

Variety – the Children's Charity (NSW)  
ABN 38 003 354 934

# Financial Report



**variety**  
the children's charity®

For the year ended  
30 September 2017



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## Directors' Report

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Your directors submit their report of Variety - the Children's Charity (NSW) for the year ended 30 September 2017.

### 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

##### **Dr Amanda Mead** **Chair**

Dr Amanda Mead B.Sc. (Hons), M.Com., Ph.D., GAICD, has been a Director of Variety NSW since 2004 and, in 2015 was elected the Chair of Variety NSW and a Director of Variety Australia.

She has been the Chair and Member of several Variety NSW committees, most notably the Grants and Programs Committee from 2008 to 2015 and the inaugural Co-Chair of the Risk and Governance Committee.

Amanda came to Variety with a wealth of senior-level marketing experience, both nationally and internationally. Since joining Variety, Amanda has been active as a Director and has supplemented her experience with formal qualifications from the Australian Institute of Company Directors, achieving Graduate Member status (GAICD) in 2011. In 2012 she was awarded a lifetime membership of Variety.

##### **John Dennis** **Deputy Chair**

John has been involved with Variety NSW for over 11 years and a Board member since 2012 and as Deputy Chair since 2015. 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 33 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](http://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.

# Variety – the Children's Charity (NSW) Financial Report



## **Prof. Gordon Cooper AM Treasurer (October 2016 – June 2017)**

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

*Gordon Cooper passed away in June 2017, his counsel, good humour and friendship will be missed by Board and Staff, alike.*

## **Tertius Campbell Treasurer (July 2017 onwards)**

Tertius joined the Variety NSW Finance Committee in 2015 and was elected to the Board in 2016. He is a qualified Chartered Accountant (Australia and South Africa ex-PWC) with extensive Finance, IT and general business knowledge and experience gained across a variety of industries. He is a seasoned business leader, having held a number of executive Finance and IT positions at large multi-national corporations in both Australia and South Africa. Corporations such as SA Breweries, Macsteel and UXC and currently holds the position of CFO of Capral Aluminium. During his career, he also initiated and led entrepreneurial ventures and lectured at an internationally renowned university.

On the Not-for-Profit front, Tertius was an inaugural director of Manufacturing Australia (an advocacy industry body of major manufacturers in Australia) holding the position of Treasurer for the past five years.

## **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 eight-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.

## Jack Cannons AM

With a long history of involvement with Variety locally, nationally and internationally, Jack re-joined the Variety NSW Board in December 2016 after a hiatus.

He's previously held the following roles within the organisation:

- Board Member – Variety – the Children's Charity (NSW) – 1992 – 2011
- Chair – Variety – the Children's Charity (NSW) - 2004 – 2006
- Deputy Chair – Variety Australia – 2006 – 2009
- Vice President / Board Member – Variety International - 2006 – 2012
- Chair – Variety Australia – 2009 – 2011
- CEO – Variety International – 2012 – 2013

Jack is currently Chair of the NSW Motoring Events Committee.

## 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 Revenue Committee
- Member of the Events and Ambassadors Committee

Retiring after 27 years of national, regional and senior management transport roles with Pioneer/Hansen P/L and Australia Post Transport Fleet & Systems. 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.

# Variety – the Children's Charity (NSW)

## Financial Report



### Henry Eggers

*Board Member to December 2016*

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.

### 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

*Board Member to December 2016*

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.

### Brian Hoare AM

Brian has been involved with Variety NSW for over 28 years commencing as a participant in the 1988 Bourke to Blatherskite Bash and has completed 27 B to B Bashes since as well as 7 NSW Bashes and 8 4WD Adventures and is a Bash Hall of Fame Inductee.

Brian served as a Variety NSW Board Member from 2011 to 2014 and during this time was the Motoring Events Chairman he served as the Deputy Chairman Tent No.56 in 2014. He is currently the Ex-Officio Member - Variety Coordinator, The Bay Push, Batemans Bay.

Brian was the Chief Executive Officer and Vice President of Crown Equipment with over 40 years' experience in Manufacturing, Service, Rentals, Legal and Human Resources associated with the Forklift Industry. He is retired but remains a Non-Executive Director of Crown.

