

Variety - The Children's Charity of Victoria

ABN: 80 145 257 414

Financial Statements

For the Year Ended 30 September 2016

Variety - The Children's Charity of Victoria

ABN: 80 145 257 414

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For the Year Ended 30 September 2016

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Variety - The Children's Charity of Victoria

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Directors' Report 30 September 2016

The Directors' present their report on Variety - The Children's Charity of Victoria for the financial year ended 30 September 2016.

1. General information

Directors

The names of the Directors in office at any time during, or since the end of, the year are:

Names	Position	Appointed/Resigned
Richard Symon	Chairman	
Vito Interlandi	Secretary	
Paul Manning	Treasurer	
Steve Donnellon	Board Member	
Gary Peck	Board Member	
Michael Randell	Board Member	
Martin Stone	Board Member	
Claire Heaney	Board Member	
Gary Caddy	Board Member	
Nicholas Pullen	Board Member	
Ken Pryor	Board Member	
Peter Kent	Board Member	Appointed 15 June 2016
Craig Dent	Board Member	Resigned 9 December 2015
Geoff Street	Board Member	Resigned 9 December 2015
Rod Collins	Board Member	Resigned 9 December 2015
Patricia Burke	Secretary	Resigned 9 December 2015

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company secretary

Vito Interlandi held the position of Company secretary at the end of the financial year:

Vito Interlandi has been the company secretary since 9 December 2015. Prior to this role, Vito Interlandi was a Board Member of the Company.

Directors' Report

30 September 2016

1. General information continued

Information on 8 directors

The names of each person who has been a Director during the year and to the date of this report are:

Richard Symon

Richard was appointed Chief Barker at the Variety Victoria Annual General Meeting, December 2014. He is a Crew Member (Director) of Variety Australia. Richard co-founded and is Chair of the Financial Services Foundation Ltd, a supporter and partner of Variety in raising funds for children's charities. Richard has just launched a new Corporate Advisory business specialising in capital raising, stock exchange listings and assisting companies grow.

He recently relinquished the position of Executive Chairman of ASX listed MDS Financial Group, a diversified financial services organisation which has an ASX participant stockbroker subsidiary, D2MX where he joined as Director in 2008. Prior to joining MDS Richard was the CEO of NSX Ltd (ASX:NSX) the operator of the National Stock Exchange. He also served in roles as Executive Director of the Securities and Derivatives Industry Association (now Stockbrokers Association of Australia – SAA). Richard co-founded and was CEO of Sharetrade Australian Stockbroking Ltd which was sold to PBL (Packer) listed subsidiary eCorp and merged to bring Charles Schwab to Australia in 2000.

Richard is a Fellow of Finsia (FFin) and Master Stockbroker (MSAA). He serves on the Life Saving Victoria, Grievances and Judiciary Procedures Committee and is an active patrol member of Point Lonsdale Surf Life Saving Club.

Vito Interlandi

Vito has over 20 years of finance expertise and management experience which he has gained from both corporate public practice and private practice. Vito has used his experience in financial control and CFO functions in corporate and private practice to develop appropriate strategies and actions for clients, ensuring that their businesses perform efficiently and effectively to produce the highest quality products and services.

In addition, Vito is a Board member and advisor to a number of companies across a range of industries, including Variety Victoria – The Children's Charity, for which he was Chair (Chief Barker) from November 2012 to November 2013. Vito has also worked with the establishment of unlisted companies, ranging from IT to consulting, and assistance with raising capital and their ultimate listing on the ASX.

Paul Manning

Paul has worked in finance and banking industries for more than 25 years including a range of senior leadership positions.

As Chief Financial Officer for State Trustees Paul is responsible for financial management, investments, risk and project management. Prior to State Trustees, Paul was Chief Financial Officer at BankVic, driving a number of major transformation projects including obtaining a banking license, process reengineering for superannuation services and implementing a detailed management reporting system.

Paul has also held lead roles at JPMorgan, Members Equity Bank, Primary Superannuation, Westpac and PwC. He has travelled extensively and worked in Budapest, Bucharest, London, Wellington, Sydney and Melbourne. As well as senior corporate roles, Paul previously spent four years as Director/Treasurer of Experimenta, a not-for-profit arts organisation based in Melbourne.

Directors' Report

30 September 2016

1. General information continued

Steve Donnellon

Steve is the owner of two smash repair shops in Melbourne's Eastern Suburbs. He established his company Donnellon's Body Works in 1989 and services a diverse portfolio of Multinational and Not for Profit organisations. Prior to that he was the Manager of Carpenters Body Works. Educated at Templestowe College, he is a member of the VACC (Victorian Automotive Chamber of Commerce) and an Associate member of the ASAE (Australian Society of Automotive Engineers).

In his spare time Steve is a passionate photographer and, an active Rotary Club member who teaches his photographic knowledge to students. Through the Friends Rotary Camera Club he is also working closely with The Rotary Club of Nunawading and Rotary Katmandu in Nepal to complete a school building works project.

