



**variety**  
the children's charity

# Financial Report

For the year ended 30 September 2014



**Variety – the Children's Charity (NSW)**

**ABN 38 003 354 934**

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# Directors' Report

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Your directors submit their report of Variety - the Children's Charity (NSW) for the year ended 30 September 2014.

## DIRECTORS

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

### Qualifications, experience and special responsibilities

#### Gordon Cooper AM FCA: Director



Gordon Cooper is a chartered accountant in sole practice as a tax consultant and an Adjunct Professor, School of Taxation and Business Law (incorporating Atax) at the University of New South Wales. Gordon is also the Former President of the Taxation Institute of Australia. In June 2003, Gordon was awarded the AM in the Queen's Birthday Honours. Gordon has been involved with Variety for over 6 years and was appointed to the Variety NSW Board as a Director in 2011. He is currently a member of the Finance, Motoring Events and Cycle Committees.

#### Geoff Davis: Director



Geoff Davis is the National Fleet Network Manager and Regional Transport manager in NSW/ACT for BlueP/Australia Post. Geoff has been actively involved with Variety for 20 years as a supporter and has held positions on the Variety NSW Board since 2003. Taking a two year spell in 2011-2012, overseeing numerous portfolios and serving as Deputy Chairman in 2008-10. Geoff is currently a member of the Revenue Committee.

#### John Dennis: Director



John Dennis established the Australian Structured Finance Group in 1984, specialising in corporate equipment finance and remains Managing Director of this group. He was elected to the Governing Council of the Australian Equipment Lessors Association in 2003, becoming Chairman in 2007/08 and remains the longest serving member on this Banking industry Council. John has worked in fundraising and compliance on NFP Boards since 2001 and has completed 8 Variety Bash events, personally raising nearly \$500,000 for Variety in that time. John was appointed to the Variety Board in December 2012 and is currently a member of the Revenue Committee.

#### Henry Eggers: Director



Henry has extensive experience in the trucking industry in Australia, having held the position of CEO at Stilwell truck for 22 years as well as being appointed Director to 4 companies within the Adtrans Group. Henry is a long-time supporter of Variety, providing logistics expertise to the Variety Bash events. Henry was appointed to the Board in December 2012 and is currently a member of the Grants Committee.

**Peter Hebbes AM: Director**



Peter is a past Chairman of Variety NSW. He has been an active member of Variety since 1987 and in 2003 was presented with a lifetime membership and in 2006 he was awarded The Order of Australia (AM) for his services to the music industry and the community as a charity fundraiser. By profession Peter is an independent music publisher and runs Hebbes Music Group Pty. Ltd, and acts as a Consultant and Music Business Manager to the theatrical, film, television and music industry. Peter is Chair of the Motoring Events Committee and member of the Variety Cycle Committee.

**Mahesh Hettiaratchi: Treasurer**



Mahesh is a Chartered Accountant specialising in corporate and international taxation. He currently works as the International Tax Manager at a multinational engineering consultancy group with operations across the globe. Mahesh is a keen contributor to the community and not-for-profit sector having volunteered his time and skills in the capacity of board member with a number of organisations and has been involved with Variety for 5 years. Mahesh joined the Board in June 2012. As Treasurer, Mahesh is Chair of the Finance Committee and a member of the Risk and Governance Committee.

**Brian Hoare: Director (resigned August 2014)**



Brian has over forty years' experience in the corporate sector and is currently a non-executive director of Crown Equipment and was on the board of Adele House which operates three drug and alcohol rehabilitation centres in New South Wales until August 2014. Brian has been involved with Variety since 1988 and was appointed as a Director to the Variety NSW Board in 2011. Brian was the Chairman for Motoring Events in NSW until August 2014.

**Dr. Greg Levenston: Director**



Greg is the Medical Director at Bronte Medical Centre and Deputy Mayor of Woollahra City Council. Greg has also been a Mason for 20 years with roles within the organisation including Immediate Past Grand Master, Freemasonry NSW/ACT and Spokesman for Australian Freemasonry. Greg was appointed as a Director to the Variety NSW Board in 2011 and is a member of the Grants Committee.