Brian has served on various other charity boards including Adele House (Drug and Alcohol Rehabilitation), and Interaction Disability Services.

Brian is a Fellow, Australian Institute of Company Directors and was awarded the Order of Australia in 2016 for "service to the community, and the manufacturing sector".

### 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 *Board Member to January 2017*

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.



# Variety – the Children’s Charity (NSW) Financial Report



## **Susan Warda**

*Board Member to December 2016*

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.

## **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**

Bryan Mattes BEc (Hons), CPA, Head of Finance & Corporate Services, has been the Company Secretary of Variety - the Children's Charity (NSW) for the whole of the 2017 Financial Year.

## **DIVIDENDS**

No dividends were paid out in the 2017 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 45 entities operating in 14 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 28 staff at 30 September 2017 (30 September 2016: 26).

## Directors' Report (continued)

### 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.

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

### 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 delivery of aid to Australian children who are sick, disadvantaged or have special needs, through grants, services, programs, scholarships and kid’s events.

Variety’s principal fundraising activity involves the running of multiple large fundraising events including the Variety B-to-B Bash, Variety Xmas Walks, 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 23.

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



## **Directors' Report (continued)**

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### **OPERATING RESULTS FOR THE YEAR**

#### *Operating revenue*

The operating revenue for the year ended 30 September 2017 was \$9,874,358 (30 September 2016: \$9,203,612).

#### *Operating result before Kids Support Framework appeals and delivery*

The operating profit before Kids Support Framework appeals granted and delivery costs for the year ended 30 September 2017 was \$4,167,747 (30 September 2016: \$3,311,142).

#### *Kids Support Framework appeals granted*

Appeals granted to sick, special needs and disadvantaged children for the year ended 30 September 2017 was \$3,469,157 (30 September 2016: \$3,161,941).

#### *Net operating result*

The net surplus for the year ended 30 September 2017 was \$51,692 (2016 net deficit: \$427,755).

### **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**

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.



## Directors' Report (continued)

### 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
Julie Babineau	10	11
Tertius Campbell (Appointed December 2016)	8	9
Jack Cannons AM (Appointed December 2016)	8	9
Prof. Gordon Cooper AM (Director until June 2017)	3*	7
Geoff Davis	10	11
John Dennis	11	11
Henry Eggers (Director until December 2016)	2	2
Peter Hebbes AM	9	11
Mahesh Hettiaratchi (Director until December 2016)	1	2
Brian Hoare AM	6	9
John Hoffman	9	11
Greg Lewis	11	11
Dr Amanda Mead	11	11
Paul Mullaly	8	11
Katie Newton-John (Director until January 2017)	2	2
Susan Warda (Director until December 2016)	2	2

*\*Prof. Cooper had a Leave of Absence granted for 2 meetings during 2017FY*



## **Directors' Report (continued)**

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### **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 12 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

A handwritten signature in blue ink that reads "Amanda Mead".

**Dr Amanda Mead**  
**Director/Chairperson**

A handwritten signature in blue ink that reads "Tertius Campbell".

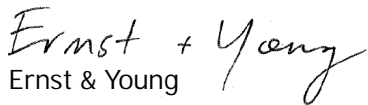
**Tertius Campbell**  
**Director/Treasurer**

**Sydney, 17 November 2017**



## 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 2017, 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 any applicable code of professional conduct.

