



Financial Statements 2015-16



Report of the Directors

Director's report for the year ending 30 June 2016

The directors present their report together with the concise financial report of Very Special Kids ("the Company") for the financial year ended 30 June 2016 and the auditor's report thereon.

1. Directors

The directors of the Company at any time during or since the end of the financial year are:

Mr Peter Polson B.Comm, MBL

Ms Joanna Birdseye B.Social Work, GAICD

Dr Doug Bryan MBBS, FRACP, FAFRM

Mr Hisham El-Ansary B.Ec, MBA, FCPA, FAICD

Associate Professor Sharon Goldfeld MBBS, FAFPHM, FRACP, PhD

Mr Rhys Jewell LLB, B.Comm

Ms Heidi Roberts LLB (Hons), MBus (HR Management and Industrial Relations)

Ms Wendy Thorpe AMP (Harvard), GradDipAppFin, B.Bus (Accounting), BA, FSIA

2. Directors' meetings

The number of directors' meetings and Finance, Risk and Audit Committee meetings and number of meetings attended by each of the directors of the Company during the financial year are:

Director	Board Meetings		Finance, Audit and Risk Committee Meetings	
	A	B	A	B
Mr Peter Polson	6	8	6	8
Ms Joanna Birdseye	8	8	-	-
Mr Doug Bryan	6	8	-	-
Mr Hisham El-Ansary	6	8	6	8
Ms Sharon Goldfeld	6	8	-	-
Mr Rhys Jewell	7	8	6	7
Ms Heidi Roberts*	-	-	-	-
Ms Wendy Thorpe	5	8	6	8

A – Number of meetings attended

B – Number of meetings held during the time the director held office during the year

* Director was on leave of absence

3. Principal activities

The principal activities of the Company during the course of the financial year were to provide support to families throughout their experience of caring for children with life threatening conditions, from diagnosis through to recovery or bereavement.

There were no significant changes in the nature of the activities of the Company during the year.

4. Results

The net result from operations was a profit of \$394,104 (2015: deficit of \$317,083) for the financial year.

An additional surplus of \$6,750,000 was received in the current year related to government grants to enable Very Special Kids to purchase the land and property in Malvern. In the prior year \$355,000 was recognised in donations which were expended on a major building project.

5. Directors' remuneration

No remuneration was paid to directors of the Company for the financial year ended 30 June 2016.

6. Dividends

No dividend has been paid or declared in respect of the financial year.

7. State of affairs

In the opinion of the directors there were no significant changes in the state of affairs of the Company that occurred during the financial year under review not otherwise disclosed in this report or the financial statements.

8. Events subsequent to reporting date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operation of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

9. Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 5 and forms part of the directors' report for the financial year ended 30 June 2016.

Concise financial report

Statement of comprehensive income for the year ended 30 June 2016

	2016	2015
Operating revenue	7,255,493	6,438,320
Government grants to purchase Malvern property*	6,750,000	-
Major building project donations**	-	355,000
Endowment***	-	2,000,000
Depreciation and amortisation	(290,334)	(273,226)
Employee expenses	(5,007,538)	(4,761,482)
Administration	(200,367)	(182,213)
Property and maintenance	(577,023)	(545,008)
Promotions	(396,163)	(460,953)
Cost of sales	(75,561)	(42,739)
Gain on sale of investments	191,958	-
Other expenses	(506,361)	(489,782)
Total comprehensive income for the year	7,144,104	2,037,917

* \$6,750,000 was received in the current year related to government grants to enable Very Special Kids to purchase the land and property in Malvern.

** \$355,000 was received during the prior year which was to be used solely for the Very Special Kids major building projects and is capitalised as expenses are incurred.

*** The Company received an endowment totaling \$nil (2015: \$2,000,000), which has been invested to yield a stream of income in the future.

Statement of changes in equity for the year ended 30 June 2016

	Retained earnings	Fair value reserve	Total equity
Opening balance as at 1 July 2014	7,753,555	331,687	8,085,242
Total comprehensive income for the year	2,037,917	59,548	2,097,465
Closing balance as at 30 June 2015	9,791,472	391,235	10,182,707
Opening balance as at 1 July 2015	9,791,472	391,235	10,182,707
Total comprehensive income for the year	7,144,104	(284,706)	6,859,398
Closing balance as at 30 June 2016	16,935,576	106,529	17,042,105