**Greg Lewis: Director**



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

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

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

**Dr Amanda Mead GAICD: Director**



Amanda Mead has been an active Director of Variety NSW since 2004. She has worked in a range of Tent 56 committees. She Chairs the Grants and Programs Committee (since 2013), earlier General Appeals Committee (since 2008) and has been chair and member of the Risk and Governance Committee since 2011. Amanda has been Alternate Director, Variety Australia since 2012. Amanda's PhD researched emotions and self-identity in organisational change meetings. She mentors, researches and consults in corporate strategy and change management in the food, tourism and humanitarian supply chain sectors.

**Paul Mullaly: Chairperson**



Paul is the current Chairperson of Variety NSW and a Director of Variety Australia. He holds a Master's Degree in Engineering management and is the CEO of Mullaly Constructions. Paul has actively supported Variety for more than 20 years and was appointed to the Variety NSW Board in 2009. Paul, along with other members of his family, is a recipient of an International Presidential Citation Award for his support of Variety.

**Duncan Ross GAICD: Director**



Duncan is an experienced investment banker and management consultant, primarily working in technology, music and media fields. He is currently CEO of Vogel Ross, a venture consulting and management practice based in Sydney. Duncan is a graduate of AICD and has been involved with Variety for nearly 20 years as a volunteer fundraiser, bash entrant, committee member and Board member. He is currently the Chair of the Revenue Committee.

**Susan Warda: Director**



Susan became a solicitor in 1993 and has extensive experience in the practice of family law. She is a Partner at Mills Oakley, a member of AICD and was awarded NSW Woman Lawyer of the Year in Private Practice for 2013. Susan was appointed to the Variety NSW Board as a Director in 2010 and as a Director to the Variety Australia Board in 2012. Susan is Chair of the Risk and Governance Committee.

**Interests in the contracts or proposed contracts**

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

### **COMPANY SECRETARY**

Mr Paul Mullaly has been the Company Secretary of Variety - the Children's Charity (NSW) since December 2013. The role was previously filled by Mr Peter Hebbes AM for the first period of the financial year.

### **DIVIDENDS**

The Charity is a not-for-profit organisation and is prevented by the *Corporations Act 2001* from paying dividends.

### **CORPORATE INFORMATION**

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

The Company is a Member of Variety International, which incorporates 41 entities operating in 13 different countries across the globe. All Variety entities operate under the same mission to support children who are sick, disadvantaged or who have special needs. There are eight separate Variety offices around Australia that operate similar activities to Variety – the Children's Charity (NSW) and whom work together to deliver national campaigns and achieve operational efficiencies. The seven Australian State and Territory Variety entities together own 100% of shares in the national entity of Variety Australia, who has been appointed the responsibility to review governance and the coordination of international reporting.

The registered office and principal place of business of the Company is 47 Herbert Street, Artarmon, NSW 2064. The Company employed 23 staff at 30 September 2014 (30 September 2013: 19).

### **STRATEGY AND OBJECTIVES**

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

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

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

## Directors' Report (continued)

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### PRINCIPAL ACTIVITIES

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

Variety's principal fundraising activity involves the running of multiple large fundraising events including the Variety Bash, Santa Fun Run as well as major corporate partnerships and campaigns. Variety's administration costs are 15% of total revenue. A detailed breakdown of Variety NSW's cost of fundraising can be found in Note 4 to the Accounts on Page 19.

Variety has undertaken significant investments in new events and initiatives to build a stronger foundation for future years, and therefore future income to be provided in additional grants. These have included expanding our Corporate Fundraising and Sponsorship functions, taking on major campaign partnerships such as the Sydney Airport Christmas Giving Appeal, and establishing an entirely new event – The Variety Cycle. This has contributed to a 20% growth in revenue in this financial year (and 29% growth in Net Profit Before Appeals) and is expected to have greater pay offs in the medium to long term. In the opinion of the Directors these investments should generate future income as well as greater publicity to Variety, helping us deliver upon future objectives.

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

### OPERATING RESULTS FOR THE YEAR

#### *Operating revenue*

The operating revenue for the year ended 30 September 2014 was \$9,959,739 (30 September 2013: \$8,274,711).

#### *Operating result before appeals granted*

The operating profit before appeals granted for the year ended 30 September 2014 was \$3,883,550 (30 September 2013: \$3,005,590).

