



Financial Report

For the year ended
30 September 2016



Variety – the Children's Charity (NSW)

ABN 38 003 354 934

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Directors' Report

Your directors submit their report of Variety - the Children's Charity (NSW) for the year ended 30 September 2016.

DIRECTORS

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Qualifications, experience and special responsibilities



Amanda Mead
Chair

BSc (Hons) Nutrition, London University
M.Com Marketing, UNSW
PhD, Macquarie University

Amanda has been a Non-Executive Director of Variety NSW since 2004 and Chair since December 2015. She has worked in a range of Board committees, Chairing the Grants and Programs Committee (from 2013 until 2015), earlier General Appeals Committee (since 2008) and member of the Risk and Governance Committee since 2011. Amanda is a Non-Executive Director on the Board of Variety Australia and was the Alternate Director on the Board of Variety Australia from 2012 until 2015.

Amanda is an experienced leader with extensive executive management experience in the food industry. She currently works as researcher, strategist and academic mentor in marketing innovation, organisational change and strategic development.

Amanda is a graduate member of the AICD and committed to professional education and development. She believes in building sustainable organisations and communities through good governance, education and entrepreneurship. Her alignment with Variety's work with children and the community stems from volunteer work when she was a growing up in West Africa in a Leonard Cheshire Home for children permanently disabled through war.

Amanda is also a Non-Executive Director on the board of the Centre for Disability Studies, an affiliate of the Sydney Medical School, The University of Sydney.



John Dennis
Deputy Chair

John has been involved with Variety NSW for over 10 years and a Board member since 2012. John holds Bachelor of Commerce (Accounting & Finance) and Master of Commerce (Finance) degrees. In 1984, he established the Australian Structured Finance Group - a leading corporate finance business. As CEO for the last 32 years, John's experience extends to all aspects of business management and compliance.

In 2003, John was elected to the Governing Council of the Australian Equipment Lessors Association (www.aela.asn.au), becoming Deputy Chairman in 2006/07 and Chairman in 2007/08. AELA's Bank & Financier members encompass more than 90 percent of equipment funding activity in Australia, valued at approximately \$40 billion annually.

John offers strong fundraising experience – both at micro and macro level; he has sound financial management and compliance skills; he has long term experience at Committee/ Board/Council level within charitable foundations and industry lobby groups and has a strong affinity with Variety NSW and the work it undertakes.



Gordon Cooper AM
Treasurer

Gordon Cooper did his first Bash in 2008 and joined the Board in 2011. He is a Chartered Accountant in sole practice as a tax consultant. That is why his bash car is called Taxheads! Also, Gordon is an Adjunct Professor at the School of Taxation and Business Law, University of New South Wales. In addition, he is Chairman of Tanunda Hill Vineyard Pty Ltd.

In June 2003, Gordon was awarded the AM in the Queen's Birthday Honours.

Gordon has a long list of professional involvements including:

- Former President of the Taxation Institute of Australia
- Chairman of the Committee of the Australian branch of the International Fiscal Association
- Patron of the Australasian Tax Teachers Association
- Inaugural member of the Tax Practitioners Board
- Chairman of the Australasian branch of the UK Chartered Institute of Taxation



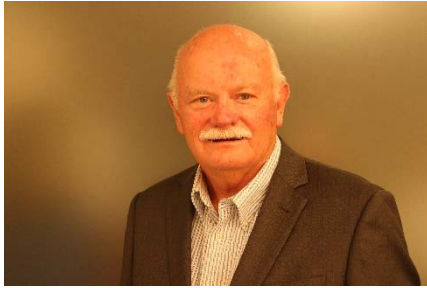
Julie Babineau

Julie joined Variety NSW as a member of the Revenue Committee in 2014 and has been a Director of the Variety NSW Board since December 2014. She began to chair the Grants Committee in January 2016.

Julie has held leadership positions in the health and community services sectors in both Australia and Canada. She has a wealth of experience in policy, planning and strategy as well as an extensive knowledge of the health needs of disadvantaged populations. For seven years Julie was the CEO NSW Justice Health and Forensic Mental Health Network, which serves a diverse and vulnerable population. Julie made a career move to the Not for Profit Sector in April 2016 when she became the CEO of Odyssey House NSW.

Julie has and continues to be involved in a range of volunteer activities helping disadvantaged individuals and at times wishes she was back in her native Canada to be closer to her seven-year-old gorgeous grandnephew who was diagnosed with Duchenne muscular dystrophy at birth. Julie is honoured to be part of Variety's vision to empower all children who are sick, disadvantaged or who have special needs, to live, laugh and learn.

Julie holds a Masters of Social Services from Université de Sherbrooke, a Bachelor of Science in Physical Education and Psychology from University of Ottawa and is a Graduate of the Australian Institute of Company Directors.



