

# Variety WA Incorporated

T/A Variety WA – the Children's Charity (Tent 74)

ABN 14 020 124 537

Annual Financial Report 30 September 2014

## Contents to Annual Financial Report

<b>Board of Management</b>	<b>3</b>
<b>Board of Management Report</b>	<b>4</b>
<b>Statement of Profit or Loss and Other Comprehensive Income</b>	<b>7</b>
<b>Statement of Financial Position</b>	<b>8</b>
<b>Statement of Changes in Equity</b>	<b>9</b>
<b>Statement of Cash Flows</b>	<b>10</b>
<b>Notes to the Financial Statements</b>	<b>11</b>
<b>Board of Management's Declaration</b>	<b>28</b>
<b>Independent Auditor's Report</b>	<b>29</b>

## Board of Management

**E. Briers – Chair/Chief Barker**

**J. Komninos – Vice Chair**

**R. O’Dea – Treasurer**

**A. Begley – Board Member**

**J. Campbell – Board Member**

**W. Carroll – Board Member**

**W. Gregson – Board Member**

**B. Heatley – Board Member**

**C. Hollins – Board Member**

**C. Lockwood – Board Member**

**R. Migliore – Board Member**

**J. Walter – Board Member**

## Board of Management Report

The Board of Management of Variety WA Incorporated, which trades as Variety WA Incorporated, have pleasure in submitting the following report in respect of the year ended 30 September 2014 in accordance with a resolution of Members.

### MEMBERS

The Board of Management in office at the date of this report are set out on page 3 of this report.

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

### DIVIDENDS

The Charity is a not-for-profit organisation and is prevented by its constitution from paying dividends.

### ASSOCIATION INFORMATION

Variety WA Incorporated is an Association incorporated in Western Australia under the Associations Incorporation Act 1987.

The registered office of Variety WA Incorporated is 102 Burswood Road, Burswood WA 6100.

The entity employed 11 staff at 30 September 2014 (30 September 2013: 15).

### PRINCIPAL ACTIVITIES

The principal activities of Variety WA Incorporated during the year were to supply equipment and resources to disadvantaged and special needs children in the community. Variety WA Incorporated achieves this through fundraising and provision of grants to both individuals and organisations through the Caring for Kids, Freedom and Future Kids programs. The principal activities have not changed from previous years.

### OPERATING AND FINANCIAL REVIEW

#### *Operating revenue*

The operating revenue for the year ended 30 September 2014 was \$5,021,089 (30 September 2013: \$4,582,953).

#### *Operating result before grants and programs*

The operating profit before grants and programs approved for the year ended 30 September 2014 was \$1,877,563 (30 September 2013: \$1,239,939).

#### *Grants and programs*

Grants provided directly to disadvantaged and special needs children for the year ended 30 September 2014 were \$1,524,910 (30 September 2013: \$3,864,363). When combined with the running costs of the programs and grant write backs the total cost of grants and programs was \$1,041,630 (30 September 2013: \$3,570,189).

#### *Net operating result*

The operating surplus for the year ended 30 September 2014 was \$865,933 (30 September 2013: deficit of \$2,330,250).

## **Board of Management Report (continued)**

### **SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

During the year ended 30 September 2014 the Board of Management sold the property at Unit 3, 63 Shepperton Road, Victoria Park.

### **SIGNIFICANT EVENTS AFTER THE BALANCE DATE**

No other circumstances have arisen since the end of the year which significantly affect, or may significantly affect, the state of affairs or operations of Variety WA subsequent to the year ended 30 September 2014.

### **LIKELY DEVELOPMENTS AND EXPECTED RESULTS**

In the opinion of the Board of Management, there are no likely changes in the operations of Variety WA Incorporated, which will adversely affect the results of Variety WA Incorporated in subsequent financial years.

### **ENVIRONMENTAL REGULATION AND PERFORMANCE**

Variety WA Incorporated is not subject to any particular or significant environmental regulation.

### **BOARD OF MANAGEMENT BENEFITS**

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

### **INDEMNIFICATION AND INSURANCE OF MEMBERS**

Association indemnity insurance was purchased during the year and covers the Board of Management up to a maximum of \$5,000,000 for any one claim and an annual aggregate of \$10,000,000. The premium paid for the insurance was \$855.33 (excluding GST).

