

# Annual report and accounts 2020



the children's charity

improving young lives every day

# Annual Report and Accounts 2020

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Year ended 31 December 2020

## Chief Barker's report

I am delighted to present our 2020 Annual Report and Accounts.

I would like to begin by highlighting that Variety exists to improve the lives of disabled and disadvantaged children and young people, up to the age of nineteen 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.

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

The unexpected arrival of the pandemic in 2020 was both unprecedented and extremely challenging, particularly due to the curtailment of our traditional fundraising events due to the pandemic.

The continued impact of Covid-19 being acutely felt by families of disabled and disadvantaged children, meant our services were never more needed.

Although there was much discussion at Board and senior management level about how best to protect our Charity during the pandemic, foremost in our mind was how to ensure some continued level of service to our beneficiaries.

A prime example of how we responded to this challenge was the development of our Sensory Kits Project. In March 2020, as the Coronavirus pandemic spread throughout the UK, schools and colleges closed their doors. Children of key workers and those with the most profound and multiple learning disabilities were still able to access some form of education provision, but most students, including those with Special Educational Needs and Disabilities (SEND), were sent home. With daily routines, familiar activities, established care-givers and regular support strategies disrupted, thousands of parents were left without the tools and support to adequately meet the sensory needs of their children. This is where Variety stepped in.

Variety's Covid-19 response programme enabled the distribution of over 1,000 sensory kits to the families who needed them most. The scheme provided tangible, in-home support to children with SEND, living in some of the most deprived areas of the UK. The impact of this initiative has been extraordinary and our special thanks go to DPD, Variety Golf, and St James's Place Foundation who generously funded this programme.

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Regardless of the pandemic we still managed to deliver 41 of our iconic Sunshine Coaches to schools and other organisations across the UK.

In 2020, we also spent over £1.9m on the provision of 5,073 grants and gifts to disabled and disadvantaged children. In total we supported 15,203 children and young people to receive better care, to improve their mobility, independence, wellbeing, and access to education and to be able to better cope with the pressures of the Covid-19 pandemic. Please refer to page 8 'Impact of our Programmes' to read more about our fantastic achievements.

I could not conclude this report without mentioning the sad passing of Trevor Green in 2020, a key Variety supporter and Trustee for many years.

Trevor was introduced to Variety in 2010, and in 2014 he was appointed Chief Barker. In this capacity, amongst many other notable highlights, included being jointly responsible with a previous Chief Barker for setting up the Patrons Programme which has enjoyed great success ever since. He also enthusiastically involved himself in as many fundraising opportunities with the Charity as possible during his time as a Trustee, including being on the Annual Dinner and Ball Committee for many years.

On behalf of the Board, 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.

I look forward to Variety emerging from the pandemic stronger than ever, and able to continue in full our vital life changing work.

**Dilaram Kitchlew-Williamson**  
Chief Barker and Chair of Trustees 2021

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## TRUSTEES 2021

### Variety, the Children's Charity

- Malcolm Brenner
- Anthony Harris
- Jason Lewis
- Tesula Mohindra (appointed 29th April 2021)
- 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 2020

## Trustees' Annual Report for the year ended 31 December 2020

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 2020. The Trustees' Annual Report includes the Directors' Report for the purposes of the Companies Act 2006.

### 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 134 volunteers 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), 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, Neil Sinclair, Pamela Sinclair, Harold Tillman CBE (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.

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## Employees and volunteers

Variety employs 23 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 Chief Executive is appointed by the Trustees. All other key management personnel are appointed by the Chief Executive.

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.

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## 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 up to the age of nineteen 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 cannot 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.

In response to the Covid-19 pandemic, our priority in 2020 was to meet the immediate needs of children through providing grants to individuals while confined to home. To meet this demand, we temporarily reduced our support for 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.

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.

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 is conducted either by an in-person visit or over-the-phone. When Variety launched its sensory kit grants in April 2020, we received 1,541 applications for support. In order to process these quickly, phone assessments and approvals were undertaken by staff and volunteer support, with most grants approved and despatched within 4 weeks of application.

In total, the Charity received 1,850 applications for support, almost four times as many as in 2019. 1,212 applications were approved for support, 121 were carried forward for approval in 2021 and a further 21 applications were withdrawn before a funding decision was reached. Only 27% of applications were declined; 25% because funding was not available and 2% because they did not meet our eligibility criteria.

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In addition to our grant-giving programmes, Variety usually 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. Due to the pandemic, this programme was postponed for the majority of 2020, with only a small distribution of gifts possible.

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

## The impact of our programmes

In 2020, we spent over £1.9m on the provision of 5,073 grants and gifts to disabled and disadvantaged children. In total we supported 15,203 children and young people to receive better care, to improve their mobility, independence, wellbeing, and access to education and to be able to better cope with the pressures of the Covid-19 pandemic. 87% of our grants directly supported children and young people with autism spectrum conditions (ASC) or a learning disability; those who struggled most to make sense of the changes to their routine or understand what was happening in the world around them.

In the midst of the national lockdown which dominated so much of the year, Variety continued to provide tangible, practical support to make an immediate difference to the lives of disabled children. The number of individual grant recipients were 1,162. At the same time, and in the face of long delays to the supply chain, we maintained our commitment to providing accessible transport, by providing 41 new Sunshine Coaches in time for schools returning at the end of the year. On average, we provided 23 grants each week.

Our 1,162 individual equipment grants for essential assistive technology included:

- 1,053 for in-home sensory equipment at an average of £98 each, totalling £102,673.

- 89 for other types of equipment relating to care, mobility, and wellbeing at an average of £2,229 each, totalling £198,528.
- 20 wheelchair grants at an average of £4,558 each, totalling £91,046.

The impact of the lockdown on children with SEND was extreme. During the first wave of the pandemic, with the death rate in England for people with a learning disability up to 6 times higher than in the general population<sup>1</sup>, thousands of families were shielding. The pressure of disrupted routines, the pervading sense of fear and the overnight halt in regular support services (including school) meant that many families struggled to cope. Variety's grant-giving programmes were more in demand than ever before.

The 5 Innowalks we funded meant that shielding children with neurological conditions such as cerebral palsy could develop their muscle tone without the need to go outdoors. The 22 car seats we funded provided a lifeline for children with brain injuries, muscular dystrophy, multiple sclerosis, and other conditions. For many, a short drive each day was the only time they left home and while the movement of the car was often therapeutic, these trips also provided a short respite for carers and siblings. Our 10 grants for outdoor play equipment supported children with needs stemming from paralysis to autism and genetic conditions such as Down's Syndrome to mental health complications.

