

Variety – The Children's Charity of Victoria

ABN: 80 145 257 414

Financial Statements

For the Year Ended 30 September 2017

Variety – The Children’s Charity of Victoria

ABN: 80 145 257 414

Contents

For the Year Ended 30 September 2017

| | Page |
|--|------|
| Financial Statements | |
| Directors' Report | 1 |
| Auditors Independence Declaration | 9 |
| Statement of Profit or Loss and Other Comprehensive Income | 10 |
| Statement of Financial Position | 11 |
| Statement of Changes in Equity | 12 |
| Statement of Cash Flows | 13 |
| Notes to the Financial Statements | 14 |
| Directors' Declaration | 31 |
| Independent Audit Report | 32 |

Variety – The Children's Charity of Victoria

ABN: 80 145 257 414

Directors' Report 30 September 2017

The directors present their report on Variety – The Children's Charity of Victoria for the financial year ended 30 September 2017.

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 |
|---------------------|-----------------|-----------------------------|
| Paul Manning | Chairman | Appointed 7 December 2016 |
| Nicholas Pullen | Secretary | Appointed 7 December 2016 |
| Kirsty Turner | Treasurer | Appointed 15 March 2017 |
| Jon Burfurd | Board Member | Appointed 21 September 2017 |
| Gary Caddy | Board Member | |
| Steve Donnellon | Board Member | |
| Claire Heaney | Board Member | |
| Vito Interlandi FCA | Board Member | Resigned 7 December 2016 |
| Peter Kent | Board Member | Resigned 19 July 2017 |
| Gary Peck | Board Member | |
| Ken Pryor* | Board Member | |
| Michael Randall OAM | Board Member | |
| Martin Stone | Board Member | |
| Richard Symon | Board Member | |

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

*Appointed as Treasurer on 7 December 2016 and resigned as Treasurer 15 March 2017 but remained as a board member.

Directors' Report

30 September 2017

1. General information continued

Information on directors

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

Appointed 7 December 2016

Paul Manning was appointed Chief Barker at the Variety Victoria Annual General Meeting December 2016.

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

Most recently as Chief Financial Officer for State Trustees where Paul was responsible for financial management, investments, risk, compliance and corporate legal services. 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.

Nicholas Pullen

Appointed 7 December 2016

Nicholas is a partner of HWL Ebsworth Lawyers 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 organisations 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.

Kirsty Turner

Appointed 15 March 2017

Kirsty is a Graduate of the Australian Institute of Company Directors, a Chartered Accountant, and holds a Bachelor of Commerce. Kirsty has extensive risk management and governance experience and knowledge gained through over 20 years in both consulting and large, diverse, ambitious and complex ASX 100 listed companies. Kirsty has held executive level risk and/or internal audit roles at JB Hi-Fi Limited, Wesfarmers Limited, Australia Post, Symbion Health Limited, and Mayne Group Limited. She is known for her professional and commercial nous and she has successfully influenced changing risk culture in many of these organisations.

Kirsty's experience extends from establishing and implementing core governance strategies and frameworks including risk policies, procedures, frameworks and investigations; customer credit card data security compliance; crisis management/business continuity/disaster recovery policies and frameworks; and advising on their application within organisations.

Kirsty's consulting career commenced at PwC (Coopers and Lybrand) in business services and tax, before transitioning to Deloitte's Melbourne and London enterprise risk management practices, which afforded her opportunities to work with clients in Switzerland, Hong Kong and New Zealand.

Directors' Report

30 September 2017

1. General information continued

Information on directors continued:

| | |
|---|--|
| Jon Burfurd Appointed 21 September 2017 | Jon is a brand and marketing strategist with over 15 years of consultancy to tier-1 (domestic and international) brands and government agencies. Throughout his career, Jon has held senior management positions in leading creative media agencies, and currently serves as the Commercial Director for the leading independent digital publishing and content marketing group, Private Media. |
| Gary Caddy | Gary has been a long-time supporter of Variety, an annual Victoria Bash participant for the past 15 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. |
| 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 Club member who teaches his photographic knowledge to students and members. Through the In Focus Camera Club, he is also working closely with The Rotary Club of Kathmandu in Nepal to complete a school building works project. |
| 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. |
| Vito Interlandi FCA Resigned 7 December 2016 | Vito has over 20 years of financial expertise and management experience which he has gained from both corporate, public 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. |

