



MARGARET RIVER BUSSELTON TOURISM
ASSOCIATION Inc.

FINANCIAL REPORT
For the Year Ended 30th June 2019

Contents

MRBTA FINANCIAL REPORT	3
MRBTA STATEMENT OF FINANCIAL POSITION	4
MRBTA STATEMENT OF FINANCIAL PERFORMANCE	5
MRBTA STATEMENT OF CHANGES IN EQUITY	6
MRBTA STATEMENT OF CASH FLOW	7
MRBTA NOTES TO AND FORMING PART OF THE ACCOUNTS	8
MRBTA STATEMENT BY THE MEMBERS OF THE BOARD	16
AUDITOR'S INDEPENDENCE DECLARATION	17
INDEPENDENT AUDITOR'S REPORT	18
MRBTA STATEMENT OF FINANCIAL PERFORMANCE VISITOR SERVICING	21
MRBTA STATEMENT OF FINANCIAL PERFORMANCE ATTRACTIONS	22
MRBTA STATEMENT OF FINANCIAL PERFORMANCE MARKETING	23
MRBTA STATEMENT OF FINANCIAL PERFORMANCE ADMINISTRATION	24
MRBTA STATEMENT OF FINANCIAL PERFORMANCE AIRPORT	25

MRBTA FINANCIAL REPORT

For the Year Ended 30th June 2019

BOARD REPORT

Your board members submit the financial report that relates to the Margaret River Busselton Tourism Association Inc. ("MRBTA") for the year ended 30 June 2019 to meet the requirements of its constitution and the Associations Incorporation Act 2015.

Board Members

The names of board members at the date of this report are:

Trent Bartlett (Chair)	Tony Pickworth
Janine Carter (Deputy Chair)	Debbie Noonan
Glenn Callegari (ARC Chair)	Peter Gordon
David Willcox	Daniel Robe
Keith Warrick	

Principal Activities

The principal activities of the association during the financial year were to promote the Margaret River Region as a tourist destination and to provide tourist services and attractions.

Significant Changes

The financial year included operating activity income and expenditure related to the prior year purchase of the Forest Adventures High Ropes Course.

Signed in accordance with a resolution of the Board of Directors.



.....
Trent Bartlett



.....
Glenn Callegari

Dated 27th day of September 2019

MRBTA STATEMENT OF FINANCIAL POSITION

For the Year Ended 30th June 2019

	NOTE	2019 \$	2018 \$
CURRENT ASSETS			
Cash Assets	2	244,162	948,138
Receivables		141,152	80,106
Inventories		553,275	541,570
Other Assets	3	13,235	16,134
TOTAL CURRENT ASSETS		951,824	1,585,948
NON-CURRENT ASSETS			
Property, Plant and Equipment	4	3,442,210	3,022,872
Leased Assets	5	452,081	217,410
Intangible Assets	6	26,541	63,647
TOTAL NON-CURRENT ASSETS		3,920,832	3,303,929
TOTAL ASSETS		4,872,656	4,889,877
CURRENT LIABILITIES			
Payables		370,189	670,957
Current Tax Liabilities		240,250	161,156
Lease Liabilities	7	103,299	200,971
Provisions	8	443,983	420,577
Loans	9	11,348	10,600
Other	10	305,827	692,301
TOTAL CURRENT LIABILITIES		1,474,896	2,156,562
NON-CURRENT LIABILITIES			
Lease Liabilities	7	406,742	71,500
Provisions	8	52,453	47,307
Loans	9	15,275	26,975
Related Party Loans	9	1,280,634	1,153,542
TOTAL NON-CURRENT LIABILITIES		1,755,103	1,299,324
TOTAL LIABILITIES		3,230,000	3,455,886
NET ASSETS		1,642,656	1,433,991
ACCUMULATED FUNDS			
Surplus for Year		208,665	(54,116)
Retained Surplus		1,433,991	1,488,107
EQUITY		1,642,656	1,433,991

The accompanying notes form part of this financial report.