## Board of Management Report (continued)

### BOARD OF MANAGEMENT MEETINGS

The number of meetings of Board of Management Members held during the year and the number of meetings attended by each member were as follows:

	Board of Management Meetings Attended	Board of Management Meetings Eligible to Attend
E Briers (Chief Barker)	11	11
J Komminos (Vice Chair)	9	11
R O'Dea (Treasurer)	11	11
A Begley	5	11
G Bylund *	2	2
J Campbell *	4	4
W Carroll	8	11
C Gemmill *	0	3
W Gregson *	2	3
B Heatley	8	11
C Hollins	11	11
C Lockwood	9	11
R Lombardo *	4	5
P McBurney *	2	2
R Migliore	8	11
J Walter *	2	4

\* The terms of membership of the Board of Management expired at the AGM held on 26<sup>th</sup> November 2013 for G Bylund and P McBurney. C Gemmill resigned from the board in March 2014. At the April meeting J Campbell was co-opted to the board and J Walter was appointed to the board to fill the casual position created by C Gemmill's resignation. R Lombardo resigned from the board in June 2014. At the June meeting W Gregson was appointed to the board to fill the casual position created by R Lombardo's resignation.

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



.....  
E Briers  
Chief Barker / Chair



.....  
R O'Dea  
Treasurer

Date: 18 November 2014

## Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 30 SEPTEMBER 2014	Notes	2014 \$	2013 \$
Donations and collections	2	2,320,773	2,357,377
Other fund raising income	2	1,936,964	2,132,465
Other income	2	763,352	93,111
<b>Total revenues</b>		<u>5,021,089</u>	<u>4,582,953</u>
Support salaries & related costs		(454,813)	(281,390)
Fundraising & event costs	2	(2,230,953)	(2,654,685)
Depreciation	3	(114,016)	(118,738)
Other expenses		(343,744)	(288,201)
<b>Total expenses</b>		<u>(3,143,526)</u>	<u>(3,343,014)</u>
<b>Net surplus before grants and programs</b>		1,877,563	1,239,939
<b>Grants and programs</b>			
Grants approved		(1,524,910)	**(3,864,363)
Less Grants Written Back		616,252	583,520
Program delivery costs		(132,972)	(289,346)
<b>Total grants and programs</b>		<u>(1,041,630)</u>	<u>(3,570,189)</u>
<b>Surplus/(Deficit) before tax</b>		<u>835,933</u>	<u>(2,330,250)</u>
Income tax expense		-	-
<b>Surplus/(Deficit) after tax</b>	2	<u>835,933</u>	<u>(2,330,250)</u>
<b>Other comprehensive income</b>			
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<u><u>835,933</u></u>	<u><u>(2,330,250)</u></u>

\*\* Note: Grants approved in 2013 (\$3,864,363) were based on the 2012 Surplus.

The accompanying notes form part of these financial statements.

## Statement of Financial Position

AS AT 30 SEPTEMBER 2014	Notes	2014 \$	2013 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	2,389,958	1,683,080
Trade and other receivables	5	410,025	511,570
Inventories	6	-	-
Non-current assets held for sale	8	-	398,330
<b>Total current assets</b>		<b>2,799,983</b>	<b>2,592,980</b>
<b>Non-current assets</b>			
Property, plant and equipment	7a	2,896,547	3,022,768
Equity in Variety Australia	7b	23,520	23,520
<b>Total non-current assets</b>		<b>2,920,067</b>	<b>3,046,288</b>
<b>TOTAL ASSETS</b>		<b>5,720,050</b>	<b>5,639,268</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Grants payable	9	1,463,991	2,085,477
Trade and other payables	9	114,878	230,547
Provisions	10	116,691	134,687
Deferred income	11	-	-
<b>Total current liabilities</b>		<b>1,695,560</b>	<b>2,450,711</b>
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>1,695,560</b>	<b>2,450,711</b>
<b>NET ASSETS</b>		<b>4,024,490</b>	<b>3,188,557</b>
<b>EQUITY</b>			
Retained earnings	12(a)	3,005,020	2,709,904
Reserves	12(b)	1,019,470	478,653
<b>TOTAL EQUITY</b>		<b>4,024,490</b>	<b>3,188,557</b>

The accompanying notes form part of these financial statements.



## Statement of Changes in Equity

### FOR THE YEAR ENDED 30 SEPTEMBER 2013

	<b>Retained earnings \$</b>	<b>Reserves \$</b>	<b>Total Equity \$</b>
<b>At 1 October 2012</b>	<b>5,040,154</b>	<b>474,506</b>	<b>5,514,660</b>
Total comprehensive expense for the year	(2,330,250)	-	(2,330,250)
Movement in sunshine coach grants reserve	-	4,147	4,147
<b>At 30 September 2013</b>	<b>2,709,904</b>	<b>478,653</b>	<b>3,188,557</b>

### FOR THE YEAR ENDED 30 SEPTEMBER 2014

	<b>Retained earnings \$</b>	<b>Reserves \$</b>	<b>Total Equity \$</b>
<b>At 1 October 2013</b>	<b>2,709,904</b>	<b>478,653</b>	<b>3,188,557</b>
Total comprehensive income for the year	835,933	0	835,933
Movement in reserve	(540,817)	540,817	0
<b>At 30 September 2014</b>	<b>3,005,020</b>	<b>1,019,470</b>	<b>4,024,490</b>

The accompanying notes form part of these financial statements.