Directors' Report

30 September 2017

1. General information continued

Information on directors continued:

| | |
|-------------------------------------|--|
| Peter Kent Resigned 19 July 2017 | <p>Peter leads Porter Novelli Australia, one of Australia's longest-established public relations firms, and part of the global Porter Novelli network.</p> <p>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.</p> <p>Peter is a Director of Porter Novelli Australia, has served on the Carers Victoria board, and the Salvation Army Red Shield Appeal Advisory Council.</p> <p>He is a member of the Australia Institute of Company Directors and the Public Relations Institute of Australia.</p> |
| Gary Peck | <p>An experienced global banker, retired since 2011, Gary 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.</p> <p>His particular strengths lie in his ability to build teams, adapt to situations, identify opportunities, work with 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 global regions. He is thorough and collaborative in his stakeholder approach.</p> |
| Ken Pryor | <p>In 1993, Ken Pryor commenced trading his own business in Property Development, specialising in Strategic Network Planning, Property Acquisition and Construction Management.</p> <p>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.</p> <p>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.</p> |
| Michael Randall OAM | <p>Michael Randall SIA(Aff), DipAFPA, GAICD. Michael left Macquarie Private Wealth in early 2014 after 15 years of service and joined Randall King as a partner. Michael has over 30 years experience in the stockbroking business. Prior to Macquarie, Michael was at UBS for 10 years. Michael specialises in building investment portfolios through tailored asset allocation for individuals, super funds and family business.</p> <p>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.</p> |

Directors' Report

30 September 2017

1. General information continued

Information on directors continued:

| | |
|---------------|--|
| Martin Stone | <p>Melbourne businessman Martin Stone has been able to combine his passion for cars and philanthropy. Stone, head of the panel beating business, Sheen Group, is also a top fundraiser for Variety Victoria's annual major event, the Variety Bash.</p> <p>Martin has now exceeded the \$3 million mark in raising funds for Variety - the Children's Charity through his participation in the Variety Bash. Stone has been involved in Variety on many levels, providing sound advice and access to good contacts.</p> |
| Richard Symon | <p>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.</p> <p>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.</p> <p>Richard was appointed Chief Barker at the Variety Victoria Annual General Meeting, 2014 and served until 2016. He is also a Crew Member (Director) of Variety Australia.</p> |

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

Company secretary

Nicholas Pullen has been the company secretary since December 2016. Prior to this role, Nicholas Pullen served as a Crew Member.

Principal activities

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

Short and long term objectives

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

Directors' Report

30 September 2017

1. General information continued

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:

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

Key performance measures

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

- Achieve fundraising growth in line with budget and planned fundraising activities
- Create new third party partnerships with the entertainment industry, sporting industry and high profile associations to meet budgeted income;
- Increase income from corporate partnerships and establish Workplace Giving programs in line with budget expectations;
- Apply for grants from Trusts and Foundations to increase income streams;
- Increase net event income, in particular the fundraising component thereof;
- Ensure that all collateral that leaves the Variety office is on brand and consistent;
- Ensure database is up to date and accurate with all donor and contact touch points; and
- Cash flow monitoring to ensure organisation has sufficient funds to meet its liabilities when they are due

2. Operating results and review of operations for the year

Operating results

The profit of the Organisation after providing for income tax amounted to \$ 321,877 (2016: \$ 251,586).

Directors' Report

30 September 2017

3. Other items

Significant changes in state of affairs

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

Events 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 Organisation, the results of those operations or the state of affairs of the Organisation in future financial years.

Environmental issues

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

Meetings of directors

During the financial year, 10 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

| | Directors' Meetings | |
|-----------------|----------------------------------|------------------------|
| | Number eligible to attend | Number attended |
| Richard Symon | 10 | 6 |
| Gary Caddy | 10 | 9 |
| Steve Donnellon | 10 | 7 |
| Claire Heaney | 10 | 10 |
| Martin Stone | 10 | 8 |
| Paul Manning | 10 | 10 |
| Gary Peck | 10 | 8 |
| Michael Randall | 10 | 5 |
| Nicholas Pullen | 10 | 7 |
| Ken Pryor | 10 | 8 |
| Peter Kent | 9 | 3 |
| Vito Interlandi | 3 | 3 |
| Kirsty Turner | 7 | 7 |
| Jon Burfurd | 1 | 1 |

Variety – The Children's Charity of Victoria

ABN: 80 145 257 414

Directors' Report

30 September 2017

Peter Kent resigned at July 2017 meeting.

Vito Interlandi resigned at December 2016 meeting.

Kirsty Turner co-opted at January 2017 meeting.

Jon Burfurd co-opted at September 2017 meeting.