#### *Appeals granted*

Appeals granted to sick, disabled and disadvantaged children for the year ended 30 September 2014 was \$3,395,323 (30 September 2013: \$3,041,338).

#### *Net operating result before Extraordinary Items*

The net surplus before Extraordinary items for Variety for the year ended 30 September 2014 was \$488,226 (2013 net loss: (\$35,748)).

#### *Net operating result after Extraordinary Items*

The net profit after Extraordinary items for Variety for the year ended 30 September 2014 was \$488,226 (2013: \$1,054,726).

## Directors' Report (continued)

### SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

### SIGNIFICANT EVENTS AFTER THE BALANCE DATE

Since the end of the financial year, the Directors have not become aware of any matter or circumstances not otherwise dealt with in the report or financial statements that has significantly, or may significantly, affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

### LIKELY DEVELOPMENTS AND EXPECTED RESULTS

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

### ENVIRONMENTAL REGULATION AND PERFORMANCE

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

### DIRECTORS' BENEFITS

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

### INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

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

### DIRECTOR'S MEETINGS

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

	Directors' Meetings Attended	Directors' Meetings Eligible to Attend
Ms Susan Bannigan	0	2
Mr Gordon Cooper AM	9	12
Mr Geoff Davis	9	12
Mr John Dennis	9	12
Mr Henry Eggers	12	12
Mr Ian Grambow	1	2
Mr Peter Hebbes AM	8	12
Mr Mahesh Hettiaratchi	8	12
Mr Brian Hoare	7	10
Dr Greg Levenston	9	12
Mr Greg Lewis	10	10
Dr Amanda Mead	9	12
Mr Paul Mullaly	12	12
Mr Duncan Ross	10	12
Mr Bernt Schindler (co-opted February 2013)	0	2
Ms Susan Warda	5	12



## Directors' Report (continued)

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### MEMBERS GUARANTEE

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

### AUDITOR INDEPENDENCE

The directors received an independence declaration from the auditor, Ernst & Young. A copy has been included on page 8 of the report.

Signed in accordance with a resolution of the directors



Mr Paul Mullaly  
Director/Chairperson

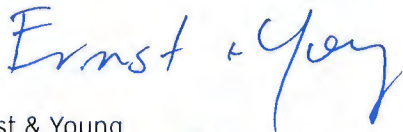


Mr Mahesh Hettiaratchi  
Director/Treasurer

Sydney, 14 November 2014

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

In relation to our audit of the financial report of Variety - the Children's Charity (NSW) for the financial year ended 30 September, 2014 to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.



Ernst & Young



John Robinson  
Partner  
14 November 2014

## Statement of Comprehensive Income

For the year ended 30 September 2014

	Note	2014 \$	2013 \$
Fundraising income	4	8,960,372	7,487,947
Contributions towards appeals granted	4	830,848	659,314
Other income	4	168,519	127,450
<b>Total revenues</b>		<b>9,959,739</b>	<b>8,274,711</b>
<b>Cost of Fundraising</b>			
Event Production Costs		(3,313,086)	(2,819,650)
Merchandise Costs		(284,069)	(135,926)
Fundraising Management Costs		(1,027,356)	(635,614)
<b>Total Cost of Fundraising</b>		<b>4,624,511</b>	<b>3,591,190</b>
<b>Gross Profit</b>		<b>5,335,228</b>	<b>4,683,520</b>
Employee benefits expense	5(b)	(457,097)	(603,661)
Advertising & promotion		(241,220)	(247,333)
Bank Charges		(17,568)	(75,192)
Occupancy Costs		(106,237)	(78,856)
Other Operating Costs		(224,828)	(238,102)
Travel & Accommodation		(36,113)	(61,918)
Depreciation	5(a)	(133,750)	(135,458)
International and National Dues		(90,131)	(108,294)
Insurance		(44,438)	(32,357)
Consultants		(100,296)	(96,760)
<b>Total expenses</b>		<b>(1,451,679)</b>	<b>(1,677,931)</b>
<b>Profit before appeals granted and income tax</b>		<b>3,883,550</b>	<b>3,005,590</b>
Appeals granted	4	(3,395,323)	(3,041,338)
<b>Profit / (Loss) before Extraordinary Items</b>		<b>488,226</b>	<b>(35,748)</b>
Extraordinary Income		-	1,090,474
<b>Net profit for the year before Income Tax</b>		<b>488,226</b>	<b>1,054,726</b>
<b>Income Tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>488,226</b>	<b>1,054,726</b>

