

# **Perth International Arts Festival Limited trading as Perth Festival**

**ABN 85 631 934 677**

**Consolidated Financial Report  
for the year ended 30 June 2023**

## Perth International Arts Festival Limited

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# Perth International Arts Festival Limited

## Directors' report

### For the year ended 30 June 2023

The directors present their report together with the consolidated financial statements of the Group comprising Perth International Arts Festival Limited (trading as Perth Festival) (the "Company") and its controlled entity (the "Group") for the financial year ended 30 June 2023 and the auditor's report thereon.

#### 1. Establishment of the Company

The Company was incorporated as a charitable company limited by guarantee on 27 February 2019 as a 100% owned subsidiary of the University of Western Australia ("UWA"), and commenced trading on 1 May 2019.

The Company is established for the public charitable purpose of advancing culture by commissioning major new works, celebrating the uniqueness of Perth and captivating audiences with world class entertainment experiences.

#### 2. Directors

The directors of the Company at any time during or since the end of the financial year are:

##### **Mr B Wyatt**

*Chairperson*

*Appointed 23 August 2021*

*Finance, Risk and Audit Committee ("FRAC")*

Ben is the former Western Australian Treasurer and has had ministerial responsibility for Finance, Energy, Aboriginal Affairs and Lands. He was the first Indigenous treasurer of any Australian parliament, and has held various shadow cabinet portfolios including responsibility for Indigenous Affairs and Education. He retired from the Western Australian Parliament in March 2021.

Ben holds a Masters degree with Distinction from the London School of Economics and a Bachelor of Laws from UWA. Prior to entering Parliament, Mr Wyatt practised as a lawyer in both private practice and with the Western Australian Office of the Director of Public Prosecutions. Ben was recently appointed to the Boards of the West Coast Eagles, Telethon Kids Institute, Woodside and Rio Tinto.

Ben's extensive parliamentary and professional experience provides him with a detailed understanding of the broad range of stakeholder issues relevant to Perth Festival's activities. His background in treasury, finance and Indigenous affairs brings a unique dynamic to the board.

##### **Ms M Tremain**

*Deputy Chair*

*Appointed 22 September 2022*

*Stakeholder Committee*

Michelle is the Managing Partner of PwC Perth, and leads the market focus of a team of more than 50 partners and 600 staff across PwC's three businesses - Assurance, Financial Advisory and Consulting.

Additionally, Michelle is also the Indirect Tax Leader for PwC's Asia Pacific network, and part of the PwC Global Indirect Tax leadership team.

Admitted as a partner in 2004, Michelle has more than 25 years' experience on indirect taxation matters, particularly in the property, infrastructure, mining and energy industry sectors. Over her career Michelle has led PwC teams advising on some of Australia's largest public and private transactions. She plays a key role in negotiating with the Australian Tax Office on behalf of her clients and the firm, and works with both state and federal governments seeking to improve Australia's indirect tax system.

Michelle is a board member of the Perth Theatre Trust, a statutory authority which manages and operates cultural venues in Western Australia, and Chairs the Risk Committee of the Trust. She is also a board member of the Foundation for the WA Museum and a member of the Curtin University Business School Advisory Council.

## **Directors' report**

**For the year ended 30 June 2023**

### **Mr T Ungar**

*Chairman*

*Appointed 27 February 2019*

*Resigned 31 March 2023*

*Stakeholder Committee*

Tim has an extensive background as a Senior Executive in the telecommunications and technology industries in the areas of infrastructure, manufacturing, marketing and operations.

He is currently the Chairman of TSA Group, a national sales, marketing and operations company headquartered in Western Australia.

Tim is a long term supporter of the cultural and arts sector in WA. Along with his family, he is a director of the charitable trust, the Ungar Family Foundation.

He is a former Chairman of the Water Corporation of WA and of the Board of Trustees of the WA Museum.

### **Mr D Flynn**

*Deputy Chair*

*Appointed 27 February 2019*

*Resigned 31 March 2023*

*FRAC*

David is a Partner with Azure Capital, a corporate advisory firm. David has over 15 years of experience in corporate advisory and international capital markets, working across a variety of industries including telecommunications, financial services, mining services and natural resources. David holds a Masters in Finance from the London Business School, and degrees in Mathematics and Commerce (with First Class Honours) from the Curtin University of Technology.