Geoff Davis

Geoff Davis has been an active member of Variety NSW since 1995 and in 2012 was awarded a Lifetime Membership. During those years he has chaired and been a team member of numerous committees and events including:

- Sunshine Coach Committees
- Executive Committee member of Newcastle & Nth Coast Development Motoring Events Committee Member
- Vendor Committee Member
- Committee Chair of Community and Outdoor Events
- Member of the current Revenue Finance Committee

Holding a position on the Crew for the past 20 years and being elected Deputy Chairman of Variety NSW amongst his highlights. For the past 26 years Geoff has held national, regional and senior management transport roles with Pioneer/Hansen P/L and Australia Post Transport Fleet & Systems. He recently had a short lived retirement of four months and is currently National Fleet & Gov't Sales consultant with the publicly listed A.P.EAGERS Group.

Geoff continues to support Variety NSW Tent 56 because once Variety gets into your blood and being able to help those Children disadvantaged in exchange for those treasured smiles says it all.



Henry Eggers

Henry has recently retired after 40 years in the transport industry, holding senior positions with the publicly listed Adtrans Group, Volvo Australia and Mercedes Benz Asia/Pacific.

Henry lives in Strathfield with his wife Suzanne. They have two married children.

Since 1990, Henry has been a supporter of Variety NSW, assisting with the logistics of our annual bashes. He is looking to utilize his wealth of commercial vehicle marketing and public relations skills to raise the image of Variety within the transport industry. Henry serves on the Grants Committee, is an SME with Sunshine Coaches and has served a term as Deputy Chairman.



Peter Hebbes AM

Peter has been an active member of Variety NSW since 1987 and in 2003 was awarded a Lifetime Membership. In the past Peter has chaired a number of events, organising and management Committees, in 1990 he was elected Chairman of Variety NSW, and in 2000/2001 he was appointed as Chief Barker of Variety NSW. Peter has also served as the NSW Motoring Events Chairman for 15 years and the National Chair for two years. In 2012, Peter was again elected as the Chief Barker of Variety NSW and also appointed to the National Board "Variety Australia".

By profession, Peter has his own Music Publishing Company and acts as a Consultant and Music Business Manager to the Theatrical, Film, Television and Music industry. In addition, Peter is on the Music Industry Boards of the Australasian Music Publishers Association Ltd. (AMPAL), the Australasian Mechanical Copyright Owners Society (AMCOS), and he is also a Trustee of The Golden Stave Foundation and a past Director of the Nordoff-Robbins Music Therapy Association of Australia. In 2006, Peter was awarded The Order of Australia (AM) for his services to the community as a fundraiser, particularly on behalf of the Golden Stave Foundation, Variety NSW, the Nordoff-Robbins Music Therapy Association of Australia and the Music Industry.



Mahesh Hettiaratchi

Mahesh is a Chartered Accountant specialising in corporate and international taxation. He currently works as the Tax Manager - Oceania at a multinational Engineering Consultancy group, with operations across the Asia Pacific, the Americas, Europe, the Middle East and Africa. Prior to this, he spent 10 years at a big-4 professional services firm largely in Management and Senior Management roles in their taxation division in Perth, Sydney and New York. Mahesh holds a Bachelor of Commerce from the University of Western Australia and a Masters of International Taxation from the University of New South Wales.

Mahesh is a keen contributor to the community and not for profit sector, having volunteered his time and skills in the capacity of Board Member with the University of Western Australia's Convocation Council, and Chair of the Institute of Chartered Accountants Young Professionals Committee. Prior to joining the board of Variety NSW, Mahesh was a member of the Finance Committee of Variety WA. In his spare time, he enjoys a good book with a glass of red wine and travelling - having lived/worked in Germany, Sri Lanka, Ghana and the United States.



John Hoffman

John joined the Variety NSW Board in 2015 after serving a year on the Revenue Committee. John brings extensive experience in technology, innovation, leadership and human resources. John spent the last 9 years as the Chief Executive of Altis Consulting which is Australia's largest independent Information Management consultancy with over 90 team members across three countries. Altis is one of only 7 companies recognized by BRW as a Top 50 places to work in Australia for 6 or more years. Prior to Altis, John led two different digital agencies and moved to Australia from Silicon Valley in 2000. John has a MBA from the Australian Graduate School of Management, a Bachelor of Arts in economics from the University of California, San Diego, became a member of the Australian Institute of Company Directors in 2007 and is a Pay Equity Ambassador for Australian Government Workplace Gender Equality Agency.

"It is fantastic to see the positive impact Variety has on children and their families. I originally became involved with Variety through its corporate partnership function and I think there is a great opportunity for other companies to enable their staff to have a direct impact on their local community and kids and families that need support."



Greg Lewis

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

Greg has been assisting Variety NSW by telling his story at a number of Variety and Corporate Sponsors events since 2005. Greg was also awarded the 2014 Variety National Youth Hearts Award

Greg has been a member of Young Variety committee since 2010 and joined the Grants committee in 2013 and joined the board as a director in November 2013.



Paul Mullaly

For more than 20 years, Paul has actively supported Variety NSW in numerous ways, including as a Member of the Sunshine Coach Committee for over 10 years, moving up to Chairman of the Committee in January 2010, attending eighteen NSW Bashes, fifteen of these as an official, leading the Bash Air Board, and providing his company aircraft for use during the Bash at no cost to Variety NSW. Paul has also been an entrant in five Newcastle Splashes, attended three Variety International Conventions, where, with other members of his family, was awarded an International Presidential Citation for their support of Variety. Paul has volunteered at the annual Variety Children's Christmas Party for more than ten years, and attended numerous Variety NSW functions including the Heart Awards, dinners, events and fundraisers.