  
Ernst & Young



John Robinson  
Partner  
Sydney  
17 November 2017



## Statement of Comprehensive Income

For the year ended 30 September 2017

	Note	2017 \$	2016 \$
Fundraising income	4	8,906,421	8,303,600
Contributions towards appeals granted		448,550	305,096
Contributions towards appeals granted (in-Kind)		439,740	439,774
Other income		79,647	155,142
<b>Total revenues</b>		<b>9,874,358</b>	<b>9,203,612</b>
Event Production Costs		(2,626,327)	(2,888,410)
Merchandise Costs		(110,686)	(130,882)
Fundraising Management Costs		(1,381,669)	(1,351,023)
<b>Total Cost of Fundraising</b>		<b>(4,118,682)</b>	<b>(4,370,315)</b>
<b>Gross Profit</b>		<b>5,755,676</b>	<b>4,833,297</b>
Employee expense	5(a)	(490,928)	(403,742)
Advertising & promotion		(195,861)	(182,543)
Bank Charges		(17,202)	(27,786)
Occupancy Costs		(138,954)	(122,362)
Other Operating Costs		(241,217)	(304,329)
Travel & Accommodation		(42,644)	(41,030)
Depreciation	5(b)	(126,380)	(108,376)
International and National Dues		(117,113)	(147,151)
Insurance		(60,680)	(53,280)
Consultants		(156,950)	(131,556)
<b>Total expenses</b>		<b>(1,587,929)</b>	<b>(1,522,155)</b>
<b>Surplus before Kids Support Framework appeals and delivery</b>		<b>4,167,747</b>	<b>3,311,142</b>
Kids Support Framework - granted	4	(3,469,157)	(3,161,941)
Kids Support Framework - (in-Kind)	4	(439,740)	(439,774)
Kids Support Framework - delivery	4	(207,158)	(137,182)
		<b>4,116,055</b>	<b>3,738,897</b>
<b>Net profit / (loss) for the year before Income Tax</b>		<b>51,692</b>	<b>(427,755)</b>
<b>Income Tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income / (loss) for the year</b>		<b>51,692</b>	<b>(427,755)</b>

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



## Statement of Financial Position

As at 30 September 2017

	<i>Note</i>	<i>2017</i> \$	<i>2016</i> \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	1,755,913	3,556,961
Trade and other receivables	7	788,050	420,821
Other current assets	8	2,063,905	373,003
<b>Total current assets</b>		<b>4,607,868</b>	<b>4,350,785</b>
<b>Non-current assets</b>			
Investments	9	85,200	85,200
Property, plant and equipment	10	4,008,735	2,987,580
<b>Total non-current assets</b>		<b>4,093,935</b>	<b>3,072,780</b>
<b>TOTAL ASSETS</b>		<b>8,701,803</b>	<b>7,423,565</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Grants payable	11(a)	1,701,902	1,625,360
Trade and other payables	11(b)	409,978	583,005
Provisions	12	273,751	233,126
Deferred income	14	339,295	204,561
<b>Total current liabilities</b>		<b>2,724,926</b>	<b>2,646,052</b>
<b>TOTAL LIABILITIES</b>		<b>2,724,926</b>	<b>2,646,052</b>
<b>NET ASSETS</b>		<b>5,976,877</b>	<b>4,777,513</b>
<b>EQUITY</b>			
Accumulated surplus	15	5,976,877	4,777,513
<b>TOTAL EQUITY</b>		<b>5,976,877</b>	<b>4,777,513</b>

*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 2017

	<i>Accumulated surplus</i> \$	<i>Revaluation Reserve</i> \$	<i>Total equity</i> \$
<b>At 1 October 2015</b>	5,058,846	146,422	5,205,268
Deficit for the year	(427,755)	-	(427,755)
<b>Total comprehensive income for the year</b>	<b>(427,755)</b>	<b>-</b>	<b>(427,755)</b>
<b>At 30 September 2016</b>	<b>4,631,091</b>	<b>146,422</b>	<b>4,777,513</b>
Surplus for the year	51,692	-	51,692
Revaluation of land and building	-	1,147,672	1,147,672
<b>Total comprehensive loss for the year</b>	<b>51,692</b>	<b>1,147,672</b>	<b>1,199,364</b>
<b>At 30 September 2017</b>	<b>4,682,783</b>	<b>1,294,094</b>	<b>5,976,877</b>

*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 2017

	<i>Note</i>	<i>2017</i> \$	<i>2016</i> \$
<b>Cash flows from operating activities</b>			
Receipts from donors, sponsors, members and functions		8,608,862	8,381,820
Payments to suppliers and employees		(5,477,311)	(5,196,802)
Interest received		61,974	54,069
Appeals paid		(3,392,615)	(3,090,071)
<b>Net cash flows from/(used in) operating activities</b>		(199,090)	149,016
<b>Cash flows from investing activities</b>			
Funds transfer to term deposits with maturity >3 months		(1,536,746)	(20,625)
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		(65,212)	(125,150)
<b>Net cash flows used in investing activities</b>		(1,601,958)	484,574
Net increase in cash and cash equivalents		(1,801,048)	633,590
Cash and cash equivalents at beginning of year		3,556,961	2,923,371
<b>Cash and cash equivalents at end of year</b>	<b>6</b>	<b>1,755,913</b>	<b>3,556,961</b>

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





## **Notes to the Financial Statements**

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### **1 CORPORATE INFORMATION**

The financial report of Variety - the Children's Charity (NSW) (the "Company") for the year ended 30 September 2017 was authorised for issue in accordance with a resolution of the directors on 17 November 2017.