**Isabella, 6, lives in Northern Ireland and received a jungle gym to help her manage her extreme anxiety.**

**Isabella's mum explains:**

*"The entire frame, including swings, trapeze, monkey bars, climbing rope, ladders and slide, is beyond all our expectations. The swinging motion from the swings also helps regulate her, so she can process information more easily.*

*The trapeze bars, rope, climbing apparatus and slide are helping greatly to improve her gross motor skills, her balance, her vestibular and proprioceptive senses; improve her coordination, develop her muscles, and core strength. The jungle gym is giving her and her twin lots of fun and laughs! It's brilliant for distracting her when she's exasperated, frustrated or feeling anxious, as it greatly calms her."*

Variety, the Children's Charity

<sup>1</sup> <https://www.gov.uk/government/news/people-with-learning-disabilities-had-higher-death-rate-from-Covid-19>



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Variety's sensory equipment proved a huge success as we distributed over 1,000 sensory kits provided to children with SEND across the UK. While principally designed to help children with autism spectrum condition, ADHD, and sensory processing disorder, they provided benefit to anyone whose learning disability made regulating their sensory inputs difficult. Of the 1,053 children who received a sensory equipment grant from Variety:

- 72% were better able to self soothe and manage their anxiety levels better. This rose to 85% for children and young people with ADHD.
- 75% were able to engage with their parents more positively and 53% were better able to engage with their siblings.
- 56% were better able to cope with changes to their routine during the Covid-19 lockdowns.

Not all the children Variety supports have sensory meltdowns but for those who do, 49% reported fewer meltdowns as a result of their sensory equipment and a further 24% reported that episodes are now much shorter since having the equipment to manage them more easily. Overall, 88% of recipients reported 5 or more positive outcomes as a result of their grant from Variety.

**Bob, whose son, Zac, has ASC, sensory processing disorder and anxiety told us:**  
*"Meltdowns used to occur when we tried to stop Zac biting and pinching himself. Now he wears a tangle toy and a chewy toy, so he goes straight for them instead of hurting himself."*  
**Khalid, whose eight-year-old son, Ali, has sensory processing disorder and anxiety adds**  
*"The kit has helped give Ali something to share with his sister. They use the sensory light to have a bedtime disco together – instead of arguing and hitting each other! Our neighbours have noticed that Ali isn't screeching as much as he used to, and he is sleeping more. His morning meltdowns have been later than his usual 4 – 5am time slot."*

**So much of our work is about developing independence. Jane, whose nine-year-old daughter, Alicia, has sensory processing disorder, amongst other conditions told us:**  
*"When she starts getting agitated, Alicia sits on the wobble cushion and rocks, whilst listening to her own music and squishing the sensory ball. This has contributed hugely to Alicia having fewer sensory meltdowns, as this*

*new combination of sensory input works for her. It's even better that she's self-identified it. It's very empowering for her that she knows what she can do to help herself. We had no idea that it would be so effective in calming her in this way too!"*

98% of the sensory kits we provided were still being used months later and, for families who we couldn't provide grants to Variety published a 12-page guide on how to make your own sensory kit at home. This had a reach of over 20,000 families.

For children and young people whose primary need is to be independently mobile, the impact of a Variety funded wheelchair, whether powered or manual, is extraordinary.

**Andrew is 16 years old and lives in Hampshire. He has Complex Regional Pain Syndrome (CRPS) which means that he lives with intense, ongoing pain. He also has allodynia in his right foot and can't walk without using crutches or a wheelchair. With only a basic, heavy (20kg) self-propelled wheelchair which he struggled to manage, he kept crashing into trees. It was totally unsuitable, and he was desperate for a suitable wheelchair for college.**

**He tells us:**

*"Sometimes I feel like my foot is on fire or like there is a spot inside me trying to explode. All the pain has caused me a lot of trauma and my mental health took a nosedive. I have lost all childhood memories, and can only remember things since May 2019, which is when we got my therapy cat, Lucas".*

**The lightweight active wheelchair which Variety funded has seen Andrew being able to do fitness sessions in his chair while stuck at home.**

**He goes on to say:**

*"This new chair is making a significant difference to my independence, and it has certainly made a difference to my mindset. Pushing is so much easier due to the chair being so much lighter than any previous chair I have had – this is where I notice the biggest difference – as well as the fact that it fits me properly. I use the wheelchair in the home, to help me to cook, to move around the house, to be more independent and to get fitter".*

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The 52 other equipment grants that Variety provided for eating assistants, orthopaedic seating, profile beds, hoists, specialist baths, lifts and other specialist assistive devices enabled children to be better cared for at home, to sleep more safely, to communicate more easily, to provide self-care more independently and to improve their physical development. Andrew's story highlights the important role that our mental health plays in our wellbeing and Variety is proud to have provided 3,857 children with a memorable gift such as tickets to Disney's The Lion King & Disney on Ice, specialist teddy bears, Easter Eggs and Christmas presents. For children living in poverty, young carers, looked after children and those facing other forms of financial disadvantage, Variety's gift may, sadly, be one of the only presents they receive each year.

Most grants (69%) were provided to children of primary school age or younger, with 25% going to young people of secondary school age and 6% to young people aged 17+.

The Charity also continued to supply accessible transport in the form of our Sunshine Coaches, adding 41 new vehicles to the 900 already on the road. They offer hassle-free accessible transport solutions to schools and voluntary sector organisations. In 2020, 8,360 children and young people benefited from:

- 29 Sunshine Coach grants to SEND schools and units supporting 4,381 children and totalling £954,456.
- 6 Sunshine Coach grants to mainstream schools and voluntary organisations working with 2,777 children living in poverty, totalling £214,357.
- 6 Sunshine Coach grants to voluntary sector organisations supporting 1,202 children and young people with SEND, totalling £207,147.

Sunshine Coaches, each with an average lifespan of 12 – 15 years, enable disabled children to travel with their non-disabled friends. They open up sporting and outdoor education opportunities and during this difficult year have helped schools to stay in touch with families who need their help, delivering resources or food parcels when times get tough. As children return to school with an even greater need for sports and fitness programmes and for accessing the community,

these new Sunshine Coaches are vital. Community access is essential in preparing children with disabilities for the transition into adulthood. Our Coaches also provide access to outdoor learning experiences that would otherwise be inaccessible. Outdoor Play enables children with complex learning disabilities to explore, experiment, develop risk-taking behaviours and build their cardiovascular endurance as well as contributing to fine and gross motor development.

