



Variety WA Incorporated

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

ABN 14 020 124 537

Annual Financial Report 30 September 2021

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Board of Management

	Position	Appointed/Resigned
Jay Walter	Chief Barker / Chair	Appointed 23 November 2020
Bradley Dean	Treasurer/Deputy Chair *	
Donald Brooker	Board Member	
Amanda Prindiville	Board Member	
Paul Burgess	Board Member	
Lenette Mullen	Board Member	
Jenny Rachmat	Board Member	
Chris Rimmer	Board Member	
Roy Mellon	Board Member	Appointed 23 November 2020
Kathy Ziatas	Board Member	Appointed 15 February 2021
Anthony Begley	Chief Barker /Chair	Resigned 23 November 2020
Karen Watts	Deputy Chair	Resigned 19 July 2021

* Held additional position of Deputy Chair from 19 July 2021

Board of Management Report

The Board of Management of Variety WA Incorporated (Variety WA), has pleasure in submitting the following report in respect of the year ended 30 September 2021 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 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 is an Association incorporated in Western Australia under the Associations Incorporation Act 2015 WA.

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

The entity employed 11.9 (FTE) staff at 30 September 2021 (30 September 2020: 8.7 FTE).

PRINCIPAL ACTIVITIES

The principal activities of Variety WA during the year were to supply equipment and resources to children who are sick, disadvantaged and living with a disability in the community. Variety WA achieves this through fundraising and provision of grants to both individuals and organisations. The principal activities have not changed from previous years.

OPERATING AND FINANCIAL REVIEW

Operating revenue

The operating revenue for the year ended 30 September 2021 was \$4,778,652 (30 September 2020: \$3,226,880).

Donations and collections (Charitable revenue)

The revenue from donations and collections (charitable revenue) for the year ended 30 September 2021 was \$2,917,926 (30 September 2020: \$1,906,904).

Operating result before grants and programs

The operating profit before grants and programs approved for the year ended 30 September 2021 was \$2,337,584 (30 September 2020: \$1,405,408).

Grants and programs - Kids Support

Grants and programs provided directly to children who are sick, disadvantaged and living with a disability for the year ended 30 September 2021 were \$1,329,525 (30 September 2020: \$773,612). When combined with the running costs of the programs and subtracting grant write backs, the total cost of grants and programs was \$1,278,262 (30 September 2020: \$666,676).

Net operating result

The operating surplus for the year ended 30 September 2021 was \$1,059,322 (30 September 2020: surplus of \$738,732).

Board of Management Report (continued)

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There has been no significant change in the state of affairs of the charity during the year ended 30 September 2021.

SIGNIFICANT EVENTS AFTER THE REPORTING 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 2021.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

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

ENVIRONMENTAL REGULATION AND PERFORMANCE

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

BOARD OF MANAGEMENT BENEFITS

No Board of Management member of Variety WA 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 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 \$1,578 (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
Jay Walter (Deputy Chair)	11	11
Bradley Dean (Treasurer)	10	11
Donald Brooker	9	11
Paul Burgess	11	11
Amanda Prindiville	11	11
Lenette Mullen	10	11
Jenny Rachmat	8	11
Karen Watts	7	10
Chris Rimmer	11	11
Roy Mellon	9	9
Kathy Ziatas	6	6
Anthony Begley (Chief Barker)	2	2

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



Jay Walter
Chief Barker / Chair



Bradley Dean
Treasurer

Date: 22 November 2021

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the requirements of the Australian Charities and Not-for-profits Commission Act 2012 and the Associations Incorporation Act 2015 (WA), in relation to our audit of the financial report of Variety WA Inc. for the year ended 30 September 2021, to the best of my knowledge and belief, there have been:

- a) No contraventions of the auditor independence requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit;
- b) No contraventions of the auditor independence requirements of section 80 the Associations Incorporation Act 2015 (WA) in relation to the audit; and
- c) No contraventions of any applicable code of professional conduct in relation to the audit.