## Statement of Cash Flows

FOR THE YEAR ENDED 30 SEPTEMBER 2014	Notes	2014 \$	2013 \$
<b>Cash flows from operating activities</b>			
Receipts from donors, sponsors, members and fundraising		4,834,913	4,369,017
Payments to suppliers and employees		(3,451,386)	(3,618,834)
Interest received		50,239	61,433
Interest paid		(737)	-
Grants paid		(1,530,144)	(3,329,586)
<b>Net cash flows from operating activities</b>	4 (a)	<u>(97,115)</u>	<u>(2,517,970)</u>
<b>Cash flows used in investing activities</b>			
Proceeds from sales of fixed assets		823,821	-
Purchase of property, plant and equipment		(19,828)	(127,320)
<b>Net cash flows used in investing activities</b>		<u>803,993</u>	<u>(127,320)</u>
<b>Net cash flow used in financing activities</b>		<u>-</u>	<u>-</u>
<b>Net (decrease) / increase in cash and cash equivalents</b>		706,878	(2,645,290)
Cash and cash equivalents at beginning of year		<u>1,683,080</u>	<u>4,328,370</u>
<b>Cash and cash equivalents at end of year</b>	4	<u><u>2,389,958</u></u>	<u><u>1,683,080</u></u>

The accompanying notes form part of these financial statements.

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 SEPTEMBER 2014

## NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial report of Variety WA Incorporated for the year ended 30 September 2014 was authorised for issue in accordance with a resolution of the Board of Management Members on 25 November 2014.

Variety WA Incorporated is an incorporated association and was incorporated on 8 April 1995.

Variety WA Incorporated is incorporated and domiciled in Australia. The registered office, which is the principal place of business, is located at 102 Burswood Road, Burswood WA 6100.

In the event of Variety WA Incorporated being wound up, member's liability is limited to an amount of \$NIL. If Variety WA Incorporated ceases to operate, assets are distributed to either another incorporated association with similar objectives; or distributed for charitable or benevolent purposes.

The nature of the operations and principal activities of Variety WA Incorporated are described in the Board of Management report.

All amounts are stated in Australian dollars.

### (a) Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance Australian Accounting Standards.

The financial report has also been prepared on an accrual and historical cost basis.

No judgements made by management as to the application of accounting standards have had a significant effect on the amounts recognised in the financial report.

Other than as disclosed in note 21, there are no key assumptions regarding the future or other sources of estimation uncertainty which are likely to cause material adjustments to the carrying value of assets and liabilities in future reporting periods.

Variety WA Incorporated is a not-for-profit entity for the purposes of preparing Financial Statements.

### (b) Statement of compliance

To the extent that they apply to not for profit organisations, the financial report complies with Australian Accounting Standards.

Certain Australian Accounting Standards have recently been issued or amended but are not yet effective and have not been adopted by the Variety WA Incorporated for the annual reporting period ended 30 September 2014. The Board of Management has not early adopted any of these new or amended standards. The Board of Management reviewed the impact of these standards on Variety WA Incorporated and concluded that the impact on future years will be insignificant.

## Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Land and buildings are measured at cost.

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

Buildings – over 40 years  
 Computer equipment – over 3 - 4 years  
 Plant and equipment – over 5 years  
 Motor vehicles – over 5 - 8 years  
 Furniture and fittings – over 10 years

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

#### *Revaluations of land and buildings*

Any revaluation increment is credited to the asset revaluation reserve included in the equity section of the statement of financial position, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss.

Any revaluation decrease is recognised in profit or loss, except to the extent that it offsets a previous revaluation increase for the same asset, in which case the decrease is debited directly to the asset revaluation reserve to the extent of the credit balance existing in the revaluation reserve for that asset.

An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amounts of the assets and depreciation based on the assets' original costs.

Additionally, any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the assets.

Upon disposal or derecognition, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

#### *Disposal*

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.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

## Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (d) Leases

Finance leases, which transfer to Variety WA Incorporated substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period so as to achieve a constant rate on the remaining balance of the liability. Finance charges are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments including fixed rental increases (net of any incentives received from the lessor) are recognised as an expense in the Statement of Profit or Loss and Other Comprehensive Income on a straight-line basis over the lease term.

#### (e) Trade and other receivables

Trade receivables, which generally have 7 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

Collectibility of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that Variety WA Incorporated may not be able to collect the debt.

#### (f) Inventories

Inventories are valued at the lower of cost and net realisable value.