**Jenner Park School in South Wales received a 17 seat Coach at the end of 2020. The school has a special resource unit for 24 children with additional needs including Downs Syndrome, ADHD, Epilepsy, Autism, Dysphagia, Hypermobility, Cystic Fibrosis and more.**

**David Morris, Headteacher of Jenner Park, told us that:**

*"The new Sunshine Coach will help [our] children to access the practical aspects of learning which are essential for children with complex needs. Our coach [makes] education more fun and exciting through visits to areas within the locality of the school which the children would find it difficult to walk to and also to venues further away which the children may never have otherwise accessed."*

Alongside our Sunshine Coaches, a small number of grants were also made to organisations for life saving equipment and for equipment which significantly enhanced children's wellbeing. 1,824 children and young people benefited from this vital equipment, donated to schools and community organisations, made up of:

- 7 grants to support the active participation in sports and play of 693 children with special educational needs and disabilities, at an average of £3,372 each, totalling £22,619.
- 3 grants to support 922 children with the sensory equipment they need to regulate their behaviour and to support their development, at an average of £4,858 each, totalling £14,575.
- 2 grants to NHS trusts supporting the development of children with neurological conditions and the rehabilitation of children with cancer. Grants totalled £8,388.

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In total, our equipment grants reached children and young people with over 250 different conditions in over 400 towns, cities, and villages across all four nations of the UK.

## Fundraising Activities

Variety typically does not receive government or statutory funding/contracts and is therefore greatly dependent on voluntary funds from our varied supporters. We adopt an ethical, and transparent approach to our fundraising, and we are a proud member of the Fundraising Regulatory Scheme and the Institute of Fundraising and adhere to all their relevant standards. We did not use the services of professional fundraisers in 2020, nor did we carry out any 'face to face' fundraising in the year.

During the 2020 financial year we also did not receive any complaints regarding our fundraising activities, but in the event of receiving any complaints of this nature, we follow a strict complaints procedure.

This year was an extremely difficult one with the impact of the pandemic curtailing our usual fundraising activities. However, with our never say die spirit, we still managed to achieve a great deal. The following are some notable examples of that work:

We were grateful to our DPD corporate for its kind donations totalling more than £185k towards our Sunshine Coaches and Sensory Kits Programmes.

Other funders of our Sensory Kits Programme included St James's Place Charitable Foundation and Variety Golf. This programme made a huge difference to vulnerable children particularly affected by the pandemic (please see page 9 for further information).

Crest Nicholson carried on supporting us by raising more than £89k towards our general charitable work. This year it included a £20k unrestricted donation which was gratefully received.

Variety received a £110K donation from the National Lottery Covid-Response Project to support the delivery of urgently needed specialist equipment to 23 disabled and disadvantaged children across the UK.

We re-launched our successful Patrons Programme, with the newly appointed dynamic duo of Michael Josephson MBE (Chair) and his Vice Chair Andrew Geddes. We secured 4 patrons, each pledging £10k for three years, giving an impressive £120k of unrestricted income over that period.

St. James's Place Charitable Foundation continued their kind support with a £128,500 donation towards our Sunshine Coaches Programme.

Our Yorkshire 2020 Property Awards Event took place virtually, and our guests and sponsors kindly donated 80% of their paid monies – which generated more than £130k.

We also benefitted from our legacies work by receiving legacies of more than £347k. This is an area where we believe further investment is appropriate and should generate future income in the long term.

We hope to be able to return to more of our traditional fundraising events in future, whilst also continuing to revive our existing income pipelines (trusts and foundations, corporates, and community fundraising) and explore and implement other fundraising initiatives.

## 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 2020. The results are set out on page 20.

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

Incoming resources decreased by 52% to £3,667,806 over the previous year (2019: £7,663,408). Of this, £386,343 was generated through the trading subsidiary (2019: £2,179,592). Donations received totalled £2,776,844 (2019: £4,484,725) and legacy income was £347,874 (2019: £70,939). Donated goods and services income was £54,721 (2019: £828,610) including Variety Great Days Out of £54,721 (2019: £397,388) being gift-in-kind value placed on donated outings and small gifts given for children under this programme.

During the year, expenditure on charitable activities was £2,338,192 (2019: £4,536,508) of which £1,509,134 was applied for the purchase of Sunshine Coaches, £193,158 for electric wheelchairs and £495,579 for grants to

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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. £140,321 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 deficit in the year before loss on investments of £155,838 (2019: surplus £257,443) comprised a surplus on unrestricted funds of £77,522 (2019: deficit £21,107) and deficit on restricted funds of £233,360 (2019: surplus £278,550). The deficit on restricted funds results from monies received in 2019 for specific purposes, but spent in 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. Despite the Covid-19 outbreak, this target was achieved. Unrestricted reserves are monitored quarterly by the Trustees.

At the end of the year, unrestricted funds were £2,750,704, of which fixed assets, net of the mortgage secured on our head office and Coronavirus Business Interruption Loan (CBILS) represented £2,077,728. Thus unrestricted free reserves at 31 December 2020 amounted to £672,976, which is more than the Charity's target for 2020.

The total funds of the Charity at 31st December 2020 were £3,696,756 including cash of £1,721,135, which has increased by £10,177 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. 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 as at 31 December 2020 of the sublet property, based upon a valuation on 23 March 2021 by Robert Irving Burns Property Consultants, is £1,620,000. 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.

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Key risks identified were as follows:

- Insufficient level of unrestricted income
- The level of income could fall noticeably, whether from donations or trading subsidiary activities (which includes non-return of traditional Variety Events).

Following a comprehensive production of a forward/recovery plan (which included scenario planning, sensitivity analysis and risk assessment exercises) it was agreed by the Board to invest in Variety's fundraising capability at this time, which included investment in key fundraising teams. This also included consideration of more virtual/online fundraising activities, and agreement to the re-development of our website, with a focus on this being a far more effective income generation tool.

Variety's Crew Committee is developing new and innovative ideas to generate unrestricted income. A prime example of this was a Crew member developing a fundraising App called Kynder. Kynder Company Ltd selected Variety, as its charity partner and agreed to support Variety through a fundraising tool via the development and implementation of an app. We are positive about the potential of this app in raising much needed unrestricted income if we can achieve the scale of usage required.