Presently, Paul manages his family's construction business and has recently completed a Master's Degree in Engineering Management. Paul was appointed to the Variety NSW Board on 2 December 2009.



Katie Newton-John

Katie is the Group Company Secretary and Corporate Counsel at Coca-Cola Amatil Ltd, having joined the organisation in 2012. Prior to that Katie was the General Counsel and Company Secretary of a NSW State Owned Corporation for seven years. Previously, she worked as a solicitor at Ashurst Lawyers in London.

Katie is also a director of the Coca-Cola Australia Foundation and a member of the Governance Institute of Australia's Legislative Review Committee. Katie became a member of the Variety NSW Revenue Committee in early 2015, however now sits on the Risk and Governance Committee. She was appointed to the Variety NSW Board in December 2015.



Susan Warda

Susan Warda is team leader and partner at Mills Oakley. Susan has particular expertise in family law matters that involve complex financial issues, including property settlements that incorporate family businesses, multiple assets and superannuation splitting.

Susan is an accredited specialist in family law, and was named 2013 Woman Lawyer of the Year in Private Practice by the Women Lawyers Association of NSW.

Susan also has extensive experience in resolving family law matters outside of the Court system. She is an experienced mediator and trained collaborative law practitioner.

She is the past Chair of the Austlaw Board, an association of independent law firms located throughout NSW, Victoria, Queensland and the ACT, a founding member of the Greater Sydney Collaborative Family Lawyers network, a member of the Australian Institute of Company Directors (AICD) and a Director of Variety Australia. Susan also sits on the Collaborative Professionals NSW (Inc) Board.

Directors' Report (continued)

Interests in the contracts or proposed contracts

The Directors had no interests in contracts or proposed contracts with Variety during the course of the financial year other than noted in the statutory information of this report.

COMPANY SECRETARY

Dr Amanda Mead has been the Company Secretary of Variety - the Children's Charity (NSW) for the whole of the 2016 Financial Year.

DIVIDENDS

No dividends were paid out in the 2016 Financial Year.

CORPORATE INFORMATION

Variety - the Children's Charity (NSW) is a public company limited by guarantee that is incorporated and domiciled in Australia.

The Company is a Member of Variety International, which incorporates 42 entities operating in 13 different countries across the globe. All Variety entities operate under the same mission to support children who are sick, disadvantaged or who have special needs. There are eight separate Variety offices around Australia that operate similar activities to Variety – the Children's Charity (NSW) and whom work together to deliver national campaigns and achieve operational efficiencies. The seven Australian State and Territory Variety entities together own 100% of shares in the national entity of Variety Australia, who has been appointed the responsibility to review governance and the coordination of international reporting.

The registered office and principal place of business of the Company is 47 Herbert Street, Artarmon, NSW 2064. The Company employed 26 staff at 30 September 2016 (30 September 2015: 25).

STRATEGY AND OBJECTIVES

Variety - the Children's Charity (NSW) has the long-term objective of striving to meet unmet needs that empower children who are sick, disadvantaged or have special needs to live, laugh and learn. Each year this long-term objective is translated into a yearly objective of fundraising and granting appeals.

Variety strives to meet these objectives through the operation of core grants programs, with help of dedicated staff, volunteers and generous individual and corporate supporters. These programs include Freedom Program, Caring for Kids Program and Future Kids Program. More details on these programs can be accessed through the Variety - the Children's Charity (NSW) internet website.

Variety - the Children's Charity (NSW) purchases all equipment granted directly to ensure that funds are always appropriately directed.

Directors' Report (continued)

PRINCIPAL ACTIVITIES

The principal activities of Variety - the Children's Charity (NSW) during the year was to undertake varied fundraising activities with a view to generate funds to enable the supply of material aid to Australian children who are sick, disadvantaged or have special needs.

Variety's principal fundraising activity involves the running of multiple large fundraising events including the Variety Bash, Santa Fun Run as well as major corporate partnerships and campaigns. A detailed breakdown of Variety NSW's cost of fundraising can be found in Note 4 to the Accounts on Page 20.

There were no further changes to the nature of Variety's operations during the year.

OPERATING RESULTS FOR THE YEAR

Operating revenue

The operating revenue for the year ended 30 September 2016 was \$9,203,613 (30 September 2015: \$11,321,857).

Operating result before appeals granted

The operating profit before appeals granted for the year ended 30 September 2016 was \$2,734,186 (30 September 2015: \$4,558,290).

Appeals granted

Appeals granted to sick, special needs and disadvantaged children for the year ended 30 September 2016 was \$3,161,941 (30 September 2015: \$3,289,846).

Net operating result

The net deficit for the year ended 30 September 2016 was \$427,755 (2015 net surplus: \$1,268,444).