Gary Peck

An experienced global banker, retired since 2011, built his career in the financial services industry as a strategic thinker and an executive who builds profitable businesses, whether it be establishing or growing them and during the engagement upholds and maintains standards of excellence and ethics. His particular strengths lie in his ability to build teams, adapt to situations, identify opportunities, work with the numerous stakeholders, both in the public and private sectors, drive the sales process and execute strategies. With an executive presence, he has excellent people skills, strengthened through his fourteen years of living and working abroad in several regions. He is thorough and collaborative in his stakeholder approach.

Michael Randell

Michael Randall SIA(Aff), DipAFPA, GAICD. Michael left Macquarie Private Wealth in early 2014 after 15 years of service and joined Randall King Daish as a partner. Michael has over 30 years' experience in the stockbroking business. Prior to Macquarie, Michael worked for UBS for 10 years. Michael specialises in building investment portfolios through tailored asset allocation for individuals, super funds and family business.

Michael also has considerable experience in investment strategies with NFP's. Michael is a Co-Founder of the Financial Services Foundation with Richard Symon which hosts an annual event to raise much needed funds for children's charities. Michael has also been an active Board Member of The Cottage by the Sea for over 16 years. In 2014, Michael was awarded an OAM for his services to disadvantaged youth.

Martin Stone

Melbourne businessman Martin Stone has been able to combine his passion for cars and philanthropy. Martin, head of the panel beating business, Sheen Group, is also a top fundraiser for Variety Victoria's annual major event, the Variety Bash.

During the 2013 Bash, which travelled from Echuca to Broome, he passed the \$1 million mark for Variety - the Children's Charity and in 2015, \$2 million. Martin has been involved in Variety on many levels, providing sound advice and access to good contacts.

Claire Heaney

Claire Heaney is a senior Melbourne print journalist, having cut her teeth at country newspapers in Ballarat and Geelong before shifting to Melbourne in 1989. She has written for Australia's best-selling newspapers in each state and has complemented her writing and editing career with stints lecturing and mentoring in journalism.

Claire, who holds a Graduate Diploma in Media Law and Communications from the University of Melbourne, also freelances on parenting and travel issues. In recent years she has branched out into public relations and communications, providing strategic planning for niche small businesses.

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Directors' Report

30 September 2016

1. General information continued

- Gary Caddy
- Founding partner of Valley Maintenance Services in 1986, Gary Caddy's work involves the Operations Management, Management of DDHS Maintenance Contracts, Construction Management of rail projects. Valley Maintenance Services specialises in volume maintenance contracts with the State Government, in addition a strong focus on civil commercial and private construction projects.
- Gary has been a long-time supporter of Variety, an annual Victoria Bash participant for the past 13 years, raising over \$750,000 as one of our highest fundraisers and champions of the Variety Bash. With a private collection of Australian/American muscle cars from the 50's, 60's and 70's perfectly combines his passion for cars and helping children who are sick, disadvantaged or have special needs to live, laugh and learn through the Variety programs.
- Nicholas Pullen
- Nic is a partner of HWL Ebsworth lawyer practising in all areas of the media, entertainment and communications industries. This involves all types of commercial, strategic and litigation advice.
- Over the years, his work has involved the establishment and maintenance of a number of charities and organizations associated with the arts. The type of clients in such a practice are diverse ranging from major corporations and publicly listed companies, to politicians and celebrities with even the occasional iconic koala.
- Ken Pryor
- In 1993 Ken Pryor commenced trading his own business in Property Development, specialising in Strategic Network Planning, Property Acquisition and Construction Management .
- Ken has played a major part in the planning and development of McDonald's new store expansion program, Lawrence & Hanson Group Branch network, Repco Auto Parts, Officeworks, Pizza Hut and Sizzler Family Restaurants.
- As a Director and Senior Executive of the Jardine Restaurant Group. Ken was involved formulating and implementing major Company objectives, setting the foundation of the group and managing the development and Franchising of a 150 plus store network turning over in excess of \$250 million dollars annually and employing some 6,000 employees. Ken joined the Variety Board in September 2015.
- Peter Kent
(Appointed 15 June 2016)
- Peter leads Porter Novelli Australia, one of Australia's longest-established public relations firms, and part of the global Porter Novelli network.
- His professional experience includes adventure travel, journalism, government and consulting, and he advises clients across in energy, agribusiness, retail, government, health and not-for-profit sectors.
- Peter is a Director of Porter Novelli Australia, served on the Carers Victoria board, the Salvation Army Red Shield Appeal Advisory Council and has been a Director of Variety Victoria since 15 June 2016.
- He is a member of the Australian Institute of Company Directors and the Public Relations Institute of Australia.

