

Variety Australia Limited

ACN 101 609 616

Annual Report
30 September 2015

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Director Profiles

Directors during the Company's financial year

The Board of Variety Australia Limited is comprised of the Chair (or the nominee) of each State Tent and a number of seconded Directors. The seconded Directors are chosen to provide an appropriate range of skills and experience. Alternate Directors are generally selected to ensure some continuity and as a consequence are encouraged to attend the Company's Board Meetings.

01. Nicole Haack

National Chairman

Director Appointed 22 November, 2011

Directorships

Variety-the Children's Charity (SA), Raising Literacy Australia.

Variety Experience

Nicole has been involved in Variety the Children's Charity for in excess of 20 years, culminating in her appointment to the board in 2011. She is the past Chairman of Variety SA and still holds the roles of Chair of the Marketing and Communications Committee (both for Variety Australia and Variety SA), Chair of the Large Appeals Committee (Variety SA), and a member of the Governance and Audit Committee (Variety Australia and Variety SA).

Skills and Experience

Nicole Haack is the founder and Managing Director of corporate communications and public relations firm The Message Bureau, advising on high-profile communications and marketing campaigns as well as stakeholder engagement and crisis management

Nicole also has more than 20 years' experience in the media, encompassing television, radio and print. She was a presenter on talk back radio, leading discussion on news and current affairs and held the role of Director of News and Current Affairs for leading Adelaide radio station FIVEaa for eight years.

Nicole is a previous Telstra South Australian Young Businesswoman of the Year and also a recipient of the Prime Minister's Centenary Medal for service to Australian society in business leadership.

02. Neil Wykes OAM FCA, ACIS, BCom

National Company Secretary

National Company Secretary Appointed 1 January, 2012

Directorships

Director, Treasurer and Chair of Finance, Audit and Risk Management Committee of National Trust of Australia (New South Wales), Chair of Audit & Risk Management Committee of Justice Health and Forensic Mental Health Network in NSW, Chair of the Variety Australia Regulatory Committee, member Audit and Risk Management Committee.

Variety Experience

Director, Chair of Audit, Risk, Finance, Administration and Governance Committee and Treasurer Variety International. Neil was the Honorary Auditor of Variety NSW and Variety Australia for 15 years prior to retiring from Ernst & Young in 2010.

Skills and Experience

Neil is a Retired Partner from Ernst & Young and is currently the General Manager, Audit and Risk for

Ramsay Health Care. At Ernst & Young Neil was responsible for the audit of many charitable and Not for Profit clients. Neil's skills include Accounting and Finance, Risk Management and Corporate Governance.

03. Don Brooker

Director Appointed 17 December, 2014. Immediate past Alternate Director for Evan Briers Appointed 13th September, 2013.

Directorships

Variety - the Children's Charity (WA)

Variety Experience

Don has been involved in Variety WA for 11 years. He has been actively involved in Bashes, Bike Run, 4WD Challenges and Splash events. He is the proud sponsor of the WA Coleman Variety 4WD challenge.

Skills and Experience

Don is the owner of a wholesale distribution company in the sports and camping industry.

04. John Catarinich CPA, MAICD, BBus., LLB., Masters Taxation Law

Director Appointed 13 April, 2007

Directorships

Agilyx Pty Limited, Agilyx NZ Limited, Develin Catarinich & Associates Pty Limited, Chair of the Variety Australia National Branding Committee.

Variety Experience

Director - Variety International.

Skills and Experience

John is a seasoned finance and legal professional. John is admitted as a solicitor of the High Court of Australia, the Supreme Court of NSW and has practiced in corporate, commercial and insurance law. Starting his career in Chartered Accounting John has since worked in senior finance, legal and strategic advisory roles for several leading blue-chip companies in Australia, United Kingdom and Asia prior to founding his own firm specialising in strategy and enterprise performance improvement. John is a member of the Law Society of NSW, CPA Australia and the Australian Institute of Company Directors. John holds Post Graduate qualifications in Strategic Change Management from UNSW. As a keen believer in empowering individuals and as part of his responsibility to the community, John takes great satisfaction to serve children in need through his role as Director of Variety Australia.

05. David Flower

Director appointed 4 December, 2014

Directorships

Variety – the Children's Charity (TAS)

Variety Experience

David has had an extensive involvement with Variety since 1986 when his father, John, started event managing the Variety Bashes.

Skills and Experience

David is co-owner and producer of production company Hype TV.

06. Patrick Gray MTEM

Director Appointed 16 July, 2013

Directorships

Variety – the Children’s Charity (NT)

Variety Experience

Patrick has been involved with Variety in the Northern Territory for over 16 years fundraising and assisting at various Variety events and has participated in 5 Bashes.

Skill and Experience

Patrick has worked for various Northern Territory Government agencies undertaking land and water management projects. He is currently working for the Power and Water Corporation as a hydro geologist managing potable groundwater supplies for the major centres across the Northern Territory.