Directors' Report (continued)

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the Directors, there were no significant changes in the state of affairs of the Company, which occurred during the financial year, not otherwise disclosed in this Annual Financial Report.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

Prior to year-end, Tam Johnston, CEO of Variety – the Children's Charity (NSW) announced her intention to resign from the role, effective 16 December 2016 in order to pursue personal aspirations. The Board are in the process of recruiting a new CEO. Since the end of the financial year, the Directors have not become aware of any matter or circumstances not otherwise dealt with in the report or financial statements that has significantly, or may significantly, affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

In the opinion of the Directors, there are no likely changes in the operations of the Company, which will adversely affect the results of the Company in subsequent financial years.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Company is not subject to any particular or significant environmental regulation.

DIRECTORS' BENEFITS

No Director of the Company has, since the end of the previous financial year, received or become entitled to receive a benefit by reason of a contract made by the Company with the Director or with a firm of which they are a member, or with a Company in which they have substantial financial interest except for those items disclosed in the notes to this Annual Financial Report.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

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

DIRECTOR'S MEETINGS

The number of meetings of Directors held during the year and the number of meetings attended by each director was as follows:

	Directors' Meetings Attended	Directors' Meetings Eligible to Attend
Ms Julie Babineau	11	11
Prof. Gordon Cooper AM	9*	11
Mr Geoff Davis	8	11
Mr John Dennis	10	11
Mr Henry Eggers	10	11
Mr Peter Hebbes AM	10	11
Mr Mahesh Hettiaratchi	5	11
Mr John Hoffman	10	11
Dr Greg Levenston	1	2
Mr Greg Lewis	11	11
Dr Amanda Mead	11	11
Mr Paul Mullaly	11	11
Ms Katie Newton-John	8	9
Ms Susan Warda	9	11

*Prof. Cooper had a Leave of Absence granted for 2 meetings during 2016FY

Directors' Report (continued)

MEMBERS GUARANTEE

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

AUDITOR INDEPENDENCE

The directors received an independence declaration from the auditor, Ernst & Young. A copy has been included on page 10 of the report.

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit. No payment has been made to indemnify Ernst & Young during or since the financial year.

Signed in accordance with a resolution of the directors



Dr Amanda Mead
Director/Chairperson

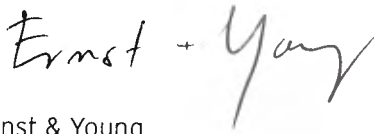


Prof. Gordon Cooper
Director/Treasurer

Sydney, 21 November 2016

Auditor's Independence Declaration to the Directors of Variety - the Children's Charity (NSW)

In relation to our audit of the financial report of Variety - the Children's Charity (NSW) for the financial year ended 30 September 2016, and in accordance with the requirements of Subdivision 60-C of the *Australian Charities and Not-for profits Commission Act 2012*, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Australian Charities and Not-for profits Commission Act 2012* or any applicable code of professional conduct.



Ernst & Young



John Robinson
Partner
21 November 2016

Statement of Comprehensive Income

For the year ended 30 September 2016

	Note	2016 \$	2015 \$
Fundraising income	4	8,743,374	10,803,560
Contributions towards appeals granted		305,096	458,728
Other income		155,142	59,569
Total revenues		9,203,612	11,321,857
Event Production Costs		(3,267,747)	(3,829,548)
Merchandise Costs		(130,882)	(216,597)
Project Contribution Refund		-	(131,250)
Fundraising Management Costs		(1,351,023)	(1,196,284)
Total Cost of Fundraising		(4,749,652)	(5,373,679)
Gross Profit		4,453,960	5,948,178
Employee expense	5(a)	(540,924)	(432,731)
Advertising & promotion		(182,543)	(167,968)
Bank Charges		(27,787)	(18,834)
Occupancy Costs		(122,362)	(104,146)
Other Operating Costs		(304,329)	(261,381)
Travel & Accommodation		(41,030)	(33,997)
Depreciation	5(b)	(168,813)	(141,262)
International and National Dues		(147,151)	(94,152)
Insurance		(53,280)	(53,655)
Consultants		(131,556)	(81,762)
Total expenses		(1,719,774)	(1,389,888)
Profit before appeals granted and income tax		2,734,186	4,558,290
Appeals granted	4	(3,161,941)	(3,289,846)
Net profit / (loss) for the year before Income Tax		(427,755)	1,268,444
Income Tax		-	-
Total comprehensive income / (loss) for the year		(427,755)	1,268,444

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

As at 30 September 2016

	Note	2016 \$	2015 \$
ASSETS			
Current assets			
Cash and cash equivalents	6	3,556,961	2,923,371
Trade and other receivables	7	420,821	748,147
Other current assets	8	373,003	882,814
Total current assets		4,350,785	4,554,332
Non-current assets			
Investments	9	85,200	85,200
Property, plant and equipment	10	2,987,580	3,065,015
Total non-current assets		3,072,780	3,150,215
TOTAL ASSETS		7,423,565	7,704,547
LIABILITIES			
Current liabilities			
Grants payable	11(a)	1,625,360	1,553,489
Trade and other payables	11(b)	583,006	367,929
Provisions	12	233,126	217,630
Deferred income	14	204,561	360,231
Total current liabilities		2,646,053	2,499,279
TOTAL LIABILITIES		2,646,053	2,499,279
NET ASSETS		4,777,513	5,205,268
EQUITY			
Accumulated surplus	15	4,777,513	5,205,268
TOTAL EQUITY		4,777,513	5,205,268