Inventory also includes donated goods which are to be sold at auction for fundraising purposes. Inventory items are valued at approximate net realisable value, and this value is used as the reserve at auction to ensure that the auction proceeds exceed cost.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

#### (g) Financial assets

Financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are classified as either financial assets at fair value through profit and loss, loans and receivables, held-to-maturity investments or available-for-sale assets, as appropriate. When financial assets are recognised initially, they are measured at cost, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. Variety WA Incorporated determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year end.

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that Variety WA Incorporated commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the market place.

#### (i) Financial assets at fair value through profit and loss

Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit or loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Gains or losses on investments held for trading are recognised in profit or loss.

# Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

## NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (g) Investments and other financial assets (continued)

#### (ii) Held-to-maturity assets

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when Variety WA Incorporated has the positive intention and ability to hold to maturity. Assets that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For assets carried at amortised cost, gains and losses are recognised in the profit or loss when the assets are derecognised or impaired, as well as through the amortisation process.

#### (iii) Loans and receivables

Loans and receivables including loan notes and loans to key management personnel are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

#### (iv) Available-for-sale assets

Available-for-sale assets are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the preceding three categories. After initial recognition available-for-sale assets are measured at fair value with gains or losses being recognised as a separate component of equity until the asset is derecognised or until the asset is determined to be impaired, at which time the cumulative gain or loss previously reported is recognised in profit or loss.

For assets with no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models.

### (h) Impairment of assets

At each reporting date, Variety WA Incorporated assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, Variety WA Incorporated makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In determining recoverable amount, the expected net cash flows have been discounted to their present value using a market determined risk adjusted discount rate.

### (i) Cash and cash equivalents

Cash and bank deposits in the Statement of Financial Position comprise cash at bank and in hand, bank deposits with an original maturity of twelve months or less and bank overdrafts. Bank overdrafts are shown within interest-bearing loans and borrowings in current liabilities on the statement of financial position.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

# Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

## NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (j) Trade and other payables

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

### (k) Grants payable

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

All grants are reviewed once 12 months has passed since they were approved. Should it be felt that the grant is no longer required or all the needs of the recipient have been met, then any outstanding balance would be written back and the grant treated as completed.

Sunshine coaches on loan to recipient organisations are classified as a reserve as they do not constitute a present obligation at the year end.

### (l) Provisions

Provisions are recognised when Variety WA Incorporated 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

Provision is made for Variety WA Incorporated's liability for employee benefits as a result of employees rendering services up to the reporting date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Employee entitlements expenses and revenues arising in respect of the following categories:

- wages and salaries, non-monetary benefits, annual leave, long service leave, sick leave and other leave benefits; and
- other types of employee benefits are recognised against profits on a net basis in their respective categories.

### (n) Income tax

Variety WA Incorporated is exempt from income tax. It is a Deductible Gift Recipient (DGR) and an Income Tax Exempt Corporation (ITEC).

### (o) Other taxes

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

- where 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.

## Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

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

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (o) Other taxes (Cont'd)

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.

#### (p) Revenue

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

##### *Events Revenue*

Event revenue and the associated expenses are recognised to the stage of completion by reference to the stage of completion of the transaction at the reporting date when the outcome of the transaction involving the rendering of services is can be estimated reliably.

##### *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, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

##### *Sales of non-current assets*

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

##### *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.

##### *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.

##### *Pledges (revenue) received*

Pledges are recognised as revenue once Variety WA Incorporated received an enforceable right to collect the pledge when it falls due.

#### (q) Financial risk management objectives and policies

Variety WA Incorporated's principal financial instruments consist mainly of cash assets, trade and other receivables and trade and other payables.

The main purpose of these financial instruments is to provide funding to disadvantaged children in Western Australia. Variety WA Incorporated has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

Variety WA Incorporated does not hold any complex financial instruments or any derivative financial instruments.



## Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

It is Variety WA Incorporated's policy that no trading in financial instruments shall be undertaken. This was the case throughout the period under review.

The main risks arising from Variety WA Incorporated's financial instruments are market risk, credit risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks as summarised below.

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (q) Financial risk management objectives and policies (Cont'd)

##### *Market Risk*

Refer to note 18(c) to the financial statements.

##### *Credit risk*

Credit risk relates to Variety WA Incorporated's financial assets which are held as cash and cash equivalents and trade and other receivables. Variety WA Incorporated only deals with major Australian banks and only trades with recognised, creditworthy parties.

It is Variety WA Incorporated's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

In addition, receivable balances are monitored on an ongoing basis with the result that Variety WA Incorporated's exposure to bad debts is not significant.

Variety WA Incorporated minimises concentration of credit risk in relation to trade receivables by undertaking transactions with a large number of customers.

The maximum credit risk exposure to Variety WA Incorporated at the balance date is \$2,823,465. Credit risk in trade receivables is managed in the following ways:

- payment terms are 7 days;
- management review older amounts due and pursue customers for payment; and
- a \$NIL (2013: \$NIL) provision is held to cover any potential bad debts that may arise

Since Variety WA Incorporated trades only with recognised credit worthy third parties, there is no requirement for collateral.