BUTLER SETTINERI (AUDIT) PTY LTD



ROBERT HALL CA
Director

Perth

Date: 22 November 2021

Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	2021 \$	2020 \$
Revenue			
Donations and collections	2	2,917,926	1,906,904
Event and lottery income	2	1,756,659	948,048
Other income	2	104,067	371,928
Total revenues		4,778,652	3,226,880
Expenses			
Salaries & Wages		(786,611)	(719,590)
Advertising & Promotions		(119,129)	(144,812)
Bank Charges		(58,271)	(68,866)
Depreciation – Fixed Assets	3	(90,781)	(103,437)
Depreciation – Right of Use Assets		(1,466)	(1,344)
Event Expenses		(768,938)	(246,711)
Fundraising Expenses		(221,404)	(214,914)
Insurance		(65,686)	(73,962)
Motor Vehicle Expenses		(34,606)	(23,589)
Occupancy		(32,668)	(51,210)
Variety Australia & Variety International		(95,629)	(41,823)
Other Expenses		(165,879)	(131,214)
Total expenses		(2,441,068)	(1,821,472)
Net surplus before grants and programs	4	2,337,584	1,405,408
Grants and programs			
Kids support grants approved		(1,129,098)	(646,220)
Program costs		(200,427)	(127,392)
Less current years grants written back		20,810	90,364
Less previous years grants written back		30,453	16,572
Total grants and programs		(1,278,262)	(666,676)
Surplus/(Deficit) before tax		1,059,322	738,732
Income tax expense		-	-
Surplus/(Deficit) after tax		1,059,322	738,732
Other comprehensive income			
Other comprehensive income		-	-
Total comprehensive income for the year		1,059,322	738,732

The accompanying notes form part of these financial statements.

Statement of Financial Position

AS AT 30 SEPTEMBER 2021	Notes	2021 \$	2020 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	3,153,392	1,885,687
Trade and other receivables	6	275,079	305,969
Stock	7	17,483	24,347
Total current assets		3,445,954	2,216,003
Non-current assets			
Property, plant and equipment	8(a)	2,286,318	2,412,383
Equity in Variety Australia	8(b)	23,520	23,520
Right of Use Asset	12(a)	3,054	4,519
Total non-current assets		2,312,892	2,440,422
TOTAL ASSETS		5,758,846	4,656,425
LIABILITIES			
Current liabilities			
Grants payable	9	445,222	155,877
Trade and other payables	9	248,549	512,702
Lease liability	12(b)	1,496	1,418
Provisions	10(a)	155,740	87,931
Total current liabilities		851,008	757,928
Non-Current liabilities			
LSL Provision	10(b)	19,155	46,369
Lease Liability	12(b)	1,714	3,210
Total non-current liabilities		20,869	49,579
TOTAL LIABILITIES		871,877	807,507
NET ASSETS		4,886,969	3,848,918
EQUITY			
Retained earnings	11(a)	4,022,976	2,963,653
Reserves	11(b)	863,993	885,265
TOTAL EQUITY		4,886,969	3,848,918

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Retained earnings \$	Reserves \$	Total Equity \$
At 1 October 2019	2,224,921	914,619	3,139,540
Total comprehensive income for the year	738,732	-	738,732
Movement in sunshine coach grants reserve	-	(29,354)	(29,354)
At 30 September 2020	2,963,653	885,265	3,848,918

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Retained earnings \$	Reserves \$	Total Equity \$
At 1 October 2020	2,963,653	885,265	3,848,918
Total comprehensive income for the year	1,059,322	-	1,059,322
Movement in sunshine coach grants reserve	-	(21,272)	(21,272)
At 30 September 2021	4,022,976	863,993	4,886,969

The accompanying notes form part of these financial statements.