### **Ms R Albones**

*Director*

*Appointed 27 August 2019*

*Chair of FRAC*

Rowena is a senior financial leader with over 25 years' experience in the global mining sector. In her current role as Chief Financial Officer of Rio Tinto Iron Ore, Rowena is responsible for the finance function with strong focus on governance, decision making and talent development.

Rowena is a board member of Scitech and has held a number of board and joint venture committee positions for Rio Tinto, including Canadian and US listed entities.

Rowena holds a Bachelor's degree majoring in Economics and Finance and a Masters in Business Administration both from Curtin University. Rowena has also completed an Advanced Management Program at Duke University and the Vincent Fairfax Fellowship at Melbourne University.

### **Mr P Downie**

*Director*

*Appointed 1 April 2023*

*FRAC*

Paul is a globally experienced strategic communications advisor and manager, with a career spanning over 30 years.

## **Directors' report**

### **For the year ended 30 June 2023**

Paul most recently served as the Asia Pacific Chairman of FTI Consulting Strategic Communications division. FTI is a NYSE listed, global corporate advisory firm based in Washington DC.

Paul has lived in Perth, Melbourne, Canberra, Sydney, Singapore, Hong Kong, Kuala Lumpur and New York leading teams to advise clients on multi-faceted corporate and regulatory matters. While with the firm, Paul was co-leader of the broader Australian business, leader of the Singapore office and sat on global leadership committees.

Paul commenced his consulting career in 1992 after working as a journalist in Perth, Melbourne and Canberra. After working primarily in corporate and investor relations, he co-founded an independent consultancy in 2002, which was acquired in 2008 by FTI Consulting.

Paul studied Business at Edith Cowan University and Journalism at Curtin University before being offered a cadetship in 1983 at West Australian Newspapers.

He is a graduate of the Columbia University School of Business Advanced Management Program and is a graduate of the Australian Institute of Company Directors. He has advised and sat on Boards of numerous not-for-profit organisations.

#### **Ms D Everard**

*Director*

*Appointed 1 April 2023*

Delwyn is a strategic thinker, lawyer and advocate.

As a partner of global firm Spruson & Ferguson, she specialised in patent and trade mark litigation, acting for some of the world's largest pharmaceutical, manufacturing and mining companies. She then spent 10 years as the Deputy Director of the Arts Law Centre, Australia's national community legal centre, managing the delivery of its legal advice service to the creative sector. In 2017, she founded Everard Advisory, a boutique legal firm focusing on the arts.

Delwyn has served on the board of the Australian Art Events Foundation which produces Sydney's much loved contemporary art festival Art Month Sydney, and is currently on the boards of The Lester Inc which delivers an annual portrait prize and The Farm Margaret River offering annual residencies to artists whose practice is connected to place and environment.

She has worked extensively with Indigenous artists and art centres in remote Australia, assisting with governance and business advice and major public projects.

#### **Mr A Fini**

*Director*

*Appointed 27 February 2019*

*Resigned 31 March 2023*

*Stakeholder Committee*

Adrian is a co-founder of Hesperia and has been involved in property development, property investment and the construction industry in Western Australia for over 35 years, largely in his capacity as the Principal of Fini Group.

Adrian is also currently a director of FJM Property, a private investment company with a diverse portfolio of investment properties and businesses. He is the former CEO of Mirvac Fini in Western Australia, and a former executive director and board member of Mirvac Group. Adrian is a current Board member of UWA Business School.

In 2014, he was awarded an Order of Australia ("OAM") for his contribution to the arts. In 2016, Adrian received the most prestigious award in the state – Western Australian of the Year – for his contribution towards shaping a better, contemporary city of Perth. In that same year, he was also awarded Western Australian Entrepreneur of the Year.

## **Directors' report**

**For the year ended 30 June 2023**

### **Ms F Kalaf**

*Director*

*Appointed 27 February 2019*

*Chair of Stakeholder Committee*

Fiona is an experienced Chief Executive and Board Chair. She is currently General Manager Projects and Innovation at the Perth-based international human services organisation APM.

Fiona is a former Chief Executive of Youth Focus WA and Lifeline WA, a former Chair of the Art Gallery of Western Australia, former Deputy Presiding Member of Healthway, former Board member of the Metropolitan Redevelopment Authority and the Australian Institute of Management, WA.

She also has held senior executive positions at Wesfarmers, the Commonwealth Bank of Australia, Asgard Wealth Solutions and HBF. Her qualifications include degrees in fine arts and architecture at UWA, an MBA at Curtin University and a course in Strategic Perspectives in Non-Profit Management at Harvard Business School.