07. Ian Mackay

Director Appointed 8 December, 2015. Immediate past Alternate Director for Peter Ffrench Appointed 30 November, 2010.

Directorships

Variety – the Children’s Charity (QLD)

Variety Experience

Ian served as Treasurer of Variety QLD, Tent 76 from 2006 to 2010 prior to his election as Chair of Variety Queensland a position he held until 2013. He now holds a Directorship in Variety Queensland.

Skills and Experience

Ian is qualified as a Public Accountant in 1975 and held senior management positions in the fledgling micro and personal computer industry before establishing a mail order software business in 1986. The company evolved into an award winning distributor and software publisher and was sold to a public company in 2007. Ian retired in 2009, resigned his public company directorship and he now has more time to share his management and marketing expertise.

08. Amanda Mead GAICD

Director Appointed 10 December, 2015. Immediate past Alternate Director for Paul Mullaly Appointed 30 January, 2012.

Directorships

Variety - the children’s Charity (NSW).

Variety Experience

Amanda 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.

Skills and Experience

Amanda mentors, researches and consults in corporate strategy and change management. Amanda’s work focuses on the food, tourism and humanitarian supply chain sectors.

09. Richard Symon FFin, MSAA, Dip (Securities)

Director Appointed 3 December, 2014. Past Alternate Director for Vito Interlandi. Appointed 25 July, 2013.

Directorships

Variety – the Children’s Charity (Vic.), co-founder and Chair of the Financial Services Foundation Ltd and Director of three commercial companies and their subsidiaries.

Variety Experience

Richard was appointed a member of the crew of Tent 77 (Victoria) on 23 November and is currently the

Chairman of Variety Victoria. Richard Co-founded and is the Chairman of the Financial Services Foundation which continues to raise funds for Victorian based children’s charities including Variety Vic and has partnered with Variety Vic to host “A Monetary Affair” annual ball for the financial services industry since 2002.

Skills and Experience

Richard is a Fellow of the Financial Securities Institute of Australia, and a Master Stockbroker (Stockbrokers Association of Australia). He has served as an Executive Director of Stockbroking and Financial Services organisations since 1991. His areas of expertise include, management and leadership, corporate governance, corporate structuring, initial public offerings and listings. Richard is currently an Executive Director Responsible Manager of a financial services company

10. Susan Warda MAICD, BSAB Diploma of Law, Acc. Spec. Family Law, Bond University Mediation Training and a Collaborative Family Lawyer
Director Appointed 20 April, 2012.

Directorships

Variety-the Children’s Charity (NSW), Board of Collaborative Professionals (NSW) and past Chair of Austlaw.

Variety Experience

Susan was appointed to the Board of Variety NSW in 2010 and is currently the Chair of the Teen Variety Committee and the Risk Committee in NSW

Skills and Experience

Susan became a solicitor in 1993 and has extensive experience in the practice of family law. She is a Partner at Mills Oakley Lawyers and is the Chairperson of Austlaw, an association of independent law firms located throughout NSW, Victoria, Queensland and the ACT. Susan has particular experience in family law matters involving complex financial issues. She is a qualified mediator.

11. Kathryn Zeitz

Director Appointed 25 November, 2015. Immediate past Alternate Director for Ron Barton Appointed 24 December, 2014.

Directorships

Variety-the Children’s charity (SA)

Variety Experience

Kathryn was first introduced to Variety after providing medical support to the SA Variety Bash in 1989.

Skills and Experience

Kathryn is currently the Director, Strategy and Operations, Mental Health Directorate for the Central Adelaide Local Health Network.

Alternate Directors

12. Ron Barton

Alternate Director for Kathryn Zeitz Appointed 25 November, 2015. Immediate past Director Appointed 15 November, 2012

Directorships

Variety – the Children’s Charity (SA), Member of Olympic Games appeals committee (SA), Treasurer, Body corporate, Silverton Apartments, Gold Coast.

Variety Experience

Participant in most Variety events in SA over the last eleven years and he has also been the chair of the Variety Adventure TV Project in SA.

Skills and Experience

Ron is the owner of the Yellow Corporation, which includes Yellow Couriers and Taxi Trucks, Aussie fast Transport Solutions and Consolidated Security Services. The fleet totals around 200 vehicles making Yellow Corporation one of the largest privately owned transport companies in South Australia.

13. Peter Ffrench BSoc Wk, Grad Dip Bus Admin, FAICD, FAMI

Alternate Director for Ian Mackay appointed 8 December, 2015. Immediate past Director Appointed 2 August, 2013, resigned 8 December 2015.

Directorships

Variety – the Children’s Charity (QLD), Boys Town.

Variety Experience

Peter has been on the board of Variety Qld since 2008 and has served in various roles and committees including Strategy, Marketing and previously the national marketing committee.