Statement of Cash Flow

FOR THE YEAR ENDED 30 SEPTEMBER 2021	Notes	2021 \$	2020 \$
Cash flows from operating activities			
Receipts from donors, sponsors, members and fundraising		4,768,492	3,109,225
Payments to suppliers and employees		(2,765,728)	(1,568,263)
Interest received		2,323	6,370
Interest paid		-	-
Grants paid		(788,490)	(449,570)
Net cash flows used in operating activities	5(a)	1,216,598	1,097,762
Cash flows used in investing activities			
Purchase of managed investment		-	-
Sale of Assets		52,738	7,545
Purchase of assets		-	-
Net cash flows from/(used in) investing activities		52,738	7,545
Cash flows used in financing activities			
Payment of lease liabilities		(1,632)	(1,496)
Net cash flows from/(used in) financing activities		(1,632)	(1,632)
Net (decrease) / increase in cash and cash equivalents		1,267,705	1,103,811
Cash and cash equivalents at beginning of year		1,885,687	781,876
Cash and cash equivalents at end of year	5	3,153,392	1,885,687

The accompanying notes form part of these financial statements.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial report of Variety WA Incorporated (Variety WA) for the year ended 30 September 2021 was authorised for issue in accordance with a resolution of the Board of Management Members on 22 November 2021.

Variety WA is an incorporated association and was incorporated on 8 April 1995. The Financial Report covers Variety WA as an individual entity.

Variety WA 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 being wound up, member's liability is limited to an amount of \$NIL. If Variety WA 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 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 with Australian Accounting Standards, the Associations Incorporation Act 2015 WA and the Australian Charities and Not-For-Profits Commission Act 2012.

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 20, 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 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.

New, revised or amended Accounting Standards and Interpretations adopted

The Association has adopted all of the new, revised or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current period.

Any new, revised or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Accounting standards issued but not yet effective and not been adopted early by the Association

Standard Name	Effective date for entity	Requirements	Impact
2018-6: Definition of a Business (Amendments to AASB 3)	30 Sept 2021	To clarify whether a transaction should be accounted for as a business combination or as an asset acquisition	We anticipate that the impact will be minimal.
2018-7: Definition of Material (Principal amendments are to AASB 101)	30 Sept 2021	To clarify the requirements for the definition of material	We anticipate that the impact will be minimal.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

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.

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.

(d) Financial Instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories:

- Amortised cost
- Fair value through profit or loss (FVTPL)
- Fair value through other comprehensive income (FVOCI)

The Association does not have any financial assets categorised as FVOCI and FVTPL.

Classifications are determined by both:

- The entities business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

Subsequent measurement financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Association's cash and cash equivalents, trade and other receivables fall into this category of financial instruments.

Impairment of Financial assets

AASB 9's impairment requirements use more forward looking information to recognise expected credit losses – the expected credit losses (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Association considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables and contract assets

The Association makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Association uses its historical experience to calculate the expected credit losses.

Classification and measurement of financial liabilities

As the accounting for financial liabilities remains largely unchanged from AASB 139, the Association's financial liabilities were not impacted by the adoption of AASB 9. However, for completeness, the accounting policy is disclosed below.

The Association's financial liabilities include trade and other payables and resident lease bonds. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Association designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Trade and other payables

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

(e) Leases

Finance leases, which transfer to Variety WA 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. For leases with a lease term of more than twelve months, a right of use asset and lease liability is brought to account on the commencement of the lease and then amortised throughout the lease term. Short term leases and leases of low value assets continue to be recognised as an expense in the Statement of Profit or Loss on a straight line basis over the lease term.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. For operating leases with a lease term of more than twelve months, a right of use asset and lease liability is brought to account on the commencement of the lease and then amortised throughout the lease term. For short term leases and leases of low value assets, lease payments continue to be recognised as an expense in the statement of profit or loss on a straight line basis over the lease term.

(f) 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.

(g) Inventories

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

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.

(h) Impairment of assets

At each reporting date, Variety WA assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, Variety WA 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. 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 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) 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. Upon the expiration of 12 months any grant that is no longer required, no longer meets the grants criteria or all the needs of the recipient have been met, then any outstanding balance is 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.