MRBTA STATEMENT OF FINANCIAL PERFORMANCE

For the Year Ended 30th June 2019

	NOTE	2019 \$	2018 \$
INCOME			
Admissions		6,058,704	5,578,482
Booking Commissions		319,838	409,953
Retail Sales		1,762,296	1,759,792
Membership Subscriptions		292,527	323,185
Ground Handling Income		443,603	437,941
Rental Income		23,773	29,528
Grants Operating		166,850	156,000
Other Operating Income		64,131	74,502
TOTAL INCOME		9,131,722	8,769,382
OPERATING EXPENSES			
Cost of Sales		931,418	977,925
Interest Expense		16,406	19,043
Administration Expenses		6,789,286	6,619,770
Marketing Expenses		528,080	342,569
Occupancy Expenses	13	532,387	477,834
TOTAL OPERATING EXPENSES		8,797,577	8,437,141
OPERATING SURPLUS BEFORE INTEREST AND DEPRECIATION			
		334,145	332,241
Net Interest Earned / Paid		1,516	10,358
Depreciation		(444,377)	(449,466)
Gain/Loss on Sale of Assets		18,910	(474,336)
Capital Grant Income		298,471	527,086
OPERATING SURPLUS FROM ORDINARY ACTIVITIES		208,665	(54,116)

The accompanying notes form part of this financial report.

MRBTA STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30th June 2019

	Notes	Retained earnings	Total accumulated funds
		\$	\$
Balance at 1 July 2017		1,488,107	1,488,107
Profit for the year		(54,116)	(54,116)
Other comprehensive income		-	-
Total comprehensive income for the year		(54,116)	(54,116)
Balance at 30 June 2018		1,433,991	1,433,991
Balance at 1 July 2018		1,433,991	1,433,991
Profit for the year		208,665	208,665
Other comprehensive income		-	-
Total comprehensive income for the year		208,665	208,665
Balance at 30 June 2019		1,642,656	1,642,656

The accompanying notes form part of this financial report.

MRBTA STATEMENT OF CASH FLOW

For the Year Ended 30th June 2019

	2019 Inflows / (Outflows) \$	2018 Inflows / (Outflows) \$
CASHFLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	8,231,590	8,174,098
Payments to Suppliers	(8,954,845)	(8,327,293)
Funding Grants Received	166,850	156,000
Capital Grants Received	24,471	517,366
Interest Received/Paid	1,516	10,358
Other Sundry Receipts	531,190	542,186
Net Cash Flow from Operating Activity (Note 2b)	722	1,072,715
CASHFLOW FROM INVESTING ACTIVITIES		
Purchase of assets	(1,042,052)	(2,028,132)
Net Cash Flow used in Investing Activities	(1,042,052)	(2,028,132)
CASHFLOWS FROM FINANCING ACTIVITIES		
Related Party Loans	127,092	114,954
Loan	(10,952)	(10,533)
Lease borrowings	(16,406)	(19,043)
Net repayment of loans	237,570	(64,523)
Net Cash Flow provided by Financing Activities	337,304	20,855
NET INCREASE / (DECREASE) IN CASH HELD	(703,976)	(934,562)
Add Opening Cash Brought Forward	948,138	1,882,700
Closing Cash Carried Forward (Note 2a)	244,162	948,138

The accompanying notes form part of this financial report.

MRBTA NOTES TO AND FORMING PART OF THE ACCOUNTS

For the Year Ended 30th June 2019

This financial report relates to the Margaret River Busselton Tourism Association Inc. ("MRBTA") which was incorporated on the 13TH February 2015, registered office 100 Bussell Highway, Margaret River for the year ended 30 June 2019 to meet the requirements of its constitution and the Associations Incorporation Act 2015.

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Rules of Association and the Associations Incorporation Act 2015. The Board has determined that the association is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the Constitution and the Associations Incorporation Act 2015.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values, or except where specifically stated, current valuations of non-current assets.

The following specific accounting policies have been adopted in the preparation of this financial report.