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Directors' Report

30 September 2016

1. General information continued

- Craig Dent
(Resigned 9 December 2015)
- Craig Dent is an award-winning senior executive with experience in the financial services, transport, utility and telecommunications industries. He has successfully implemented sustainable operating models that are profitable and customer-focused across corporate, government and community sectors in a career spanning nearly 30 years.
- Craig is an Australian Institute of Management Fellow, holds a Masters in Business Administration from the Australian Graduate School of Entrepreneurship at Swinburne University and is a member of the Australian Institute of Company Directors and the Harvard Business Review Advisory Council.
- Geoff Street
(Resigned 9 December 2015)
- He is a senior arts manager with over 35 years' experience in all facets of the performing arts, specifically in the areas of festival and venue management, programming and production.
- Since 2004 he has been working as a management and programming consultant for both IMG Artists and his own business including planning consultancies and advice for a number of venues in Australia and around the world. Over the past 20 or more years, he has held a number of senior arts positions in Australia including Programming Manager of the Victorian Arts Centre 1994 to 1999, Chair of the Theatre Board of the Australia Council 1995 to 1999, General Manager of the Brisbane Biennial International Festival of Music 1991 to 1993 and locum General Manager of the Geelong Performing Arts Centre 2005/06.
- Geoff has lectured in arts administration at tertiary institutions in Australia and Singapore and has been member of many industry and government arts bodies since 1984.
- Rod Collins
(Resigned 9 December 2015)
- Rod started on the Variety Board in 1999, soon after which he was nominated as Bash Chairman and then in 2004 National Bash Chairman. Rod has held the offices of Chairman, and Secretary on the Board. Rod has consistently travelled on the Bash as a Bash Official and has been an active volunteer on nearly all our motoring events in the past 14 years including Outback Adventure, 4WD and the Euro Bash.
- The Variety family aren't the only members of the community to benefit from Rod's dedication and generosity however. Rod also served as Detective Superintendent of Crime with Victoria Police and was Officer in Charge of the Victoria Police Homicide Squad managing the investigations into murders throughout the State. Rod also headed the State Emergency Response Co-ordination and Major Event Planning Unites for the Victoria Police whilst also heading Variety Victoria as Chairman.
- Rod was Awarded Life Membership in 2009.
- Patricia Burke
(Resigned 9 December 2015)
- Pat has experience in Human Resources management, not-for-profit boards and business consulting. Over the past 25 years in the United States and Australia, she has worked in the financial sector, government, not-for-profits and medium sized enterprises. In recent years, her focus has been on philanthropy through roles in grant making, project and committee work for a Melbourne foundation, a philanthropic peak body, and an alumni organisation.
- She has not-for-profit board and leadership experience in Melbourne in fundraising and event planning, governance, board nominations, and policy development.

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

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Directors' Report

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Principal activities

The principal activity of Variety - The Children's Charity of Victoria during the financial year were to supply material aid to less fortunate children in the community. No changes in the nature of the following activities occurred during the year: granting of individual and group appeals, provision of Variety Sunshine Coaches, Children's Christmas Party and Children's outings.

Short term objectives

The Company has as both its short term and long term objectives to raise funds to aid children in need, regardless of any race, colour or creed.

Strategy for achieving the objectives

To ensure the short and long term objectives of Variety are met, the following strategies have been put into place:

1. To raise money to further the aims of the Company and to secure sufficient funds for the purposes of the Company;
2. To receive any funds and to distribute those funds in a manner that best attains the objectives of the Company;
3. To enter into any arrangements with any Government or authority that may seem conducive to the Company's objects and to obtain from any such Government or authority, any rights, privileges and concessions which the Company thinks it is desirable to obtain and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions;
4. To subscribe or guarantee money for charitable or benevolent objects; and
5. To make donations for charitable purposes.
6. To ensure the ongoing financial sustainability of the Company.

Key performance measures

The following Key Performance Indicators will be the measure by which Variety assess the success of its short and long term objectives and its strategies:

1. Achieve fundraising growth in line with budget and planned fundraising activities;
2. Create new third party partnerships with the entertainment industry, sporting industry and high profile associations to meet budgeted income;
3. Increase income from corporate partnerships and establish Workplace Giving programs in line with budget expectations;
4. Apply for grants from Trusts and Foundations to increase income streams;
5. Increase net event income, in particular the fundraising component thereof;
6. Ensure that all collateral that leaves the Variety office is on brand and consistent;
7. Ensure database is up to date and accurate with all donor and contact touch points;

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Directors' Report 30 September 2016

8. Cash flow monitoring to ensure organisation has sufficient funds to meet its liabilities when they are due; and
9. Reduce the need for bank overdraft facilities.

2. Operating results and review of operations for the year

Operating results

The profit of the Company after providing for income tax amounted to \$ 306,708 (2015: \$ 510,674).

3. Other items

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Company during the year.

Matters or circumstances arising after the end of the year

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Environmental matters

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory.

Meetings of Directors

During the financial year, 9 meetings of Directors (including committees of Directors) were held. Attendances by each Director during the year were as follows:

	Board Meetings		
	Number eligible to attend	Number attended	
Richard Symon	9	8	
Vito Interlandi	9	4	
Paul Manning	9	8	
Steve Donnellon	9	7	
Gary Peck	9	7	
Michael Randell	9	7	
Martin Stone	9	8	
Claire Heaney	9	6	
Gary Caddy	9	7	
Nicholas Pullen	9	7	
Ken Pryor	9	8	
Peter Kent	4	3	Appointed 15 June 2016
Craig Dent	2	-	Resigned 9 December 2015
Geoff Street	2	1	Resigned 9 December 2015
Rod Collins	2	1	Resigned 9 December 2015
Patricia Burke	2	-	Resigned 9 December 2015

Directors' Report 30 September 2016

Indemnification and insurance of officers and auditors

Variety 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 incurred by the Directors and executive officers in performance of their duties, to the extent permissible under 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.

