-	240,486	49
Variety Great Days Out	369,818	17,367	-	-	369,818	17,367
	<u>800,119</u>	<u>17,517</u>	<u>3,255,269</u>	<u>139</u>	<u>4,055,388</u>	<u>17,656</u>

Analysis of grants £5,000 and over made to institutions:

	£
Springwater School, Harrogate (incl. gift in kind)	676,347
Northcott School, Hull	39,520
Calthorpe Academy, Birmingham	39,320
Cromwell High School, Duckinfield	39,310
Oaklands School, Isleworth	39,270
Lancaster School, Westcliff on Sea	39,270
Buddies Clubs & Services, Glasgow	39,270
Nairn Academy, Nairn	39,270
Pear Tree Special School, Kirkham	39,270
Woodlands School, Luton	39,270
St Francis Special School, Fareham	39,270
West Hill School, Leatherhead	39,270
Ysgol Bro Banw Special, Ammanford	39,270
Greenside School, Stevenage	39,270
Elmwood & Penrose, Bridgwater	39,270
Mary Rose Academy, Southsea	39,270
Balance carried forward	<u>1,265,737</u>

Variety, the Children's Charity
Notes forming part of the financial statements
For the year ended 31 December 2019

17 Grants and donations (continued)	£
Balance brought forward	1,265,737
Whitchurch Academy, Cardiff	39,270
Woodlands School, Luton	39,270
North Beckton Primary, London	39,270
Fitzwaryn School, Wantage	39,270
Haysholm School, Irvine	39,270
Linwood School, Bourmemouth	39,270
Hazel Court School, Eastbourne	39,270
Hillside School, Sudbury	39,270
Priestley Smith School, Birmingham	39,270
Delius Special School, Bradford	39,270
Pathfield School, Barnstaple	39,270
Wyvern Academy, Weymouth	39,270
The Shrubberies School, Stonehouse	39,270
West Hill School, Leatherhead	39,270
Cliffdale Primary, Portsmouth	39,145
Zoe's place, Middlesborough	38,959
Islington Boat Club, London	36,704
Laburnum Boat Club, London	35,820
Icknield school, Andover	34,836
Limpsfield Grange School, Oxted	34,836
Holly Grove School, Burnley	34,836
Sandside Lodge School, Ulverston	34,836
Ridgeway School, Farnham	34,836
St Francis Special School, Fareham	34,836
Redbridge High School, Liverpool	34,836
Oscars, Jarrow	34,836
Northern Counties School, Newcastle Upon Tyne	34,836
Ysgol Crug Glas, Swansea	34,836
Corpus Christi Youth Centre, Belfast	29,564
Dame Ellen Pinsent School, Birmingham	29,204
Mill Field Primary, Leeds	29,204
Marion Centre, Cardiff	29,204
Papillion House, Tadworth	29,204
Stonelodge School, Ipswich	29,204
Columbia Grange School, Washington	29,204
Gesher School, London	27,454
Abbey Manor College, London	27,011
Bradstow School, Broadstairs	27,011
Rosebrook Primary, Stockton-on-Tees	27,011
Thomas Berwick School, Newcastle upon Tyne	27,011
Lindfield School, Eastbourne	27,011
Sunnydown School, Caterham	27,011
Furzedown school, London	27,011
Abbey Manor College, London	27,011
Bradstow School, Broadstairs	27,011
Elmwood & Penrose, Bridgwater	27,011
St Pauls CE Primary, Bury	27,011
Coloma Convent Girls School, Croydon	27,011
Hob Moor Oak (Ebor Trust), York	27,011
John Flamstead Community, Denby	27,011
North Beckton Primary, London	27,011
Greenside School, Stevenage	27,011
Rowan School, Sheffield	27,011
Rosebank School, Bamton	27,011
Manor Green Primary School, Crawley	26,886
Oaktree School, London	23,270
Kingsbury Primary School, Skelmersdale	22,270
Woodeaton Manor School, Oxford	16,261
The Court School, Cardiff	16,261
Cromwell Learning, Birmingham	16,261
Pear Tree Infant School, Kirkham	8,822
Pinfold Primary, Ormskirk	8,655
Oak View School, Loughton	8,000
Sandfield Park School, Liverpool	6,652
The Foreland School, Kent	6,000
Wellspring Therapy, Harrogate	5,719
Corbets Tey School, Upminster	5,000
Scottish Professional Football League Trust, Glasgow	5,000
Donations under £5,000	47,467
	<u>3,255,269</u>

Variety, the Children's Charity
Notes forming part of the financial statements
For the year ended 31 December 2019

18 Commitments

As at 31 December 2019, Variety had approved in principal, applications requesting to supplying Sunshine Coaches totalling £448,260 (2018: £899,947). The grants are conditional upon specific funding being raised to finance the cost of the coaches. The specific funding for these coaches had not been confirmed at year end.