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the year ended 30 September 2016

	Accumulated surplus \$	Total equity \$
At 1 October 2014	3,936,824	3,936,824
Profit for the year	1,268,444	1,268,444
Other comprehensive income	-	-
Total comprehensive income for the year	1,268,444	1,268,444
At 30 September 2015	5,205,268	5,205,268
Loss for the year	(427,755)	(427,755)
Other comprehensive income	-	-
Total comprehensive loss for the year	(427,755)	(427,755)
At 30 September 2016	4,777,513	4,777,513

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the year ended 30 September 2016

	Note	2016 \$	2015 \$
Cash flows from operating activities			
Receipts from donors, sponsors, members and functions		8,381,820	9,403,259
Payments to suppliers and employees		(5,196,802)	(5,301,845)
Interest received		54,069	46,751
Appeals paid		(3,090,071)	(3,205,382)
Net cash flows from/(used in) operating activities		149,016	942,783
Cash flows from investing activities			
Funds transfer to term deposits with maturity >3 months		(20,625)	(505,579)
Funds transfer from term deposits with maturity < 3 months		505,579	
Proceeds from sale of property, plant and equipment		124,770	-
Purchase of property, plant and equipment		(125,150)	(197,581)
Net cash flows used in investing activities		484,574	(703,160)
Net increase in cash and cash equivalents		633,590	239,623
Cash and cash equivalents at beginning of year		2,923,371	2,683,748
Cash and cash equivalents at end of year	6	3,556,961	2,923,371

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

1 CORPORATE INFORMATION

The financial report of Variety - the Children's Charity (NSW) (the "Company") for the year ended 30 September 2016 was authorised for issue in accordance with a resolution of the directors on 21 November 2016.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, the *Australian Charities and Not-for-Profits Commission Act 2012*, Australian Accounting Standards Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has been prepared on an accrual basis of accounting including the historical cost convention except as otherwise stated and the going concern assumption.

The financial report is presented in Australian dollars and all values are rounded to the nearest dollar (\$) unless otherwise stated.

(b) Statement of compliance

The Company has adopted AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements for the financial year beginning on 1 October 2011 and continued for the year ended 30 September 2016.

The Company is a not-for-profit, private entity and has prepared tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (AASB – RDRs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

The adoption of AASB 1053 and AASB 2010-2 allowed Variety to remove a number of disclosures. There was no other impact on the current or prior year financial statements.

(c) New accounting standards and interpretations

Australian Accounting Standards and Interpretations that have recently been issued or amended are not expected to have significant impact on the Company for the annual reporting period ended 30 September 2016 and subsequent periods.

(d) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short term deposits which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(e) Trade and other receivables

Trade and other receivables, which generally have 30 day terms, are recognised and carried at original invoice amount less an allowance for impairment.

Collectability of trade receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Company will not be able to collect the receivable.

(f) Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Property, plant and equipment (continued)

Land and buildings are measured at costs less accumulated depreciation on buildings and less any impairment losses recognised after the date of the revaluation.

Depreciation is calculated on a straight-line basis over the estimated useful life of the specific assets as follows:

- Buildings – 50 years
- Property improvements – 4 years
- Plant and equipment – 3-5 years
- Motor vehicles – 4 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Derecognition

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

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

(g) Impairment of non-financial assets

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

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

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. In determining recoverable amount, the expected net cash flows have been discounted to their present value using a market determined risk adjusted discount rate. Non-financial assets that suffered an impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

(h) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services.

(i) Grants payable

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

(j) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) are capitalised as part of the cost of that asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. The Company does not currently hold qualifying assets but, if it did, the borrowing costs directly associated with this asset would be capitalised (including any other associated costs directly attributable to the borrowing and temporary investment income earned on the borrowing).

(l) Provisions

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

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

(m) Employee leave benefits

(i) Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national high-quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(n) Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Events revenue

In some cases, revenue is received in respect of an event that falls into the following financial year. In such cases, the revenue and any associated costs are deferred and recognised as deferred income.

(ii) Donated goods

Goods are donated to be sold at auctions, or to be used in events or functions. In both cases, they are recognised as revenue at their replacement cost, and expensed when the goods are sold, or otherwise used.

(iii) Interest income

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(iv) Donations of services

Donated services, such as the use of a conference centre to host an event, are recognised as revenue at their replacement cost. An equivalent amount is recognised as an expense, relating to the type of service donated.

The pledges received are not recognised as income until received in cash or till a firm commitment has been received.

(o) Deferred income

Deferred income is the income received in advance of the future event to which the income relates to. As the events are held, deferred income is recognised in the income statement as revenue.