### **Mr B Lisle**

*Director*

*Appointed 27 August 2019*

*Stakeholder Committee*

*FRAC*

Ben co-founded property development company Hesperia, a merger of Linc Property (founded by Ben in 2002) and Fini Group.

Ben was previously a director and co-founder of investment bank Azure Capital, and a director of Poynton and Partners, where he led major capital raisings, project finance transactions, merger and acquisition transactions and the provision of strategic advisory services.

Ben graduated from mechanical engineering from UWA with first-class honours and has since completed the Program for Management Development at Harvard Business School and a Postgraduate Diploma in Applied Finance and Investment.

Ben has a variety of philanthropic interests including the arts, education, the prevention of youth suicide and supporting Indigenous communities. He is also a board member of the Christ Church Grammar School.

### **Prof T White**

*Director*

*Appointed 27 February 2019*

Terri-ann spent 25 years at UWA as a professor and as founding director of Institute of Advanced Studies (1999 – 2011) and director of UWA Publishing (2006-2020). She is currently a Senior Honorary Fellow in the Vice-Chancellery at UWA.

Terri-ann's fiction and non-fiction writing has been published widely. Over the past two decades she has been a passionate collaborator with other artists: dancers, visual artists, and musicians. Terri-ann has been involved in many arts and cultural organisations in Australia, as a practitioner and a board member. In 2021, she established a new Perth-based publishing house, Upswell Publishing.

## **Directors' report**

**For the year ended 30 June 2023**

**Mr S Yeo**

*Director*

*Appointed 1 April 2023*

Simon has worked in the financial services industry since 1993. In November 2000 he established and managed the Private Client division of Euroz Securities Limited before moving to a specialised role within the Institutional Sales division from 2013 until 2022 and is now in the Private Wealth division. Simon was formerly an Executive Director of Euroz Limited and Euroz Hartleys Securities Limited.

Simon holds a Bachelor of Commerce from UWA and was previously a chartered accountant.

He is on the board of The Australian Chamber Orchestra (ACO) where he joined in 2014. He was the Executive Producer of The Reef, being instrumental in conceptualising, financing and arranging logistics, when the ACO first launched the project in 2012 and also for The Reef redux undertaken in 2015 for the 2016 The Reef tour of the USA. He was previously a Director of Tura New Music.

### **3. Principal activities**

The principal activities of the Group during the course of the financial year were advancing culture by promotion of performing arts, music, film, visual arts and literature to enrich life in Western Australia.

### **4. Significant changes in the state of affairs**

In the opinion of the directors there were no significant changes in the state of affairs of the Group that occurred during the financial year under review.

### **5. Operating and financial review**

The Group recorded an operating surplus during the financial year ended 30 June 2023 of \$472,728 (2022: operating surplus of \$607,988). The operating surplus includes a restricted amount of \$199,605 (2022: \$428,868) which primarily consists of funds raised from donors for a specific purpose, together with any additional funds that the Group elected to apply for advancement of their mission.

On 27 September 2023 the directors of the Group formally endorsed the decision made as at the year end to apply \$199,605 (2022: \$428,868) of funds raised during the financial year ended 30 June 2023 for the purposes of commissioning the 2024 and 2025 Festival program consistent with the charitable purpose of advancing culture. Further details are described in Note 20.

These consolidated financial statements are the first general purpose financial statements prepared in accordance with Australian Accounting Standards – Simplified Disclosures.

There was no impact on the amounts recognised, measured and classified in the Consolidated Statement of Financial Position, Consolidated Statement of Comprehensive Income and Accumulated Funds and the Consolidated Statement of Cash Flows of the Group as a result of the change in basis of preparation.

## **Directors' report**

**For the year ended 30 June 2023**

### **6. Short and long-term objectives**

Perth Festival has been celebrating Western Australia for 71 years and has firmly established itself as the longest running arts festival in Australia. Every year the very best in international theatre, music, dance, film, literature and visual arts come together with Western Australian artists and local communities for an unforgettable Festival.

Through Perth Festival Special Projects, the Group actively engages with the community, industry and arts sector throughout the year to deliver advisory services as well as cultural events and opportunities.