Concise financial report

Statement of financial position as at 30 June 2016

	30 June 2016	30 June 2015
Assets		
Cash and cash equivalents	1,806,586	2,253,197
Cash trust	899,789	306,465
Receivables	440,034	171,701
Inventories	126,436	130,359
Prepayments	4,700	-
Total current assets	3,277,545	2,861,722
Investments	5,554,220	4,976,514
Fixed assets	10,225,377	3,330,398
Total non-current assets	15,779,597	8,306,912
Total assets	19,057,142	11,168,634
Liabilities		
Accrued expenses	928,997	205,088
Provision for employee benefits	366,148	318,758
Income received in advance	422,251	184,422
Total current liabilities	1,717,396	708,268
Provision for employee benefits	297,641	277,659
Total non-current liabilities	297,641	277,659
Total liabilities	2,015,037	985,927
Net assets	17,042,105	10,182,707
Reserves		
Retained earnings	9,791,472	7,753,555
Current year surplus	7,144,104	2,037,917
Fair value reserve	106,529	391,235
Total reserves	17,042,105	10,182,707

Directors' declaration

- In the opinion of the directors of Very Special Kids ("the Company") the concise financial report set out on pages 3 - 5:
 - Has been derived or is consistent with the full financial report of the Company for the financial year ended 30 June 2016; and
 - Complies with Australian Accounting Standard AASB 1039 *Concise Financial Reports*.

Signed in accordance with a resolution of the directors:

Hisham El-Ansary
Director

Peter Polson
Director

Dated at Melbourne
24 October 2016

Concise financial report

Statement of cash flows for the year ended 30 June 2016

	2016	2015
Cash flows from operating activities		
Government grants	2,001,052	1,900,524
Grant for purchase of property	6,750,000	-
Donations for major building projects	-	355,000
Fundraising Income	3,445,447	4,217,264
Other income	1,707,653	153,664
Endowments	-	2,000,000
Cash payments in the course of operations	(6,162,295)	(6,454,243)
Net cash from operating activities	7,741,857	2,172,209
Cash flows from investing activities		
Investment income	250,425	223,534
Payments for fixed assets	(7,185,312)	(566,959)
Purchase of investments	(4,686,632)	(3,398,105)
Proceeds from disposal of investments	4,026,375	1,398,000
Net cash used in investing activities	(7,595,144)	(2,343,530)
Net increase/(decrease) in cash and cash equivalents	146,713	(171,321)
Cash and cash equivalents at 1 July	2,559,662	2,730,983
Cash and cash equivalents at 30 June	2,706,375	2,559,662

Lead Auditor's Independence Declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012.

To: the directors of Very Special Kids

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2016 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Peter Nash
Partner

Melbourne
24 October 2016



Independent Auditor's report

Report on the concise financial report

We have audited the accompanying concise financial report of Very Special Kids (the Company) which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and related notes derived from the audited financial report of Very Special Kids for the year ended on that date. The concise financial report does not contain all the disclosures required by Australian Accounting Standards and accordingly, reading the concise financial report is not a substitute for reading the audited financial report.

Directors' responsibility for the concise financial report

The directors of the Company are responsible for the preparation and presentation of the concise financial report in accordance with Australian Accounting Standard AASB 1039 Concise Financial Reports and the Australian Charities and Not-for-profits Commission Act 2012 and the Australian Charities and Not-for-profits Commission Regulation 2013 (ACNC) (collectively the Act and Regulations) and for such internal control as the directors determine are necessary to enable the preparation of the concise financial report.

Auditor's responsibility

Our responsibility is to express an opinion on the concise financial report based on our audit procedures which were conducted in accordance with Auditing Standard ASA 810 Engagements to Report on Summary Financial Standards. We have conducted an independent audit in accordance with Australian Auditing Standards, of the financial report of Very Special Kids for the year ended 30 June 2016. We expressed an unmodified audit opinion on the financial report in our report dated 24 October 2016. The Australian Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report for the year is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the concise financial report. The procedures selected

depend on the auditor's judgement, including the risk of material misstatement of the concise financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the concise financial report in order to design procedures, that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Our procedures included testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of evidence supporting the amounts and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with Australian Accounting Standard AASB 1039 Concise Financial Reports.

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*.

Auditor's opinion

In our opinion, the concise financial report of Very Special Kids for the year ended 30 June 2016 complies with Australian Accounting Standard AASB 1039 *Concise Financial Reports*.

KPMG

Peter Nash
Partner

Melbourne
24 October 2016





Very Special Kids

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Very Special Kids cares for children with life-threatening conditions by providing a children's hospice and professional support services to their families.

Our care is available from the point of diagnosis all the way through to recovery or bereavement. Sadly, most of the children we care for will not reach adulthood. The free-of-charge services are provided to more than 900 families across Victoria.

However, we can't care for these children and families all on our own. It will cost more than \$7.5 million this year to operate Very Special Kids and we rely substantially on the generous support of the community.

To find out more about the ways you can donate or show your support, visit www.vsk.org.au