Circumstances allowing, we also have our garden parties fundraising initiative ready to implement, which will also bolster unrestricted income. We will continue to explore/implement initiatives of this nature.

In the event of us once again experiencing a considerable drop in income whether from donations or trading subsidiary activities, 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 also operates effective and extensive financial management which includes: an annual planning and budgeting system with an annual budget approved by the Trustees; reforecasting, at a minimum, quarterly and all significant budget variations are subject to Trustee approval.

## Impact of COVID - 19 on our organisation

The continued impact of the global pandemic and subsequent UK national lockdowns meant careful planning and implementation of the following:

- Reduced expenditure wherever possible to protect our cash which included taking advantage of the Coronavirus Job Retention Scheme, to enable staff to be retained in the Charity and to reduce our overall costs.
- The voluntary departure of staff members who obtained alternative employment, reduced immediate financial pressures.

We carried out a comprehensive sensitivity analysis and scenario planning exercise which included three detailed scenarios (worst, medium and best case) for consideration by the Board. The scenarios included detailed budgets and associating staffing structures. This will enable us to pivot our strategy as circumstances allow.

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

In carrying out a review of our service delivery, with the aim to highlight to our beneficiaries the new constraints we were working within due to the pandemic, we implemented an appropriate communication strategy to notify stakeholders of the new constraints.

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

- Observed Government guidance and implemented the ability for all staff, where possible, to work from home.
- Those with health needs/child or other caring responsibilities were afforded extra flexibility, care, and attention.

## Plans for the future

In the coming year we will work our way back from the challenges of Covid-19, both financially and in how we deliver our services within the constraints of social distancing measures.



# Annual Report and Accounts 2020

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We will continue to take advantage of government and other grants available e.g., the Furlough Scheme, and Coronavirus Business Interruption Loan Scheme (CBILS), to enable vital investment in key areas (e.g., fundraising).

In the latter part of the year we anticipate being able to re-introduce our existing fundraising income pipelines with the re-introduction of our corporate, trust and foundation, and community fundraising teams. The introduction of an additional virtual events fundraising officer at this time is also felt appropriate given the current climate. Emphasis and priority will be given to ensuring fundraising capability in the Charity going forward.

We will develop our services and fundraising events to meet the new requirements. We will also increase our use of digital technologies by commissioning an external partner to aid us in the complete re-development of our website, with an emphasis on utilising our revamped website as a credible tool for raising income and exploring potential e-commerce functionality.

We anticipate to be able to re-introduce our traditional event activity (within the constraints of the social distancing measures) in the last three to four months of the year, especially due to the success of the vaccination program.

Our focus will also be on the growth of our Corporate and Trust and Foundation income streams, with the re-introduction of staff teams to maximise our fundraising capability in these considered growth areas.

The impact of the above work will enable Variety to re-emerge from the pandemic in a satisfactory condition, ready to continue and build on its vital work in the coming years.

## **Auditors**

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

# Annual Report and Accounts 2020

## 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 30th June 2021, and is signed as authorised on its behalf by:

.....  
**Stanley A Salter**

.....  
**Date**

# Annual Report and Accounts 2020

## Independent auditor's report to the Trustees and members

### Opinion

We have audited the financial statements of Variety, the Children's Charity (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2020 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 significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 2020 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 for the audit of the financial statements 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.

### Emphasis of Matter - property valuation

We draw attention to Note 9 to the financial statements, which describes the material valuation uncertainty expressed by the external valuers of the parent charitable company's investment property. Our opinion is not modified in respect of this matter.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 2020

## 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 their 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) require us to report to you if, in our opinion:

- 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' exemptions from the requirement to prepare a Strategic Report or in preparing the Trustees' Annual Report.

## Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 15, the trustees (who are also the directors of the parent 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 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 Companies Act 2006 and under the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under those Acts.

Our objectives are to obtain reasonable assurance about whether the group and parent 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.

# Annual Report and Accounts 2020

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charitable company by discussions with trustees, and updating our understanding of the sector in which the group and parent charitable company operate.

Laws and regulations of direct significance in the context of the group and parent charitable company include the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and guidance issued by the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

[www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Use of our report

This report is made solely to the parent charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the parent 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 parent charitable company's members and trustees those matters we are

# Annual Report and Accounts 2020

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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 parent charitable company, the parent 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:

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

Notes	Unrestricted funds	Restricted funds	Total 2020	Unrestricted funds	Restricted funds	Total 2019
	£	£	£	£	£	£
<b>Income and expenditure</b>						
<b>Income from:</b>						
<b>Donations and legacies</b>						
	771,227	2,005,617	<b>2,776,844</b>	1,051,529	3,433,196	4,484,725
	332,874	15,000	<b>347,874</b>	27,576	43,363	70,939
3	-	54,721	<b>54,721</b>	-	828,610	828,610
<b>Other trading activities</b>						
2	182,974	203,369	<b>386,343</b>	1,709,707	469,885	2,179,592
<b>Investments</b>						
	101,916	-	<b>101,916</b>	99,513	-	99,513
	108	-	<b>108</b>	29	-	29
<b>Total</b>	<b>1,389,099</b>	<b>2,278,707</b>	<b>3,667,806</b>	<b>2,888,354</b>	<b>4,775,054</b>	<b>7,663,408</b>
<b>5 Expenditure on:</b>						
5	1,033,148	452,304	<b>1,485,452</b>	2,426,844	442,613	2,869,457
	<b>1,033,148</b>	<b>452,304</b>	<b>1,485,452</b>	<b>2,426,844</b>	<b>442,613</b>	<b>2,869,457</b>
5	<b>Charitable activities</b>					
	25,158	1,483,976	<b>1,509,134</b>	-	2,401,284	2,401,284
	89,765	103,393	<b>193,158</b>	138,263	368,679	506,942
	108,545	387,034	<b>495,579</b>	155,780	830,502	986,282
	54,961	85,360	<b>140,321</b>	188,574	453,426	642,000
	<b>278,429</b>	<b>2,059,763</b>	<b>2,338,192</b>	<b>482,617</b>	<b>4,053,891</b>	<b>4,536,508</b>
<b>Total</b>	<b>1,311,577</b>	<b>2,512,067</b>	<b>3,823,644</b>	<b>2,909,461</b>	<b>4,496,504</b>	<b>7,405,965</b>
<b>Net (expenditure)/ income before loss on investments</b>	<b>77,522</b>	<b>(233,360)</b>	<b>(155,838)</b>	<b>(21,107)</b>	<b>278,550</b>	<b>257,443</b>
9 <b>Net loss on investments</b>	<b>(115,000)</b>	<b>-</b>	<b>(115,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net (expenditure)/ income before transfers</b>	<b>(37,478)</b>	<b>(233,360)</b>	<b>(270,838)</b>	<b>(21,107)</b>	<b>278,550</b>	<b>257,443</b>
14 <b>Transfers between funds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>81,639</b>	<b>(81,639)</b>	<b>-</b>
<b>Net movement in funds</b>	<b>(37,478)</b>	<b>(233,360)</b>	<b>(270,838)</b>	<b>60,532</b>	<b>196,911</b>	<b>257,443</b>
<b>Reconciliation of funds</b>						
Total funds brought forward	2,788,182	1,179,412	<b>3,967,594</b>	2,727,650	982,501	3,710,151
14 <b>Total funds carried forward</b>	<b>2,750,704</b>	<b>946,052</b>	<b>3,696,756</b>	<b>2,788,182</b>	<b>1,179,412</b>	<b>3,967,594</b>