(k) Provisions

Provisions are recognised when Variety WA 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

Provision is made for Variety WA'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.

(m) Income tax

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

(n) 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.

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.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

(o) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to Variety WA and the revenue can be reliably measured.

Donations and collections income

Donations and collections income refers to donations received by the charity which qualifies as a donation under its deductible gift recipient status.

Donations and collections income includes:

- Goods that 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.
- 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.

Fundraising and events income

Fundraising and event income 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 can be estimated reliably. Fundraising and events income refers to income derived from the charity's various events held during the year.

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.

Pledges (revenue) received

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

(p) Financial risk management objectives and policies

Variety WA'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 has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

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

It is Variety WA'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'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.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Market Risk

Refer to note 17(c) to the financial statements.

Credit risk

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

It is Variety WA'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's exposure to bad debts is not significant.

Variety WA 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 at the balance date is \$275,079 (2020: \$305,969). 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 (2019: \$NIL) provision is held to cover any potential bad debts that may arise

Since Variety WA 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 2021

2 FUNDRAISING INFORMATION

	2021 \$	2020 \$
Donations and collections	2,917,926	1,906,904
Event and lottery income	1,756,659	948,048
Other income	104,067	371,928
	4,778,652	3,226,880

Other Income	2021 \$	2020 \$
Interest received	2,323	6,370
Memberships	8,523	10,227
JobKeeper	-	214,500
Cash Flow Boost	11,142	77,994
Gain on Sale of Asset	38,726	7,545
Other Income	43,353	55,292
Total other Income	104,067	371,928

3 EXPENSES

	2021 \$	2020 \$
Operating surplus is stated after charging the following items:		
Total Depreciation	112,051	132,791
Depreciation expensed as appeals granted	(21,271)	(29,354)
Depreciation expense	90,781	103,437

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

4 FUNDRAISING INFORMATION AND ADMINISTRATION COSTS

2019/2020	Fundraising Income	Other Income	Direct Expenses	Direct Wages	Gross Profit
Motoring Events					
Bash	32,785	2,612	40,449	20,504	(25,556)
4WD Adventure	2,258	(1,788)	18,971	20,635	(39,136)
Creative Car Cruise	110,659	2,573	12,681	16,233	84,318
Ruby Road Trip	342,359	-	8,306	25,327	308,726
Total Motoring Events	488,061	3,397	80,407	82,699	328,352
Other Events					
Toybank	2,433	53,995	26,116	6,226	24,086
Ball	142,895	175,737	203,636	28,257	86,739
Total Other Events	145,328	229,732	229,752	34,483	110,825
Fundraising					
Private Giving	99,645	66	28,869	12,205	58,637
Community Fundraising	249,053	40,167	50,037	11,136	228,047
Bequest	110,196	-	-	-	110,196
Trust & Foundations	723,393	-	667	6,296	716,430
Raffles/Lotteries	18,675	543,800	236,274	12,164	314,037
Corporate Partnerships	36,122	64,409	1,043	11,410	88,078
Total Fundraising	1,237,084	648,442	316,890	53,211	1,515,425
Marketing	-	-	45,190	63,950	(109,140)
Midwest	36,431	66,477	36,802	33,424	32,682
TOTAL	1,906,904	948,048	709,041	267,767	1,878,144
Administration (including interest)	-	371,928	392,841	451,823	(472,736)
	1,906,904	1,319,976	1,101,882	719,590	1,405,408
Surplus before grants and programs					1,405,408
Grants Approved					(646,220)
Program Costs			10,799	116,593	(127,392)
Grant Write backs					106,936
Total grants and programs					(666,676)
Total comprehensive income for the year					738,732

