

Financial Report

Margaret River Busselton Tourism Association Inc.

ABN 62 934 317 700

For the year ended 30 June 2023

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MRBTA Board Report

Margaret River Busselton Tourism Association Inc. For the year ended 30 June 2023

1. 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 2023 to meet the requirements of its constitution and the Associations Incorporation Act 2015.

2. Board Members

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

Stuart Hicks (Chair)
David Willcox (Deputy Chair)
Glenn Callegari (ARC Chair)
Janine Carter
Keith Warrick
Evan Lewis
Matt Credaro
Kelly Hick

2. 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.

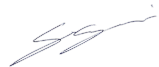
3. Significant Changes

No significant changes are applicable.

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



Stuart Hicks



Glenn Callegari

Dated this 23rd day of September 2023

Statement of Financial Position

Margaret River Busselton Tourism Association Inc.

As at 30 June 2023

	NOTES	2023	2022
Assets			
Current Assets			
Cash Assets	2	1,621,482	2,493,950
Receivables		478,358	206,233
Inventories		672,852	602,532
Other Current Assets	3	3,188	376,362
Total Current Assets		2,775,880	3,679,077
Fixed Assets			
Property, Plant & Equipment	4	8,290,930	5,341,317
Motor Vehicles	5	470,159	397,669
Intangible Assets	6	84,962	153,799
Total Fixed Assets		8,846,051	5,892,785
Total Assets		11,621,931	9,571,862
Liabilities			
Current Liabilities			
Payables		368,588	284,311
Current Tax Liabilities		300,354	334,915
Lease Liabilities	7	178,543	280,784
Leave Provisions	8	823,006	683,246
Loans	9	113,911	117,680
Other	10	357,241	553,364
Total Current Liabilities		2,141,642	2,254,300
Non-current Liabilities			
Lease Liabilities	7	436,438	249,762
Leave Provisions	8	51,825	59,144
Loans	9	998,055	1,105,093
Total Non-current Liabilities		1,486,318	1,413,999
Total Liabilities		3,627,960	3,668,299
Net Assets		7,993,970	5,903,563
Equity			
Current Year Earnings		2,090,407	(43,851)
Retained Earnings		5,903,563	5,947,414
Total Equity		7,993,970	5,903,563

The accompanying notes form part of this financial report.

Statement of Financial Performance

Margaret River Busselton Tourism Association Inc.

For the year ended 30 June 2023

	NOTES	2023	2022
OPERATING INCOME			
Admissions		7,977,602	4,985,507
Booking Commissions		121,925	75,052
Retail Sales		3,025,661	2,110,409
Membership Subscriptions		294,715	290,405
Ground Handling		1,675,054	1,150,728
Rental Income		23,911	25,957
Funding	16	1,095,878	397,439
Other Operating Income		259,533	774,041
Total OPERATING INCOME		14,474,279	9,809,538
OPERATING EXPENSES			
Cost of Goods		1,680,286	1,226,802
Interest Expense		58,443	32,104
Administration Expenses		10,079,923	7,426,724
Occupancy Expenses		512,496	340,067
Marketing Expenses		425,948	366,428
Total OPERATING EXPENSES		12,757,096	9,392,125
OPERATING SURPLUS BEFORE INTEREST AND DEPRECIATION		1,717,183	417,413
OTHER INCOME/EXPENSES			
Net Interest Earned/Paid		18,665	2,505
Depreciation & Amortisati		(630,184)	(531,181)
Gain/Loss on Sale of Assets		17,500	17,412
Capital Grant Income	16	967,243	50,000
OPERATING SURPLUS (DEFICIT) FROM ORDINARY ACTIVITIES		2,090,407	(43,851)

The accompanying notes form part of this financial report.

Statement of Changes in Equity

Margaret River Busselton Tourism Association Inc.

For the year ended 30 June 2023

	2023	2022
Equity		
Opening Balance	5,903,563	5,947,348
Current Year Earnings	2,090,407	(43,851)
Total Equity	7,993,970	5,903,563

The accompanying notes form part of this financial report.