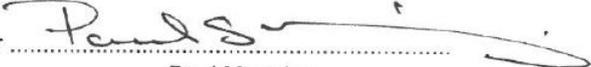
Auditor's independence declaration

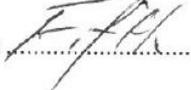
The lead auditor's independence declaration in accordance with subdivision 60-40 of the *Australian Charities and Not-For-Profits Commission Act 2012*, for the year ended 30 September 2016 has been received and can be found on page 9 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director

Richard Symon

Director

Paul Manning

Dated this

..... day of December 2016

Moore Stephens Audit (Vic)

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**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SUBDIVISION 60-40 OF THE AUSTRALIAN CHARITIES
AND NOT-FOR-PROFITS COMMISSION ACT 2012
TO THE DIRECTORS OF VARIETY VICTORIA – THE CHILDREN'S CHARITY**

I declare that, to the best of my knowledge and belief, during the year ended 30 September 2016, there have been no contraventions of the auditor independence requirements as set out in any applicable code of professional conduct in relation to the audit.



MOORE STEPHENS AUDIT (VIC)
ABN 16 847 721 257



ANDREW JOHNSON
Partner
Audit & Assurance Services

Melbourne, Victoria

5 December 2016

Variety - The Children's Charity of Victoria

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 September 2016

	Note	2016 \$	2015 \$
INCOME			
Revenue from Events	4	2,448,493	2,658,871
Event Costs	4	(1,274,119)	(1,257,252)
Net Income from Events		<u>1,174,374</u>	<u>1,401,619</u>
Revenue from Fundraising	4	1,409,975	882,844
Fundraising Costs	4	(505,478)	(299,466)
Net Income from Fundraising		<u>904,497</u>	<u>583,378</u>
Other Income	4	95,210	6,393
		<u>2,174,081</u>	<u>1,991,390</u>
EXPENSES			
Administration Costs		(192,537)	(272,144)
Appeals Granted		(1,295,510)	(900,830)
Appeals Rescinded		50,981	65,238
Depreciation and amortisation expense		(59,515)	(51,397)
Employee benefits expense		(212,642)	(215,959)
Finance costs		(15,169)	(30,082)
Other Expenses		(192,981)	(125,542)
Profit before income tax		<u>256,708</u>	<u>460,674</u>
Income tax expense		-	-
Profit for the year		<u>256,708</u>	<u>460,674</u>
Transfer from Jeffrey White Reserve	15	50,000	50,000
Other comprehensive income for the year, net of tax		<u>50,000</u>	<u>50,000</u>
Total comprehensive income for the year		<u>306,708</u>	<u>510,674</u>

The accompanying notes form part of these financial statements.

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Statement of Financial Position 30 September 2016

	Note	2016 \$	2015 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	934,267	765,597
Trade and other receivables	7	74,363	227,316
Other assets	8	16,914	13,105
TOTAL CURRENT ASSETS		<u>1,025,544</u>	<u>1,006,018</u>
NON-CURRENT ASSETS			
Financial assets	9	355,531	27,728
Property, plant and equipment	10	972,006	914,816
TOTAL NON-CURRENT ASSETS		<u>1,327,537</u>	<u>942,544</u>
TOTAL ASSETS		<u>2,353,081</u>	<u>1,948,562</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	751,362	473,383
Borrowings	12	10,188	172,434
Employee benefits	14	88,372	77,293
Other financial liabilities	13	3,552	-
TOTAL CURRENT LIABILITIES		<u>853,474</u>	<u>723,110</u>
NON-CURRENT LIABILITIES			
Borrowings	12	32,863	17,662
Employee benefits	14	6,471	4,225
TOTAL NON-CURRENT LIABILITIES		<u>39,334</u>	<u>21,887</u>
TOTAL LIABILITIES		<u>892,808</u>	<u>744,997</u>
NET ASSETS		<u>1,460,273</u>	<u>1,203,565</u>
EQUITY			
Reserves	15	220,000	270,000
Retained earnings		1,240,273	933,565
TOTAL EQUITY		<u>1,460,273</u>	<u>1,203,565</u>

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity For the Year Ended 30 September 2016

2016

	Retained Earnings	Jeffrey White Reserve	Total
Note	\$	\$	\$
Balance at 1 October 2015	933,565	270,000	1,203,565
Profit or loss attributable to members of the entity	256,708	-	256,708
Transfers to and from reserves	15 50,000	(50,000)	-
Balance at 30 September 2016	<u>1,240,273</u>	<u>220,000</u>	<u>1,460,273</u>

2015

	Retained Earnings	Jeffrey White Reserve	Total
Note	\$	\$	\$
Balance at 1 October 2014	422,891	320,000	742,891
Profit or loss attributable to members of the entity	460,674	-	460,674
Transfers to and from reserves	15 50,000	(50,000)	-
Balance at 30 September 2015	<u>933,565</u>	<u>270,000</u>	<u>1,203,565</u>

The accompanying notes form part of these financial statements.

