



Variety WA Incorporated

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

ABN 14 020 124 537

Annual Financial Report 30 September 2023

Contents to Annual Financial Report

Board of Management	3
Board of Management Report	4
Auditor's Independence Declaration	7
Statement of Profit or Loss and Other Comprehensive Income	8
Statement of Financial Position	9
Statement of Change in Equity	10
Statement of Cash Flows	11
Notes to the Financial Statements	12
Board of Management's Declaration	32
Audit Report	33

Board of Management

	Position	Appointed/Resigned
Bradley Dean	Chief Barker / Chair	
Jenny Rachmat	Deputy Chair	
Jay Wakefield	Treasurer	
Donald Brooker	Board Member	
Amanda Prindiville	Board Member	
Paul Burgess	Board Member	
Chris Rimmer	Board Member	
Roy Mellon	Board Member	
Kathy Ziatas	Board Member	
Lenette Mullen	Board Member	Resigned 28 November 2022
Geoff Robb	Board Member	Appointed 28 November 2022
Anthony Begley	Board Member	Appointed 28 November 2022

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 2023 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 (FTE) staff at 30 September 2023 (30 September 2022: 11.7 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 2023 was \$3,681,703 (30 September 2022: \$4,756,186).

Donations and collections (Charitable revenue)

The revenue from donations and collections (charitable revenue) for the year ended 30 September 2023 was \$2,477,694 (30 September 2022: \$2,807,893).

Operating result before grants and programs

The operating profit before grants and programs approved for the year ended 30 September 2023 was \$1,066,850 (30 September 2022: \$2,033,881).

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 2023 were \$1,619,114 (30 September 2022: \$1,442,689). When combined with the running costs of the programs and subtracting grant write backs, the total cost of grants and programs was \$1,764,797 (30 September 2022: \$1,566,004).

Net operating result

The operating deficit for the year ended 30 September 2023 was (\$697,947) (30 September 2022: surplus of \$467,877).

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 2023.

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 2023.

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 \$2,866 (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
Bradley Dean (Chief Barker)	13	14
Jenny Rachmat (Deputy Chair)	10	14
Jay Wakefield (Treasurer)	13	14
Donald Brooker	12	14
Paul Burgess	10	14
Amanda Prindiville	13	14
Chris Rimmer	13	14
Roy Mellon	14	14
Kathy Ziatas	9	14
Geoff Robb	12	12
Anthony Begley	9	12
Lenette Mullen	2	2

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



Bradley Dean
Chief Barker / Chair



Jay Wakefield
Treasurer

Date: 20 November 2023

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 2023, 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.

DRY KIRKNESS (AUDIT) PTY LTD



ROBERT HALL CA
Director

Perth
Date: 20 November 2023

Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 30 SEPTEMBER 2023	Notes	2023 \$	2022 \$
Revenue			
Donations and collections	2	2,477,694	2,807,893
Event and lottery income	2	1,088,053	1,890,298
Other income	2	115,956	57,995
Total revenues		3,681,703	4,756,186
Expenses			
Salaries & Wages		(1,291,602)	(902,645)
Advertising & Promotions		(111,285)	(117,973)
Bank Charges		(47,571)	(52,500)
Depreciation – Fixed Assets	3	(64,568)	(72,618)
Depreciation – Right of Use Assets	13(a)	(1,466)	(1,466)
Event Expenses		(513,389)	(856,596)
Fundraising Expenses		(145,751)	(216,652)
Insurance		(80,972)	(78,159)
Motor Vehicle Expenses		(58,282)	(38,154)
Occupancy		(36,440)	(67,832)
Variety Australia & Variety International		(72,303)	(94,899)
Other Expenses		(182,976)	(222,811)
Gain/(loss) on Other Financial Assets		(8,248)	-
Total expenses		(2,614,853)	(2,722,305)
Net surplus before grants and programs	4	1,066,850	2,033,881
Grants and programs			
Kids support grants approved		(1,619,114)	(1,442,689)
Program costs		(286,892)	(248,315)
Less current years grants written back		80,312	67,602
Less previous years grants written back		60,897	57,398
Total grants and programs		(1,764,797)	(1,566,004)
Surplus/(Deficit) before tax		(697,947)	467,877
Income tax expense		-	-
Surplus/(Deficit) after tax		(697,947)	467,877
Other comprehensive income			
Other comprehensive income		-	-
Total comprehensive income for the year		(697,947)	467,877

The accompanying notes form part of these financial statements.