Indemnification and insurance of officers and auditors

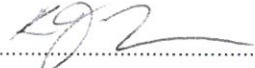
Variety has, during the financial year, paid an insurance premium in respect of an insurance policy for the benefit of the Directors and executive officers of Variety. The insurance is in the normal course of business and grants indemnity for liabilities incurred by the Directors and executive officers 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 2017 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: 

Director: 

Dated this 6 day of December 2017

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 – THE CHILDREN'S CHARITY OF VICTORIA**

I declare that, to the best of my knowledge and belief, during the year ended 30 September 2017, 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

MOORE STEPHENS AUDIT (VIC)

ABN 16 847 721 257



RYAN LEEMON

Partner

Audit & Assurance Services

Melbourne, Victoria

6 December 2017

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 September 2017

| | | 2017 | 2016 |
|---|------|------------------|------------------|
| | Note | \$ | \$ |
| Revenue from Events | 4 | 2,540,496 | 2,448,493 |
| Event Costs | 4 | (1,231,243) | (1,274,119) |
| Net Income from Events | | 1,309,253 | 1,174,374 |
| Revenue from Fundraising | 4 | 1,493,780 | 1,409,975 |
| Fundraising Costs | 4 | (460,545) | (505,478) |
| Net Income from Fundraising | | 1,033,235 | 904,497 |
| Other Income | 4 | 54,437 | 95,210 |
| Net Income from Events, Fundraising and Other Income | | 2,396,925 | 2,174,081 |
| Appeals Granted | | (1,383,606) | (1,295,510) |
| Appeals Rescinded | | 67,715 | 50,981 |
| Employee benefits expense | | (264,110) | (212,642) |
| Depreciation and amortisation expense | | (74,854) | (64,639) |
| Administration Costs | | (241,551) | (192,535) |
| Other expenses | | (166,152) | (192,981) |
| Finance costs | | (12,490) | (15,169) |
| Profit before income tax | | 321,877 | 251,586 |
| Income tax expense | | - | - |
| Profit for the year | | 321,877 | 251,586 |
| Other comprehensive income, net of income tax | | - | - |
| Total comprehensive income for the year | | 321,877 | 251,586 |

Statement of Financial Position

30 September 2017

| | Note | 2017 \$ | 2016 \$ |
|-------------------------------|------|-------------------------|-------------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 5 | 899,000 | 934,267 |
| Trade and other receivables | 6 | 124,465 | 74,363 |
| Financial assets | 7 | 168,133 | 94,084 |
| Other assets | 9 | 26,692 | 16,914 |
| TOTAL CURRENT ASSETS | | <u>1,218,290</u> | <u>1,119,628</u> |
| NON-CURRENT ASSETS | | | |
| Financial assets | 7 | 557,651 | 261,447 |
| Property, plant and equipment | 8 | 861,795 | 915,642 |
| TOTAL NON-CURRENT ASSETS | | <u>1,419,446</u> | <u>1,177,089</u> |
| TOTAL ASSETS | | <u><u>2,637,736</u></u> | <u><u>2,296,717</u></u> |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 10 | 753,832 | 751,362 |
| Borrowings | 11 | 10,562 | 10,188 |
| Employee benefits | 13 | 90,643 | 88,372 |
| Other liabilities | 12 | 23,865 | 3,552 |
| TOTAL CURRENT LIABILITIES | | <u>878,902</u> | <u>853,474</u> |
| NON-CURRENT LIABILITIES | | | |
| Borrowings | 11 | 22,301 | 32,863 |
| Employee benefits | 13 | 10,747 | 6,471 |
| TOTAL NON-CURRENT LIABILITIES | | <u>33,048</u> | <u>39,334</u> |
| TOTAL LIABILITIES | | <u>911,950</u> | <u>892,808</u> |
| NET ASSETS | | <u><u>1,725,786</u></u> | <u><u>1,403,909</u></u> |
| EQUITY | | | |
| Reserves | 14 | 170,000 | 220,000 |
| Retained earnings | | <u>1,555,786</u> | <u>1,183,909</u> |
| TOTAL EQUITY | | <u><u>1,725,786</u></u> | <u><u>1,403,909</u></u> |

Variety – The Children's Charity of Victoria

ABN: 80 145 257 414

Statement of Changes in Equity For the Year Ended 30 September 2017

2017

| | | Retained Earnings | Jeffrey White Reserve | Total |
|---|------|----------------------|--------------------------|-----------|
| | Note | \$ | \$ | \$ |
| Balance at 1 October 2016 | | 1,183,909 | 220,000 | 1,403,909 |
| Profit or loss attributable to members of the parent entity | | 321,877 | - | 321,877 |
| Transfers to and from reserve | 14 | 50,000 | (50,000) | - |
| Balance at 30 September 2017 | | 1,555,786 | 170,000 | 1,725,786 |

2016

| | | Retained Earnings | Jeffrey White Reserve | Total |
|---|------|----------------------|--------------------------|-----------|
| | Note | \$ | \$ | \$ |
| Balance at 1 October 2015 | | 882,323 | 270,000 | 1,152,323 |
| Profit or loss attributable to members of the parent entity | | 251,586 | - | 251,586 |
| Transfers to and from reserves | 14 | 50,000 | (50,000) | - |
| Balance at 30 September 2016 | | 1,183,909 | 220,000 | 1,403,909 |

The accompanying notes form part of these financial statements.