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

4 FUNDRAISING INFORMATION AND ADMINISTRATION COSTS (CONTINUED)

2020/2021	Fundraising Income	Other Income	Direct Expenses	Direct Wages	Gross Profit
Motoring Events					
Bash	1,094,264	285,853	274,883	42,913	1,062,321
4WD Adventure	213,051	115,816	120,741	20,559	187,568
Creative Car Cruise	97,240	66,722	46,995	17,266	99,701
Ruby Road Trip	222,670	170,922	121,066	11,505	261,021
Total Motoring Events	1,627,226	639,313	563,685	92,242	1,610,611
Other Events					
Toybank	1,000	38,848	16,560	3,650	19,638
Ball	151,980	244,368	240,391	32,251	123,706
Total Other Events	152,980	283,216	256,951	35,901	143,344
Fundraising					
Private Giving	140,022	938	10,877	11,270	118,813
Community Fundraising	281,078	32,090	82,092	10,670	220,406
Bequest	30,854	-	-	-	30,854
Trust & Foundations	473,683	-	1,678	4,783	467,222
Raffles/Lotteries	22,038	576,546	239,499	14,262	344,823
Corporate Partnerships	97,897	74,917	5,488	19,086	148,241
Total Fundraising	1,045,573	684,489	339,634	60,070	1,330,359
Marketing	-	-	40,304	66,077	(106,381)
Midwest	92,147	163,886	81,648	38,852	135,532
TOTAL	2,917,926	1,770,904	1,282,222	293,142	3,113,465
Administration (including interest)	-	89,822	372,236	493,468	(775,882)
	2,917,926	1,860,726	1,654,457	786,611	2,337,584
Surplus before grants and programs					2,337,584
Grants Approved					(1,129,098)
Program Costs			26,185	174,242	(200,427)
Grant Write backs					51,263
Total grants and programs					(1,278,262)
Total comprehensive income for the year					1,059,322

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	2021 \$	2020 \$
5 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	4,800	4,800
Cash at bank	2,758,236	1,491,393
Bank deposits	390,356	389,494
	3,153,392	1,885,687
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	1,059,322	738,732
Non-cash or operating items		
Depreciation – Fixed Assets	90,781	103,437
Depreciation – Right of Use Assets	1,466	1,344
Donations received in kind	64,562	63,640
Donations granted in kind	(64,562)	(63,640)
Profit on sale of assets	(38,726)	(7,545)
Interest paid on lease liabilities	214	261
Changes in assets and liabilities		
(Decrease)/increase in trade and other receivables	30,840	(103,740)
Decrease/(increase) in other assets	6864	9,378
(Decrease) in appeals payable	289,345	89,715
Increase(decrease) in trade and other creditors (including deferred income)	(264,153)	251,360
Increase in provisions	40,644	14,820
Net cash flow from operating activities	1,216,598	1,097,762

(b) Non-cash financing and investing activities

Credit card facility

Total balance owing as at 30 September 2021 is \$56 (2020: \$50).

Donated goods and services

During the year, the organisation received donated goods and services to the value of \$64,562 (2020: \$63,640). As these were acquired for no consideration, the goods and services were valued at current replacement cost.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	2021 \$	2020 \$
6 TRADE AND OTHER RECEIVABLES		
Trade receivables	8,437	25,376
Deposits	73,853	73,372
Other receivables	86,877	98,594
Accrued income	61,360	79,978
Net GST receivable	44,552	17,485
Bartercard	-	11,164
	275,079	305,969

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

Accrued income is donations promised but not received as at 30 September 2021.