(p) Income tax

The Company is exempt from income tax. It is a Deductible Gift Recipient (DGR) and an Income Tax Exempt Corporation (ITEC).

(q) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.
- Receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of other current assets or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

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

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the results of which form the bases of the carrying values of assets and liabilities that are not readily apparent from other sources.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

(i) Significant accounting judgements

Impairment of non-financial assets

The Company assesses impairment of all assets at each reporting date by evaluating conditions specific to the Company and to the particular asset that may lead to impairment. These include technology, economic and political environments and future expectations. If an impairment trigger exists the recoverable amount of the asset is determined. Given the current uncertain economic environment management considered that the indicators of impairment were significant enough and as such these assets have been tested for impairment in this financial period.

(ii) Significant accounting estimates and assumptions

Estimation of useful lives of assets

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

Depreciation charges are included in note 5.

Assessment of fair value for donated goods and services

The assessment of fair value of goods and services donated to the Company is based on an estimation of their replacement cost. The replacement costs is determined mainly by reference to invoiced amounts prepared by suppliers based on their market rates of services or supplying cost of goods. The condition of any goods not used during the year is assessed at each balance date to determine whether any adjustments are necessary to the carrying value.

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

4 FUNDRAISING INFORMATION AND ADMINISTRATION COSTS

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

	2016 Total Income \$	2016 Direct Expenses \$	2016 Net Income \$	2015 Net Income \$
Fundraising information				
Events	5,469,135	2,539,812	2,929,323	3,982,941
Corporate Partnerships	2,168,425	8,710	2,159,715	2,610,031
Individual Giving + Philanthropy	580,126	252,422	327,704	372,591
Community Fundraising	525,688	31,504	494,184	160,596
Fundraising Staff Costs	-	1,917,204	(1,917,204)	(1,696,278)
Total contribution from fundraising	8,743,374	4,749,652	3,993,722	5,429,881
Contributions towards appeals			305,096	458,728
Other income			155,142	59,569
Administration costs			(1,719,774)	(1,389,888)
Net surplus before grants			2,734,186	4,558,290
Grants expense			(3,161,941)	(3,289,846)
Net surplus / (deficit)			(427,755)	1,268,444
Net Income / (Loss)			(427,755)	1,268,444

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

Total administration costs include an allocation of Variety Australia costs.

Goods and services in kind received of \$848,381 (2015: \$1,130,880) and goods and services in kind expended of \$848,381 (2015: \$1,130,880) are included in the relevant revenue or expense category.

	2016		2015	
	\$	%	\$	%
Comparison of monetary figures and percentages				
Total costs of fundraising & donations	4,749,652	52%	5,373,679	47%
Total income received	9,203,613		11,321,857	
Total cost of administration	1,719,774	19%	1,389,888	12%
Total income received	9,203,613		11,321,857	
Net surplus from fundraising & donations	3,993,722	46%	5,429,881	50%
Gross income from fundraising & donations	8,743,374		10,803,560	

4 FUNDRAISING INFORMATION AND ADMINISTRATION COSTS (continued)

The majority of costs represent event production expenses such as venues, staging, safety & welfare of participants and event catering. Due to the nature of the fundraising events organised by Variety, the delivery of events often requires significant production costs, which are generally covered in Variety's ticketing cost structure.

5 EXPENSES

	2016	2015
	\$	\$
(a) Employee expense		
Wages and salaries	387,881	296,312
Other employee benefit expense	24,967	44,111
Staff training and development	48,181	40,049
Recruitment	79,895	52,259
Total employee expense	540,924	432,731
(b) Depreciation expense		
Buildings	36,478	36,577
Plant and equipment	68,329	51,011
Motor vehicles	64,006	53,674
Total depreciation expense	168,813	141,262

6 CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following at 30 September 2016:

	2016	2015
	\$	\$
Cash in hand	199	349
Cash at bank	3,556,762	2,923,022
	3,556,961	2,923,371

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

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

\$1,625,360 of cash reserves held at 30 September 2016 relates to existing liabilities for grants made (see Note 11(b)).

7 TRADE AND OTHER RECEIVABLES (CURRENT)

	2016	2015
	\$	\$
Trade Receivables	-	27,967
Proceeds receivable from sale of GJ Gardner Variety Freedom House (rec'd October 2015)	-	520,000
Accrued income	420,821	200,180
<u>Carrying amount other receivables</u>	<u>420,821</u>	<u>748,147</u>

All other assets noted above are non-interest bearing and generally on indefinite terms. However, they are expected to be paid in the next 12 months and therefore are recorded as current assets.

8 OTHER CURRENT ASSETS

	2016	2015
	\$	\$
Prepayments	162,567	218,212
Inventory on Hand	127,233	113,094
GST Receivable	62,578	45,929
Funds on Term Deposit >3 months	20,625	505,579
<u></u>	<u>373,003</u>	<u>882,814</u>

Inventory on hand includes Santa Fun Run Suits purchased in 2015FY for the December 2015 and 2016 Santa Fun Run events.