Statement of Cash Flow

Margaret River Busselton Tourism Association Inc. For the year ended 30 June 2023

	2023	2022
Cash Flow from Operating Activities		
Receipts from customers	14,092,183	9,457,764
Payments to Suppliers and Employees	(12,392,264)	(9,562,410)
Funding Grants Received	1,095,878	397,439
Interest Received/Paid	(58,443)	(32,104)
Net Cash Flow from Operating Activities (Note 2b)	2,737,354	260,689
Cash Flow from Investing Activities		
Net purchase of non-current assets	(3,583,449)	(573,190)
Net Cash Flow used in Investing Activities	(3,583,449)	(573,190)
Cash Flow from Financing Activities		
Loan/s	(26,373)	1,242,904
Net Cash Flow provided by Financing Activities	(26,373)	1,242,904
Net Increase / (Decrease) in Cash Held	(872,468)	930,403
Add Opening Cash Brought Forward	2,493,950	1,563,547
Closing Cash Carried Forward (Note 2a)	1,621,482	2,493,950

The accompanying notes form part of this financial report.

Notes to and forming part of the Accounts

Margaret River Busselton Tourism Association Inc.

For the year ended 30 June 2023

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 period ended 30 June 2023 to meet the requirements of its constitution and the Associations Incorporation Act 2015.

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. Other Funding includes Government Traineeship subsidies.

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.

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. Improvements are capitalized on vested properties.

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.
- Freehold buildings - 5%
- Leasehold buildings - 4%
- Plant & Equipment - 10%
- Motor Vehicles - 20%
- Professional Library - 10%
- Signage & Sculptures - 20%
- Retail Fittings - 20%
- Computer Hardware & Software - 10-25%
- 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.

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 AND 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. 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.

2. Cash Flow

MRBTA has a NAB credit card facility limit of \$70,000.

	2023	2022
2a. Reconciliation of Cash		
Cash on hand	12,600	11,700
Cash at bank	1,608,882	2,482,250
Total Cash	1,621,482	2,493,950
	2023	2022

2b. Reconciliation of Net Cash Provided by Operating Activities to Operating Surplus

Operating Surplus/(Deficit) from ordinary activities	2,090,407	(43,851)
Depreciation and amortisation	630,184	531,181
Changes in Assets and Liabilities		
Increase/Decrease in Debtors	(272,125)	(6,840)
Increase/Decrease in Stock	(70,319)	(5,663)
Increase/Decrease in Creditors	(146,408)	89,988
Increase/Decrease in Leave Provision	132,441	66,782
Increase/Decrease in Other Current Assets	373,175	(370,908)
Total Changes in Assets and Liabilities	16,764	(226,641)
Net Cash Flow from Operating Activities	2,737,355	260,689
	2023	2022

3. Other Assets

Prepayments	-	4,003
Accrued Revenue	-	372,359
Loan	3,188	-
Total Other Assets	3,188	376,362
	2023	2022

4. Fixed Assets

Land and Buildings		
Land and Buildings	8,674,860	5,514,736
Less Accumulated Depreciation on Land and Buildings	(1,050,193)	(800,230)
Total Land and Buildings	7,624,667	4,714,506
Computer Hardware and Software		
Computer Hardware & Software	311,006	533,791
Less Accumulated Depreciation on Computer Hardware & Software	(187,927)	(427,595)
Total Computer Hardware and Software	123,079	106,196
Plant and Equipment		
Plant and Office Equipment	828,902	807,312
Less Accumulated Depreciation on Plant and Office Equipment	(327,446)	(303,851)
Total Plant and Equipment	501,456	503,461

	2023	2022
Signage		
Signs	240,548	202,970
Less Accumulated Depreciation on Signs	(198,820)	(185,816)
Total Signage	41,728	17,154
Sculptures		
Sculptures and Artwork	22,812	22,812
Less Accumulated Depreciation on Sculptures and Artwork	(22,812)	(22,812)
Total Sculptures	-	-
Total Fixed Assets	8,290,930	5,341,317
	2023	2022
5. Leased Assets		
Leased Motor Vehicles	838,990	726,247
Less Accumulated Depreciation	(368,831)	(328,578)
Total Leased Assets	470,159	397,669
	2023	2022
6. Intangible Assets		
Intangible Assets	293,375	271,669
Less Accumulated Depreciation	(208,413)	(117,870)
Total Intangible Assets	84,962	153,799
	2023	2022
7. Lease Finance Commitments		
Future minimum lease payments payable at 30th June		
Not later than 1 year	210,219	302,455
Less unexpired interest charges	(31,676)	(21,671)
Total Future minimum lease payments payable at 30th June	178,543	280,784
Greater than 1 year		
Not greater than 5 years	482,162	262,920
Less unexpired interest charges	(45,724)	(13,158)
Total Greater than 1 year	436,438	249,762
Total Lease Finance Commitments	614,981	530,546
	2023	2022
8. Provisions		
Current		
Provision for Annual Leave	445,483	398,165
Provision for Long Service Leave	377,523	285,081
Total Current	823,006	683,246
Non-Current		

Provision for Long Service Leave Non Current	51,825	59,144
Total Non-Current	51,825	59,144
Total Provisions	874,831	742,390
	2023	2022

9. Loans

Current		
City of Busselton Loan Current Liability	113,911	117,680
Total Current	113,911	117,680
Non-Current		
City of Busselton Loan	998,055	1,105,093
Total Non-Current	998,055	1,105,093
Total Loans	1,111,965	1,222,773

MRBTA has a \$1,000,000 Business Markets Loan facility in place which was unused during the year.