Skills and Experience

Peter has over 25 years’ experience in senior executive positions in general management and marketing in large national corporations. For the past eleven years he has been Director of Ffrench Connection, advising boards and senior executive teams on business strategy and coaching senior executives.

14. Anna Grant B.A, LLB.

Alternate Director for David Flower Appointed 4 December, 2014, resigned 5 August, 2015

Directorships

Variety - the Children’s Charity (TAS)

Variety Experience

Anna was appointed to the Board of Tent 78 in 2008 and was elected the Vice Chief Barker of Tent 78 in December 2010 and Chief Barker in 2012. Anna was appointed to the National Board in December 2012.

Skills and Experience

Anna is a Partner at the law firm Butler McIntyre & Butler situated in Hobart, Tasmania. Anna specializes in family law.

15. Jane Howlett

Alternate Director or Dave Flower Appointed 6th August, 2015.

Directorships

Variety – the Children’s Charity (TAS)

Variety Experience

Jane is extremely passionate about helping children reach their full potential.

Skills and Experience

Jane’s current role is State Manager for a global distribution company. In addition, she is also director of several emerging IT businesses started in Tasmania.

16. Vito Interlandi FCA, MAICD

Alternate Director for Richard Symon Appointed 3 December, 2014. Immediate past Director Appointed 28 November, 2012.

Directorships

Variety -the Children’s Charity (Vic.), Fellow of The Institute of Chartered Accountants [VPI] Australia and New Zealand. Associate of the Australian Society of CPA’s Hayes Knight (Melbourne) Pty Ltd and Hayes Knight Corporate Pty Ltd.

Variety Experience

Vito joined the Variety Victoria Board in 2007. Vito is a Board member and advisor for Variety Victoria – the Children’s Charity, he was previous Chairman of Variety Victoria. Previously he was an advisor to Variety Victoria from January 2000 to the time when Vito became a board member.

Skills and Experience

Vito is a Director of Hayes Knight Melbourne Pty Ltd and Hayes Knight Corporate Pty Ltd and has over 25 years of finance expertise and management experience which he has gained from both corporate public practice and private practice.

17. Paul Mullaly MEM

Alternate Director for Amanda Mead Appointed 10 December, 2015. Immediate past Director Appointed 6 January, 2014, resigned 10th December, 2015.

Directorships

Variety – the Children’s Charity (NSW).

Variety Experience

Paul is the immediate past Chairperson of Variety NSW and a Director of Variety Australia. 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.

Skills and Experience

Paul holds a Master’s Degree in Engineering Management and is the CEO of Mullaly Constructions.

18. Foster Stavridis

Alternate Director for Patrick Gray Appointed 3 June, 2014.

Directorships

Variety – the Children’s Charity (NT), Member of Variety International Asian Pacific Regional Committee; Vice-Chair Red Cross Advisory Board Northern Territory, Member of the Council of the Australian Red Cross Society; Treasurer Australia Day Council (Northern Territory) and the YMCA.

Variety Experience

Variety Northern Territory Board Member since December 2012. Chair of a number of sub-committees, Strategic/Business Plan Sub Committee (NT) Governance/Board Composition Sub Committee (NT) Scholarships Program Committee (NT). Chair of the Governance and Audit Committee Variety Australia and supports Variety Japan as a portfolio as a Member on the Asian Pacific Regional Committee.

Skills and Experience

Master of Business Administration (MBA), Majoring in Human Resource Management and Industrial Relations; Bachelor of Commerce, Majoring in Personnel, Industrial Relations and Economics; Graduate Diploma in Further Education and Training, Majoring in constructing training and designing development programs; Graduate Certificate in Public Sector Management, Majoring in administrative and fiscal management and Certificate IV in Assessment and Workplace Training. He has extensive experience in addressing strategic workforce planning, strategic planning generally, organisational development and change management initiatives stemming from a number of reforms/reviews. These stem from two jurisdictions across Queensland and the Northern Territory within the areas of law enforcement, community services and the health industry.

Directors' Report

The Directors of Variety Australia Limited (the "Company") have pleasure in submitting the following report in respect of the year ended 30 September, 2015 and in accordance with a resolution of Directors.

DIRECTORS

The Directors in office at the date of this report are set out on pages 3 to 8 of this report. The Directors had no interests in contracts or proposed contracts with Variety Australia Limited during the course of the financial year other than noted in the statutory information of this report.

COMPANY SECRETARY

Neil Wykes OAM was appointed National Company Secretary on 1 January, 2012.

DIVIDENDS

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

COMPANY INFORMATION

Variety Australia Limited is a public company Limited by Guarantee that is incorporated and domiciled in Australia. The registered office and the principal place of business of the Company is 47 Herbert St, Artarmon, NSW, 2064. The Company employed two staff at 30 September 2015.