### **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 2017.

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).

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**

##### **(i) *New accounting standards, amendments and interpretations***

The following standards, amendments to standards and interpretations have been identified as those which are effective for annual periods beginning on or after 1 October 2016

- AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities
- AASB 2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities

These amendments have had no impact on the Company's presentation or disclosure for the period.



## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### *(ii) New accounting standards and interpretations issued but not yet effective*

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Company for the year ended 30 September 2017. The directors have not early adopted any of these new or amended standards or interpretations. The directors have not yet fully assessed the impact of the following new or amended standards (to the extent relevant to the Company) and interpretations.

#### **(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.

Land and buildings are measured at fair value less accumulated depreciation on buildings and less any impairment losses recognised after the date of the revaluation. The land and building were revalued by an accredited valuer on 27 September 2017

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
- Software – 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.



## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (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. No indicators for impairment have been identified by Management and as such no specific impairment testing has been done.

### (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.

### (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.



## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

#### *(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.



## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (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.

### *(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.





## 3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

### *(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.

# Variety – the Children’s Charity (NSW)

## Financial Report



### 4 FUNDRAISING INFORMATION AND ADMINISTRATION COSTS

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

	2017 Total Income \$	2017 Direct Expenses \$	2017 Net Income \$	2016 Net Income \$
<b>Fundraising information</b>				
Events	4,940,601	1,871,955	3,068,646	2,868,885
Corporate Partnerships	2,376,104	24,015	2,352,089	2,159,715
Individual Giving + Philanthropy	591,986	291,814	300,172	327,704
Community Fundraising	997,730	84,585	913,145	494,184
Fundraising Staff Costs		1,846,313	(1,846,313)	(1,917,204)
<b>Total contribution from fundraising</b>	<b>8,906,421</b>	<b>4,118,682</b>	<b>4,787,739</b>	<b>3,933,284</b>
Contributions towards appeals			448,550	305,096
Contributions towards appeals (in-Kind)			439,740	439,774
Other income			79,647	155,142
Administration costs			(1,587,929)	(1,522,156)
<b>Net surplus before Kids Support Framework</b>			<b>4,167,747</b>	<b>3,311,140</b>
Kids Support Framework Expenses (Grants / Delivery / in-Kind)			4,116,055	3,738,898
<b>Net surplus / (deficit)</b>			<b>51,692</b>	<b>(427,755)</b>

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 \$915,324 (2016: \$848,381) and goods and services in kind expended of \$915,324 (2016: \$848,381) are included in the relevant revenue or expense category.

# Variety – the Children’s Charity (NSW)

## Financial Report



### 4 FUNDRAISING INFORMATION AND ADMINISTRATION COSTS (continued)

	2017		2016	
	\$	%	\$	%
<b>Comparison of monetary figures and percentages</b>				
Total income received	9,874,357		9,203,612	
Total costs of fundraising & donations	4,118,682	2.40	4,749,652	1.71
Every dollar spent as Cost of Fundraising raised \$2.40 in 2017FY – a 40% increase on 2016FY				
Total cost of administration	1,587,929		1,522,156	
Total income received	9,874,357	16%	9,203,613	17%
Net surplus from fundraising & donations	5,813,336		4,833,297	
Gross income from fundraising & donations	9,346,160	62%	8,743,374	55%

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

	2017	2016
	\$	\$
<b>(a) Employee expense</b>		
Wages and salaries	314,533	250,699
Other employee benefit expense	55,598	24,967
Staff training and development	37,622	48,181
Recruitment	83,175	79,895
Total employee expense	490,928	403,742
<b>(b) Depreciation expense</b>		
Buildings	36,478	36,478
Plant and equipment	76,768	68,329
Software	2,421	-
Motor vehicles – in Overheads	10,713	3,569
Deprecation in overheads	126,380	108,376
Motor vehicles – in Cost of Fundraising	65,349	60,437
Total depreciation expense	191,729	168,813

# Variety – the Children’s Charity (NSW) Financial Report



## 6 CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following at 30 September 2017:

	<i>2017</i> \$	<i>2016</i> \$
Cash in hand	325	199
Cash at bank	1,755,588	3,556,762
	<u>1,755,913</u>	<u>3,556,961</u>

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.