Revenue and Other Income

Grant revenue is recognized in the year received, or when funds have been committed by the funding provider, where it becomes certain. Grant funding provided for a specific purpose are recorded as a liability until all grant funding contributions and obligations have been met. Interest revenue is recognized using the effective interest rate method. Revenue is measured at the fair value of the consideration received. All revenue is stated net of the amount of goods and services tax (GST). Revenue from the sale of goods is recognized at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods. Membership income is recognized during the period to which the memberships relate.

Income Tax

The Association considers it is exempt from income tax under section 50-40 of the Income Tax Assessment Act 1997.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand any deposits held at call with banks.

MRBTA NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 30th June 2019 Cont.

Trade Debtors

Trade debtors, which generally have 14-day terms, are recognized and carried at original invoice less an allowance for any uncollectable amounts.

An allowance for doubtful debts is made when there is objective evidence that the organization will not be able to collect the debts. Bad debts are written off when identified.

Inventories

Inventories are valued at the lower of cost or net realizable value. Cost is determined on the first-in first-out basis.

Non - Current Assets

Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Depreciation

The depreciable amount of property, plant and equipment are depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Land	Not depreciated	Professional Library	10%
Freehold buildings	5%	Signage & Sculptures	20%
Leasehold buildings	4%	Retail Fittings	20%
Plant & Equipment	10%	Computer Hardware & Software	25%
Motor Vehicles	20%	Intangibles	33%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the profit and loss statement.

Impairment of Assets

At each reporting date, the Association reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the assets' fair value less costs to sell and value-in use, is compared to the assets carrying value.

Being a not-for-profit entity, the recoverable amount of an asset is the depreciated replacement cost of the asset when the asset's future economic benefits do not primarily depend on the assets ability to generate net cash inflows and where the Association would, if deprived of the asset, replace its remaining future economic benefits.

MRBTA NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30th June 2019 Cont.

Where it is not possible to estimate the recoverable amount of an individual asset, the Association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Goods & Services Tax (GST)

Revenues, expenses and assets are recognized net of the amount of goods and services tax (GST). Receivables and payables are stated with the amount of GST included.

Employee Entitlements

Provision is made for the liability for employee entitlements arising from services rendered by employees to balance date. Employee benefits arising from wages and salaries and annual leave have been measured at their nominal amount plus on-costs. Long Service Leave is brought to account as a liability in the Statement of Financial Position after an employee has completed five years of continuous employment at nominal amounts and include an allowance for on costs. Contributions are made by the Association to an employee superannuation fund and are charged as expenses when incurred.

Trade Creditors

Liabilities are recognized for amounts to be paid in the future for goods or services, whether or not invoices have been received. Trade account payables are normally settled within 30 days.

Leases

Lease payments under operating leases where substantially all the risks and benefits remain with the lessor, are charged as expenses in the period in which they are incurred.

Where a non-current asset is acquired by means of a finance lease, chattel mortgage or loan, the asset is capitalized at the purchase cost at the inception of the financial commitment and a liability recognized for the total lease payments at the inception of the lease. These assets are amortized over the period of the lease, chattel mortgage or loan. The payments are allocated between the principal component and the interest expense.

MRBTA NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30th June 2019 Cont.

NOTE 2 – CASH FLOW

(a) Reconciliation of Cash

	2019	2018
	\$	\$
Cash on hand	15,850	15,300
Cash at bank	228,312	932,838
	244,162	948,138

MRBTA has a NAB credit card facility limit of \$50,000 of which \$27,474 of this facility was used at 30 June 2019.

MRBTA has in place a \$1million loan facility to drawn down on if required.

(b) Reconciliation of Net Cash Provided by Operating Activities to Operating Surplus

	2019	2018
	\$	\$
Operating Surplus from ordinary activities	208,665	(54,116)
Net Loss on sale of assets	(18,910)	482,872
Depreciation and amortisation	444,377	449,466
Changes in Assets and Liabilities		
(Increase) / Decrease in Debtors	(478,674)	102,686
(Increase) / Decrease in Stock	(11,705)	(129,646)
Increase / (Decrease) in Other Liabilities	47,242	96,872
Increase / (Decrease) in Creditors	(300,768)	(50,902)
Increase / (Decrease) in Provision for Annual Leave	23,406	(7,112)
Increase / (Decrease) in Provision for Long Service Leave	5,146	12,401
(Increase) / Decrease in Other Current Assets	2,899	129,787
Increase / (Decrease) in Current Tax Liabilities	79,094	40,407
Net Cash Flow from Operating Activities	772	1,072,715

NOTE 3 - OTHER ASSETS

	2019	2018
	\$	\$
Prepayments	13,235	16,134
	13,235	16,134

MRBTA NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30th June 2019 Cont.