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

## Statement of Financial Position

**As at 30 September 2014**

	Note	2014 \$	2013 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	2,683,748	1,871,969
Trade and other receivables	7	175,962	404,657
Other current assets	8	324,309	324,171
<b>Total current assets</b>		<b>3,184,019</b>	<b>2,600,797</b>
<b>Non-current assets</b>			
Investments	9	85,200	85,200
Property, plant and equipment	10	3,016,923	3,048,115
<b>Total non-current assets</b>		<b>3,102,123</b>	<b>3,133,315</b>
<b>TOTAL ASSETS</b>		<b>6,286,142</b>	<b>5,734,112</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Grants payable	11	1,469,026	1,773,848
Trade and other payables	11	298,038	80,408
Provisions	12	172,793	162,271
Deferred income	14	397,762	257,970
<b>Total current liabilities</b>		<b>2,337,619</b>	<b>2,274,497</b>
<b>Non-current liabilities</b>			
Provisions	12	11,699	11,018
<b>Total non-current liabilities</b>		<b>11,699</b>	<b>11,018</b>
<b>TOTAL LIABILITIES</b>		<b>2,349,318</b>	<b>2,285,515</b>
<b>NET ASSETS</b>		<b>3,936,824</b>	<b>3,448,598</b>
<b>EQUITY</b>			
Accumulated surplus		3,936,824	3,448,598
<b>TOTAL EQUITY</b>		<b>3,936,824</b>	<b>3,448,598</b>

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



## Statement of Changes in Equity

**For the year ended 30 September 2014**

	Accumulated surplus \$	Total equity \$
<b>At 1 October 2012</b>	2,393,872	2,393,872
Profit for the year	1,054,726	1,054,726
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	1,054,726	1,054,726
<b>At 30 September 2013</b>	<b>3,448,598</b>	<b>3,448,598</b>
Profit for the year	488,226	488,226
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>488,226</b>	<b>488,226</b>
<b>At 30 September 2014</b>	<b>3,936,824</b>	<b>3,936,824</b>

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

## Statement of Cash Flows

**For the year ended 30 September 2014**

	Note	2014 \$	2013 \$
<b>Cash flows from operating activities</b>			
Receipts from donors, sponsors, members and functions		10,018,914	8,185,674
Payments to suppliers and employees		(5,712,221)	(4,615,588)
Interest received		41,892	47,599
Interest paid		-	-
Appeals paid		(3,700,145)	(3,388,267)
<b>Net cash flows from/(used in) operating activities</b>		<b>648,441</b>	<b>229,418</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment		406,174	1,700,000
Purchase of property, plant and equipment		(242,836)	(3,061,835)
<b>Net cash flows used in investing activities</b>		<b>163,338</b>	<b>(1,361,835)</b>
Net increase in cash and cash equivalents		811,779	(1,133,292)
Cash and cash equivalents at beginning of year		1,871,969	3,005,261
<b>Cash and cash equivalents at end of year</b>	<b>6</b>	<b>2,683,748</b>	<b>1,871,969</b>

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

## Notes to the Financial Statements

### 1 CORPORATE INFORMATION

The financial report of Variety, The Children's Charity (NSW) (the "Company") for the year ended 30 September 2014 was authorised for issue in accordance with a resolution of the directors on 14 November 2014.

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has been prepared on an accrual basis of accounting including the historical cost convention except as otherwise stated and the going concern assumption.

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

#### (b) Statement of compliance

Variety has adopted AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements for the financial year beginning on 1 October 2011 and continued for the year ending 30 September 2014.

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

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

#### (c) New accounting standards and interpretations

Australian Accounting Standards and Interpretations that have recently been issued or amended are not expected to have significant impact on the Company for the annual reporting period ended 30 September 2014 and subsequent periods.