## 7 TRADE AND OTHER RECEIVABLES (CURRENT)

	<i>2017</i> \$	<i>2016</i> \$
Trade Receivables	-	-
Accrued income	788,050	420,821
Carrying amount other receivables	<u>788,050</u>	<u>420,821</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

	<i>2017</i> \$	<i>2016</i> \$
Prepayments	387,241	162,567
Inventory on Hand	97,828	127,233
GST Receivable	21,465	62,578
Funds on Term Deposit >3 months	1,557,371	20,625
	<u>2,063,905</u>	<u>373,003</u>

# Variety – the Children’s Charity (NSW) Financial Report



## 9 INVESTMENTS

	2017 \$	2016 \$
Investments in Variety Australia Limited - at cost	85,200	85,200
	85,200	85,200

## 10 PROPERTY, PLANT AND EQUIPMENT

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

	Land & Building	Plant & Equipment	Motor Vehicles	Capitalised Software	Total
<b>At 1 October 2016 at Cost:</b>	<b>2,768,878</b>	<b>441,040</b>	<b>394,355</b>	<b>11,024</b>	<b>3,615,297</b>
Accumulated Depreciation:	(130,072)	(301,856)	(195,789)	-	(627,717)
<b>Net carrying Amount at 1 October 2016:</b>	<b>2,638,806</b>	<b>139,184</b>	<b>198,566</b>	<b>11,024</b>	<b>2,987,580</b>
Additions:	-	64,132	-	1,080	65,212
Disposals:	-	-	-	-	-
Depreciation charge:	(36,478)	(76,768)	(76,062)	(2,421)	(191,729)
Revaluation:	1,147,672	-	-	-	1,147,672
<b>End of Year – net carrying amount:</b>	<b>3,750,000</b>	<b>126,548</b>	<b>122,504</b>	<b>9,683</b>	<b>4,008,735</b>



# Variety – the Children’s Charity (NSW) Financial Report



## 11 PAYABLES (CURRENT)

	2017 \$	2016 \$
<i>(a)</i>		
Grants payable at 1 October	1,625,360	1,553,490
Appeals granted	3,469,157	3,161,941
Grants paid	(3,392,615)	(3,090,071)
Grants payable	1,701,902	1,625,360
<i>(b)</i>		
Trade payables	100,093	300,075
Other payables and accruals	309,885	282,930
Carrying amount of trade and other payables	409,978	583,005

(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

	2017 \$	2016 \$
<b>Current</b>		
Employee benefits	273,751	233,126
	273,751	233,126

### *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 and annual leave.

# Variety – the Children’s Charity (NSW) Financial Report



## 13 INTEREST-BEARING LOANS AND BORROWINGS

### (a) Financing facilities available

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

	2017 \$	2016 \$
<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

	2017 \$	2016 \$
Deferred income	339,295	204,561
	339,295	204,561

## 15 ACCUMULATED SURPLUS

	2017 \$	2016 \$
Movements in accumulated surplus were as follows:		
Balance 1 October	4,777,513	5,205,268
Revaluation (Land and Building)	1,147,672	-
Net profit/(loss) for the year	51,692	(427,755)
Balance 30 September	5,976,877	4,777,513

# Variety – the Children’s Charity (NSW) Financial Report



## 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 (2016: \$50,000). The balance owing at 30 September 2017 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 \$972,984 (2016: \$848,381). 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 19. 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	<b>2017</b>				
	<b>2016</b>	-	7,343	-	990