All amounts relate to continuing activities.

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

The notes on pages 24 to 35 form part of these financial statements.

Notes	2020	2019
	£	£
<b>Fixed assets</b>		
8 Tangible assets	1,681,992	1,719,952
9 Investments	<u>1,620,000</u>	<u>1,735,000</u>
	<b>3,301,992</b>	<b>3,454,952</b>
<b>Current assets</b>		
10 Debtors	408,236	511,182
Cash at bank and in hand	<u>1,721,135</u>	<u>1,710,958</u>
	<b>2,129,371</b>	<b>2,222,140</b>
11 Creditors: amounts falling due within one year	<u>581,028</u>	<u>735,134</u>
<b>Net current assets</b>	<b>1,548,343</b>	<b>1,487,006</b>
<b>Total assets less current liabilities</b>	<b>4,850,335</b>	<b>4,941,958</b>
12 Creditors: amounts falling due after more than one year	1,153,579	974,364
<b>Total net assets</b>	<b>3,696,756</b>	<b>3,967,594</b>
<b>The funds of the group:</b>		
14 Restricted income funds	946,052	1,179,412
14 Unrestricted funds	<u>2,750,704</u>	<u>2,788,182</u>
<b>Total group funds</b>	<b>3,696,756</b>	<b>3,967,594</b>

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 expenditure for the year was £270,838 (2019: net income of £257,443)

These financial statements were approved by the Board of Trustees on 30th June 2021.

#### Trustees

Stanley A Salter

Dilaram Kitchlew-Williamson

The notes on pages 24 to 35 form part of these financial statements.

Notes	2020	2019
	£	£
<b>Fixed assets</b>		
8 Tangible assets	1,681,992	1,719,952
9 Investments	<u>1,620,100</u>	<u>1,735,100</u>
	<b>3,302,092</b>	<b>3,455,052</b>
<b>Current assets</b>		
10 Debtors	841,460	1,099,664
Cash at bank and in hand	<u>1,110,134</u>	<u>938,698</u>
	<b>1,951,594</b>	<b>2,038,362</b>
11 Creditors: amounts falling due within one year	<u>403,351</u>	<u>551,456</u>
<b>Net current assets</b>	<b>1,548,243</b>	<b>1,486,906</b>
<b>Total assets less current liabilities</b>	<b>4,850,335</b>	<b>4,941,958</b>
12 Creditors: amounts falling due after more than one year	1,153,579	974,364
<b>Total net assets</b>	<b>3,696,756</b>	<b>3,967,594</b>
<b>The funds of the charity:</b>		
14 Restricted income funds	946,052	1,179,412
14 Unrestricted funds	<u>2,750,704</u>	<u>2,788,182</u>
<b>Total charity funds</b>	<b>3,696,756</b>	<b>3,967,594</b>

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 30th June 2021.

#### Trustees

Stanley A Salter

Dilaram Kitchlew-Williamson

The notes on pages 24 to 35 form part of these financial statements.

Notes	2020	2019
	£	£
20 <b>Net cash (used in)/ provided by operating activities</b>	<b>(295,226)</b>	246,762
<b>Cash flows from investing activities:</b>		
Dividends, interest and rent from investments	102,024	99,542
Purchase of tangible fixed assets	<u>(3,274)</u>	<u>(20,156)</u>
<b>Net cash provided by investing activities</b>	<b><u>98,750</u></b>	<b><u>79,386</u></b>
<b>Cash flow from financing activities:</b>		
Repayments of borrowing	(18,347)	(41,039)
Cash inflows from new borrowings	<u>250,000</u>	<u>-</u>
<b>Net cash provided by (used in) investing activities</b>	<b><u>231,653</u></b>	<b><u>(41,039)</u></b>
<b>Change in cash and cash equivalents in the year</b>	<b>35,177</b>	285,109
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,710,958</b>	1,425,849
<b>Cash and cash equivalents at the end of the year</b>	<b><u>1,746,135</u></b>	<b><u>1,710,958</u></b>

**Analysis of changes in net debt**

**2020**

	At start of year	Cash-flows	Transfers	At end of year
	£	£	£	£
Cash	1,710,958	10,177	-	1,721,135
Loans falling due within one year	(43,347)	18,347	(45,785)	(70,785)
Loans falling due after more than one year	<u>(974,364)</u>	<u>(225,000)</u>	45,785	<u>(1,153,579)</u>
<b>Total</b>	<b><u>693,247</u></b>	<b><u>(196,476)</u></b>	<b>-</b>	<b><u>496,771</u></b>

**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	<u>(1,017,711)</u>	-	43,347	<u>(974,364)</u>
<b>Total</b>	<b><u>367,099</u></b>	<b><u>326,148</u></b>	<b>-</b>	<b><u>693,247</u></b>

The notes on pages 24 to 35 form part of these financial statements.

## 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. The Trustees having taken advantage of Government and other grants, 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 and governments grants, 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 are 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), consolidated on a line by line basis.

### 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 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.



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 deemed 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 financial statements include the following key estimates:

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 as at 31 December 2020 at £1.62m on 23 March 2021 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.