Statement of Financial Position

AS AT 30 SEPTEMBER 2023	Notes	2023 \$	2022 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	2,703,809	3,918,791
Other financial assets	9(a)	24,443	-
Trade and other receivables	6	381,305	313,017
Inventory	7	54,755	28,218
Total current assets		3,164,312	4,260,026
Non-current assets			
Property, plant and equipment	8	2,228,464	2,208,011
Other financial assets	9(b)	741,451	23,520
Right of Use Asset	14(a)	122	1,588
Total non-current assets		2,970,037	2,233,119
TOTAL ASSETS		6,134,349	6,493,145
LIABILITIES			
Current liabilities			
Grants payable	10(b)	691,387	535,099
Trade and other payables	10(a)	554,988	412,319
Lease liability	14(b)	135	1,578
Borrowings	13	7,349	-
Provisions	11(a)	160,284	175,031
Total current liabilities		1,414,143	1,124,027
Non-Current liabilities			
Provisions	11(b)	18,063	29,891
Lease Liability	14(b)	-	135
Borrowings	13	65,578	-
Total non-current liabilities		83,641	30,026
TOTAL LIABILITIES		1,497,784	1,154,053
NET ASSETS		4,636,565	5,339,092
EQUITY			
Retained earnings	12(a)	3,792,906	4,490,853
Reserves	12(b)	843,659	848,239
TOTAL EQUITY		4,636,565	5,339,092

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Retained earnings \$	Reserves \$	Total Equity \$
At 1 October 2021	4,022,976	863,993	4,886,969
Total comprehensive income for the year	467,877	-	467,877
Movement in sunshine coach grants reserve	-	(15,754)	(15,754)
At 30 September 2022	4,490,853	848,239	5,339,092

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Retained earnings \$	Reserves \$	Total Equity \$
At 1 October 2022	4,490,853	848,239	5,339,092
Total comprehensive income for the year	(697,947)	-	(697,947)
Movement in sunshine coach grants reserve	-	(4,580)	(4,580)
At 30 September 2023	3,792,906	843,659	4,636,565

The accompanying notes form part of these financial statements.

Statement of Cash Flow

FOR THE YEAR ENDED 30 SEPTEMBER 2023	Notes	2023 \$	2022 \$
Cash flows from operating activities			
Receipts from donors, sponsors, members and fundraising		3,456,080	4,704,251
Payments to suppliers and employees		(2,619,168)	(2,713,338)
Interest received		27,734	2,378
Interest paid		-	-
Grants paid		(1,321,620)	(1,227,810)
Net cash flows used in operating activities	5(a)	(456,974)	765,481
Cash flows used in investing activities			
Purchase of managed investment		(750,000)	-
Sale of Assets		10,909	22,296
Purchase of assets		(89,602)	(20,745)
Net cash flows from/(used in) investing activities		(828,693)	1,551
Cash flows used in financing activities			
Receipt of bank loans		72,315	-
Payment of lease liabilities		(1,630)	(1,632)
Net cash flows from/(used in) financing activities		70,685	(1,632)
Net (decrease) / increase in cash and cash equivalents		(1,214,982)	765,400
Cash and cash equivalents at beginning of year		3,918,791	3,153,391
Cash and cash equivalents at end of year	5	2,703,809	3,918,791

The accompanying notes form part of these financial statements.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial report of Variety WA Incorporated (Variety WA) for the year ended 30 September 2023 was authorised for issue in accordance with a resolution of the Board of Management Members on 20 November 2023.