### (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.

# Variety – the Children's Charity (NSW) Financial Report



## 18 RELATED PARTY DISCLOSURES (continued)

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

		<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>
		\$	\$	\$	\$
<i>Related party</i>					
<b>Related body:</b>					
Variety Tasmania	<b>2017</b>	1,630	7,755	-	11,447
	<b>2016</b>	-	-	-	-
Variety Australia	<b>2017</b>	213,657	187,897	-	-
	<b>2016</b>	76,306	278,191	-	2,180
Variety Northern Territory	<b>2017</b>	3,355	-	-	11,447
	<b>2016</b>	547	2,000	-	-
Variety Queensland	<b>2017</b>	11,086	40,703	-	41,189
	<b>2016</b>	53	5,571	-	-
Variety South Australia	<b>2017</b>	18,918	28,616	-	41,189
	<b>2016</b>	13,882	-	-	-
Variety Victoria	<b>2017</b>	7,686	41,384	-	41,189
	<b>2016</b>	-	-	-	-
Variety Western Australia	<b>2017</b>	6,574	31,196	-	41,189
	<b>2016</b>	3,064	-	-	-
Variety International	<b>2017</b>	-	39,116	-	-
	<b>2016</b>	-	47,337	-	-

### *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.

# Variety – the Children’s Charity (NSW) Financial Report



## 19 KEY MANAGEMENT PERSONNEL

### (a) Details of Key Management Personnel as at 30 September 2017

#### *(i) Directors*

Dr Amanda Mead	Chairperson/Company Secretary
John Dennis	Deputy Chairperson
Tertius Campbell	Treasurer (July – September 2017)
Julie Babineau	Director
Jack Cannons, AM	Director
Geoff Davis	Director
Peter Hebbes AM	Director
Brian Hoare AM	Director
John Hoffman	Director
Mr Greg Lewis	Director
Mr Paul Mullaly	Director

#### *(ii) Staff*

David Sexton	Chief Executive Officer (from 30 January 2017)
Bryan Mattes	Head of Finance + Corporate Services
Karl Kinsella	Head of Fundraising (Acting)
Alison Buckland	Head of Marketing & Communications (Acting) (July 2017 onwards)
Marisa Turcinskis	Head of Kids Support
Jason Bourke	Head of Regional Development

### *(b) Compensation of Key Management Personnel*

	2017 \$	2016 \$
Short-term employee benefits – Salary and fees	760,511	642,731
Short-term employee benefits – Non-monetary benefits	7,440	15,040
Post-employment benefits - Superannuation	72,249	61,059
Total benefits	840,200	718,830

## 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 (2016: \$43,000) have been billed, with a corresponding donation of \$20,000 (2016: \$20,000) 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 *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 2017 and of its performance 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*; 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

A handwritten signature in black ink, appearing to read "Amanda Mead".

**Dr Amanda Mead**  
**Director/Chairperson**

A handwritten signature in black ink, appearing to read "Tertius Campbell".

**Tertius Campbell**  
**Director/Treasurer**

# Independent Auditor's Report to the Members of Variety – the Children's Charity (NSW)

## Report on the Financial Report

### Opinion

We have audited the financial report of Variety - the Children's Charity (NSW), which comprises the statement of financial position as at 30 September 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- a) giving a true and fair view of the Company's financial position as at 30 September 2017 and of its financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

### Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.



If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Directors for the Financial Report

The directors of the Company 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 control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Report on Other Legal and Regulatory Requirements

In accordance with the requirements of section 60-45(3)(b) of the ACNC Act, we are required to describe any deficiency, failure or shortcoming in respect of the matters referred to in paragraph 60-30(3)(b), (c) or (d) of the ACNC Act.

Our opinion on the financial report is not modified in respect of the following matter(s) because, in our opinion, it has been appropriately addressed by Variety – the Children's Charity (NSW) and is not considered material in the context of the audit of the financial report as a whole:

## Report on the requirements of the *NSW Charitable Fundraising Act 1991* and the *NSW Charitable Fundraising Regulations 2015*

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 2015*.

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(s) 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 2017, 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 10(6) and 11 of the NSW Charitable Fundraising Regulations 2015;
- b) The money received as a result of fundraising appeals conducted by the entity during the financial year ended 30 September 2017 has been properly accounted for and applied, in all material respects, in accordance with the above mentioned Act and Regulations

*Ernst + Young*  
Ernst & Young



John Robinson  
Partner  
Sydney  
17 November 2017