Statement of Cash Flows
For the Year Ended 30 September 2017

| | 2017 | 2016 |
|---|--------------------|-------------|
| Note | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Receipts from donors, sponsors, members and functions | 4,089,166 | 3,794,809 |
| Payments to grantees, suppliers and employees | (3,868,642) | (3,277,171) |
| Interest received | 12,360 | 10,160 |
| Interest paid | (12,490) | (15,169) |
| Dividends received | 25,734 | - |
| Net cash provided by operating activities | 21 246,128 | 512,629 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchase of property, plant and equipment | (21,007) | (145,515) |
| Purchase of financial assets (net of disposals) | (320,548) | (51,397) |
| Proceeds from sale of financial assets | 70,348 | - |
| Net cash used by investing activities | (271,207) | (196,912) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Proceeds from borrowings | - | 46,298 |
| Repayment of borrowings | (10,188) | (193,345) |
| Net cash used by financing activities | (10,188) | (147,047) |
| Net increase/(decrease) in cash and cash equivalents held | (35,267) | 168,670 |
| Cash and cash equivalents at beginning of year | 934,267 | 765,597 |
| Cash and cash equivalents at end of financial year | 5 899,000 | 934,267 |

Variety – The Children's Charity of Victoria

ABN: 80 145 257 414

Notes to the Financial Statements For the Year Ended 30 September 2017

The financial report covers Variety – The Children's Charity of Victoria as an individual entity. Variety – The Children's Charity of Victoria is a not-for-profit proprietary Organisation, incorporated and domiciled in Australia.

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

Comparatives are consistent with prior years, unless otherwise stated.

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 and the *Australian Charities and Not-for-profit Commission Act 2012*.

2 Summary of Significant Accounting Policies

(a). Income Tax

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

(b). Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Organisation are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

(c). 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 Organisation 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).

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 expenses when the goods are sold, or otherwise used.

Donations

Donations and bequests are recognised as revenue when received.

Notes to the Financial Statements

For the Year Ended 30 September 2017

2 Summary of Significant Accounting Policies continued

(c). Revenue and other income continued

Interest revenue

Interest is recognised using the effective interest method.

Dividend revenue

Dividends are recognised when the entity’s right to receive payment is established.

Events Revenue

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

Other income

Other income is recognised on an accruals basis when the Organisation is entitled to it.

(d). Finance costs

Finance cost includes all interest-related expenses, other than those arising from financial assets at fair value through profit or loss.

(e). 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.

(f). 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.

(g). 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.

Notes to the Financial Statements

For the Year Ended 30 September 2017

2 Summary of Significant Accounting Policies continued

(g). Property, plant and equipment continued

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.

Land and buildings

Land and buildings are measured using the cost model.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Organisation, 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.

(h). Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Organisation 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).

Notes to the Financial Statements

For the Year Ended 30 September 2017

2 Summary of Significant Accounting Policies continued

(h). Financial instruments continued

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;
- available-for-sale financial assets; and
- held-to-maturity investments.

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.

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 Organisation’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 Organisation renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Organisation 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 or
- designated by the entity to be carried at fair value through profit or loss upon initial recognition

Notes to the Financial Statements

For the Year Ended 30 September 2017

2 Summary of Significant Accounting Policies continued

(h). Financial instruments continued

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Organisation's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets or which have been designated in this category. The Organisation's available-for-sale financial assets comprise listed securities.

All available-for-sale financial assets are measured at fair value, with subsequent changes in value recognised in other comprehensive income.

Gains and losses arising from financial instruments classified as available-for-sale are only recognised in profit or loss when they are sold or when the investment is impaired.

In the case of impairment or sale, any gain or loss previously recognised in equity is transferred to the profit or loss.

Losses recognised in the prior period statement of profit or loss and other comprehensive income resulting from the impairment of debt securities are reversed through the statement of profit or loss and other comprehensive income, if the subsequent increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

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 Organisation uses derivative financial instruments in economic hedges of currency and interest rate risk, it does not hedge account for these transactions.