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.

The adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Association.

Any new, revised or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. It is anticipated that these will have a material impact on the Association.

(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.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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):

- 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.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income are measured at FVTPL.

After initial recognition, net gains or losses, including any interest or dividends income are recognised in profit or loss.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 commercial loan borrowings. 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.

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.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

(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.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 \$331,092 (2022: \$265,332). 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 (2022: \$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 2023

2 FUNDRAISING INFORMATION

	2023	2022
	\$	\$
Donations and collections	2,477,694	2,807,893
Event and lottery income	1,088,053	1,890,298
Other income	115,956	57,995
	3,681,703	4,756,186

Other Income	2023	2022
	\$	\$
Interest received	27,734	2,379
Memberships	6,136	7,636
Gain on Sale of Asset	10,909	11,617
Other Income	71,177	36,363
Total other Income	115,956	57,995

3 EXPENSES

	2023	2022
	\$	\$
Operating surplus is stated after charging the following items:		
Total Depreciation	69,148	88,372
Depreciation expensed as appeals granted	(4,580)	(15,754)
Depreciation expense	64,568	72,618

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

4 FUNDRAISING INFORMATION AND ADMINISTRATION COSTS

2022/2023	Fundraising Income	Other Income	Direct Expenses	Gross Profit
Motoring Events				
Bash	1,096,603	238,541	283,867	1,051,277
4WD Adventure	214,832	116,723	102,914	228,641
Creative Car Cruise	301,897	70,835	68,289	304,443
Total Motoring Events	1,613,332	426,099	455,070	1,584,361
Other Events				
VIVA	1,050	70	49,071	(47,951)
Total Other Events	1,050	70	49,071	(47,951)
Fundraising				
Private Giving	177,171	3,239	21,364	159,046
Community Fundraising	194,324	35,128	61,862	167,590
Trust & Foundations	347,684	1,769	1,015	348,438
Raffles/Lotteries	8,801	297,144	161,684	144,261
Corporate Partnerships	42,961	122,374	474	164,861
Total Fundraising	770,941	459,654	246,399	984,196
Regions				
Midwest	92,371	245,889	98,086	240,174
Total Regions	92,371	245,889	98,086	240,174
TOTAL	2,477,694	1,131,712	848,626	2,760,780
Administration				
Gain/(Loss) on Other Financial Assets			8,248	(8,248)
Marketing	-	-	18,432	(18,432)
Administration (including interest)	-	72,296	447,943	(375,647)
Total Administration	-	72,296	474,623	(402,327)
	2,477,694	1,204,008	1,323,249	2,358,453
Salaries & Wages				1,291,603
Surplus before grants and programs				1,066,850
Grants Approved				(1,619,114)
Program Costs				(286,892)
Grant Write backs				141,209
Total grants and programs				(1,764,797)
Total comprehensive income for the year				(697,947)