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Statement of Cash Flows

For the Year Ended 30 September 2016

	2016	2015
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from donors, sponsors, members and functions	3,809,768	3,439,707
Payments to grantees, suppliers and employees	(3,277,173)	(2,914,147)
Interest received	10,160	1,142
Interest paid	(15,169)	(14,829)
Net cash provided by/(used in) operating activities	22 <u>527,586</u>	<u>511,873</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(145,515)	(4,848)
Purchase of financial assets	(66,356)	(27,728)
Net cash used by investing activities	<u>(211,871)</u>	<u>(32,576)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	5,397	152,442
Repayment of borrowings	(152,442)	(18,758)
Net cash used by financing activities	<u>(147,045)</u>	<u>133,684</u>
Net increase/(decrease) in cash and cash equivalents held	168,670	612,981
Cash and cash equivalents at beginning of year	<u>765,597</u>	<u>152,616</u>
Cash and cash equivalents at end of financial year	6 <u><u>934,267</u></u>	<u><u>765,597</u></u>

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements For the Year Ended 30 September 2016

The financial report covers Variety - The Children's Charity of Victoria as an individual entity. Variety - The Children's Charity of Victoria is a for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Variety - The Children's Charity of Victoria is Australian dollars.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Australia Charities and Not-for-profit Commission Act 2012*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Income Tax

No provision for income tax has been raised as the Company is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

(b) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

All revenue is stated net of the amount of goods and services tax (GST).

Revenue is recognised to the extent that 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:

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 is deferred and recognised as deferred income.

Notes to the Financial Statements

For the Year Ended 30 September 2016

2 Summary of Significant Accounting Policies continued

(b) Revenue and other income continued

Interest revenue

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

Sales of non-current assets

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

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 from Fundraising at their replacement cost, and expensed when the goods are sold, or otherwise used.

(c) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

(d) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included 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 operating cash flows.

(e) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Notes to the Financial Statements For the Year Ended 30 September 2016

2 Summary of Significant Accounting Policies continued

(e) Property, plant and equipment continued

Land and buildings

Land and buildings are measured using the revaluation model.

Plant and equipment

Plant and equipment are measured using the revaluation model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	2.5%
Plant and Equipment	7.5% - 35%
Motor Vehicles	25%
Computer Equipment	20% - 50%
Improvements	2.5%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(f) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- financial assets at fair value through profit or loss;

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

Notes to the Financial Statements

For the Year Ended 30 September 2016

2 Summary of Significant Accounting Policies continued

(f) Financial instruments continued

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Company's trade and other receivables fall into this category of financial instruments.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

In some circumstances, the Company renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Company does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets:

- acquired principally for the purpose of selling in the near future
- designated by the entity to be carried at fair value through profit or loss upon initial recognition or
- which are derivatives not qualifying for hedge accounting.

The Company has some derivatives which are designated as financial assets at fair value through profit or loss.

Assets included within this category are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or expenses in profit or loss.

Any gain or loss arising from derivative financial instruments is based on changes in fair value, which is determined by direct reference to active market transactions or using a valuation technique where no active market exists.

Notes to the Financial Statements

For the Year Ended 30 September 2016

2 Summary of Significant Accounting Policies continued

(f) Financial instruments continued

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired. Although the Company uses derivative financial instruments in economic hedges of currency and interest rate risk, it does not hedge account for these transactions.

The Company's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

Impairment of financial assets

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(g) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

(h) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Notes to the Financial Statements

For the Year Ended 30 September 2016

2 Summary of Significant Accounting Policies continued

(h) Employee benefits continued

Employee benefits expected to be settled more than twelve months after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows. Changes in the measurement of the liability are recognised in profit or loss.

Employee benefits are presented as current liabilities in the statement of financial position if the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

(i) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(j) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(k) Appeals Payable

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

(l) Deferred Income

Deferred income, classified as current, consists of amounts received during the year in relation to fundraising events which are to be held in the following financial year

(m) Jeffrey White Reserve

During 2006, a bequest of \$925,000 was received from the estate of Jeffrey White. \$720,000 of the bequest was taken to a reserve and in accordance with the terms of the bequest, the Company will declare annual grants to the value of \$50,000 in Jeffrey White's name until the funds have been fully utilised. The grants will be paid directly from the reserve.

(n) New accounting standards for application in future periods

Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the company, together with an assessment of the potential impact of such pronouncements on the company when adopted in future periods, are discussed below:

Notes to the Financial Statements

For the Year Ended 30 September 2016

2 Summary of Significant Accounting Policies continued

(n) New accounting standards for application in future periods continued

- AASB 9: *Financial Instruments* and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and de-recognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes that may affect the company on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income.

AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

Although the Directors anticipate that the adoption of AASB 9 may have an impact on the company's financial instruments, including hedging activity, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 15: *Revenue from Contracts with Customers* (applicable to annual reporting periods commencing on or after 1 January 2018).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

Although the Directors anticipate that the adoption of AASB 15 may have an impact on the company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

Notes to the Financial Statements

For the Year Ended 30 September 2016

3 Critical Accounting Estimates and Judgments

The Directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements. However, as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key judgments - Apportionment of employment costs

The costs of employing staff are allocated across three core areas of the Company's operations – administration, events and fundraising. Where a staff member is employed in a specific area (e.g. coordinating a particular event) the costs of their employment are allocated to that area. For staff not employed in a specific area, the costs of their employment allocated equally across the three areas of the Company's operations.