The Organisation'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 Organisation assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Notes to the Financial Statements

For the Year Ended 30 September 2017

2 Summary of Significant Accounting Policies continued

(h). Financial instruments continued

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.

Available-for-sale financial assets

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

(i). Appeals Payable

Appeals payable are carried at cost and are recognised when the Organisation has a legal, equitable or constructive obligation to make a further 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.

(j). 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.

(k). Employee benefits

Provision is made for the Organisation'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.

(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). Clarification/Amendment of accounting policy

The Organisation has previously disclosed its accounting policy relating to the valuation of land and buildings as being under the revaluation model which is incorrect. Whilst a valuation was undertaken to establish implied cost of bequested Buildings (refer Note 8), the cost model was adopted post acquisition. Variety have always elected to adopt the cost model. Accounting policy 2(g) has been amended as a result.

Notes to the Financial Statements

For the Year Ended 30 September 2017

2 Summary of Significant Accounting Policies continued

(n). 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 Organisation 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.

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 Organisation's operations, namely, administration, events and fundraising. Where a staff member is employed in a specific area (eg. 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 are allocated equally across the three areas of the Organisation's operations.

4 Revenue and Other Income

| | Revenue 2017 \$ | Direct Costs 2017 \$ | Net Proceeds 2017 \$ | Revenue 2016 \$ | Direct Costs 2016 \$ | Net Proceeds 2016 \$ |
|----------------------------|-----------------------|-------------------------------|-------------------------------|-----------------------|-------------------------------|-------------------------------|
| 4WD Trek | 113,689 | (38,997) | 74,692 | 186,117 | (57,466) | 128,651 |
| Brats Bash | 71,245 | (40,739) | 30,506 | 70,709 | (39,697) | 31,012 |
| Variety Bash | 1,852,656 | (339,586) | 1,513,070 | 1,779,594 | (485,029) | 1,294,565 |
| Corporate Events | 416,623 | (510,650) | (94,027) | 412,073 | (247,676) | 164,397 |
| Unallocated Event Income | 86,283 | - | 86,283 | - | - | - |
| Unallocated Event Costs | - | (301,271) | (301,271) | - | (444,251) | (444,251) |
| | 2,540,496 | (1,231,243) | 1,309,253 | 2,448,493 | (1,274,119) | 1,174,374 |
| Revenue from Fundraising | 1,493,780 | - | 1,493,780 | 1,409,975 | - | 1,409,975 |
| Other Income | 54,437 | - | 54,437 | 95,210 | - | 95,210 |
| Indirect Fundraising Costs | - | (460,545) | (460,545) | - | (505,478) | (505,478) |
| Administration Costs | - | (759,157) | (759,157) | - | (677,966) | (677,966) |
| Grants Approved | - | (1,383,606) | (1,383,606) | - | (1,295,510) | (1,295,510) |
| Rescinded Grants | - | 67,715 | 67,715 | - | 50,981 | 50,981 |
| | 4,088,713 | (3,766,836) | 321,877 | 3,953,678 | (3,702,092) | 251,586 |

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

Variety – The Children's Charity of Victoria

ABN: 80 145 257 414

Notes to the Financial Statements For the Year Ended 30 September 2017

5 Cash and Cash Equivalents

| | 2017 | 2016 |
|--------------------------|----------------|---------|
| | \$ | \$ |
| Cash at bank and in hand | 899,000 | 934,267 |

6 Trade and Other Receivables

| | | |
|--|----------------|--------|
| CURRENT | | |
| Trade receivables | 109,215 | 41,998 |
| Deposits | 1,000 | 200 |
| Goods & Services Tax receivable | 7,133 | 28,631 |
| Other receivables | 7,117 | 3,534 |
| Total current trade and other receivables | 124,465 | 74,363 |

7 Financial assets

| | 2017 | 2016 |
|--|----------------|---------|
| | \$ | \$ |
| CURRENT | | |
| Foundation bank account | 168,133 | 94,084 |
| NON-CURRENT | | |
| Financial assets at fair value through profit or loss (a). | 557,651 | 261,447 |

The \$725,784 (2016: \$355,531) disclosed in Financial Assets relates to funds controlled by the Variety Foundation in the 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.