9 INVESTMENTS

	2016	2015
	\$	\$
<u>Investments in Variety Australia Limited - at cost</u>	<u>85,200</u>	<u>85,200</u>
	85,200	85,200

10 PROPERTY, PLANT AND EQUIPMENT

Reconciliation of carrying amounts at the beginning and end of the year:

	Land	Buildings & Improvements	Plant & Equipment	Motor Vehicles	Capitalised Software	Total
At 1 October 2015 at Cost:	945,000	1,823,878	338,035	386,231	-	3,523,918
Accumulated Depreciation:	-	(93,594)	(237,850)	(127,460)	-	(458,904)
Net carrying Amount at 1 October 2015:	945,000	1,730,283	148,381	241,350	-	3,065,015
Additions:	-	-	54,809	59,316	11,024	125,150
Disposals:	-	-	-	(33,772)	-	(33,772)
Depreciation charge:	-	(36,478)	(64,006)	(68,329)	-	(168,813)
End of Year – net carrying amount:	945,000	1,693,806	139,184	198,566	11,024	2,987,580

11 PAYABLES (CURRENT)

	2016 \$	2015 \$
(a)		
Grants payable at 1 October	1,553,490	1,469,026
Appeals granted	3,161,941	3,289,846
Grants paid	(3,090,071)	(3,205,382)
Grants payable	1,625,360	1,553,490
(b)		
Trade payables	300,076	160,405
Other payables and accruals	282,930	207,524
Carrying amount of trade and other payables	583,006	367,929

(i) Trade payables are non-interest bearing and are normally settled on 30 day terms.

(ii) Other payables and accruals are non-interest bearing and have an average term of 30 days.

(iii) Appeals payable are non-interest bearing and are recognised at the nominal amounts approved by the board of directors. They are generally paid within 6 months of their approval.

Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value.

12 PROVISIONS

	2016	2015
	\$	\$
Current		
Employee benefits	233,126	217,630
	233,126	217,630

Employee benefits

Provision is made for employee entitlement benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include long service leave.

13 INTEREST-BEARING LOANS AND BORROWINGS

(a) Financing facilities available

At reporting date, the following bank financing facilities had been negotiated and were available:

	2016	2015
	\$	\$
<i>Total facilities available</i>		
- Business credit card facility	50,000	50,000
	50,000	50,000
<i>Facilities used at balance date</i>		
- Business credit card facility	-	-
	-	-
<i>Facilities unused at balance date</i>		
- Business credit card facility	50,000	50,000
	50,000	50,000

Credit card facility used does not attract interest, with all payables settled by the due date, taking full advantage of the interest-free period on offer.

14 DEFERRED INCOME

	2016	2015
	\$	\$
Deferred income	204,561	360,231
	204,561	360,231

15 ACCUMULATED SURPLUS

	2016	2015
	\$	\$
Movements in accumulated surplus were as follows:		
Balance 1 October	5,205,268	3,936,824
Net profit/(loss) for the year	(427,755)	1,268,444
Balance 30 September	4,777,513	5,205,268

16 STATEMENT OF CASH FLOWS RECONCILIATION

(a) Non-cash financing and investing activities

Credit card facility

At balance date, The Westpac Banking Corporation provided the organisation with a business credit card facility with a limit of \$50,000 (2015: \$50,000). The balance owing at 30 September 2016 is reflected in the liabilities. Credit card facility used does not attract interest, with all payables settled by the due date, taking full advantage of the interest-free period on offer.

Donated goods

During the year, the organisation received donated goods and services to the value of \$848,381 (2015: \$1,130,880). As these were acquired for no consideration, the goods and services were valued at current replacement cost.

17 CONTINGENCIES

There are no contingent liabilities that exist at, or after, the balance date and as at the date of this financial report.

18 RELATED PARTY DISCLOSURES

(a) Key management personnel

Details relating to key management personnel, including remuneration paid, are included in Note 20. The entity has engaged in a number of commercial transactions with parties related to key management personnel, as outlined below:

		<i>Payments from related parties</i>	<i>Payments to related parties</i>	<i>Amounts owed by related parties</i>	<i>Amounts owed to related parties</i>
		\$	\$	\$	\$
Social Media Optimisation	2016	-	7,343	-	990
	2015	-	-	-	-
Staff related to key management personnel	2016	-	-	-	-
	2015	-	25,025	-	-

(b) Transactions with related parties

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

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

<i>Related party</i>		<i>Payments from related parties</i>	<i>Payments to related parties</i>	<i>Amounts owed by related parties</i>	<i>Amounts owed to related parties</i>
Related body:		\$	\$	\$	\$
Variety Tasmania	2016	-	-	-	-
	2015	4,975	22,263	-	3,170
Variety Australia	2016	76,306	278,191	-	2,180
	2015	146,089	58,585	-	101
Variety Northern Territory	2016	547	2,000	-	-
	2015	3,495	19,125	-	2,104
Variety Queensland	2016	53	5,571	-	-
	2015	14,327	75,555	-	27,780
Variety South Australia	2016	13,882	-	-	-
	2015	16,993	57,872	-	11,840
Variety Victoria	2016	-	-	-	-
	2015	982	89,659	-	39,924
Variety Western Australia	2016	3,064	-	-	-
	2015	4,017	65,712	-	19,680
Variety International	2016	-	47,337	-	-
	2015	-	47,823	-	-

Terms and conditions of transactions with related parties

Sales to and purchases from related parties are made in arm's length transactions both at normal market prices and on normal commercial terms. Outstanding balances at year end are unsecured, interest free and settlement occurs in cash.