OBJECTIVES AND STRATEGIES

Variety Australia Limited is the Australian 'Association' responsible to Variety International for the performance of the Variety Tents in Australia. It exists to assist the Member Tents to achieve their objective of helping Australian children, who are sick, disadvantaged or have special needs. The Variety Australia Board is committed to providing the Tents with good governance including policies and procedures and a clear strategy on the best way forward for Variety in Australia.

PRINCIPAL ACTIVITIES

The principal activities of Variety Australia Limited are to represent Variety International in Australia and to assist the member Tents in achieving their objectives within Australia.

OPERATING AND FINANCIAL REVIEW

Variety Australia Limited exists to help its member Tents, all the state based, Variety - the Children's Charity, organisations in Australia to help Australian children, who are sick, disadvantaged or have special needs. Consequently looking at the figures of Variety Australia Limited in isolation does not provide the reader with an understanding of Variety Australia's real purpose and results. Variety Australia is part of the Variety Family worldwide and under the Variety International charter it is the Australian Association responsible for the performance of the Variety Tents in Australia. These financial statements provide only the results of operations and state of Affairs of Variety Australia Limited because Variety Australia Limited does not have any ownership interest in the Australian Tents, indeed the Australian Tents own Variety Australia Limited.

Directors' Report (continued)

The standalone results of Variety Australia Limited are as Follows:

Operating revenue

The operating revenue for the year ended 30 September 2015 was \$1,130,086 (30 September 2014: \$1,151,844) and comprised:

	2015 \$	2014 \$
Funds raised for distribution to Tents	536,602	561,298
Reimbursement of operating costs by Tents	220,868	282,893
Reimbursement of Capital Expenditure from Tents	-	45,705
Shared costs paid by Variety Australia, reimbursed by Tents	295,909	214,581
Other Income	76,707	47,367
Total Income	1,130,086	1,151,844

Operating result before appeals granted and distributions

The operating profit before grants and distributions to the State Associations for the year ended 30 September 2015 was \$578,456 (30 September 2014: \$576,110).

Net operating result

The operating result for the year ended 30 September 2015 was a profit of \$53,854 (30 September 2014: \$252,345).

Below are the results of the Variety family in Australia. The results contained below are unaudited.

In order to provide the user of these statements with an understanding of the total Variety Operations in Australia we provide the following summary taken from an aggregation of Variety Australia Limited and the Australian Tents (see note 16 for a list of these organisations).

Operating Revenue

The Variety Family in Australia is comprised of eight (8) separate charities each of which is an event based Charity with aggregated total revenue of \$33.1 million (2014:\$29.3 million).

Operating result before appeals granted and distributions

The Operating profit before grants was \$11.7million (2014:\$11.2 million).

The amount granted to children in the year ended 30 September, 2015 was \$11.3million (2014:\$8.9 million).

Directors' Report (continued)

Net operating result

The net Operating result for the year ended 30 September 2015 was \$0.45million (2014:\$2.4 million).

State of affairs

The aggregated net assets, after eliminating duplications, of the Variety Family in Australia are \$15.4 million (2014:\$15.0 million).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the Directors there were no significant changes in the operations of the Company which occurred during the financial year.

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 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

Variety Australia Limited 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 indemnified by Variety under Section 300 of the Corporations Act 2001. In accordance with commercial practice, the insurance policy prohibits disclosure of the terms of the policy including the nature of the liability insured against and the amount of the premium.

Directors' Report (continued)

DIRECTORS' MEETINGS

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

Directors	Directors Meetings Attended	Directors Meetings Eligible to Attend
Nicole Haack	4	4
Neil Wykes OAM	4	4
Ron Barton	3	4
Evan Briers	0	1
Don Brooker	3	4
John Catarinich	2	4
Peter Ffrench	3	4
Dave Flower	3	3
Anna Grant	2	2
Patrick Gray	2	4
Jane Howlett	0	1
Vito Interlandi	2	4
Ian Mackay	0	2
Amanda Mead	1	4
Paul Mullaly	4	4
Foster Stavridis	3	4
Richard Symon	2	4
Susan Warda	4	4
Kathryn Zietz	1	2

Directors' Report (continued)

INDEMNIFICATION OF AUDITORS

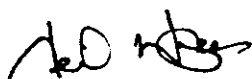
To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit. No payment has been made to indemnify Ernst & Young during or since the financial year.

The Directors' have received an independence declaration from the auditor, Ernst & Young. A copy of this declaration can be found at page 14 of this financial report.