##### *Liquidity Risk*

Refer note 9 to the financial statements.

## Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

### 2 FUND RAISING INFORMATION AND ADMINISTRATION COSTS

	2014 \$	2013 \$
Donations and collections	2,320,773	2,357,377
Other fund raising income	<u>1,936,964</u>	<u>2,132,465</u>
	4,257,737	4,489,842

Additional information to be furnished under the Charitable Collections Act 1946.

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>				
Bash	1,110,126	(364,154)	745,972	797,181
4WD	706,330	(343,704)	362,626	138,050
Car cruise	335,925	(193,249)	142,676	100,004
Bike run	175,815	(57,606)	118,209	(4,709)
Variety of Chefs	294,317	(116,458)	177,859	49,629
Corporate – Cash	151,477	(104,851)	46,626	135,179
Santa Fun Run	74,927	(60,360)	14,567	-
Third party events	578,393	(387,332)	191,061	83,108
Toy bank	100,932	(52,648)	48,284	46,934
Appealathon	80,000	-	80,000	253,027
Marketing	89,355	(196,778)	(107,423)	(63,548)
Marketing – Gifts in kind*	130,104	(92,852)	37,252	6,895
Community fundraising	192,322	(128,976)	63,346	305,946
Regions	237,713	(131,986)	105,757	(12,539)
<b>Total contribution from events</b>	<u>4,257,737</u>	<u>(2,230,953)</u>	2,026,784	1,835,157
Interest received			50,239	61,433
Gain on Sale of Asset			425,492	-
Other income			287,621	31,678
Total other income			<u>763,352</u>	93,111
Administration costs			(912,573)	(688,329)
<b>Surplus before grants and programs</b>			<u>1,877,563</u>	1,239,939

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.

\* These form part of the total goods and services in kind received of \$130,104 (2013: \$808,115) and goods and services in kind expended of \$92,852 (2013: \$736,520). Others are included in the relevant expense or revenue category.

## Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

	2014	2013
	\$	\$
<b>3 EXPENSES</b>		
Operating surplus is stated after charging the following items:		
Depreciation: Plant and equipment	19,659	24,589
Depreciation: Furniture & fittings	10,220	10,221
Depreciation: Motor vehicles	19,030	18,821
Depreciation: Sunshine coaches	34,674	95,866
Depreciation: Buildings	65,107	65,107
Total depreciation	148,690	214,604
Depreciation expensed as appeals granted	(34,674)	(95,866)
Depreciation expense	114,016	118,738

### 4 CASH AND CASH EQUIVALENTS

#### Reconciliation to the Statement of Cash Flows

For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise the following:

Cash in hand	8,543	1,343
Cash at bank	836,915	1,087,237
Bank deposits	1,544,500	594,500
	2,389,958	1,683,080

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

#### (a) Reconciliation of the net profit to the net cash flows from operations

Surplus/(Deficit) after tax	295,116	(2,330,250)
<b>Non-cash or operating items</b>		
Depreciation	114,017	214,604
Assets written off	(3,109)	-
Donations received in kind	(130,104)	(808,115)
Donations granted in kind	130,104	808,115
Profit on sale of property	(823,821)	-
GST on capital assets	466	-
Transfers to reserves	575,492	-
<b>Changes in assets and liabilities</b>		
Decrease/(increase) in trade and other receivables	101,545	(104,785)
Decrease in inventory	-	18,820
Decrease in non-current asset held for sale	398,330	-
(Decrease) in appeals payable	(621,486)	(144,609)
(Decrease) in trade and other creditors (including deferred income)	(115,669)	(203,002)
(Decrease)/increase in provisions	(17,996)	31,252
Net cash flow from operating activities	(97,115)	(2,517,970)

## Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

### 4 CASH AND CASH EQUIVALENTS (CONT'D)

	2014	2013
	\$	\$

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

##### *Credit card facility*

Total balance owing as at 30 September 2014 is \$11,494 (2013: \$6,923).

##### *Donated goods and services*

During the year, the organisation received donated goods and services to the value of \$130,104 (2013: \$808,115). As these were acquired for no consideration, the goods and services were valued at current replacement cost.

### 5 TRADE AND OTHER RECEIVABLES

#### (CURRENT)

Trade receivables	34,360	121,979
Deposits	85,361	0
Prepayments	0	43,212
Other receivables	27,150	1,174
Accrued income	209,335	208,481
Net GST receivable	53,819	136,724
	410,025	511,570

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

Accrued income is donations promised but not received as at 30 September 2014.

### 6 INVENTORIES

Merchandise (at cost)	-	-
	-	-

#### Inventory expense

Inventory write-downs recognised as an expense totalled \$NIL (2013: \$NIL) for Variety WA Incorporated.

## Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

### 7 NON-CURRENT ASSETS

#### 7a PROPERTY, PLANT AND EQUIPMENT

	2014 \$	2013 \$
Land	1,014,933	1,014,933
Buildings – at cost	1,627,665	1,627,665
Accumulated depreciation	<u>(157,341)</u>	<u>(92,235)</u>
	<u>1,470,324</u>	<u>1,535,430</u>
Plant & Equipment	283,385	268,034
Accumulated depreciation	<u>(241,800)</u>	<u>(225,250)</u>
	<u>41,585</u>	<u>42,784</u>
Motor Vehicles	125,657	121,648
Accumulated depreciation	<u>(64,277)</u>	<u>(45,247)</u>
	<u>61,380</u>	<u>76,401</u>
Furniture & Fittings	102,206	102,206
Accumulated depreciation	<u>(28,443)</u>	<u>(18,223)</u>
	<u>73,763</u>	<u>83,983</u>
Sunshine Coach	757,464	757,464
Accumulated depreciation	<u>(522,902)</u>	<u>(488,227)</u>
	<u>234,562</u>	<u>269,237</u>
Total	<u>2,896,547</u>	<u>3,022,768</u>
<b>7b OTHER LONG TERM INVESTMENTS</b>		
Equity in Variety Australia	<u>23,520</u>	<u>23,520</u>

## Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

### 7 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

#### RECONCILIATION

	Land	Building	Plant & Equipment	Motor Vehicles	Furniture & Fittings	Sunshine Coach	Total
<b>Cost</b>							
Opening balance as at 1 October 2012	1,014,933	1,627,665	250,847	117,692	96,029	657,464	3,764,630
Additions	-	-	17,187	3,956	6,177	100,000	127,320
Disposals	-	-	-	-	-	-	-
Ending balance as at 30 September 2013	1,014,933	1,627,665	268,034	121,648	102,206	757,464	3,891,950
<b>Accumulated depreciation</b>							
Opening balance as at 1 October 2012	-	(27,128)	(200,661)	(26,426)	(8,002)	(392,361)	(654,578)
Depreciation	-	(65,107)	(24,589)	(18,821)	(10,221)	(95,866)	(214,604)
Disposals	-	-	-	-	-	-	-
Ending balance as at 30 September 2013	-	(92,235)	(225,250)	(45,247)	(18,223)	(488,227)	(869,182)
<b>Carrying amount</b>	<b>1,014,933</b>	<b>1,535,430</b>	<b>42,784</b>	<b>76,401</b>	<b>83,983</b>	<b>269,237</b>	<b>3,022,768</b>

	Land	Building	Plant & Equipment	Motor Vehicles	Furniture & Fittings	Sunshine Coach	Total
<b>Cost</b>							
Opening balance as at 1 October 2013	1,014,933	1,627,665	268,034	121,648	102,206	757,464	3,891,950
Additions	-	-	15,351	4,009	-	-	19,360
Disposals	-	-	-	-	-	-	-
Ending balance as at 30 September 2014	1,014,933	1,627,665	283,385	125,657	102,206	757,464	3,911,310
<b>Accumulated depreciation</b>							
Opening balance as at 1 October 2013	-	(92,235)	(225,250)	(45,247)	(18,223)	(488,227)	(869,182)
Depreciation	-	(65,106)	(19,659)	(19,030)	(10,220)	(34,675)	(148,691)
Disposals	-	-	3,109	-	-	-	3,109
Ending balance as at 30 September 2014	-	(157,341)	(241,800)	(64,277)	(28,443)	(522,902)	(1,014,763)
<b>Carrying amount</b>	<b>1,014,933</b>	<b>1,470,324</b>	<b>41,585</b>	<b>61,380</b>	<b>73,763</b>	<b>234,562</b>	<b>2,896,547</b>

## Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

### 8 NON-CURRENT ASSETS HELD FOR SALE

This relates to the property at Unit 3, 63 Shepperton Road, Victoria Park which Variety WA Incorporated vacated during 2012. As at 30 September 2013, the property was held for sale due to the level of inactivity in the property market at that time.

During the year ended 30 September 2014 the Board of Management has sold this property for \$950,000.

		2014	2013
		\$	\$
<b>9 PAYABLES (CURRENT)</b>			
Trade payables	(i)	33,008	33,880
Other payables and accruals	(ii)	81,870	196,667
		<u>114,878</u>	<u>230,547</u>
Grants payable	(iii)	<u>1,463,991</u>	<u>2,085,477</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.

(iii) Grants payable treatment is described fully in note 1(k).

### Liquidity risk

Liquidity risk is the risk that Variety WA Incorporated will not be able to meet its financial obligations as they fall due. Variety WA Incorporated's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking damaging Variety WA Incorporated's reputation.