#### (d) Cash and cash equivalents

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

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

#### (e) Trade and other receivables

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

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

#### (f) Property, plant and equipment

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (f) Property, plant and equipment (continued)

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

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

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

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

### *Derecognition*

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

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

### (g) Impairment of non-financial assets

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

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

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

### (h) Trade and other payables

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

### (i) Grants payable

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

### (j) Interest-bearing loans and borrowings

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

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



## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### **(k) Borrowing costs**

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

### **(l) Provisions**

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

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

### **(m) Employee leave benefits**

#### *(i) Wages, salaries, annual leave and sick leave*

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

#### *(ii) Long service leave*

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

### **(n) Revenue recognition**

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

#### *(i) Events revenue*

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

#### *(ii) Donated goods*

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

#### *(iii) Interest income*

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### *(iv) Donations of services*

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

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

### **(o) Deferred income**

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

### **(p) Income tax**

Variety, The Children's Charity (NSW) is exempt from income tax. It is a Deductible Gift Recipient (DGR) and an Income Tax Exempt Corporation (ITEC).

### **(q) Other taxes**

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

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

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

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

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

## 3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

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

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

**3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)****(i) Significant accounting judgements***Impairment of non-financial assets*

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

**(ii) Significant accounting estimates and assumptions***Estimation of useful lives of assets*

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

Depreciation charges are included in note 10.

*Assessment of fair value for donated goods and services*

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

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

#### 4 FUNDRAISING INFORMATION AND ADMINISTRATION COSTS

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

	2014 Total Income \$	2014 Direct Expenses \$	2014 Net Income \$	2013 Net Income \$
<b>Fundraising information</b>				
Chef's Dinner: Variety of Chefs	310,022	190,157	119,865	162,311
Canberra Santa Fun Run	34,453	23,003	11,450	17,367
Corporate Events	73,325	6,036	67,289	54,562
Melbourne Cup	130,142	104,261	25,880	40,680
Newcastle Bash	823,321	179,734	643,588	734,321
Newcastle Splash	57,737	20,076	37,661	14,864
Newcastle Race Day	28,502	17,889	10,614	10,057
NSW "B-to-B" Bash	3,079,892	821,299	2,258,593	1,740,107
Santa Fun Run	431,859	329,538	102,321	149,113
Newcastle Santa Fun Run	28,348	5,265	23,084	-
The Variety Cycle Launch	-	-	-	196,985
The Variety Cycle	723,214	701,900	21,314	-
Fine China	122,997	30,820	92,178	100,628
4WD Experience	207,869	86,518	121,351	179,313
Canberra Variety of Chefs	-	-	-	(4,227)
Fundraising & Development	2,684,203	566,466	2,117,737	1,654,589
Other Events	224,489	217,739	6,750	17,350
Fundraising Overheads		1,323,811	(1,323,811)	(1,171,265)
<b>Total contribution from events</b>	<b>8,960,372</b>	<b>4,624,511</b>	<b>4,335,861</b>	<b>3,896,756</b>
Contributions towards appeals			830,848	659,314
Other income			168,519	127,450
Administration costs			(1,451,679)	(1,677,930)
<b>Net profit before grants</b>			<b>3,883,550</b>	<b>3,005,590</b>
Grants expense			(3,395,323)	(3,041,338)
<b>Net Loss before Extraordinary Items</b>			<b>488,226</b>	<b>(35,748)</b>
Extraordinary Income				1,090,474
<b>Net Income</b>			<b>488,226</b>	<b>1,054,726</b>

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

Total administration costs include an allocation of Variety Australia costs.

Goods and services in kind received of \$973,372 (2013:\$1,491,084) and goods and services in kind expended of \$973,372 (2013:\$1,404,284) are included in the relevant revenue or expense category.



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

	2014		2013	
	\$	%	\$	%
<b>Comparison of monetary figures and percentages</b>				
Total costs of fundraising & donations	4,624,511		3,591,190	
Total income received, excluding Extraordinary Items	9,959,739	46%	8,274,711	43%
Total cost of administration	1,451,679		1,677,932	
Total income received, excluding Extraordinary Items	9,959,739	15%	8,274,711	20%
Net surplus from fundraising & donations	4,335,861		3,896,756	
Gross income from fundraising & donations	8,960,372	48%	7,487,947	52%

The majority of costs represent event production expenses such as venues, staging, safety & welfare of participants and event catering. Due to the nature of the fundraising events organised by Variety, the delivery of events generally requires significant production costs, all of which are covered in Variety's ticketing costs to attend events, with all deductible donations received contributing directly to Variety's net fundraising revenue.