19 Pensions

Variety operates a money purchase group personal pension plan. There are a number of individual pension plans to which Variety contributes.

20 Reconciliation of net income/ (expenditure) to net cash flow from operating activities

	2019	2018
	£	£
Net income for the reporting period	267,443	868,898
Adjustments for:		
Depreciation charges	52,095	46,254
Gains on investments	-	(1,069,186)
Dividends, interest and rent from investments	(99,542)	(88,361)
(Increase) in debtors	(11,418)	(159,542)
Increase in creditors	48,184	29,571
Net cash provided by (used in) operating activities	246,762	(372,366)

21 Operating lessor commitments

At 31 December 2019, the group was entitled to receive future payments from non-cancellable operating leases of £249,000 (2018 - £330,000) under non-cancellable operating leases as set out below.

	Rental income	
	2019	2018
	£	£
Operating leases which expire:		
Less than 1 year	82,000	81,000
Between 1 and 2 years	83,000	82,000
Between 3 and 5 years	84,000	167,000
	249,000	330,000

22 Operating lease commitments

At 31 December 2019, the group had future lease payments of £67,510 (2018 - £50,703) under non-cancellable operating leases as set out below.

	Office Equipment	
	2019	2018
	£	£
Operating leases which expire:		
Less than 1 year	21,516	17,971
Between 1 and 2 years	18,462	10,544
Between 3 and 5 years	27,533	22,188
	67,511	50,703

23 Ultimate controlling party

The ultimate controlling party of Variety is Variety Club of Great Britain (Tent 36), which has the power to appoint and remove Trustees of the Charity.

24 Transactions with trustees and connected persons

None of the Trustees received either remuneration or reimbursed expenditure during this financial year or the last financial year.

The total amount of donations received from the Trustees or their companies during the year was £12,312 (2018: £2,830). Trustees also supported the Charity's fundraising events. The total amount received from Trustees or their companies during the year from tickets and other purchases in support of the Charity's fundraising events was £79,025 (2018: £106,931).

During the year, as permitted and subject to strict protocols, the Group entered into the following arrangements in which the following Trustees had an interest:

Variety, the Children's Charity
Notes forming part of the financial statements
For the year ended 31 December 2019

24 Transactions with trustees and connected persons (continued)

Northern Commercials (Mirfield) Limited £2,247,733 payable (2018: £2,479,181) for the Sunshine Coaches and £256,000 receivable (2018: £312,000) for the royalties, a company of which Mr William Sangster is a consultant.

Mr William Sangster is also Chair of Governors of Five Acre Wood School which received a Sunshine Coach grant of £24,456.

Legal fees of £2,100 (2018: £2,600) payable to Howard Kennedy LLP, a firm of which Mr Jason Lewis is a consultant.

In addition, during the year, as permitted and subject to strict protocols, the Group paid:

The Neil Drover Agency £13,3280 (2018: £15,300) for rent and other services. Mr Neil Drover, who is a past regional chairman and committee member, is a proprietor of that business.

At the year end the following were owed to Variety for the purchase of sponsorship at events.

Vetiver Properties Ltd £5,000 (2018: £5,000) (Mr Jason Lewis is a director and his wife is a director and shareholder of this company),

Mr Laurence Davis £840 (2018: nil), Desmond Sautter Limited £5,250 (2018: nil) (Mr Laurence Davies is a director and shareholder of this company),

Northern Commercials (Mirfield) Limited £62,400 (2018: £96,000) (Mr William Sangster is a consultant to this company).

Transactions and balances between the Charity and its trading subsidiary, Variety Events Limited, are set out in the notes to the accounts (see notes 2 and 10).

25 Post Balance Sheet Events

In March 2020 the World Health Organisation declared the outbreak of Coronavirus (COVID-19) as a global pandemic, which has had a significant negative impact on UK and global economies in 2020. The Trustees have reviewed the resources available to Variety in the period following the balance sheet date in the light of the COVID-19 pandemic. They considered the support available from their funders, government and the resources available within Variety and subsequent to the year end, the Charity obtained a CIBLS loan of £250,000 from the government. The Charity is also finalising the terms of a £500,000 re-mortgage. Revised budgets have been prepared to analyse the impact on the Charity's finances and the Trustees are confident the Charity remains a going concern.