NOTE 4 – FIXED ASSETS

	2019	2018
	\$	\$
Land and Building Improvements	2,903,250	2,325,163
Less Accumulated depreciation	241,978	110,679
	2,661,272	2,214,484
Computer Hardware and Software - at cost	450,779	397,481
Less Accumulated depreciation	274,475	173,729
	176,304	223,752
Plant and Equipment - at cost	359,479	280,385
High Ropes Course	220,670	220,670
Less Accumulated depreciation	96,257	41,246
	483,891	459,810
Signage - at cost	198,777	163,762
Less Accumulated depreciation	83,143	48,608
	115,634	115,154
Sculptures - at cost	22,812	22,812
Less Accumulated depreciation	17,702	13,140
	5,110	9,672
	3,442,210	3,022,872

NOTE 5 – LEASED ASSETS

	2019	2018
	\$	\$
Leased Motor Vehicles	544,341	400,975
Less Accumulated depreciation	92,261	183,565
	452,081	217,410

NOTE 6 – INTANGIBLE ASSETS

	2019	2018
	\$	\$
MRBTA Branding, Website and App	360,411	362,206
Less Accumulated depreciation	333,870	298,560
	26,541	63,647

MRBTA NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30th June 2019 Cont.

NOTE 7 - LEASE FINANCE COMMITMENTS

	2019	2018
	\$	\$
Future minimum lease payments payable at 30th June 2019		
Not later than 1 year	127,924	215,356
Less unexpired interest charges	(24,625)	(14,386)
	103,299	200,971
Greater than 1 year but not greater than 5 years	449,361	75,036
Less unexpired interest charges	(42,619)	(3,537)
	406,742	71,500
	510,041	272,471

NOTE 8 - PROVISIONS

	2019	2018
	\$	\$
Current:		
Provisions for Annual Leave	240,888	240,594
Provision for Long Service Leave	203,095	177,160
Provision for Parental Leave	0	2,824
	443,983	420,577
Non-Current:		
Provision for Long Service Leave	52,453	47,307
	496,436	467,884

NOTE 9 - LOANS

	2019	2018
	\$	\$
<u>Ngilgi Lighting Cave Loan with City of Busselton</u>		
Current	11,348	10,600
Non-Current	15,275	26,975
	26,623	37,575

Related Party Loans

AMRTA	1,263,245	1,133,710
GBTA	17,389	19,833
	1,280,634	1,153,542

The loans with related parties are supported by the deed of cross guarantee between AMRTA, GBTA and MRBTA dated 26 February 2015. Per the deed, no interest is payable on the loans and no fixed repayment schedule is in place. As a result, the loans are classified as a non-current liability.

MRBTA NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30th June 2019 Cont.

NOTE 10 - OTHER LIABILITIES

	2019	2018
	\$	\$
Grant Monies Held	9,091	314,000
Accrued Expenses	292,790	261,637
Deferred Income – Membership Subscriptions	3,946	116,665
	305,827	692,301

NOTE 11 – SEGMENT INFORMATION

The Association operates predominantly in one industry – tourism, and in one geographical area – Western Australia.

NOTE 12 – RELATED PARTY DISCLOSURES

Certain members of the committee of management, or their related entities, entered into transactions with the Association under normal commercial terms and conditions.