	2023	2022
10. Other Liabilities		
Monies Held	77,532	339,006
Accrued Expenses	139,844	69,936
Deferred Income - Membership Subscriptions	130,750	138,582
Invoiced Gift Vouchers	9,115	5,841
Total Other Liabilities	357,241	553,365

Monies held relate to unspent funds in relation to Cape Leeuwin Rounding the Capes Project and Eagles Heritage Aviary Improvements.

11. Segment Information

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

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.

13. Lease and Vesting Agreements

Lake, Jewel and Mammoth Caves are vested to the MRBTA by way of a Management Order by the WA State Department of Lands.

Cape Naturaliste Lighthouse, Cape Leeuwin Lighthouse and Forest Adventures are leased to the MRBTA by the Department of Biodiversity, Conservation and Attractions. MRBTA commitment is 5% of gross receipts taken at each site. Terms of agreements are 21 years with dates ending 17th Feb 2027 for Cape Naturaliste Lighthouse, 6th May 2025 for Cape Leeuwin Lighthouse and 30th September 2037 for Forest Adventures.

Eagles Heritage is leased from the Shire of Augusta Margaret River with terms of 5+5 years ending 3rd May 2029.

The Busselton Visitor Centre is leased from the City of Busselton with terms of 21 years ending 21st April 2038.

14. Economic Dependency

The ongoing operation of MRBTA is dependent upon admissions, retail sales, booking commissions, membership fees and ground handling.

15. Capital Commitments

There are no capital commitments as at 30 June 2023.

	2023	2022
16. Other Funding		
Operating Funding		
City of Busselton Visitor Servicing Funding	163,600	166,054
Seasonal Worker Grant	-	3,636
Traineeship Incentives	932,278	227,749
Total Operating Funding	1,095,878	397,439
Grant Funding		
Ngilgi Ancient Lands Project Grant	908,645	-
Eagles Heritage Animal Welfare Grant	5,462	-
Eagles Heritage Capacity and Experience Enhancements Grant	53,136	-
Total Capital Funding	967,243	-
Total Funding	2,063,121	397,439

Statement by the Members of the Board

Margaret River Busselton Tourism Association Inc.

For the year ended 30 June 2023

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 the accruals basis of accounting, outlined in Note 1 to the financial report.

In the opinion of the Board:

1. The financial statements and notes of Margaret River Busselton Tourism Association Inc. are in accordance with the Associations Incorporation Act (WA) 2015 and presents fairly the financial position of Margaret River Busselton Tourism Association Inc. as at 30 June 2023 and its performance for the period ended on that date.
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:



Stuart Hicks
Chairman



Glenn Callegari
Board Member

Dated this 23rd day of September 2023

Auditors Independence Declaration

Margaret River Busselton Tourism Association Inc.

For the year ended 30 June 2023

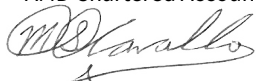
UNDER SECTION 80 OF THE ASSOCIATIONS INCORPORATION ACT (WA2015 TO THE BOARD OF MARGARET RIVER BUSSELTON ASSOCIATION INC.

I declare that, to the best of my knowledge and beliefs, during the year ended 30 June 2023 there have been no contraventions of:

The auditor independence requirements as set out in section 80 of the Associations Incorporation Act (WA) 2015 in relation the audit; and

Any applicable code of professional conduct in relation to the audit.

AMD Chartered Accountants



MARIA CAVALLO FCA
Director

Bunbury, Western Australia

Dated this 23rd day of September 2023

**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 2023, the statement of financial performance, 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 2023, 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.

Supplementary Information

Those charged with governance are responsible for the supplementary information. The supplementary information comprises the information included in the Margaret River Busselton Tourism Association Inc. annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the supplementary 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 supplementary information and, in doing so, consider whether the supplementary 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 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 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 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, appearing to read 'M Cavallo', with a stylized flourish underneath.

MARIA CAVALLO

Director

Level 1, 53 Victoria Street, Bunbury, Western Australia

Dated this 3rd day of October 2023