Signed in accordance with a resolution of the Board of Directors



Nicole Haack
National Chairman



Neil Wykes OAM
National Company Secretary

Sydney
Date: 12 February, 2016

Auditor's Independence Declaration

To the Directors of Variety Australia Limited

In relation to our audit of the financial report of Variety Australia Limited for the financial year ended 30 September 2015, 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

Dated:

Statement of Comprehensive Income

FOR THE YEAR ENDED 30 SEPTEMBER 2015	Notes	2015 \$	2014 \$
Contribution from fundraising	4	476,962	413,406
Donation income	4	59,640	147,892
Contribution from Tents			
Contribution to operating expenses	4	220,868	282,893
Contribution to Tent shared expenses	4	295,909	214,581
Reimbursement of capital purchases		-	45,705
Appeals income	4	-	-
Interest income	4	6,607	3,923
Other income	4	70,100	43,444
Total Revenues		1,130,086	1,151,844
Operating Expenses			
Employment expenses	5	141,415	103,381
Advertising and promotion		1,885	2,888
Communications		3,955	5,726
Contractors		13,570	11,388
Depreciation	5	567	893
Design, print and stationery		542	11,607
Insurance		-	82
Motor vehicle expenses		189	90
Occupancy expenses		8,183	8,000
Production costs		9,160	39,189
Travel		27,166	23,991
Other expenses		26,236	30,781
Total Operating Expenses		232,868	238,016
Amortisation and Depreciation			
Amortisation	5	22,853	26,963
Depreciation		-	9,321
Total Amortisation and Depreciation		22,853	36,284
Shared Tent Expenses			
Advertising and promotion		17,007	12,942
Communications		86,841	76,922
International Dues		(22,106)	105,798
Production Costs		16,530	12,695
Other Expenses		197,637	93,077
Total Shared Expenses		295,909	301,434
Total Expenses		551,630	575,734
Profit Before Grants and Income Tax		578,456	576,110
Tent distributions	4	524,602	323,765
Profit/(loss) before tax		53,854	252,345
Income tax expense		-	-
Accumulated profit/(loss) for the period		53,854	252,345
Other comprehensive income		-	-
Income tax on items of other comprehensive income		-	-
Total comprehensive income/(loss) for the year		53,854	252,345

Statement of Financial Position

AS AT 30 SEPTEMBER 2015

	Notes	2015 \$	2014 \$
ASSETS			
Current Assets			
Cash and cash equivalents	6	571,418	543,103
Trade and other receivables	7	115,159	135,912
Other assets	8	109,971	2,387
Total Current Assets		796,548	681,402
Non-current Assets			
Property, plant and equipment	9	2,909	-
Intangible assets	10	22,852	45,705
Total Non-Current Assets		25,761	45,705
TOTAL ASSETS		822,309	727,107
LIABILITIES			
Current Liabilities			
Trade and other payables	11	287,776	257,230
Provisions	12	10,686	3,482
Total Current Liabilities		298,462	260,712
Non-current			
Provisions	12	15,949	12,351
Total Non-current Liabilities		15,949	12,351
TOTAL LIABILITIES		314,411	273,063
NET ASSETS		507,898	454,044
EQUITY			
Members interests	13	240,000	240,000
Accumulated profit/ loss		267,898	214,044
TOTAL EQUITY		507,898	454,044

Statement of Changes in Equity

FOR THE YEAR ENDED 30 SEPTEMBER 2015

	Accumulated Profit/ Losses	Funds held for distribution reserve	Members Interests	Total Equity
	\$	\$	\$	\$
At 30 September 2013	(38,301)	-	240,000	201,699
Total comprehensive income/(loss)	252,345	-	-	252,345
At 30 September 2014	214,044	-	240,000	454,044
Total comprehensive income/(loss)	53,854	-	-	53,854
At 30 September 2015	267,898	-	240,000	507,898

Statement of Cash Flows

FOR THE YEAR ENDED 30 SEPTEMBER 2015

	Notes	2015 \$	2014 \$
Cash flows from operating activities			
Receipts from donors, sponsors, members and functions		1,144,230	1,133,232
Payments to suppliers and employees including appeals		(1,015,706)	(716,581)
Net cash flows from/(used in) operating activities		128,524	420,574
Cash flows from investing activities			
Purchase of property, plant and equipment		(3,475)	(45,705)
Interest received		6,608	3,923
Funds transfer to term deposits		(103,342)	-
Net cash flows from/(used in) investing activities		(100,209)	(45,705)
Net increase/(decrease) in cash and cash equivalents		28,315	374,867
Cash and cash equivalents at beginning of period		543,103	168,236
Cash and cash equivalents at end of period	6	571,418	543,103

Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2015

1. CORPORATE INFORMATION

The financial report of Variety Australia Limited (the “Company”) for the year ended 30 September 2015 was authorised for issue in accordance with a resolution of the Directors on – 10 February, 2016.

The Company is incorporated and domiciled in Australia as a company limited by guarantee. The registered office, which is the principal place of business, is located at 47 Herbert St, Artarmon, NSW, 2064. The nature of the operations and principal activities of the Company are described in the Directors report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

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

The financial report is presented in Australian Dollars.

(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 2015. 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.

The Company is a not-for-profit, private entity and has prepared tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (AASB – RDRs) (including Australian Interpretations) adopted by the Australia Accountings Standards Board (AASB) and the Corporations Act 2001. The adoption of AASB 1053 and AASB 2010-2 allowed the Company 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 2015 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.