The total costs of the Company in the current year have been greater than the prior year and thus resulting in a marginal increase in some of the ratios above. The increase is a result of various investments made by the Company during the current year. Some of these investments include the introduction of two major new initiatives, in The Variety Cycle and the Sydney Airport Christmas Appeal, and an investment in a new corporate partnerships program. In addition to the significant increase in revenue delivered by these activities in this financial year, it is the expectation that these investments will generate future income to the Company in the coming years. In addition they have already provided significant positive publicity to Variety NSW, which in turn has assisted in the fundraising efforts on a go forward basis.

#### 5 EXPENSES

	2014	2013
	\$	\$
<b>(a) Depreciation expense</b>		
Buildings	36,666	25,465
Plant and equipment	51,683	51,448
Motor vehicles	45,401	57,617
Software	-	928
Total depreciation expense	133,750	135,458
<b>(b) Employee benefits expense</b>		
Wages and salaries	381,015	511,811
Other employee benefit expense	76,082	91,850
Total employee benefits expense	457,097	603,661

## 6 CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following at 30 September 2014:

	2014	2013
	\$	\$
Cash in hand	380	575
Cash at bank	2,683,368	534,753
Short-term deposits	-	1,336,641
	2,683,748	1,871,969

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

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

\$1,469,026 of cash reserves held at 30 September 2014 relates to existing liabilities for grants made during the past 2 years that have yet to be paid.

Variety, as at 30 September 2014, had a future commitment of \$200,000 to the Sydney Children's Hospital for medical equipment that is currently not reflected as a liability in the Statement of Financial Position. This commitment will be recognised over two years through annual grants. There is also an expected future commitment to the Vision for Life Program over the coming 3-5 years that is not able to be fully quantified as at 30 September 2014.

The carrying amounts of cash and cash equivalents, represents fair value.

## 7 OTHER RECEIVABLES (CURRENT)

	2014	2013
	\$	\$
Trade Receivables	36,984	-
Accrued income	139,068	404,657
Carrying amount other receivables	175,962	404,657

## 8 OTHER CURRENT ASSETS

	2014	2013
	\$	\$
Prepayments	271,098	232,625
Inventory on Hand	9,841	80,561
GST Receivable	43,370	10,985
	324,309	324,171

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

## 9 INVESTMENTS

	2014 \$	2013 \$
Investments in Variety Australia Limited - at cost	85,200	85,200
	85,200	85,200

## 10 PROPERTY, PLANT AND EQUIPMENT

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

	Land	Buildings & Improvements	Plant & Equipment	Motor Vehicles	Capitalised Software	Total
<b>At 1 October 2013 at Cost:</b>	<b>945,000</b>	<b>1,823,878</b>	<b>337,437</b>	<b>218,893</b>	<b>-</b>	<b>3,325,208</b>
Accumulated Depreciation:	-	(20,350)	(141,322)	(115,420)	-	(277,093)
<b>Net carrying Amount at 1 October 2013:</b>	<b>945,000</b>	<b>1,803,527</b>	<b>196,115</b>	<b>103,473</b>	<b>-</b>	<b>3,048,115</b>
Additions:	135,000	-	174,193	95,546	8,227	412,966
Disposals:	(135,000)	-	(173,595)	(95,014)	-	(403,707)
Accumulated Depreciation:	-	(36,666)	(45,401)	41,518	-	(40,549)
<b>End of Year – net carrying amount:</b>	<b>945,000</b>	<b>1,766,861</b>	<b>151,312</b>	<b>145,523</b>	<b>8,227</b>	<b>3,016,923</b>

## 11 PAYABLES (CURRENT)

	2014 \$	2013 \$
<i>Trade and other payables</i>		
Trade payables	115,238	3,164
Other payables and accruals	182,800	77,244
Carrying amount of trade and other payables	298,038	80,408
 Grants payable	 1,469,026	 1,773,848
	1,469,026	1,773,848