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

4 FUNDRAISING INFORMATION AND ADMINISTRATION COSTS (CONTINUED)

2021/2022	Fundraising Income	Other Income	Direct Expenses	Gross Profit
Motoring Events				
Bash	1,213,187	275,897	316,331	1,172,753
4WD Adventure	303,344	175,093	198,063	280,374
Creative Car Cruise	296,241	68,872	80,653	284,460
Total Motoring Events	1,812,772	519,862	595,047	1,737,587
Other Events				
Toy Bank	45	27,447	16,089	11,403
Ball	139,854	259,924	267,719	132,059
Red Dust Revival	600	278,120	109,627	169,093
Total Other Events	140,499	565,491	393,435	312,555
Fundraising				
Private Giving	99,501	2,022	13,047	88,476
Community Fundraising	220,614	38,965	62,873	196,706
Trust & Foundations	405,884	358	610	405,632
Raffles/Lotteries	15,703	488,312	237,273	266,742
Corporate Partnerships	84,889	158,622	640	242,871
Total Fundraising	826,591	688,279	314,443	1,200,427
Regions				
Midwest	28,031	125,157	58,657	94,531
Total Regions	28,031	125,157	58,657	94,531
TOTAL	2,807,893	1,898,789	1,361,582	2,957,521
Administration				
Marketing	-	-	21,086	(21,806)
Administration (including interest)	-	49,505	436,993	(387,488)
Total Administration	-	49,505	458,079	(408,574)
	2,807,893	1,948,293	1,819,661	2,936,526
Salaries & Wages				902,645
Surplus before grants and programs				2,033,881
Grants Approved				(1,442,689)
Program Costs				(248,315)
Grant Write backs				125,000
Total grants and programs				(1,566,004)
Total comprehensive income for the year				467,877

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

	2023 \$	2022 \$
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	4,500	4,500
Cash at bank	2,305,436	3,523,699
Bank deposits	393,873	390,592
	2,703,809	3,918,791
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	(697,947)	467,877
Non-cash or operating items		
Depreciation – Fixed Assets	64,568	72,618
Depreciation – Right of Use Assets	1,466	1,466
Donations received in kind	118,071	116,997
Donations granted in kind	(118,071)	(116,997)
Profit on sale of assets	(10,909)	(11,617)
Gain/(loss) on the financial assets	8,248	-
Interest received on investments	(622)	-
Interest paid on lease liabilities	54	136
Interest paid commercial loans	612	-
Changes in assets and liabilities		
(Decrease)/increase in trade and other receivables	(68,287)	(37,939)
Decrease/(increase) in other assets	-	-
Decrease/(increase) in inventory	(26,537)	(10,735)
(Decrease) in appeals payable	156,286	89,878
Increase(decrease) in trade and other creditors (including deferred income)	142,670	163,770
Increase in provisions	(26,576)	30,027
Net cash flow from operating activities	(456,974)	765,481

(b) Non-cash financing and investing activities

Credit card facility

Total balance owing as at 30 September 2023 is \$10,013 (2022: \$400).

Donated goods and services

During the year, the organisation received donated goods and services to the value of \$118,071 (2022: \$116,997). 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 2023

	2023 \$	2022 \$
6 TRADE AND OTHER RECEIVABLES		
Trade receivables	59,843	11,023
Deposits	74,118	74,087
Other receivables	110,476	100,541
Accrued income	86,655	79,682
Net GST receivable	50,213	47,684
	381,305	313,017

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

Accrued income is sponsorship and third party grants promised but not received as at 30 September 2023.

7 INVENTORY

Stock of toys	54,755	28,218
	54,755	28,218

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

	2023 \$	2022 \$
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	(523,566)	(482,874)
	1,104,099	1,144,791
Plant & Equipment	161,860	137,258
Accumulated depreciation	(127,969)	(118,344)
	33,891	18,914
Motor Vehicles	225,152	160,152
Accumulated depreciation	(160,824)	(149,810)
	64,328	10,342
Furniture & Fittings	134,562	134,562
Accumulated depreciation	(123,349)	(120,113)
	11,213	14,449
Sunshine Coach	564,717	564,717
Accumulated depreciation	(564,717)	(560,135)
	0	4,582
Total	2,228,464	2,208,011