7 STOCK

Stock	17,483	24,347
	17,483	24,347

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	2021 \$	2020 \$
8 NON-CURRENT ASSETS		
8a PROPERTY, PLANT AND EQUIPMENT		
Land	1,014,933	1,014,933
Buildings	1,627,665	1,627,665
Accumulated depreciation	(442,183)	(401,491)
	1,185,482	1,226,174
Plant & Equipment	389,694	391,094
Accumulated depreciation	(373,751)	(349,397)
	15,943	41,697
Motor Vehicles	160,152	185,607
Accumulated depreciation	(139,180)	(139,743)
	20,972	45,864
Furniture & Fittings	134,562	134,562
Accumulated depreciation	(114,660)	(101,204)
	19,902	33,358
Sunshine Coach	614,717	701,977
Accumulated depreciation	(585,631)	(651,620)
	29,086	50,357
Total	2,286,318	2,412,383
8b OTHER LONG TERM INVESTMENTS		
Equity in Variety Australia Ltd	23,520	23,520

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

8c PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

RECONCILIATION

	Land	Building	Plant & Equipment	Motor Vehicles	Furniture & Fittings	Sunshine Coach	Total
<u>Cost</u>							
Opening balance as at 1 October 2019	1,014,933	1,627,665	391,094	185,607	134,562	757,464	4,111,325
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	(55,457)	(55,487)
Ending balance as at 30 September 2020	1,014,933	1,627,665	391,094	185,607	134,562	701,977	4,055,838
<u>Accumulated depreciation</u>							
Opening balance as at 1 October 2019	-	(360,800)	(321,137)	(118,714)	(87,747)	(677,754)	(1,566,152)
Depreciation	-	(40,691)	(28,260)	(21,029)	(13,457)	(29,353)	(132,790)
Disposals	-	-	-	-	-	55,487	55,487
Ending balance as at 30 September 2020	-	(401,491)	(349,397)	(139,743)	(101,204)	(651,620)	(1,643,455)
Carrying amount	1,014,933	1,226,174	41,697	45,864	33,358	50,357	2,412,383

	Land	Building	Plant & Equipment	Motor Vehicles	Furniture & Fittings	Sunshine Coach	Total
<u>Cost</u>							
Opening balance as at 1 October 2020	1,014,933	1,627,665	391,094	185,607	134,562	701,977	4,055,838
Additions	-	-	-	-	-	-	-
Disposals	-	-	(1,400)	(25,455)	-	(87,260)	(114,115)
Ending balance as at 30 September 2021	1,014,933	1,627,665	389,694	160,152	134,562	614,717	3,941,723
<u>Accumulated depreciation</u>							
Opening balance as at 1 October 2020	-	(401,491)	(349,397)	(139,743)	(101,204)	(651,620)	(1,643,455)
Depreciation	-	(40,692)	(25,264)	(11,369)	(13,456)	(21,271)	(112,052)
Disposals	-	-	910	11,932	-	87,260	100,102
Ending balance as at 30 September 2021	-	(442,183)	(373,751)	(139,180)	(114,660)	(651,631)	(1,655,405)
Carrying amount	1,014,933	1,185,482	15,943	20,972	19,902	29,086	2,286,318

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

		2021 \$	2020 \$
9 PAYABLES			
Trade payables	(i)	31,026	75,542
Events Prepaid Income	(ii)	34,304	202,811
Prepaid Income	(ii)	66,098	140,090
Payroll Liabilities	(ii)	18,551	23,057
Accrued Expenses	(ii)	98,514	71,152
Credit Cards	(ii)	56	50
		248,549	512,702
Grants payable	(iii)	445,222	155,877

- (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(j).

Liquidity risk

Liquidity risk is the risk that Variety WA will not be able to meet its financial obligations as they fall due. Variety WA'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 the charity'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 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.

10a PROVISIONS

Current liabilities

Annual leave brought forward	44,958	43,804
Amounts accrued during the year	21,421	1,154
Annual leave carried forward	66,379	44,958
Long service leave brought forward	42,973	38,411
Amounts accrued during the year	46,388	4,562
Long service leave carried forward	89,361	42,973
Total provisions	155,740	87,931

10b PROVISIONS

Non-current liabilities

Long service leave brought forward	46,369	37,265
Amounts accrued/(derecognised) during the year	(27,214)	9,104
Long service leave carried forward	19,155	46,369

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 2021

11 RESERVES

(a) Retained earnings	2021	2020
	\$	\$
Movements in retained earnings were as follows:		
Beginning of financial year	2,963,653	2,224,921
Total comprehensive income for the year	1,059,322	738,732
Movement in reserves	-	-
End of financial year	4,022,976	2,963,653

(b) Reserves

Movements in reserves were as follows:

Beginning of financial year		885,265	914,619
Movement in the year		(21,271)	(29,354)
End of financial year	(i, ii and iii)	863,993	885,265

(i) Reserves of \$88,501 (2020: \$109,773) relate to the Sunshine coach grants. Refer to note 1(j).