During the financial year, Variety - The Children's Charity of Victoria received listed shares with a fair value of \$117,475 for no consideration as part of a bequest.

| | | |
|--|----------------|---------|
| (a). Financial assets at fair value through profit or loss | | |
| Listed shares | 557,651 | 261,447 |

Notes to the Financial Statements

For the Year Ended 30 September 2017

8 Property, plant and equipment

| | 2017 | 2016 |
|--|----------------|----------------|
| | \$ | \$ |
| Buildings | | |
| At cost | 936,796 | 936,796 |
| Accumulated depreciation (a) | (299,335) | (275,915) |
| Total buildings | 637,461 | 660,881 |
| PLANT AND EQUIPMENT | | |
| Motor vehicles | | |
| At cost | 117,632 | 103,132 |
| Accumulated depreciation | (32,113) | (7,753) |
| Total motor vehicles | 85,519 | 95,379 |
| Office equipment | | |
| At cost | 82,628 | 82,273 |
| Accumulated depreciation | (75,750) | (73,022) |
| Total office equipment | 6,878 | 9,251 |
| Computer equipment | | |
| At cost | 111,918 | 105,766 |
| Accumulated depreciation | (87,644) | (69,006) |
| Total computer equipment | 24,274 | 36,760 |
| Improvements | | |
| At cost | 150,378 | 150,378 |
| Accumulated depreciation | (42,715) | (37,007) |
| Total improvements | 107,663 | 113,371 |
| Total property, plant and equipment | 861,795 | 915,642 |

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 |
|---------------------------------------|----------------|----------------|------------------|--------------------|----------------|----------------|
| Parent | \$ | \$ | \$ | \$ | \$ | \$ |
| Year ended 30 September 2017 | | | | | | |
| Balance at the beginning of year | 660,881 | 95,379 | 9,251 | 36,760 | 113,371 | 915,642 |
| Additions | - | 14,500 | 355 | 6,152 | - | 21,007 |
| Depreciation expense | (23,420) | (24,360) | (2,728) | (18,638) | (5,708) | (74,854) |
| Balance at the end of the year | 637,461 | 85,519 | 6,878 | 24,274 | 107,663 | 861,795 |

(a) During the financial year, directors reviewed depreciation as it applies to Buildings resulting in a prior period restatement, refer to note 22 for additional information.

Notes to the Financial Statements

For the Year Ended 30 September 2017

9 Other Assets

| | 2017 | 2016 |
|-------------|--------|--------|
| | \$ | \$ |
| CURRENT | | |
| Prepayments | 26,692 | 16,914 |

10 Trade and Other Payables

| | | |
|---------------------------------------|----------------|----------------|
| CURRENT | | |
| Trade payables | 61,175 | 245,811 |
| Sundry payables and accrued expenses | 99,457 | 63,862 |
| Appeals payable | 544,306 | 415,418 |
| Other payables | 48,894 | 26,271 |
| Total trade and other payables | 753,832 | 751,362 |

11 Borrowings

| | | |
|---------------------------|---------------|---------------|
| CURRENT | | |
| Lease liability unsecured | 10,562 | 10,188 |
| NON-CURRENT | | |
| Lease liability unsecured | 22,301 | 32,863 |
| Total borrowings | 32,863 | 43,051 |

At the reporting date, the Organisation 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 2017, \$465,000 of this facility was unused. Interest rates are variable.

12 Other Liabilities

| | | |
|-----------------|--------|-------|
| CURRENT | | |
| Deferred income | 23,865 | 3,552 |

13 Employee Benefits

| | | |
|--|---------------|---------------|
| CURRENT LIABILITIES | | |
| Long service leave | 29,924 | 31,686 |
| Provision for employee benefits | 60,719 | 56,686 |
| Total current employee benefits | 90,643 | 88,372 |
| NON-CURRENT LIABILITIES | | |
| Long service leave | 10,747 | 6,471 |

Variety – The Children's Charity of Victoria

ABN: 80 145 257 414

Notes to the Financial Statements For the Year Ended 30 September 2017

14 Reserves

| | 2017 | 2016 |
|----------------------------------|----------------|----------------|
| | \$ | \$ |
| The Jeffrey White Reserve | | |
| Opening balance | 220,000 | 270,000 |
| Transfers to retained earning | (50,000) | (50,000) |
| | <u>170,000</u> | <u>220,000</u> |

15 Capital and Leasing Commitments

| | | |
|---|---------------|---------------|
| Finance Leases | | |
| Minimum lease payments: | | |
| - not later than one year | 11,575 | 11,574 |
| - between one year and five years | 23,149 | 34,724 |
| Minimum lease payments | <u>34,724</u> | <u>46,298</u> |
| Less: finance charges | (1,861) | (3,247) |
| Present value of minimum lease payments | <u>32,863</u> | <u>43,051</u> |

The finance lease is in place for the lease of a motor vehicle over a term of 48 months.