At the valuation date the property market continued to be faced with an unprecedented set of circumstances caused by COVID-19. There is limited market evidence on which to base judgements regarding the value of the property. Due to this, the valuation is reported as being subject to 'material valuation uncertainty' as set out in the RICS Valuation - Global Standards. Consequently, in respect of the valuation, less certainty - and a higher degree of caution - should be attached to the valuation than would normally be the case. This does not mean that the valuation cannot be relied upon.

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.

Income of £160,000 from residuary legacies has been recognised, which is included in debtors at year end. The amount reflects the charity's best estimate of what it will receive from its share of the estates. The net value of estates can change as assets are realised and so the amounts the charity receives may differ from the initial estimate.

## 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 merchandise on behalf of Variety. A summary of the results is set out below. Audited accounts are filed with the Registrar of Companies.

	2020	2019
	£	£
Profit and loss account		
Turnover	386,343	2,179,592
Cost of sales	78,538	1,030,308
Gross profit	<u>307,805</u>	<u>1,149,284</u>
Fundraising and publicity	189,918	579,197
Management and administration (payable to the Charity)	9,600	16,920
Net profit	<u>108,287</u>	553,167
Gift aid donation to Charity	<u>108,287</u>	553,167
Retained profit	<u>-</u>	<u>-</u>

The aggregate of the assets, liabilities and funds was:

Assets	740,845	1,096,064
Liabilities	<u>(740,745)</u>	<u>(1,095,964)</u>
Funds (representing 100 ordinary shares of £1 each)	<u>100</u>	<u>100</u>

## 3 Donated goods and services

	2020	2019
	£	£
Intangible Income - Gift in Kind	<u>54,721</u>	<u>828,610</u>
	<u>54,721</u>	<u>828,610</u>

Total expenditure includes £54,721 (2019: £828,610) an equivalent amount being described as intangible income (Gift in Kind) in the Statement of Financial Activities. The amount of £54,721 (2019: £397,383) is in respect of Variety Great Days Out activities and nil (2019: £431,227) in respect of grants to institutions (part of direct charitable expenditure). The rest of these activities are funded from the donations.

## 4 Employees

	2020	2019
	£	£
<b>Staff costs</b>		
Wages and salaries	1,031,977	1,250,027
Social security costs	92,978	123,752
Other pension costs	69,402	74,944
	<u>1,194,357</u>	<u>1,448,723</u>

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

	2020	2019
Fundraising	13	10
Events	5	14
Sunshine Coaches	2	2
Wheelchairs	1	2
Grants	3	3
Variety Great Days Out activities	1	2
Support	<u>9</u>	<u>6</u>
	<u>34</u>	<u>39</u>

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

	Number 2020	Number 2019
£60,000 to £69,999	1	1
£70,000 to £79,999	1	-
£80,000 to £89,999	1	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 £462,696 (2019: £392,577).

The increase in the combined key management personnel contractual benefits was mainly due to the introduction of a senior management team early in 2020, which was not in place in the prior year.

5 Expenditure	Direct staff costs	Grant costs (Note 17)	Other direct costs	Support costs (Note 6)	Total
2020	£	£	£	£	£
Expenditure on raising donations and legacies	485,269	-	61,186	509,187	1,055,642
Cost of sales of trading subsidiary	-	-	78,538	-	78,538
Events support	171,644	-	-	179,628	351,272
	<u>656,913</u>	<u>-</u>	<u>139,724</u>	<u>688,815</u>	<u>1,485,452</u>
Sunshine Coaches	62,794	1,375,960	-	70,380	1,509,134
Wheelchairs	32,751	114,946	-	45,461	193,158
Grants	62,633	346,783	-	86,163	495,579
Variety Great Days Out	22,201	81,866	-	36,254	140,321
	<u>180,379</u>	<u>1,919,555</u>	<u>-</u>	<u>238,258</u>	<u>2,338,192</u>
	<u>837,292</u>	<u>1,919,555</u>	<u>139,724</u>	<u>927,073</u>	<u>3,823,644</u>

Increase in allocation of staff and support costs to raising donations and legacies is due to events being cancelled and therefore more time spent on raising donations.

2019	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>

6 Support Costs	Staff	Depreciation	Other	Total
2020	£	£	£	£
Governance/Legal	108,444	-	147,686	256,130
Finance & Administration	142,901	-	-	142,901
IT & Database	35,061	-	81,606	116,667
Office costs	18,044	-	206,103	224,147
HR/Staff related costs	13,385	-	53,587	66,972
Media/Publicity	34,490	-	8,454	42,944
Other support costs	5,754	41,234	30,324	77,312
	<u>358,079</u>	<u>41,234</u>	<u>527,760</u>	<u>927,073</u>
	<u>252,569</u>	<u>52,094</u>	<u>669,233</u>	<u>973,896</u>
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>252,569</u>	<u>52,094</u>	<u>669,233</u>	<u>973,896</u>

7 Net expenditure/ income is stated after charging:	2020 £	2019 £
Depreciation		
- office equipment	17,050	27,911
- freehold building	24,184	24,184
Auditors' remuneration - audit	25,200	27,200
Auditors' remuneration - taxation services	9,780	6,440
Operating lease expenditure	21,077	21,812

8 Tangible assets	Freehold land and buildings £	Office equipment £	Total £
<b>Group and company</b>			
Cost			
1 January 2020	2,279,182	117,351	2,396,533
Additions	-	3,274	3,274
Disposals	-	(51,905)	(51,905)
31 December 2020	<u>2,279,182</u>	<u>68,720</u>	<u>2,347,902</u>
Depreciation			
1 January 2020	590,100	86,481	676,581
Charge for the year	24,184	17,050	41,234
Disposals	-	(51,905)	(51,905)
31 December 2020	<u>614,284</u>	<u>51,626</u>	<u>665,910</u>
<b>Net book value at 31 December 2020</b>	<u>1,664,898</u>	<u>17,094</u>	<u>1,681,992</u>
Net book value at 31 December 2019	1,689,082	30,870	1,719,952

9 Fixed asset investments	Notes	Group 2020 £	Company 2020 £	Group 2019 £	Company 2019 £
Investment in subsidiary	(a)	-	100	-	100
Investment property	(b)	<u>1,620,000</u>	<u>1,620,000</u>	1,735,000	1,735,000
		<u>1,620,000</u>	<u>1,620,100</u>	1,735,000	1,735,100

(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 as at 31 December 2020 at £1.62m on 23 March 2021 by Robert Irving Burns Limited, 29-30 Fitzroy Square, London W1T 6LQ resulting in a revaluation loss of £115,000. The market value is based on the long leasehold interest, with the existing tenancy. In their report, Robert Irving Burns Limited explained:

At the valuation date the charity continued to be faced with an unprecedented set of circumstances caused by COVID-19. There is limited market evidence on which to base judgements regarding the value of the property. Due to this the valuation is reported as being subject to 'material valuation uncertainty' as set out in the RICS Valuation - Global Standards. Consequently, in respect of the valuation, less certainty - and a higher degree of caution - should be attached to the valuation than would normally be the case. This does not mean that the valuation cannot be relied upon.