4 Revenue and Other Income

			2016	2015
	Revenue	Direct Costs	Net Proceeds	Net Proceeds
	\$	\$	\$	\$
4WD Trek	186,117	(57,466)	128,651	94,888
Brats Bash	70,709	(39,697)	31,012	30,339
Variety Bash	1,779,594	(485,029)	1,294,565	1,439,580
Corporate Events	412,073	(247,676)	164,397	244,956
Unallocated Event Costs	-	(444,251)	(444,251)	(408,144)
Total contributions towards events	2,448,493	(1,274,119)	1,174,374	1,401,619
Contributions Towards Grants	1,409,975	-	1,409,975	882,844
Other Income	95,210	-	95,210	6,393
Indirect Fundraising Costs	-	(505,478)	(505,478)	(299,466)
Administration Costs	-	(672,844)	(672,844)	(695,124)
Profit before grants	3,953,678	(2,452,441)	1,501,237	1,296,266
Grants Approved	-	(1,295,510)	(1,295,510)	(900,830)
Rescinded Grants	-	50,981	50,981	65,238
Grants expense	-	(1,244,529)	(1,244,529)	(835,592)
Total	3,953,678	(3,696,970)	256,708	460,674

*Note that due to timing issues with the receipt of funds raised, revenue can be included in future years.

5 Operating Segments

The company operates in one business and geographical segment, being the provision of material aid and assistance to disadvantaged children in Victoria, Australia.

Variety - The Children's Charity of Victoria

ABN: 80 145 257 414

Notes to the Financial Statements For the Year Ended 30 September 2016

6 Cash and Cash Equivalents

	2016	2015
	\$	\$
Cash on hand	2,660	1,640
Bank balances	931,607	763,957
	<u>934,267</u>	<u>765,597</u>

7 Trade and Other Receivables

	2016	2015
	\$	\$
CURRENT		
Trade receivables	41,998	218,444
Deposits	200	300
Goods and Services Tax receivable	28,631	6,686
Other receivables	3,534	1,886
Total current trade and other receivables	<u>74,363</u>	<u>227,316</u>

8 Other Non-Financial Assets

	2016	2015
	\$	\$
CURRENT		
Prepayments	16,914	13,105

9 Financial assets

	2016	2015
	\$	\$
NON-CURRENT		
Financial assets at fair value through profit or loss	261,447	-
Variety Foundation - Bank balances	94,084	27,728
Total non-current assets	<u>355,531</u>	<u>27,728</u>

The \$355,531 (2015: \$27,728) disclosed in Financial Assets relates to funds controlled by the Variety Foundation in a Macquarie Bank account and financial assets held in custody. The Variety Foundation has been set up to provide an annual income stream to Variety - The Children's Charity of Victoria.

Notes to the Financial Statements

For the Year Ended 30 September 2016

10 Property, plant and equipment

	2016	2015
	\$	\$
Land and Buildings		
At cost	936,796	936,796
Accumulated depreciation	(219,551)	(201,255)
Total land and buildings	<u>717,245</u>	<u>735,541</u>
Motor vehicles		
At cost	103,132	69,772
Accumulated depreciation	(7,753)	(31,902)
Total motor vehicles	<u>95,379</u>	<u>37,870</u>
Office equipment		
At cost	82,273	79,222
Accumulated depreciation	(73,022)	(65,790)
Total office equipment	<u>9,251</u>	<u>13,432</u>
Computer equipment		
At cost	105,766	68,706
Accumulated depreciation	(69,006)	(55,238)
Total computer equipment	<u>36,760</u>	<u>13,468</u>
Improvements		
At cost	150,378	148,106
Accumulated depreciation	(37,007)	(33,601)
Total improvements	<u>113,371</u>	<u>114,505</u>
Total property, plant and equipment	<u><u>972,006</u></u>	<u><u>914,816</u></u>

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Buildings	Motor Vehicles	Office Equipment	Computer Equipment	Improvements	Total
	\$	\$	\$	\$	\$	\$
Year ended 30 September 2016						
Balance at the beginning of year	735,541	37,870	13,432	13,468	114,505	914,816
Additions	-	103,132	3,051	37,060	2,272	145,515
Disposals - written down value	-	(28,810)	-	-	-	(28,810)
Depreciation expense	(18,296)	(16,813)	(7,232)	(13,768)	(3,406)	(59,515)
Balance at the end of the year	<u><u>717,245</u></u>	<u><u>95,379</u></u>	<u><u>9,251</u></u>	<u><u>36,760</u></u>	<u><u>113,371</u></u>	<u><u>972,006</u></u>

Variety - The Children's Charity of Victoria

ABN: 80 145 257 414

Notes to the Financial Statements For the Year Ended 30 September 2016

11 Trade and Other Payables

	2016	2015
	\$	\$
CURRENT		
Trade payables	245,811	70,153
Sundry payables and accrued expenses	63,862	88,958
Appeals payable	415,418	281,560
Other payables	26,271	32,712
	<u>751,362</u>	<u>473,383</u>

12 Borrowings

	2016	2015
	\$	\$
CURRENT		
Bank loan	-	152,442
Lease liability	10,188	19,992
	<u>10,188</u>	<u>172,434</u>
NON-CURRENT		
Lease liability unsecured	32,863	17,662
Total non-current borrowings	<u>32,863</u>	<u>17,662</u>
Total borrowings	<u>43,051</u>	<u>190,096</u>

The bank loan (2015: \$152,442) was secured by a registered first mortgage over the freehold property and a floating charge over all existing and future assets of the company. The bank debt facility is \$189,999 and was due to expire on 17 April 2016. As at 30 September 2016 the facility has expired.