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

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

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

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

## 12 PROVISIONS

	2014 \$	2013 \$
<b>Current</b>		
Employee benefits	172,793	162,271
	172,793	162,271
<b>Non-current</b>		
Employee benefits	11,699	11,018
	11,699	11,018

### Employee benefits

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

## 13 INTEREST-BEARING LOANS AND BORROWINGS

### (a) Financing facilities available

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

	2014 \$	2013 \$
<i>Total facilities available</i>		
- Business credit card facility	50,000	50,000
	50,000	50,000
<i>Facilities used at balance date</i>		
- Business credit card facility	(22,530)	-
	(22,530)	-
<i>Facilities unused at balance date</i>		
- Business credit card facility	27,470	50,000
	27,470	50,000

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

## 14 DEFERRED INCOME

	2014 \$	2013 \$
Deferred income	397,762	257,970
	397,762	257,970

## 15 ACCUMULATED SURPLUS

	2014 \$	2013 \$
Movements in accumulated surplus were as follows:		
Balance 1 October	3,448,598	2,393,872
Net profit/(loss) for the year	488,226	1,054,726
Balance 30 September	3,936,824	3,448,598



## 16 STATEMENT OF CASH FLOWS RECONCILIATION

### (a) Non-cash financing and investing activities

#### *Credit card facility*

At balance date, The Westpac Banking Corporation provided the organisation with a business credit card facility with a limit of \$50,000 (2013: \$50,000). The balance owing at 30 September 2014 is reflected in the liabilities. Credit card facility used does not attract interest, with all payables settled by the due date, taking full advantage of the interest-free period on offer.

#### *Donated goods*

During the year, the organisation received donated goods and services to the value of \$973,372 (2013: \$1,491,084). As these were acquired for no consideration, the goods and services were valued at current replacement cost.

## 17 CONTINGENCIES

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

## 18 RELATED PARTY DISCLOSURES

### (a) Key management personnel

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

		<i>Payments from related parties</i>	<i>Payments to related parties</i>	<i>Amounts owed by related parties</i>	<i>Amounts owed to related parties</i>
		\$	\$	\$	\$
Legal Advice	<b>2014</b>	-	11,057	-	-
	<b>2013</b>	-	6,198	-	-
Staff related to key management personnel	<b>2014</b>	-	109,481	-	-
	<b>2013</b>	-	59,308	-	-

**(b) Transactions with related parties**

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

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

		<i>Payments from related parties</i>	<i>Payments to related parties</i>	<i>Amounts owed by related parties</i>	<i>Amounts owed to related parties</i>
		\$	\$	\$	\$
<i>Related party</i>					
<b>Related body:</b>					
Variety Tasmania	<b>2014</b>	5,156	13,068	-	-
	<b>2013</b>	1,510	7,145	28	-
Variety Australia	<b>2014</b>	98,263	150,677	34,254	-
	<b>2013</b>	79,487	153,171	15,353	22,901
Variety Northern Territory	<b>2014</b>	22,214	15,482	-	5,759
	<b>2013</b>	6,188	7,864	538	-
Variety Queensland	<b>2014</b>	89,799	88,239	-	20,724
	<b>2013</b>	62,879	79,235	25,974	-
Variety South Australia	<b>2014</b>	73,264	48,877	-	20,724
	<b>2013</b>	879	26,103	-	-
Variety Victoria	<b>2014</b>	72,568	91,237	-	20,724
	<b>2013</b>	53,594	147,986	-	-
Variety Western Australia	<b>2014</b>	46,395	65,147	-	20,724
	<b>2013</b>	32,809	52,597	9,385	-

**Terms and conditions of transactions with related parties**

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

## 19 RECLASSIFICATION OF PRIOR YEAR FIGURES

Change in the allocation approach adopted in 2014 has necessitated a reclassification of 2013 figure. The change was made in order to exclude indirect expenditure from granting activities. There is no net impact on the Comprehensive Income Statement from the reclassification.

### *Impact on the Comprehensive Income Statement*

As a result of the reclassification: Appeals granted is \$3,041,338 (previously reported \$3,738,194); Total cost of fundraising is \$3,591,190 (previously reported (\$3,133,891); Total expenses \$1,677,931 (previously \$1,438,374).