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

Notes to the Financial Statements (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Trade and other receivables

Trade receivables, which generally have 14 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

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses.

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

Computer equipment – 3 years

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

De-recognition

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) Intangible assets

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets have been assessed as having a finite life and will be amortised using the straight line method over a period of 3 years.

(h) 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 impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed

Notes to the Financial Statements (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) 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.

(k) 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.

(l) Employee leave benefits

(i) Wages, salaries and annual leave

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

(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 high-quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(m) Revenue

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

(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.

Consulting revenue is recognised in the period for which the work was performed.

(ii) 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.

Notes to the Financial Statements (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Revenue (continued)

(iii) 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.

(iv) Donation 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.

(v) Donations – Tax Deductable

Donations received in cash are recognised as income when received.

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

(n) Income tax

Variety Australia Limited is exempt from income tax. It is a Deductible Gift Recipient (DGR) and an Income Tax Exempt Corporation (ITEC). Variety Australia is a Public Benevolent Institution.

(o) 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; and
- Receivables and payables 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 receivables or payables in the balance sheet.

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 are classified as operating cash flows.

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

Notes to the Financial Statements (continued)

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 various other factors it believes to be reasonable under the circumstances, the result of which forms the basis 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.

(a) Significant accounting judgements

Impairment of non-financial assets other than goodwill

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.

(b) Significant accounting estimates and assumptions

Estimation of useful lives of assets

The estimation of the useful life of assets has been based on historical experience and industry practice. In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful life are made when considered necessary.

Depreciation charges are included in note 9.

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.

Notes to the Financial Statements (continued)

4. FUND RAISING INFORMATION AND ADMINISTRATION COSTS

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

	2015 Variety Australia	2015 Tents	2015 Convention	2015 Net Income	2014 Net Income
Fundraising information					
Tyres 4 U		40,286		40,286	49,408
Miss World Australia		280,448		280,448	188,475
Gloria Jeans		106,500		106,500	-
National Convention				-	65,700
National Bash Sponsorship		20,000		20,000	80,000
Nurofen				-	-
Peter Brock Rose				-	10,000
Vodafone		4,083		4,083	7,378
Other Online Donations		25,645		25,645	19,254
Total contribution from Fundraising		476,962		476,962	420,215
Donation Income	12,000	47,640		59,640	147,892
Appeals Income				-	-
Interest Income	6,607			6,607	3,923
Other Income	70,100			70,100	43,444
Total Income	88,707	524,602		613,309	615,474
Income Distributed to Tents		(524,602)		(524,602)	(323,765)
Income Retained by Variety Australia Limited	88,707	-		88,707	291,709
Shared Tent Expenses		(295,909)		(295,909)	(301,434)
Administration Costs	(203,638)			(203,638)	(120,500)
Marketing Costs	(2,427)			(2,427)	(14,495)
Other Operating Costs	(26,236)			(26,236)	(108,937)
Depreciation charged to Tents	(567)			(567)	(893)
Depreciation & amortisation charge	(22,853)			(22,853)	(36,284)
Total Expenses	(255,721)	(295,909)		(551,630)	(582,543)
Expenses Charged to Tents	220,868			220,868	282,893
Contribution to Capital Purchase				-	45,705
Shared Expenses Reimbursement		295,909		295,909	214,581
Total Expenses Retained by Variety Australia Limited	(34,853)	-		(34,853)	(39,364)
Profit /(loss) before grants	53,854	-		53,854	252,345
Appeals Granted	-	-	-	-	-
Profit/ (loss) before income tax	53,854	-	-	53,854	252,345

Notes to the Financial Statements (continued)

Comparison of Monetary figures and percentages

Variety Australia Limited is primarily an administration and cost centre for the state-based Tents of Variety, The Children's Charity in Australia. As a result, comparison of monetary figures and percentages regarding administration costs relative to funds raised is not relevant to Variety Australia Limited.

Notes to the Financial Statements (continued)

5. EXPENSES

Operating profit is stated after charging the following items:

	2015	2014
	\$	\$
Depreciation	567	10,214
Amortisation	22,853	26,963
Total Depreciation and amortisation	23,420	37,177
Employee Expenses		
Salary and wages	112,785	93,056
Superannuation	11,185	8,689
Workers compensation	382	107
Other employee benefits expense	17,063	1,529
	141,415	103,381

Audit Fees

Variety Australia Limited pays Ernst & Young an audit fee of \$17,000 (2014: \$17,660). Ernst & Young make a donation to Variety Australia Limited of \$12,000 (2014: \$17,000).

6. CASH AND CASH EQUIVALENTS

Cash in hand	200	200
Cash at bank	571,218	542,903
	571,418	543,103

Cash at bank earns interest at floating rates based on daily bank deposit rates. The carrying amounts of cash and cash equivalents, represents fair value.