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

8b PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

RECONCILIATION

	Land	Building	Plant & Equipment	Motor Vehicles	Furniture & Fittings	Sunshine Coach	Total
Cost							
Opening balance as at 1 October 2021	1,014,933	1,627,665	389,694	160,152	134,562	614,717	3,941,723
Additions	-	-	20,745	-	-	-	20,745
Disposals	-	-	(273,181)	-	-	(50,000)	(323,181)
Ending balance as at 30 September 2022	1,014,933	1,627,665	137,258	160,152	134,562	564,717	3,639,287
Accumulated depreciation							
Opening balance as at 1 October 2021	-	(442,183)	(373,751)	(139,180)	(114,660)	(585,631)	(1,655,405)
Depreciation	-	(40,691)	(15,844)	(10,630)	(5,452)	(15,754)	(88,372)
Disposals	-	-	271,251	-	-	41,250	312,501
Ending balance as at 30 September 2022	-	(482,874)	(118,344)	(149,810)	(120,113)	(560,135)	(1,431,276)
Carrying amount	1,014,933	1,144,791	18,914	10,342	14,449	4,582	2,208,011
	Land	Building	Plant & Equipment	Motor Vehicles	Furniture & Fittings	Sunshine Coach	Total
Cost							
Opening balance as at 1 October 2022	1,014,933	1,627,665	137,258	160,152	134,562	564,717	3,639,287
Additions	-	-	24,602	65,000	-	-	89,602
Disposals	-	-	-	-	-	-	-
Ending balance as at 30 September 2023	1,014,933	1,627,665	161,860	225,152	134,562	564,717	3,728,889
Accumulated depreciation							
Opening balance as at 1 October 2022	-	(482,874)	(118,344)	(149,810)	(120,113)	(560,135)	(1,431,276)
Depreciation	-	(40,692)	(9,625)	(11,014)	(3,236)	(4,582)	(69,149)
Disposals	-	-	-	-	-	-	-
Ending balance as at 30 September 2023	-	(523,566)	(127,969)	(160,824)	(123,349)	(564,717)	(1,500,425)
Carrying amount	1,014,933	1,104,099	33,891	64,328	11,213	0	2,228,464

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

	2023 \$	2022 \$
9 OTHER FINANCIAL ASSETS		
9a Current		
Financial assets at fair value through profit and loss		
Managed cash investment	24,443	-
9b Non-current		
Financial assets at fair value through profit and loss		
Managed Investments		
Financial assets at cost	717,931	-
Equity in Variety Australia Ltd	23,520	23,520
	741,451	23,520
10a TRADE AND OTHER PAYABLES		
Trade payables (i)	181,866	54,329
Events Prepaid Income (ii)	21,139	71,526
Prepaid Income (ii)	121,958	50,725
Payroll Liabilities (ii)	55,266	36,485
Accrued Expenses (ii)	164,747	198,854
Credit Cards (ii)	10,013	400
	554,988	412,319
10b GRANTS PAYABLE (iii)	691,387	535,099
(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.		
11a PROVISIONS		
Current liabilities		
Annual leave brought forward	75,668	66,379
Amounts accrued during the year	(5,735)	9,289
Annual leave carried forward	69,933	75,668
Long service leave brought forward	99,363	89,361
Amounts accrued during the year	(9,012)	10,002
Long service leave carried forward	90,351	99,363
Total provisions	160,284	175,031

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

11b PROVISIONS

Non-current liabilities

Long service leave brought forward	29,891	19,155
Amounts accrued/(derecognised) during the year	(11,828)	10,736
Long service leave carried forward	18,063	29,891

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.

12 RESERVES

(a) Retained earnings	2023	2022
	\$	\$
Movements in retained earnings were as follows:		
Beginning of financial year	4,490,853	4,022,976
Total comprehensive income for the year	(697,947)	467,877
Movement in reserves	-	-
End of financial year	3,792,906	4,490,853

(b) Reserves

Movements in reserves were as follows:

Beginning of financial year	848,239	863,993
Movement in the year	(4,580)	(15,754)
End of financial year	843,659	848,239

(i, ii and iii)

(i) Reserves of \$68,167 (2022: \$72,747) relate to the Sunshine coach grants. Refer to note 1(j).

(ii) Reserves of \$350,000 (2022: \$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 (2022: \$425,492) relate to the gain on the sale of the Shepperton Road property.