Ultimate responsibility for liquidity risk management rests with the Board of Management. Under instruction from the board, management have developed an appropriate risk management framework for the management of the short, medium and long term funding and liquidity management requirements. Variety WA Incorporated manages liquidity risk by maintaining reserves, banking facilities and reserve borrowing facilities and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

### 10 PROVISIONS

Annual leave brought forward	77,237	75,068
Amounts accrued during the year	(12,470)	2,169
Annual leave carried forward	<u>64,767</u>	<u>77,237</u>
Long service leave brought forward	57,450	28,367
Amounts accrued during the year	(5,526)	29,083
Long service leave carried forward	<u>51,924</u>	<u>57,450</u>
Total provisions	<u>116,691</u>	<u>134,687</u>

#### Employee benefits

Provision is made for employee entitlement benefits accumulated as a result of employees rendering services up to the reporting date. These benefits would include long service leave if any employee was entitled to it or a risked-estimate of the provision if an employee is nearing entitlement.

## Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

### 11 DEFERRED INCOME

Deferred income relates to donations received in the year that relate to events occurring in the 2013/2014 financial year and amount to \$NIL (2013:\$NIL)

### 12 RESERVES

(a) Retained earnings

	2014	2013
	\$	\$
Movements in retained earnings were as follows:		
Beginning of financial year	2,709,904	5,040,154
Total comprehensive income for the year	835,933	(2,330,250)
Movement in reserves	(540,817)	
End of financial year	<u>3,005,020</u>	<u>2,709,904</u>

### (b) Reserves

Movements in reserves were as follows:

Beginning of financial year		478,653	474,506
Movement in the year		540,817	4,147
End of financial year	(i. ii and iii)	<u>1,019,470</u>	<u>478,653</u>

(i) The reserves of \$293,978 (2013:\$ 328,653) relates to the Sunshine coach grants. Refer to note 1 (k).

(ii) The reserve of \$300,000 (2013: \$150,000) relates to funds injected into the organisation by the Bendat Family Foundation. The interest earned on these funds must be used for the Brian Treasure Scholarship Fund.

(iii) The general reserve of \$425,492 (2013: \$nil) relates to the gain on the sale of the Shepperton Road property.

### 13 COMMITMENTS AND CONTINGENCIES

Variety WA Incorporated has no capital or operational commitments in existence at the balance date.

### 14 AUDITORS' REMUNERATION

The auditor of Variety WA Incorporated is Butler Settineri (Audit) Pty Ltd. Butler Settineri (Audit) Pty Ltd received \$8,310 (2013: \$16,100) excluding GST in respect of audit services provided in the year. An amount of \$NIL was paid for non-audit services.

### 15 KEY MANAGEMENT PERSONNEL

#### (a) Details of Key Management Personnel (KMP)

##### (i) Executives

Michael Pailthorpe

Chief Executive Officer



## Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

### 15 KEY MANAGEMENT PERSONNEL (CONT'D)

#### (b) Compensation of Key Management Personnel

A formal meeting is held in November each year where a discussion regarding performance occurs and the Board make a decision regarding the remuneration of KMP. Due to the sensitive nature of information, compensation data is not reported.

#### (c) Other transactions and balances with (KMP) and their related parties

##### *Sales and Purchases*

During the year, there were no sales or purchases from Key Management Personnel

### 16 RELATED PARTY DISCLOSURE

#### (a) Ultimate parent

Variety WA Incorporated is a member of Variety Australia and Variety International.

#### (b) Key management personnel

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

#### (c) Transactions with related parties

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

Related party		Revenue /(services from) related parties	Payments to/(from) related parties	Amounts owed (by)/to related parties
Variety International The Children's Charity	2014	-	-	-
	2013	-	-	-
Variety Australia Ltd	2014	-	71,240	28,025
	2013	25,390	125,177	14,000
Variety NSW	2014	2,000	61,936	-
	2013	31,006	29,705	6,252
Variety NT	2014	-	13,200	-
	2013	1,638	16,500	-
Variety QLD	2014	-	-	-
	2013	137	-	-
Variety SA	2014	680	1,449	-
	2013	-	500	-
Variety TAS	2014	-	-	-
	2013	138	-	-
Variety VIC	2014	-	2,190	-
	2013	12,795	-	-

##### *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)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

### 17 SEGMENT INFORMATION

Variety WA Incorporated operates in predominately one segment and one geographical region fundraising within Western Australia.

### 18 FINANCIAL INSTRUMENTS

Variety WA Incorporated's principal financial instruments consist mainly of cash assets, trade receivables and trade payables.

#### (a) Net fair values

All financial assets and liabilities have been recognised at the balance date at their net fair values. The carrying amount of financial assets and liabilities approximate their net fair value. These financial assets and liabilities are included in the assets and liabilities in the Statement of Financial Position. There are no financial assets which have a carrying amount exceeding their net fair value.