At the reporting date the company has a bank overdraft and a business credit card facility amounting to \$465,000. This may be terminated at any time at the option of the bank. At 30 September 2016, \$465,000 of this facility was unused. Interest rates are variable.

13 Other Financial Liabilities

	2016	2015
	\$	\$
CURRENT		
Deferred income	3,552	-
	<u>3,552</u>	<u>-</u>

Variety - The Children's Charity of Victoria

ABN: 80 145 257 414

Notes to the Financial Statements For the Year Ended 30 September 2016

14 Employee Benefits

	2016	2015
	\$	\$
Current liabilities		
Long service leave	31,686	29,620
Provision for employee benefits	56,686	47,673
	<u>88,372</u>	<u>77,293</u>
Non-current liabilities		
Long service leave	6,471	4,225

15 Reserves

	2016	2015
	\$	\$
The Jeffrey White Reserve		
Opening balance	270,000	320,000
Transfers from reserve	(50,000)	(50,000)
Closing balance	<u>220,000</u>	<u>270,000</u>

The Jeffrey White Reserve was created in 2006 as a result of a bequest to the Company. Under the terms of the Deed of Gift establishing the reserve, an amount of \$50,000 per annum is to be used from the reserve for charitable purposes as set out in the Company's constitution.

16 Capital and Leasing Commitments

Finance Leases

	2016	2015
	\$	\$
Minimum lease payments:		
- not later than one year	11,574	21,727
- between one year and five years	34,724	18,106
Minimum lease payments	46,298	39,833
Less: finance changes	(3,247)	(2,179)
Present value of minimum lease payments	<u>43,051</u>	<u>37,654</u>

The finance lease commitments relate to the lease of a motor vehicle over a term of 48 months.

Variety - The Children's Charity of Victoria

ABN: 80 145 257 414

Notes to the Financial Statements For the Year Ended 30 September 2016

17 Key Management Personnel Disclosures

The totals of remuneration paid to the key management personnel of Variety - The Children's Charity of Victoria during the year are as follows:

	2016	2015
	\$	\$
Short-term employee benefits	121,319	117,356
Post-employment benefits	29,954	33,289
	<u>151,273</u>	<u>150,645</u>

18 Auditors' Remuneration

Remuneration of the auditor of the company for:

- auditing the financial statements	11,125	10,500
- other services	2,000	2,000
Total	<u>13,125</u>	<u>12,500</u>

19 Financial Risk Management

The main risks Variety - The Children's Charity of Victoria is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, foreign currency risk and equity price risk.

The Company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, bank loans and overdrafts, loans to and from subsidiaries, bills, leases and preference shares.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

		2016	2015
		\$	\$
Financial Assets			
Cash and cash equivalents	6	934,267	765,597
Trade and other receivables	7	74,363	227,316
Financial assets at fair value through profit or loss			
- listed shares	8	261,447	-
Variety Foundation - Bank balances	9	94,084	27,728
Total financial assets		<u>1,364,161</u>	<u>1,020,641</u>
Financial Liabilities			
Trade and other payables	11	751,362	473,383
Borrowings	12	43,051	190,096
Total financial liabilities		<u>794,413</u>	<u>663,479</u>

Variety - The Children's Charity of Victoria

ABN: 80 145 257 414

Notes to the Financial Statements For the Year Ended 30 September 2016

20 Contingencies

The Company holds a number of assets which are not brought to account in the financial report:

- A painting by Jamie Cooper entitled "Variety Entertainers of the Century". This painting was purchased in 2005 for a sum of \$237,419, and was subsequently written down to nil value in 2006. On the basis that it is not able to determine an appropriate fair value for this painting, the committee believes it prudent to disclose the Company's ownership of this asset as a contingent asset.
- Miscellaneous sporting memorabilia, books, toys, posters and other similar items. These items are donated to the Company from time to time, for future use in the Company's fundraising or charitable activities. On the basis that it is not practicable to determine an appropriate fair value for these items, and that in aggregate the total value of these items would be unlikely to be material to the financial report, the committee believes it prudent to disclose the Company's ownership of these assets as contingent assets.