10 Debtors	Group 2020 £	Company 2020 £	Group 2019 £	Company 2019 £
Trade debtors	45,027	36,565	282,315	31,698
Amounts due from subsidiary undertaking	-	563,068	-	912,286
Other debtors	120,195	45,573	138,769	121,266
Prepayments and accrued income	243,014	196,254	90,098	34,414
	<u>408,236</u>	<u>841,460</u>	511,182	1,099,664

All debtors are due within one year.

11 Creditors: amounts falling due within one year

	Group 2020 £	Company £	Group 2019 £	Company £
Accruals for grants payable	183,803	183,803	214,390	214,390
Mortgage (secured - see note 12)	45,785	45,785	43,347	43,347
Bank loan (see note 12)	25,000	25,000	-	-
Trade creditors	21,835	21,779	242,792	217,905
Accruals and deferred income	262,515	108,809	195,990	68,219
Other creditors	42,090	18,175	38,615	7,595
	<b>581,028</b>	<b>403,351</b>	<b>735,134</b>	<b>551,456</b>

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

	2019 £	Charge for the year £	Payments £	2020 £
Wheelchairs	66,944	90,065	(137,809)	19,200
Sunshine Coaches	31,131	1,463,343	(1,384,008)	110,466
General grants	116,315	361,774	(423,952)	54,137
	214,390	1,915,182	(1,945,769)	183,803

  

	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
	294,353	3,067,747	(3,147,710)	214,390

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 2020	133,376	26,566
Amount released to income earned	(133,376)	(26,566)
Amount deferred in year	167,215	26,625
<b>Balance as at 31 December 2020</b>	<b>167,215</b>	<b>26,625</b>

	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
<b>Balance as at 31 December 2019</b>	<b>133,376</b>	<b>26,566</b>

12 Creditors: amounts falling due after one year

Group and company	2020 £	2019 £
Mortgage (secured)	928,579	974,364
Bank Loan (Coronavirus Business Interruption Loan)	225,000	-
	<b>1,153,579</b>	<b>974,364</b>

Mortgage (secured)

The mortgage is secured on Variety's freehold land and building and is repayable over the remaining period of 7.5 years at an interest rate of 5.51% per annum as follows:

	2020 £	2019 £
In more than one year but not more than two years	48,361	45,785
In more than two years but not more than five years	162,024	153,395
In more than five years	718,194	775,184
	<b>928,579</b>	<b>974,364</b>

The proportion of the loan to the value of the assets charged is:

	<b>30%</b>	<b>29%</b>
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12 Creditors: amounts falling due after one year (continue)

**Bank Loan (Coronavirus Business Interruption Loan)**

The Government pays the interest on the loan for the first 12 months from 9th June 2020 (Business interruption Payment). The bank loan is repayable over the remaining period of 60 months from 9th June 2021 at an interest rate of 2.09% p.a. over Base Rate

	2020	2019
	£	£
In more than one year but not more than two years	50,000	-
In more than two years but not more than five years	150,000	-
In more than five years	25,000	-
	<b>225,000</b>	<b>-</b>

13 Analysis of group net assets between funds

	2020	2020	2020
	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Fixed assets	3,301,992	-	3,301,992
Current assets	999,516	1,129,855	2,129,371
Current liabilities	(397,225)	(183,803)	(581,028)
Long-term liabilities	(1,153,579)	-	(1,153,579)
Total net assets	<b>2,750,704</b>	<b>946,052</b>	<b>3,696,756</b>

  

	2019	2019	2019
	Unrestricted funds	Restricted funds	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	<b>2,788,182</b>	<b>1,179,412</b>	<b>3,967,594</b>

14 Movement on funds

Group and company	2020	2020	2020	2020	2020
	Opening	Income	Expenditure	Transfers/ gains	Closing
	Balance	£	£	and losses	Balance
	£	£	£	£	£
<b>Unrestricted funds</b>	<b>2,788,182</b>	<b>1,389,099</b>	<b>(1,311,577)</b>	<b>(115,000)</b>	<b>2,750,704</b>
<b>Restricted funds</b>					
Sunshine Coach Programme	170,399	1,228,733	(1,151,604)	-	247,528
Wheelchair Programme	46,003	129,426	(109,394)	-	66,035
Variety Club Golf Society	369,935	496,511	(586,807)	-	279,639
Special Purpose Funds incl. sensory kit programme	499,988	97,246	(337,471)	-	259,763
Kings College Hospital	93,087	-	-	-	93,087
Coronavirus Job Retention Scheme	-	216,791	(216,791)	-	-
Coronavirus Community Support Fund	-	110,000	(110,000)	-	-
	<b>1,179,412</b>	<b>2,278,707</b>	<b>(2,512,067)</b>	<b>-</b>	<b>946,052</b>
<b>Total funds</b>	<b>3,967,594</b>	<b>3,667,806</b>	<b>(3,823,644)</b>	<b>(115,000)</b>	<b>3,696,756</b>

The loss of £115,000 for the year ended 31 December 2020 reflects the loss on revaluation of the investment property.

	2019	2019	2019	2019	2019
	Opening	Income	Expenditure	Transfers/ gains	Closing
	Balance	£	£	and losses	Balance
	£	£	£	£	£
<b>Unrestricted funds</b>	<b>2,727,650</b>	<b>2,888,354</b>	<b>(2,909,461)</b>	<b>81,639</b>	<b>2,788,182</b>
<b>Restricted funds</b>					
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
	<b>982,501</b>	<b>4,775,054</b>	<b>(4,496,504)</b>	<b>-</b>	<b>1,179,412</b>
<b>Total funds</b>	<b>3,710,151</b>	<b>7,663,408</b>	<b>(7,405,965)</b>	<b>-</b>	<b>3,967,594</b>

The transfer of £81,639 for the year ended 31 December 2019 reflects the transfer between funds to cover the central costs of the Sunshine Coach Programme.