(ii) Reserves of \$350,000 (2020: \$350,000) relate 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) General reserves of \$425,492 (2020: \$425,492) relate to the gain on the sale of the Shepperton Road property.

12 LEASES

(a) Right of Use Asset

Balance at beginning of year	4,519	-
Additions	-	5,863
Depreciation	(1,466)	(1,344)
Balance at end of year	3,054	4,519

(b) Lease Liability

Balance at beginning of year	4,628	-
Additions	-	5,863
Interest	214	261
Repayments	(1,632)	(1,496)
Balance at end of year	3,210	4,628
Current	1,496	1,418
Non-current	1,714	3,210

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

13 COMMITMENTS AND CONTINGENCIES

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

Lease commitments for short term and low value leases:

	Total
Payable within one year:	1,956
Payable within one and five years:	-
Payable in more than 5 years	-
	<u>1,956</u>

14 AUDITORS' REMUNERATION

The auditor of Variety WA is Butler Settineri (Audit) Pty Ltd. Butler Settineri (Audit) Pty Ltd received \$15,418 (2020: \$15,384) excluding GST in respect of audit services provided in the current and prior year. An amount of \$1,090 (2020: \$775) was paid for non-audit services.

15 KEY MANAGEMENT PERSONNEL

(a) Details of Key Management Personnel (KMP)

Executives

Tony Hume Chief Executive Officer

(b) Compensation of Key Management Personnel

A formal meeting is held in October 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 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 14.

(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:

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

16 RELATED PARTY DISCLOSURE (CONTINUED)

Related party		Revenue /(services from) related parties	Payments to/(from) related parties	Amounts owed (by)/to related parties
Variety International The Children's Charity	2021	-	11,203	-
	2020	-	6868	2,221
Variety Australia Ltd	2021	14,481	46,293	7,907
	2020	26,771	46,449	5,065
Variety NSW	2021	146,128	4,543	(46,273)
	2020	90,040	12,457	(42,860)
Variety NT	2021	-	-	-
	2020	159	-	-
Variety QLD	2021	-	-	-
	2020	159	753	-
Variety SA	2021	-	-	-
	2020	159	-	-
Variety TAS	2021	-	-	-
	2020	159	-	-
Variety VIC	2021	-	1,875	-
	2020	-	-	-

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.

17 SEGMENT INFORMATION

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

18 FINANCIAL INSTRUMENTS

Variety WA'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.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

18 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial Instruments

	Carrying amount		Fair value	
	2021	2020	2021	2020
	\$	\$	\$	\$
(i) Financial assets				
Cash assets	3,153,392	1,885,687	3,153,392	1,885,687
Trade and other receivables	275,079	305,969	275,079	305,969
Total financial assets	3,428,471	2,191,656	3,428,471	2,191,656
(ii) Financial liabilities				
Trade creditors	31,026	75,542	31,026	75,542
Grants payable	445,222	155,877	445,222	155,877
Other creditors and accruals	198,974	414,103	198,974	414,103
Lease liabilities	3,210	4,628	3,210	4,628
Total financial liabilities	678,432	650,150	678,432	650,150

(c) Market risk

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

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

A change of 100 basis points would have an insignificant impact of profit and equity

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, the results of those operations or the state of affairs of Variety WA 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 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'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.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