NOTE 13 – LEASE AND VESTING AGREEMENTS

Lease / Vesting	Agreement With	Term of Agreement	Commitment
Busselton Visitor Centre Property Lease	City of Busselton	21 year ending 21 st April 2038	\$205 inc. GST per annum with annual CPI review
Margaret River Visitor Centre Property Lease	Augusta Margaret River Tourism Assoc.	5 years ending 30 June 2022	\$139,590 inc. GST per annum
Dunsborough Visitor Centre Lease	Graeme Lawrence Martin	3 years ending 30 June 2020	\$20,560 inc. GST per annum
Cape Naturaliste Lighthouse Lease	Department of Biodiversity, Conservation and Attractions	21 years ending 17 th Feb 2027	5% of Gross Receipts
Cape Leeuwin Lighthouse Lease	Department of Biodiversity, Conservation and Attractions	21 years ending 6 th May 2025	5% of Gross Receipts
Forest Adventures Land Lease	Department of Biodiversity, Conservation and Attractions	21 years ending 30 th September 2037	5% of Gross Receipts
Ngilgi, Lake, Jewel and Mammoth Cave Vestings	Department of Lands	Nil	Nil

MRBTA NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30th June 2019 Cont.

NOTE 14 - ECONOMIC DEPENDENCY

The ongoing operation of MRBTA is dependent upon the continued financial support between GBTA, AMRTA and MRBTA, as documented within the Deed of Cross Guarantee dated 26 February 2015, and ongoing support from members of MRBTA by way of annual membership fees. Future operations of MRBTA and MRBTA's ability to continue as a going concern, are dependent upon the outcomes of the above.

NOTE 15 – CAPITAL COMMITMENTS

Capital commitments as at 30 June 2019 included Cape Leeuwin and Naturaliste Lighthouse Interpretation Development Contract of \$320,000.

NOTE 16 – SUBSEQUENT EVENT

As at the 30 August 2019, the Augusta Margaret River Tourism Association (AMRTA) and the Geographe Bay Tourism Association (GBTA) respective Board of Directors resolved to wind up the Associations, which would result in the forgiveness of the loan payable to AMRTA and GBTA as detailed in Note 9. The wind up is subject to the Commissioner of State Revenue determining that the transfer of Property is exempt from liability to transfer duty under Section 113A of the Duties Act 2008.

MRBTA STATEMENT BY THE MEMBERS OF THE BOARD FOR THE YEAR ENDED 30th June 2019

The Board have determined that the Association is not a reporting entity.

The Board have determined that this special purpose financial report should be prepared in accordance with the *Associations Incorporation Act (WA) 2015* and the accounting policies outlined in Note 1 to the financial statements.

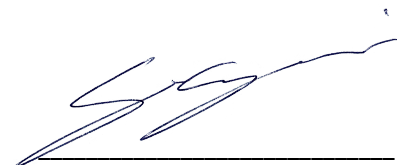
In the opinion of the Board:

1. The financial statements and notes of Margaret River Busselton Tourism Association Inc. satisfy the requirements of the *Associations Incorporation Act (WA) 2015*.
2. At the date of this statement, there are reasonable grounds to believe that Margaret River Busselton Tourism Association Inc. will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Board and is signed on behalf of the Board by:



Trent Bartlett
Chairman



Glenn Callegari
Board Member

Dated this 27th day of September 2019

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 80 OF THE ASSOCIATIONS INCORPORATION ACT (WA) 2015
TO THE BOARD OF MARGARET RIVER BUSSELTON ASSOCIATION INC.**

I declare that, to the best of my knowledge and beliefs, during the year ended 30 June 2019 there have been no contraventions of:

- i) The auditor independence requirements as set out in section 80 of the *Associations Incorporation Act (WA) 2015* in relation the audit; and
- ii) Any applicable code of professional conduct in relation to the audit.

AMD Chartered Accountants



TIM PARTRIDGE
Director

Bunbury, Western Australia

Dated this 13th day of September 2019

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
MARGARET RIVER BUSSELTON TOURISM ASSOCIATION INC.**

Opinion

We have audited the financial report of Margaret River Busselton Tourism Association Inc. which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by those charged with governance.

In our opinion, the accompanying financial report gives a true and fair view of the financial position of Margaret River Busselton Tourism Association Inc. as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with the *Associations Incorporation Act (Western Australia) 2015* and the accounting policies described in Note 1 to the financial statements.