#### 14 Movement on funds (continue)

##### 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.

##### 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.

##### Coronavirus Job Retention Scheme

HMRC scheme in which Variety was able to claim for 80% of employee's wages, employers NI and pension contributions for staff put on furlough or flexible furlough because of coronavirus.

##### Coronavirus Community Support Fund

Variety received from The National Lottery Community Fund a grant to support children and families during the Covid19 lockdown.

##### Coronavirus Business Interruption Loan (CBILS)

In addition to the Government support noted above, Variety received the Government backed CBILS loan to support cashflow pressures Variety experienced as a result of the Covid19 outbreak (see note 12 for further details).

#### 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 through a deed of covenant. 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 2020, there were 10 members (2019 - 15), 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

2020	Individuals		Institutions		Total	
	£	No	£	No	£	No
Grants	301,201	1,142	45,582	12	346,783	1,154
Sunshine Coaches	-	-	1,375,960	41	1,375,960	41
Wheelchairs	91,046	20	23,900	1	114,946	21
Variety Great Days Out	81,866	3,857	-	-	81,866	3,857
	<u>474,113</u>	<u>5,019</u>	<u>1,445,442</u>	<u>54</u>	<u>1,919,555</u>	<u>5,073</u>

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

	£
St John's Catholic School, Wetherby	44,526
Shenstone School, Crayford	72,486
Ambitious About Autism, London	41,526
Claremont School, Bristol	41,306
Wyre Forest School, Kidderminster	41,306
Two Rivers Primary School, Tamworth	41,306
The Albion Foundation, Smethwick	41,306
Talbot Special School, Sheffield	41,306
Rowan Tree Primary School, Manchester	41,306
Red Gates School, South Croydon	69,160
Northwood Community Primary School, Kirby	41,306
Balance carried forward	<u>516,840</u>

17 Grants and donations (continued)

	£
Balance brought forward	516,840
Eresby School, Spilsby	41,306
Drumpark Primary School, Coatbridge	41,306
Castledon School, Wickford	41,306
Brimble Hill school, Swindon	41,306
The Young Lewisham Project, Forest Hill	37,708
Resources for Autism, Barnet	37,108
Willowbank School, Kilmarnock	36,871
Birtenshaw School, Liverpool	36,797
The Milestone School, Longlevens	36,651
Ash Lee school, Cotgrave	36,651
Cramlington Voluntary Youth Project, Cramlington	34,346
Drumbeat School and ASD Service, Bromley	30,740
Carnforth School, Worcester	30,740
Villiers High School, Southall	28,948
St Martins School, Alvaston	28,438
Manchester Secondary School, Manchester	28,438
Jenner Park Primary School, Barry	28,438
Grange Park School, Wrotham	28,438
Fox Hollies Special School, Birmingham	28,438
Football Beyond Borders, Manchester	28,438
Cherry Oak School, Birmingham	28,438
Cricket Green School, Mitcham	24,806
Brooklands School, Reigate	24,806
Sale United Power Chair Football Club, Nantwich	23,900
Willow Dene School, Plumstead	22,651
The Firs, Northolt	21,901
Maddison Primary School, Falkirk	21,901
Mary Russell School, Paisley	16,938
Brooklands School, Reigate	16,938
Springwell School, Hartlepool	9,851
North Beckton Primary School, Newham	8,000
The Milestone School, Gloucester	6,700
The Golf Trust, London	5,332
Donations under £5,000	14,029
	<u>1,445,442</u>

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
Balance carried forward	<u>1,184,011</u>



17 Grants and donations (continued)	£
Balance brought forward	1,184,011
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
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
	2,863,405

## 18 Commitments

As at 31 December 2020, Variety had approved in principal, applications requesting to supply Sunshine Coaches totalling £388,925 (2019: £448,250). 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 the 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 (expenditure)/ income to net cash flow from operating activities

	2020	2019
	£	£
Net (expenditure)/ income for the reporting period	<b>(270,838)</b>	257,443
Adjustments for:		
Depreciation charges	41,234	52,095
Loss on investments	115,000	-
Dividends, interest and rent from investments	<b>(102,024)</b>	(99,542)
Decrease/ (Increase) in debtors	102,946	(11,418)
(Decrease)/ Increase in creditors	<b>(181,544)</b>	48,184
<b>Net cash (used in)/ provided by operating activities</b>	<b><u>(295,226)</u></b>	<u>246,762</u>

## 21 Operating lessor commitments

At 31 December 2020, the group was entitled to receive future payments from non-cancellable operating leases of £238,500 (2019 - £249,000) as set out below.

	Rental income	
	2020	2019
	£	£
Receipts due in:		
Less than 1 year	82,000	82,000
Between 1 and 2 years	83,000	83,000
Between 3 and 5 years	73,500	84,000
	<b><u>238,500</u></b>	<u>249,000</u>

## 22 Operating lease commitments

At 31 December 2020, the group had future lease payments of £45,995 (2019 - £67,510) payable under non-cancellable operating leases as set out below.

	Office Equipment	
	2020	2019
	£	£
Payments due in:		
Less than 1 year	18,462	21,516
Between 1 and 2 years	16,422	18,462
Between 3 and 5 years	11,111	27,533
	<b><u>45,995</u></b>	<u>67,511</u>

## 23 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 £4,770 (2019: £12,312). 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 £850 (2019: £79,025).

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:

Northern Commercials (Mirfield) Limited £1,375,960 payable (2019: £2,247,733) for the Sunshine Coaches and £172,000 receivable (2019: £256,000) for the royalties, a company of which Mr William Sangster is a consultant.

Legal fees of £11,941 (2019: £2,100) 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 £3,300 (2019: £13,3280) for rent and other services. Mr Neil Drover, who is a past regional chairman and committee member, is a proprietor of that business.

**23 Transactions with trustees and connected persons** (continued)

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

Vetiver Properties Ltd nil (2019: £5,000) (Mr Jason Lewis is a director and his wife is a director and shareholder of this company),

Mr Laurence Davis nil (2019: £840), Desmond Sautter Limited nil (2019: £5,250) (Mr Laurence Davies is a director and shareholder of this company),

Northern Commercials (Mirfield) Limited nil (2019: £62,400) (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).