7. TRADE AND OTHER RECEIVABLES (CURRENT)

Trade receivables	1,946	118,079
Tent Reimbursements receivable	100,566	-
Other receivables	12,000	-
Accrued Income	647	17,833
	115,159	135,912

Trade debtors are non-interest bearing and generally on 7 day terms.

8. OTHER ASSETS (CURRENT)

Loan	-	147
Other - Deposit with Westpac	103,341	-
Prepayments	6,630	2,240
	109,971	2,387

Deposits paid are non-interest bearing and generally on indefinite terms.

Notes to the Financial Statements (continued)

9. PROPERTY, PLANT AND EQUIPMENT

	2015	2014
	\$	\$
Cost	46,896	43,420
Accumulated depreciation	(43,987)	(43,420)
Net carrying amount of property, plant and equipment	2,909	-

Reconciliations

Cost	43,420	43,420
Accumulated depreciation	(43,420)	(33,205)
Carrying amount at beginning of period	-	10,215
Additions	3,476	-
Depreciation charge for the year	(567)	(10,215)
Net carrying amount of property, plant and equipment	2,909	-

10. INTANGIBLE ASSETS

Cost	214,926	214,926
Accumulated amortisation	(192,074)	(169,221)
Net carrying amount of intangible assets	22,852	45,705

Reconciliations

Opening	45,705	26,962
Additions	-	45,705
Amortisation charge for the year	(22,853)	(26,962)
Net carrying amount of intangible assets	22,852	45,705

Notes to the Financial Statements (continued)

11. TRADE AND OTHER PAYABLES (CURRENT)

		2015	2014
		\$	\$
Trade payables	(i)	36,297	75,277
Other payables and accruals	(ii)	107,532	43,835
Tent Payables		143,947	138,118
		<u>287,776</u>	<u>257,230</u>

- (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.

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

12. PROVISIONS

Current employee benefits provision	<u>10,686</u>	<u>3,482</u>
Non-current		
Employee benefits	<u>15,949</u>	<u>12,351</u>
	<u>26,635</u>	<u>15,833</u>

Employee benefits

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

13. EQUITY

(a) Members Interest

New South Wales	85,200	85,200
Victoria	59,760	59,760
Queensland	44,160	44,160
South Australia	18,960	18,960
Western Australia	23,520	23,520
Tasmania	6,000	6,000
Northern Territory	2,400	2,400
	<u>240,000</u>	<u>240,000</u>

Each tent has one representative on the Variety Australia Limited Board and one voting right. The Company is a not-for-profit organisation and is prevented by the Corporations Act 2001 from paying its members dividends.

Notes to the Financial Statements (continued)

14. COMMITMENTS AND CONTINGENCIES

(a) Expense and capital commitments

As at the balance sheet date, the Directors of Variety Australia Limited have not committed to spending any capital expenditure or significant expense.

(b) Contingencies

There are no contingent liabilities that exist at, or after, the balance date.

15. KEY MANAGEMENT PERSONNEL

(a) Details of Key Management Personnel

(i) Directors

Nicole Haack	Chairman (Appointed 22/11/11)
Neil Wykes OAM	Company Secretary (Appointed 01/01/12)
Ron Barton	Alternate Director (Appointed 25/11/15)
Don Brooker	Director (Appointed 27/06/12)
John Catarinich	Director (Appointed 13/04/07)
Peter Ffrench	Alternate Director (Appointed 08/12/15)
Anna Grant	Director (Appointed 12/01/12)
Patrick Gray	Director (Appointed 16/04/13)
Jane Howlett	Alternate Director (Appointed 06/08/15)
Vito Interlandi	Alternate Director (Appointed 03/12/14)
Ian Mackay	Director (Appointed 08/12/15)
Amanda Mead	Director (Appointed 10/12/15)
Paul Mullaly	Alternate Director (Appointed 10/12/15)
Foster Stavridis	Alternate Director (Appointed 03/06/14)
Richard Symon	Director (Appointed 03/12/14)
Susan Warda	Director (Appointed 20/04/12)
Kathryn Zietz	Director (Appointed 25/11/15)

(ii) Executive

Stefanie Kessler Chief Executive Officer

Anita Hardy National Association Manager

(b) Compensation of Key Management Personnel

	2015	2014
Total benefits	\$	\$
	<u>122,742</u>	<u>69,609</u>

(c) Other transactions and balances with Key Management Personnel (KMP) and their related parties

There has been no material transactions between Key Management Personnel and Variety Australia Limited and its related parties.

Notes to the Financial Statements (continued)

16. RELATED PARTY DISCLOSURE

(a) Ultimate parent

Variety Australia Limited is part of a worldwide organisation, Variety - the Children's Charity International. Each State in Australia is a Member of Variety – the Children's Charity International.

(b) Key management personnel

Details relating to key management personnel, including remuneration, are included in note 15.