Notes to the Financial Statements

For the Year Ended 30 September 2017

16 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 Organisation's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable and leases.

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:

| | | 2017 | 2016 |
|---|------|------------------|-------------|
| | | \$ | \$ |
| Financial Assets | | | |
| Cash and cash equivalents | 5 | 899,000 | 934,267 |
| Financial assets at fair value through profit or loss | | | |
| Trade and other receivables | 6 | 124,465 | 74,363 |
| Listed shares | 7(a) | 557,651 | 261,447 |
| Total financial assets | | 1,581,116 | 1,270,077 |
| Financial Liabilities | | | |
| Trade and other payables | 10 | 753,832 | 751,362 |
| - Borrowings | 11 | 32,863 | 43,051 |
| Total financial liabilities | | 786,695 | 794,413 |

17 Key Management Personnel Disclosures

(a). Totals of remuneration paid

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

| | | |
|------------------------------|----------------|---------|
| Short-term employee benefits | 132,475 | 121,319 |
| Long-term benefits | 33,501 | 29,954 |
| | 165,976 | 151,273 |

18 Auditors' Remuneration

Remuneration of the auditor of the Organisation for:

| | | |
|-------------------------------------|---------------|--------|
| - auditing the financial statements | 12,250 | 11,125 |
| - other services | 2,000 | 2,000 |
| Total | 14,250 | 13,125 |

Notes to the Financial Statements

For the Year Ended 30 September 2017

19 Contingencies

Contingent Liabilities

In the opinion of the directors, Variety – The Children’s Charity of Victoria did not have any contingent liabilities at 30 September 2017 (30 September 2016: none).

Contingent Assets

Variety – The Children’s Charity of Victoria had the following contingent assets at the end of the reporting period:

- 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 determinate an appropriate fair value for the painting, the Executive Committee believes it prudent to disclose the Organisation'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 Organisation from time-to-time, for future use in the Organisation'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 unlikely to be material to the financial report, the Executive Committee believes it prudent to disclose the Organisation's ownership of these assets as contingent.

These contingent assets are unchanged from the end of the prior reporting period.

Notes to the Financial Statements

For the Year Ended 30 September 2017

20 Related Parties

(a). Transactions with 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. The following transactions occurred with related parties:

| | 2017 | 2016 |
|-----------------------------------|-------------|-------------|
| | \$ | \$ |
| Variety Australia | | |
| Revenue from related parties | 128,067 | 60,428 |
| Payments to related parties | (165,021) | (101,807) |
| Amount owed to related parties | (16,232) | (147,447) |
| Variety Queensland | | |
| Revenue from related parties | 3,474 | 3,732 |
| Payments to related parties | (162) | (5,271) |
| Variety New South Wales | | |
| Revenue from related parties | 41,384 | 89,659 |
| Payments to related parties | (7,686) | (982) |
| Amounts owed by related parties | 41,189 | 39,924 |
| Variety South Australia | | |
| Revenue from related parties | 15,422 | 13,195 |
| Payments to related parties | (2,383) | - |
| Amount owed to related parties | - | (20) |
| Variety Tasmania | | |
| Revenue from related parties | 712 | 291 |
| Variety Northern Territory | | |
| Revenue from related parties | 712 | 658 |
| Payments to related parties | - | (2,000) |
| Variety Western Australia | | |
| Revenue from related parties | 2,512 | - |
| Variety New Zealand | | |
| Revenue from related parties | 364 | - |
| Payments to related parties | (208) | - |
| Variety International | | |
| Revenue from related parties | 14,750 | - |
| Payments to related parties | - | (11,036) |

Board Member's Related Entities

Randall King

Financial assets are held in a custody account operated on behalf of the Variety Foundation by Randall King. No fees were charged for the provision of these services in 2017 and 2016.

Notes to the Financial Statements

For the Year Ended 30 September 2017

21 Cash Flow Information

- (a). Reconciliation of result for the year to cashflows from operating activities

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

| | 2017 | 2016 |
|--|------------------|-------------|
| | \$ | \$ |
| Profit for the year | 321,877 | 251,586 |
| Cash flows excluded from profit attributable to operating activities | | |
| Non-cash flows in profit: | | |
| - depreciation | 74,854 | 64,639 |
| - non-monetary donations | (117,475) | (262,226) |
| - net (gain)/loss on disposal of property, plant and equipment | (128) | 28,810 |
| - unrealised gains on investments | (2,450) | (14,180) |
| Changes in assets and liabilities: | | |
| - (increase)/decrease in trade and other receivables | (50,102) | 152,953 |
| - (increase)/decrease in prepayments | (9,778) | (3,809) |
| - increase/(decrease) in trade and other payables | 2,470 | 277,979 |
| - increase/(decrease) in deferred revenue | 20,313 | 3,552 |
| - increase/(decrease) in employee benefits | 6,547 | 13,325 |
| Cashflow from operations | 246,128 | 512,629 |