Basis for Opinion

We 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 Margaret River Busselton Tourism Association Inc. in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter- Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Margaret River Busselton Tourism Association Inc. to meet the requirements of the *Associations Incorporation Act (Western Australia) 2015*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the Margaret River Busselton Tourism Association Inc. annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the *Associations Incorporation Act (Western Australia) 2015* and for such internal control as management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management are responsible for assessing the Margaret River Busselton Tourism Association's Inc. ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intend to liquidate the Margaret River Busselton Tourism Association Inc. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Margaret River Busselton Tourism Association's Inc. financial reporting process.

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 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 Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the 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 entity'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 entity 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 those charged with governance 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.

AMD Chartered Accountants

A handwritten signature in black ink, consisting of several fluid, overlapping strokes that form a cursive-like shape.

TIM PARTRIDGE
Director

28-30 Wellington Street, Bunbury, Western Australia

Dated this 4th day of October 2019

SUPPLEMENTARY INFORMATION

The accompanying notes are based on management accounts and do not form part of the audited report.

MRBTA STATEMENT OF FINANCIAL PERFORMANCE VISITOR SERVICING FOR THE YEAR ENDED 30th June 2019

	2019 \$	2018 \$
INCOME		
Booking Commissions	319,838	405,411
Retail Sales	600,573	539,760
Rental Income	5,326	802
Operating Grant Funding	156,430	156,000
Other Operating Income	14,656	16,887
TOTAL INCOME	1,096,823	1,118,860
OPERATING EXPENSES		
Cost of Sales	333,588	321,826
Interest Expense on Lease	3,381	2,211
Administration Expenses	1,146,545	1,255,271
Marketing Expenses	82,664	49,119
Occupancy Expenses	145,689	280,471
TOTAL OPERATING EXPENSES	1,711,867	1,908,898
OPERATING SURPLUS BEFORE INTEREST & DEPRECIATION	(615,044)	(790,038)
Depreciation	(114,050)	(80,606)
Capital Grant Income	24,471	263,003
OPERATING SURPLUS FROM ORDINARY ACTIVITIES	(704,623)	(607,641)
	2019	2018
Operating Loss	\$	\$
Busselton Visitor Centre	90,298	79,233
Dunsborough Visitor Centre	53,076	2,284
Augusta Visitor Centre	90,388	100,277
Margaret River Visitor Centre	260,391	294,791
Central Reservations	230,249	131,056
	724,402	607,641
	#	#
Visitation Numbers		
Busselton Visitor Centre	165,207	182,380
Dunsborough Visitor Centre	56,863	72,932
Augusta Visitor Centre	16,615	30,440
Margaret River Visitor Centre	125,542	156,930
Digital Assisted (phone, email webchats)	48,838	46,185
Website - margaretriver.com	841,822	768,719
	1,254,887	1,257,586
	\$	\$
Gross Accommodation and Tour Bookings		
Accommodation	1,524,930	1,913,918
Tours	996,146	1,213,363
	2,521,076	3,127,281

SUPPLEMENTARY INFORMATION

The accompanying notes are based on management accounts and do not form part of the audited report.