(c) Transactions with related parties

Variety Australia and the state based Tents are party to a number of national corporate sponsorships. The table below includes those national corporate sponsorships where the state based Tent is party to the agreement. In these instances, the funds were received by the state Tent and distributed to the other state Tents in accordance with the trader's agreement signed by both parties.

The following information is a record of National Corporate donations that were initially received by either Variety Australia Limited or one of the State based Associations.

1. National distribution of donated funds received in the books of the State based Associations

	Total Funds							
	Received	NSW	VIC	QLD	WA	SA	TAS	NT
Seeley International	84,000	12,600	12,600	12,600	12,600	33,600	0	0
Woolworths	2,100,000	1,890,000	46,095	46,095	46,095	46,095	12,810	12,810
TOTAL	2,184,000	1,902,600	58,695	58,695	58,695	79,695	12,810	12,810

2. National Corporate Sponsorship & Fundraising recorded in the books of Variety Australia Limited

Miss World Australia	280,448	50,481	50,481	50,481	50,481	50,481	14,022	14,022
Tyres 4 U	40,286	25,210	6,651	5,584	550	1,440	330	520
Vodafone Group Plc.	4,083	735	735	735	735	735	204	204
Destination NSW	20,000	7,700	2,700	2,700	2,700	2,700	750	750
Gloria Jeans	106,500	41,003	14,378	14,378	14,378	14,378	3,994	3,994
TOTAL	451,317	125,129	74,945	73,878	68,844	69,734	19,300	19,490

Other Donations received	73,285	17,585	17,920	8,575	8,735	15,705	2,382	2,382
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3. Total National funds raised

Total funds raised Nationally in 2015	2,708,602	2,045,314	151,560	141,148	136,274	165,134	34,492	34,682
Total funds raised Nationally in 2014	835,731	255,526	126,685	126,239	101,880	85,501	23,482	28,400

Notes to the Financial Statements (continued)

16. RELATED PARTY DISCLOSURE (CONTINUED)

RELATED PARTY TRANSACTIONS 2015

		Payments from related parties	Payments to related parties	Amounts owed by related parties	Amounts owed to related parties
Variety International	2015	-	-	-	-
	2014	-	143,551	-	21,679
NT	2015	17,789	17,044	3,882	6,343
	2014	26,679	11,893	-	6,059
QLD	2015	67,395	55,707	13,248	18,060
	2014	99,513	37,019	19,385	17,990
SA	2015	52,975	58,550	13,358	22,109
	2014	95,884	27,582	211	17,530
TAS	2015	17,873	17,637	3,680	6,313
	2014	28,414	5,058	-	6,304
VIC	2015	67,560	59,198	13,358	22,687
	2014	105,946	49,140	28,536	18,148
WA	2015	62,122	58,548	13,469	21,880
	2014	129,796	25,115	64,076	17,470
NSW	2015	71,930	145,712	13,358	27,968
	2014	150,677	98,263	6,295	34,254
NZ	2015	-	-	262	-
	2014	300	-	69	-

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

Notes to the Financial Statements (continued)

17. MEMBERS GUARANTEE

The Company is a public Company limited by guarantee that is incorporated and domiciled in Australia. If the Company is wound up, its Constitution states that each Member is required to contribute a maximum of \$1 each towards meeting any outstanding obligations of the Company.

At 30 September 2015, the number of Members was 7 (2014: 7).

18. EVENTS AFTER BALANCE DATE

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

Directors' Declaration

In accordance with a resolution of the directors of Variety Australia Limited, we state that in the opinion of the directors:

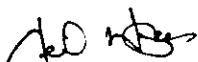
- (a) the financial statements and notes of the Company are in accordance with the *Corporations Act 2001* and the *Australian Charities and Not-for-Profits Commission Act 2012*, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 September 2015 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements, the *Corporations Regulations 2001* and the *Australian Charities and Not-for-Profits Commission Regulation 2013*; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Declaration under the Charitable Fundraising Act 1991 (the "Act") 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 2015 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 2015 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.



Nicole Haack
National Chairman



Neil Wykes OAM
National Company Secretary

Sydney
Date: 12 February, 2016

Independent Auditor's Report



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Independent auditor's report to the members of Variety Australia Limited

Report on the financial report

We have audited the accompanying financial report of Variety Australia Limited, which comprises the statement of financial position as at 30 September 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility for the financial report

The directors of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, the *Corporations Act 2001*, and the *Australian Charities and Not-for-Profits Commission Act 2012* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

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

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

Independence

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



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Opinion

In our opinion the financial report of Variety Australia Limited is in accordance with the *Corporations Act 2001* and the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- (i) giving a true and fair view of the company's financial position as at 30 September 2015 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements, the Corporations Regulations 2001, and the Australian Charities and Not-for-Profits Commission Regulation 2013.

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 Australia Limited has been properly drawn up and associated records have been properly kept during the financial year ended 30 September 2015 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 2015 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
12 February 2016