13 BORROWINGS

Current	7349	-
Non-current	65,578	-
Commercial loan repayable over 5 years		

14 LEASES

(a) Right of Use Asset

Balance at beginning of year	1,588	3,054
Additions	-	-
Depreciation	(1,466)	(1,466)
Balance at end of year	122	1,588

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

14 LEASES (CONTINUED)

(b) Lease Liability

Balance at beginning of year	1,713	3,210
Additions	-	-
Interest	55	136
Repayments	(1,633)	(1,633)
Balance at end of year	135	1,713
Current	135	1,578
Non-current	-	135

15 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:	135
Payable within one and five years:	-
Payable in more than 5 years	-
	135

16 AUDITORS' REMUNERATION

The auditor of Variety WA Inc is Dry Kirkness (Audit) Pty Ltd . Bulter Settineri (Audit) Pty Ltd changed name to Dry Kirkness (Audit) Pty Ltd on 1 July 2022.

Auditors remuneration comprises:

Audit of the financial report	15,500	15,513
Other non-audit services	-	775
	15,500	16,288

17 KEY MANAGEMENT PERSONNEL

(a) Details of Key Management Personnel (KMP)

Executives

Tony Hume	Chief Executive Officer (Resigned 2 March 2023)
Christopher Chatterton	Chief Executive Officer (Appointed 6 June 2023)

(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

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

18 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 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	2023	-	13,073	11,155
	2022	-	20,643	6,835
Variety Australia Ltd	2023	21,299	15,414	22,183
	2022	28,916	61,559	12,028
Variety NSW	2023	16,949	4,349	(18,651)
	2022	78,741	23,232	1,105
Variety NT	2023	-	-	-
	2022	-	-	-
Variety QLD	2023	185	3,233	-
	2022	2,125	-	-
Variety SA	2023	187	752	-
	2022	-	889	-
Variety TAS	2023	-	-	-
	2022	-	-	-
Variety VIC	2023	109	-	-
	2022	226	21,677	-

Terms and conditions of transactions with related parties

Sales to and purchases from related parties are made in arm's length transactions both at normal market prices and on normal commercial terms.

Outstanding balances at year-end are unsecured, interest free and settlement occurs in cash.

19 SEGMENT INFORMATION

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

20 FINANCIAL INSTRUMENTS

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

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

20 FINANCIAL INSTRUMENTS (CONTINUED)

(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	
	2023 \$	2022 \$	2023 \$	2022 \$
(i) Financial assets				
Cash assets	2,703,809	3,918,791	2,703,809	3,918,791
Other financial assets	765,894	23,520	765,894	23,520
Trade and other receivables	331,093	265,333	331,093	265,333
Total financial assets	3,800,796	4,207,644	3,800,796	4,207,644
(ii) Financial liabilities				
Trade creditors	181,866	54,329	181,866	54,329
Grants payable	691,387	535,099	691,387	535,099
Other creditors and accruals	317,857	321,505	317,857	321,505
Lease liabilities	135	1,713	135	1,713
Total financial liabilities	1,191,245	914,646	1,191,245	912,646

(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 is exposed to price risk on its managed fund investment and utilise a recognised fund manager to manage this risk. Variety WA has no exposure to 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.

22 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.

22 CONTINGENT LIABILITIES

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

Notes to the Financial Statements (continued)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

23 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.

24 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.

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

	2023	2022
	\$	\$
Cash and cash equivalents	2,703,809	3,918,791
Trade and other receivables	381,305	313,017
Grants payable	(691,387)	(535,099)
Trade and other payables	(554,988)	(412,319)
Lease liabilities	(135)	(1,713)
	<u>1,838,604</u>	<u>3,282,677</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 2023 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:



Bradley Dean
Chief Barker / Chair



Jay Wakefield
Treasurer

Perth
Date: 20 November 2023

**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 2023 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 2023 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.

DRY KIRKNESS (AUDIT) PTY LTD



ROBERT HALL CA
Director

Perth

Date: 20 November 2023