#### (b) Financial Instruments

	Carrying amount		Fair value	
	2014	2013	2014	2013
	\$	\$	\$	\$
<b>(i) Financial assets</b>				
Cash assets	2,389,958	1,683,080	2,389,958	1,683,080
Trade and other receivables	410,025	410,025	382,037	511,570
Total financial assets	<u>2,799,983</u>	<u>2,194,650</u>	<u>2,799,983</u>	<u>2,194,650</u>
<b>(ii) Financial liabilities</b>				
Trade creditors	33,008	33,880	33,008	33,880
Grants payable	1,463,991	2,085,477	1,463,991	2,085,477
Other creditors and accruals	198,561	331,354	198,561	331,354
Total financial liabilities	<u>1,695,560</u>	<u>2,450,711</u>	<u>1,695,560</u>	<u>2,450,711</u>

#### (c) Market risk

Market risk includes price risk, foreign exchange rate risk and interest rate risk. Variety WA Incorporated's exposure to market risk is the financial risk of changes with respect to interest rates. Variety WA Incorporated has no exposure to price risk or foreign exchange rate risk.

Variety WA Incorporated's exposure to the risk of changes in interest rates relates primarily to Variety WA Incorporated's bank accounts and credit card.

A change of 100 basis points in variable interest rates would have the following increase/ (decrease) effect on profit and equity.

	100bp increase \$'000	100bp decrease \$'000
<b>30 September 2014</b>		
Variable rate instruments	<u>24</u>	<u>(24)</u>
<b>30 September 2013</b>		
Variable rate instruments	<u>17</u>	<u>(17)</u>

## Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2014

### 19 EVENTS AFTER BALANCE DATE

Since the end of the financial year, the Board of Management 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 Variety WA Incorporated, the results of those operations or the state of affairs of Variety WA Incorporated in subsequent financial years.

### 20 CONTINGENT LIABILITIES

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

### 21 KEY ASSUMPTIONS

#### (a) Regarding the future

There is an assumption that Variety WA Incorporated will receive similar levels of support in the future.

#### (b) Regarding the current year

There are no key assumptions regarding the current financial year.

### 22 CAPITAL MANAGEMENT

The primary focus of Variety WA Incorporated's capital management policy is to ensure adequate working capital to fund the grants already approved and to work towards raising further capital to fund future grant applications. This is done through careful budgeting and a grants approval process which involves obtaining approval from the Board of Management.

Variety WA Incorporated's working capital as at the balance date was:

	2014	2013
	\$	\$
Cash and cash equivalents	2,389,958	1,683,080
Trade and other receivables	410,025	511,570
Grants payable	(1,463,991)	(2,085,477)
Trade and other payables	(114,878)	(230,547)
	<u>1,221,114</u>	<u>(121,374)</u>

## Board of Management's Declaration

In accordance with a resolution of the Board of Management of Variety WA Incorporated, we state that:

In the opinion of the Board of Management:

a) The financial statements and notes of Variety WA Incorporated:


Presents fairly, Variety WA Incorporated's financial position as at 30 September 2014 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the year ended on that date; and comply with applicable Australian Accounting Standards.

b) There are reasonable grounds to believe Variety WA Incorporated will be able to pay its debts as and when they become due and payable.

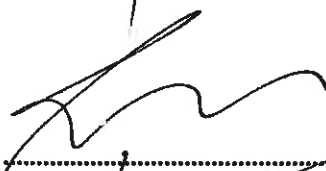
c) The provisions of the Western Australian Charitable Collections Act 1987 and its regulations and the conditions attached to the Authority to conduct fundraising have been complied with.

d) The internal controls exercised by Variety WA Incorporated are appropriate and effective in accounting for all income received and applied to its fundraising appeals

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



.....  
E Briars  
Chief Barker / Chair



.....  
R O'Dea  
Treasurer

Perth  
Date: 18 November 2014

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF VARIETY WA INCORPORATED****Report on the Financial Report**

We have audited the accompanying financial report of Variety WA Incorporated which comprises the statement of financial position as at 30 September 2014 and the statement of profit or loss and other comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Board of Management's declaration.

**Board of Management's Responsibility for the Financial Report**

The Board of Management of the Association are responsible for the preparation of the financial report which presents fairly in accordance with the Australian Accounting Standards and for such internal control as the Board of Management determine is 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 whether the financial report is free from material misstatement.

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

**Auditor's Opinion**

In our opinion, the financial report of Variety WA Incorporated presents fairly the Association's financial position as at 30 September 2014 and its performance for the year ended on that date in compliance with Australian Accounting Standards.

**BUTLER SETTINERI (AUDIT) PTY LTD**



**MARIUS VAN DER MERWE CA**  
Director

Perth

Date: 20 November 2014