22 CAPITAL MANAGEMENT (continued)

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

	2021 \$	2020 \$
Cash and cash equivalents	3,153,392	1,885,687
Trade and other receivables	275,079	305,968
Grants payable	(445,222)	(155,877)
Trade and other payables	(248,549)	(512,702)
Lease liabilities	(1,714)	(3,210)
	<u>2,732,986</u>	<u>1,519,866</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:

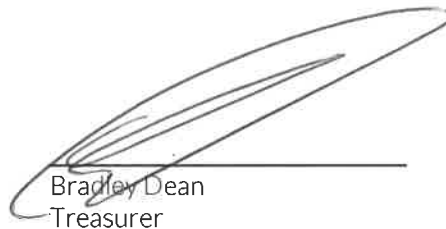
- a) The financial statements and notes of Variety WA Incorporated:

Presents fairly, Variety WA Incorporated's financial position as at 30 September 2021 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 and the Associations Incorporation Act 2015 WA.
- 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 Australian Charities and Not-For-Profit Commission Act 2012 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:



Jay Walter
Chief Barker / Chair



Bradley Dean
Treasurer

Perth
Date: 22 November 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VARIETY WA INCORPORATED

Report on the Financial Report

Qualified Opinion

We have audited the financial report of Variety WA Incorporated, which comprises the statement of financial position as at 30 September 2021 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the twelve month period then ended, notes comprising a summary of significant accounting policies and other explanatory information and the board of management's declaration.

In our opinion, except for the effects on the financial report of such adjustments, if any that may have been required had the limitation on our audit procedure referred to in the qualification paragraph not existed:

- i) the accompanying financial report of the Variety WA Incorporated is prepared, in all material respects, in accordance with the Associations Incorporation Act 2015 (WA) and the Australian Charities and Not-for-profits Commission Act 2012, including, giving a true and fair view of the Association's financial position as at 30 September 2021 and of its financial performance for the year then ended; and
- ii) complying with Australian Accounting Standards - and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis for Qualified Opinion

Voluntary revenue such as donations and fundraising are significant sources of revenue for the Association. The board of management has determined that it is impracticable to establish controls over the collection of voluntary revenue prior to entry into its financial records. Accordingly, as the evidence available to us regarding revenue from these sources was limited, our audit procedures with respect to voluntary revenue had to be restricted to the amounts recorded in the financial records. We are therefore unable to express an opinion as to whether the recorded voluntary revenue of the Association is complete.

We have conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report.

We are independent of the Association in accordance with the auditor independence requirements of the Associations Incorporation Act 2015 (WA), Australian Charities and Not-for-profits Commission Act 2012 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our ethical requirements in accordance with the Code.

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

Responsibilities of the Board of Management for the Financial Report

The board of management of the Association is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards, Associations Incorporation Act 2015 (WA), and the Australian Charities and Not-for-profits Commission Act 2012 and for such internal control as the board of management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australia Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of management.
- Conclude on the appropriateness of the board of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

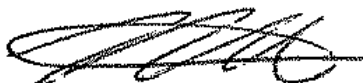
We also provide the board of management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

In our opinion, Variety WA Incorporated has complied with sections 60-30(3)(b), (c) and (d) of the Australian Charities and Not-for-profits Commission Act 2012 and sections 82(1)(b), (c) and (d) of the Associations Incorporation Act 2015 (WA) :

- by providing us with all information, explanation and assistance necessary for the conduct of the audit;
- by keeping financial records sufficient to enable a financial report to be prepared and audited;
- by keeping other records required by Part 3-2 of the Australian Charities and Not-for-profits Commission Act 2012, including those records required by Section 55-5 that correctly record its operations, so as to enable any recognised assessment activity to be carried out in relation to the entity; and
- by keeping other records required by Part 5 of the Associations Incorporation Act 2015 WA, including those records required by Section 66 that correctly record its operations, so as to enable true and fair financial statements to be prepared.

BUTLER SETTINERI (AUDIT) PTY LTD



ROBERT HALL CA
Director

Perth
Date: 22 November 2021