MRBTA STATEMENT OF FINANCIAL PERFORMANCE ATTRACTIONS FOR THE YEAR ENDED 30th June 2019

	2019 \$	2018 \$
INCOME		
Admission Income	6,058,703	5,578,662
Retail Sales	1,161,722	1,219,993
Rental Income	18,447	28,726
Other Operating Income	49,494	59,863
TOTAL INCOME	7,288,366	6,887,244
OPERATING EXPENSES		
Cost of Retail & Food/Beverage Sales	597,830	652,727
Interest Expense on Lease	6,837	9,260
Administration Expenses	3,491,993	3,238,337
Marketing Expenses	123,083	51,540
Occupancy Expenses	251,034	188,652
TOTAL OPERATING EXPENSES	4,470,777	4,140,517
OPERATING SURPLUS BEFORE INTEREST & DEPRECIATION	2,817,589	2,746,727
Depreciation	(247,842)	(166,289)
Gain/Loss on Sale of Asset	11,911	(458)
Capital Grant Funds	274,000	264,083
OPERATING SURPLUS FROM ORDINARY ACTIVITIES	2,855,658	2,844,063
	2019	2018
Operating Profit	\$	\$
Lake Cave	166,595	494,195
Jewel Cave	466,053	507,726
Ngilgi Cave	568,251	735,727
Mammoth Cave	981,766	868,094
Cape Leeuwin Lighthouse	610,603	422,309
Cape Naturaliste Lighthouse	102,738	166,507
Forest Adventures South West	200,886	-
Attraction Administration	(241,230)	(350,494)
	2,855,662	2,844,063
Visitation Numbers	#	#
Lake Cave	43,482	59,121
Jewel Cave	60,895	58,206
Ngilgi Cave	65,034	73,142
Mammoth Cave	76,574	72,901
Cape Leeuwin Lighthouse	115,044	91,927
Cape Naturaliste Lighthouse	70,599	50,340
Forest Adventures South West	28,510	-
	460,138	405,637

SUPPLEMENTARY INFORMATION

The accompanying notes are based on management accounts and do not form part of the audited report.

MRBTA STATEMENT OF FINANCIAL PERFORMANCE MARKETING FOR THE YEAR ENDED 30th June 2019

	2019	2018
	\$	\$
INCOME		
Membership Subscriptions	292,527	323,594
Other Operating Income	-	2,350
TOTAL INCOME	<u>292,527</u>	<u>325,944</u>
OPERATING EXPENSES		
Interest Expense on Lease	3,366	2,952
Administration Expenses	792,680	757,851
Marketing Expenses	311,785	236,516
TOTAL OPERATING EXPENSES	<u>1,107,831</u>	<u>997,319</u>
OPERATING SURPLUS BEFORE INTEREST & DEPRECIATION	(815,304)	(671,375)
Gain/Loss on Sale of Asset	(12,184)	(13,516)
Depreciation	(62,717)	(128,379)
OPERATING SURPLUS FROM ORDINARY ACTIVITIES	<u>(890,205)</u>	<u>(813,270)</u>

SUPPLEMENTARY INFORMATION

The accompanying notes are based on management accounts and do not form part of the audited report.

MRBTA STATEMENT OF FINANCIAL PERFORMANCE ADMINISTRATION FOR THE YEAR ENDED 30th June 2019

	2019	2018
	\$	\$
INCOME		
Operating Grant Funding	10,421	-
TOTAL INCOME	10,421	-
OPERATING EXPENSES		
Interest Expense on Lease	2,822	4,620
Administration Expenses	1,036,875	1,073,881
Marketing Expenses	10,549	5,510
Occupancy Expenses	130,797	3,851
TOTAL OPERATING EXPENSES	1,181,043	1,087,861
OPERATING SURPLUS BEFORE INTEREST & DEPRECIATION	(1,170,622)	(1,087,861)
Net Interest Earned / Paid	1,516	10,358
Gain/Loss on Disposal of Assets	39,279	(460,361)
Depreciation	(18,681)	(73,510)
OPERATING SURPLUS FROM ORDINARY ACTIVITIES	(1,148,508)	(1,611,374)

SUPPLEMENTARY INFORMATION

The accompanying notes are based on management accounts and do not form part of the audited report.

MRBTA STATEMENT OF FINANCIAL PERFORMANCE AIRPORT FOR THE YEAR ENDED 30th June 2019

	2019	2018
	\$	\$
INCOME		
Ground Handling Income	443,585	437,941
TOTAL INCOME	443,585	437,941
OPERATING EXPENSES		
Administration Expenses	321,193	298,407
Occupancy Expenses	4,865	4,744
TOTAL OPERATING EXPENSES	326,058	303,151
OPERATING SURPLUS BEFORE INTEREST & DEPRECIATION	117,527	134,790
Depreciation	(1,088)	(679)
OPERATING SURPLUS FROM ORDINARY ACTIVITIES	116,439	134,111