21 Related Parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated

	2016	2015
	\$	\$
Variety Australia		
Revenue from related parties	60,428	59,198
Payments to related parties	(101,807)	(67,560)
Amount owed by related parties	-	22,687
Amount owed to related parties	(147,447)	(13,348)
	<hr/>	<hr/>
Variety Northern Territory		
Revenue from related parties	455	95
Payments to related parties	(2,000)	(3,142)
Amount owed by related parties	-	-
Amount owed to related parties	-	-
	<hr/>	<hr/>
Variety Queensland		
Revenue from related parties	3,732	413
Payments to related parties	(5,271)	(3,580)
Amount owed by related parties	-	-
Amount owed to related parties	-	(3,040)
	<hr/>	<hr/>
Variety South Australia		
Revenue from related parties	13,195	14,506
Payments to related parties	-	(91)
Amount owed by related parties	-	-
Amount owed to related parties	(20)	-
	<hr/>	<hr/>

Variety - The Children's Charity of Victoria

ABN: 80 145 257 414

Notes to the Financial Statements For the Year Ended 30 September 2016

21 Related Parties continued

	2016	2015
	\$	\$
Variety Tasmania		
Revenue from related parties	291	732
Payments to related parties	-	(162)
Amount owed by related parties	-	-
Amount owed to related parties	-	-
<hr/>		
Variety Western Australia		
Revenue from related parties	-	143
Payments to related parties	-	-
Amount owed by related parties	-	-
Amount owed to related parties	-	-
<hr/>		
Variety New South Wales		
Revenue from related parties	-	89,659
Payments to related parties	-	982
Amount owed by related parties	-	39,924
Amount owed to related parties	-	-
<hr/>		
Variety New Zealand		
Revenue from related parties	-	31
Payments to related parties	-	-
Amount owed by related parties	-	-
Amount owed to related parties	-	-
<hr/>		
Variety International		
Revenue from related parties	-	-
Payments to related parties	(11,036)	-
Amount owed by related parties	-	-
Amount owed to related parties	-	-
<hr/>		

Board Member's related entities

Nexia Melbourne Pty Ltd	-	6,005
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Accounting fees charged by Nexia Melbourne Pty Ltd (previously Hayes Knight Melbourne Pty Ltd) during the year.

Randall King Daish

Financial assets are held in a Custody account operated on behalf of the Variety Foundation by Randall King Daish. No fees were charged for the provision of these services in 2016 and 2015.

Notes to the Financial Statements

For the Year Ended 30 September 2016

22 Cash Flow Information

(a) Reconciliation of result for the year to cash flows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2016	2015
	\$	\$
Profit for the year	306,708	510,674
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	59,515	51,397
- transfer from reserves	(50,000)	(50,000)
- donation of share portfolio	(247,267)	-
- net gain on disposal of property, plant and equipment	28,810	-
- unrealised (gains)/losses on investments	(14,180)	-
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in trade and other receivables	152,953	(100,787)
- (increase)/decrease in other assets	(3,809)	(350)
- increase/(decrease) in trade and other payables	277,979	82,212
- increase/(decrease) in other liabilities	3,552	(6,473)
- increase/(decrease) in employee benefits	13,325	25,200
Cash flow from operations	<u>527,586</u>	<u>511,873</u>

23 Events Occurring After the Reporting Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

24 Company Details

The registered office of and principal place of business of the company is:

Variety - The Children's Charity of Victoria
H71 63-85 Turner Street
Port Melbourne VIC 3207

Variety - The Children's Charity of Victoria

ABN: 80 145 257 414

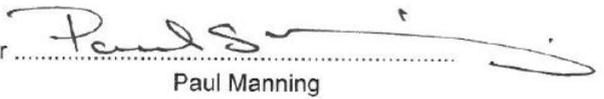
Directors' Declaration

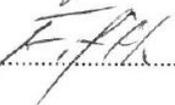
The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 10 to 29, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards - Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 30 September 2016 and of the performance for the year ended on that date of the Company.
2. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director 
Richard Symon

Director 
Paul Manning

Dated this  day of December 2016

Moore Stephens Audit (Vic)

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VARIETY VICTORIA – THE CHILDREN'S CHARITY

Report on the Financial Report

We have audited the accompanying financial report of Variety Victoria – The Children's Charity, which comprises the statement of financial position as at 30 September 2016, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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 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 Board of 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.

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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 judgement, 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 control. 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-profit Commission Act 2012*.

Basis for Qualified Audit Opinion

Donations are a significant source of revenue for the Variety Victoria – The Children’s Charity. Variety Victoria – The Children’s Charity has determined that it is impractical to establish controls over the collection of donations prior to entry into its financial records. Accordingly, as the evidence available to us regarding revenue from this source was limited, our audit procedures with respect to donations were restricted to the amounts recorded in the financial reports. We are therefore unable to express an opinion as to whether the donation income for Variety Victoria – The Children’s Charity is complete.

Qualified Auditor’s Opinion

In our opinion, except for the possible effect of the matters described in the Basis for Qualified Audit Opinion paragraph:

1. the financial report of Variety Victoria – The Children’s Charity is prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:
 - i. giving a true and fair view of the Company’s financial position as at 30 September 2016 and of its performance and cash flows for the year ended on that date; and
 - ii. complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.



MOORE STEPHENS AUDIT (VIC)
ABN 16 847 721 257



ANDREW JOHNSON
Partner
Audit & Assurance Services

Melbourne, Victoria

5 December 2016