Notes to the Financial Statements

For the Year Ended 30 September 2017

22 Correction of prior period errors

- (a). In 2017, after the entity's 2016 financial statements were approved for issue, the entity corrected an error whereby a portion of the buildings was not depreciated. This amount has been corrected in the opening comparative year retained earnings and restated throughout the financial report.

| | 30 Sept 2016 | Adjustment | Restated 30 Sept 2016 |
|--|--------------|------------|-----------------------|
| | \$ | \$ | \$ |
| Statement of financial position | | | |
| Property plant and equipment | 972,006 | (56,364) | 915,642 |
| Retained earnings | (1,240,273) | 56,364 | (1,183,909) |

| | Year ended 30 Sept 2016 | Adjustment | Restated Year ended 30 Sept 2016 |
|---|-------------------------|------------|----------------------------------|
| | \$ | \$ | \$ |
| Statement of profit or loss and other comprehensive income | | | |
| Depreciation and amortisation expense | 59,515 | 5,124 | 64,639 |
| Profit or loss attributable to members of the entity | 256,710 | (5,124) | 251,586 |

- (b). In 2017, after the entity's 2016 financial statements were approved for issue, the entity corrected an error whereby the transfer from the equity reserve to retained earnings was recognised as other comprehensive income. There was no overall effect on net assets or equity, however other comprehensive income was overstated by \$50,000. This amount has been corrected in the comparative year and restated throughout the financial report.

| | Year ended 30 Sept 2016 | Adjustment | Restated Year ended 30 Sept 2016 |
|---|-------------------------|------------|----------------------------------|
| | \$ | \$ | \$ |
| Statement of profit or loss and other comprehensive income | | | |
| Other comprehensive income | 50,000 | (50,000) | - |

Variety – The Children’s Charity of Victoria

ABN: 80 145 257 414

Notes to the Financial Statements **For the Year Ended 30 September 2017**

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 Organisation, the results of those operations, or the state of affairs of the Organisation in future financial years.

24 Company Details

The registered office 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

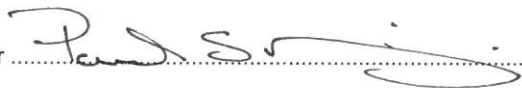
Directors' Declaration

The directors of the Organisation declare that:

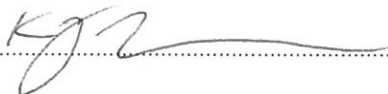
1. The financial statements and notes, as set out on pages 10 to 30, are in accordance with the *Australian Charities and Not-for-Profit Commission Act 2012* and:
 - a. comply with Accounting Standards - Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 30 September 2017 and of the performance for the year ended on that date of the Organisation.
2. In the directors' opinion, there are reasonable grounds to believe that the Organisation 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



Director



Dated this 6 day of December 2017

Moore Stephens Audit (Vic)

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

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Variety – The Children's Charity of Victoria (the Organisation), which comprises the statement of financial position as at 30 September 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory notes and the responsible entities directors' declaration.

In our opinion, except for the possible effect of the matters described in the Basis for Qualified Opinion paragraph, the financial report of Variety – The Children's Charity of Victoria has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (The ACNC Act), including:

- a) giving a true and fair view of the Organisation's financial position as at 30 September 2017 and of their performance for the year ended on that date; and
- b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*;

Basis for Qualified 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 Organisation 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.

Donations (revenue from events and fundraising) are a significant source of revenue for Variety – The Children's Charity of Victoria. Variety – The Children's Charity of Victoria has determined that it is impractical to establish controls over the collection of such revenue 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 the above 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 – The Children's Charity of Victoria is complete.

Other Information

The responsible entities are responsible for the other information. The other information comprises the information included in the Organisation's annual report for the year ended 30 September 2017, but does not include the financial report and our auditor's report thereon.

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 Directors for the Financial Report

The directors of the Organisation are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the ACNC Act, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

The directors are responsible for overseeing the Organisation's financial reporting process.

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 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 Organisation'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 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 Organisation'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 Organisation to cease to continue as a going concern; and
- 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, 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.

MOORE STEPHENS

MOORE STEPHENS AUDIT (VIC)

ABN 16 847 721 257



RYAN LEEMON

Partner

Audit & Assurance Services

Melbourne, Victoria

6 December 2017