### *Impact on Note 4 ratios*

Total Cost of Fundraising + Donations	43% (previously reported 38%)
<hr/>	
Total Income Received (excluding Extraordinary Items)	

Total Cost of Administration	20% (previously reported 17%)
<hr/>	
Total Income received (excluding Extraordinary Items)	

Net Surplus from Fundraising + Donations	52% (previously reported 58%)
<hr/>	
Gross Income from Fundraising + Donations	

## 20 KEY MANAGEMENT PERSONNEL

### (a) Details of Key Management Personnel as at 30 September 2014

#### *(i) Directors*

Mr Paul Mullaly	Chairman/Company Secretary
Mr Mahesh Hettiaratchi	Treasurer
Mr Gordon Cooper AM	Director
Mr Geoff Davis	Director
Mr John Dennis	Director
Mr Henry Eggers	Director
Mr Peter Hebbes AM	Director
Dr Greg Levenston	Director
Mr Greg Lewis	Director
Dr Amanda Mead	Director
Mr Duncan Ross	Director
Ms Susan Warda	Director

#### *(ii) Staff*

Tamara Johnston	Chief Executive Officer
Bryan Mattes	Head of Finance + Corporate Services
Kerry Gonski	Head of Fundraising

	2014 \$	2013 \$
<b>(b) Compensation of Key Management Personnel</b>		
Short-term employee benefits – Salary and fees	371,890	562,073
Short-term employee benefits – Non-monetary benefits	28,460	25,000
Post-employment benefits - Superannuation	30,626	51,301
Total benefits	430,976	638,374

## 21 EVENTS AFTER THE BALANCE DATE

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

## Directors' Declaration

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


In the opinion of the directors:

- (a) the financial statements and notes of the Company are in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the Company's financial positions as at 30 September 2014 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

### Declaration under the Charitable Fundraising Act 1991 (the "Act") and Charitable Fundraising Regulation 2008 (the "Regulation")

- (i) The financial report and associated records of the Company have been properly kept during the year ended 30 September 2014 in accordance with the Act and the Regulation; and
- (ii) money received as a result of fundraising appeals conducted during the year ended 30 September 2014 has been properly accounted for and applied in accordance with the Act and the Regulation; and
- (iii) there are grounds to believe that the Company will be able to pay its debts as and when they fall due; and
- (iv) The Company has complied with the obligations imposed by the Act and the Regulation.

Signed in accordance with a resolution of the Board of Directors



Mr Paul Mullaly  
Director/Chairperson



Mr Mahesh Hettiaratchi  
Director/Treasurer

Sydney, 14 November 2014

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

### Report on the financial report

We have audited the accompanying financial report of Variety - Children's Charity (NSW), which comprises the statement of financial position as at 30 September 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

### *Directors' responsibility for the financial report*

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

### *Auditor's responsibility*

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

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

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

### *Independence*

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report. We confirm that the Auditor's Independence Declaration would be in the same terms if given to the directors as at the time of this auditor's report.

### *Opinion*

In our opinion, the financial report of Variety - the Children's Charity (NSW) is in accordance with the *Corporations Act 2001*, including:



- (i) giving a true and fair view of the company's financial position as at 30 September 2014 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*

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

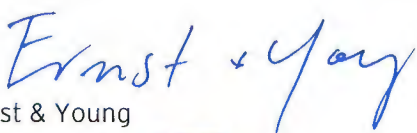
We have audited the financial report as required by Section 24(2) of the *NSW Charitable Fundraising Act 1991*. Our procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with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

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

### **Opinion**

In our opinion:

- a) the financial report of Variety - the Children's Charity (NSW) has been properly drawn up and associated records have been properly kept during the financial year ended 30 September 2014, in all material respects, in accordance with:
  - (i) sections 20(1), 22(1-2), 24(1-3) of the *NSW Charitable Fundraising Act 1991*;
  - (ii) sections 9(6) and 10 of the *NSW Charitable Fundraising Regulations 2008*;
- b) the money received as a result of fundraising appeals conducted by the company during the financial year ended 30 September 2014 has been properly accounted for and applied, in all material respects, in accordance with the above mentioned Act and Regulations.



Ernst & Young



John Robinson  
Partner  
Sydney  
14 November 2014