19 KEY MANAGEMENT PERSONNEL

(a) Details of Key Management Personnel as at 30 September 2016

(i) Directors

Dr Amanda Mead	Chairperson/Company Secretary
Prof. Gordon Cooper AM	Treasurer
Ms Julie Babineau	Director
Mr Geoff Davis	Director
Mr John Dennis	Deputy Chairperson
Mr Henry Eggers	Director
Mr Peter Hebbes AM	Director
Mr Mahesh Hettiaratchi	Director
Mr John Hoffman	Director
Mr Greg Lewis	Director
Mr Paul Mullaly	Director
Ms Katie Newton-John	Director
Ms Susan Warda	Director

(ii) Staff

Tamara Johnston	Chief Executive Officer
Bryan Mattes	Head of Finance + Corporate Services
Karl Kinsella	Head of Fundraising (Acting) <i>September 2016</i>
Alexandra Muirhead	Head of Marketing
Marisa Turcinskis	Grants and Programs Manager <i>started August 2016</i>
Jason Bourke	Regional Director <i>started February 2016</i>

In the 2016 Financial Year, the scope of key management personnel reported was widened to include all executive level staff.

	2016	2015
	\$	\$

(b) Compensation of Key Management Personnel

Short-term employee benefits – Salary and fees	642,731	437,979
Short-term employee benefits – Non-monetary benefits	15,040	23,494
Post-employment benefits - Superannuation	61,059	41,608
Total benefits	718,831	503,081

20 EVENTS AFTER THE BALANCE DATE

There were no significant events after the balance date which may affect the Company's operations or results of those operations or the Company's state of affairs.

21 AUDITORS REMUNERATION

Audit fees of \$43,000 (2015: \$43,000) have been billed, with a corresponding donation of \$20,000 (2015: \$23,000) received or to be received.

Directors' Declaration

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

- (a) the financial statements and notes of the Company are in accordance with the *Corporations Act 2001* and the *Australian Charities and Not-for-Profits Commission Act 2012*, including:
 - (i) giving a true and fair view of the Company's financial positions as at 30 September 2016 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements, the *Corporations Regulations 2001* and the *Australian Charities and Not-for-Profits Commission Regulation 2013*; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

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

Signed in accordance with a resolution of the Board of Directors



Dr Amanda Mead
Director/Chairperson



Prof. Gordon Cooper AM
Director/Treasurer

Sydney, 21 November 2016

Independent auditor's report to the members of Variety - the Children's Charity (NSW)

Report on the financial report

We have audited the accompanying financial report of Variety - the Children's Charity (NSW), which comprises the statement of financial position as at 30 September 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility for the financial report

The directors of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-Profits Commission Act 2012* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit we have complied with the independence requirements of the *Australian Charities and Not-for-Profits Commission Act 2012*. We have given to the directors of the registered entity a written Auditor's Independence Declaration.

Opinion

In our opinion the financial report of Variety - the Children's Charity (NSW) is in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- (i) giving a true and fair view of the company's financial position as at 30 September 2016 and of its financial performance and cash flows for the year ended on that date; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Australian Charities and Not-for-Profits Commission Regulation 2013.

Report on the requirements of the *NSW Charitable Fundraising Act 1991* and the *NSW Charitable Fundraising Regulations 2008*

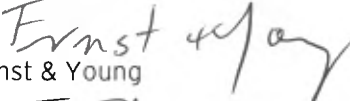

We have audited the financial report as required by Section 24(2) of the *NSW Charitable Fundraising Act 1991*. Our procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the *NSW Charitable Fundraising Act 1991* and the *NSW Charitable Fundraising Regulations 2008*.

Because of the inherent limitations of any assurance engagement, it is possible that fraud, error or non-compliance may occur and not be detected. An audit is not designed to detect all instances of non-compliance with the requirements described in the above-mentioned Act and Regulations as an audit is not performed continuously throughout the period and the audit procedures performed in respect of compliance with these requirements are undertaken on a test basis. The audit opinion expressed in this report has been formed on the above basis.

Opinion

In our opinion:

- a) the financial report of Variety - the Children's Charity (NSW) has been properly drawn up and associated records have been properly kept during the financial year ended 30 September 2016 in all material respects, in accordance with:
 - (i) sections 20(1), 22(1-2), 24(1-3) of the *NSW Charitable Fundraising Act 1991*;
 - (ii) sections 9(6) and 10 of the *NSW Charitable Fundraising Regulations 2008*;
- b) the money received as a result of fundraising appeals conducted by the company during the financial year ended 30 September 2016 has been properly accounted for and applied, in all material respects, in accordance with the above mentioned Act and Regulations.


Ernst & Young

John Robinson

Partner
Sydney
21 November 2016