The short and long-term objectives of the Group are to continue to:

- advance culture by commissioning major new works, celebrating the uniqueness of Perth and captivating huge audiences with world class experiences that could not happen anywhere else.
- ensure our annual program has a strong community and social focus at its heart, providing the local arts sector, young people, schools, Festival artists and underrepresented or marginalised communities with once-in-a-lifetime opportunities to connect with and learn from each other.
- be a year-round cultural organisation that consistently delivers for our community, audience and supporters.

### **7. Strategy for achieving short and long-term objectives**

To achieve the objectives outlined above, the Group has adopted the following strategies:

- Planning and organising an annual cultural festival.
- Promoting a rich and diverse cultural and artistic life in Western Australia through ongoing programs to support artists, and by promoting Western Australia as a place of world class cultural events.
- Diversifying events and experiences through the Special Projects Division.



## **Directors' report**

**For the year ended 30 June 2023**

### **8. Directors' meetings**

The number of meetings of directors held (including subcommittees) during the year and the number of meetings attended by each director is as follows:

	<b>Directors' Meetings</b>	
<b>Director</b>	<b>A</b>	<b>B</b>
Mr T Ungar*	7	7
Mr D Flynn*	7	6
Mr A Fini*	7	4
Prof T White	5	4
Ms F Kalaf	9	8
Mr B Lisle	13	5
Ms R Albones	9	7
Mr B Wyatt	8	6
Ms M Tremain*	4	3
Mr S Yeo*	1	1
Ms D Everard*	1	1
Mr P Downie*	3	1

\*Only served for part of the reporting period.

Where:

- Column A is the number of meetings held during the year
- Column B is the number of meetings the director attended

### **9. Contribution in winding up**

The Company is incorporated under the *Australian Charities and Not-for-profits Commission Act 2012* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum \$100 towards meeting any outstanding obligations of the Company. At 30 June 2023, the total amount that members of the Company are liable to contribute if the Company wound up is \$100.

Perth Festival Special Projects Ltd ("Special Projects"), a wholly owned subsidiary of the Company, is incorporated under the *Australian Charities and Not-for-profits Commission Act 2012* and is a company limited by guarantee. If Special Projects is wound up, the constitution states that each member is required to contribute a maximum of \$10 towards meeting any outstanding obligations of Special Projects. At 30 June 2023, the total amount that members of Special Projects are liable to contribute if Special Projects is wound up is \$10.

**Directors' report**

**For the year ended 30 June 2023**

**10. Auditor's independence declaration**

The auditor's independence declaration is set out on page 30 and forms part of the directors' report for the financial year ended 30 June 2023.

This report is made with a resolution of the directors:



Director: Ben Wyatt

Dated at Perth on 27 day of September 2023

## Consolidated statement of financial position

As at 30 June 2023

	Note	2023 \$	2022 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	8	<b>5,363,589</b>	5,352,320
Trade and other receivables	9	<b>786,328</b>	173,756
<b>Total current assets</b>		<b>6,149,917</b>	5,526,076
<b>Non-current assets</b>			
Property, plant and equipment	10	<b>153,551</b>	192,988
<b>Total non-current assets</b>		<b>153,551</b>	192,988
<b>Total assets</b>		<b>6,303,468</b>	5,719,064
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	11	<b>451,910</b>	919,141
Unearned revenue	12	<b>563,874</b>	54,946
Employee benefits	13	<b>466,518</b>	396,539
<b>Total current liabilities</b>		<b>1,482,302</b>	1,370,626
<b>Total liabilities</b>		<b>1,482,302</b>	1,370,626
<b>Net assets</b>		<b>4,821,166</b>	4,348,438
<b>Equity</b>			
Restricted funds	20	<b>199,605</b>	428,868
Accumulated funds		<b>4,621,561</b>	3,919,570
<b>Total equity</b>		<b>4,821,166</b>	4,348,438



**Consolidated statement of comprehensive income and accumulated funds**  
**For the year ended 30 June 2023**

	Note	2023 \$	2022 \$
<b>Revenue and income</b>			
Performance income		7,413,782	2,768,335
Operating grants	4	8,310,000	8,310,000
Fundraising and sponsorship – restricted*	5/20	199,605	428,868
Fundraising and sponsorship - unrestricted	5	7,210,712	3,796,851
Contra sponsorships income		1,104,731	924,840
Other income	7	555,316	896,411
<b>Total revenue and income</b>		<b>24,794,146</b>	17,125,305
<b>Expenditure</b>			
Performance direct costs		(15,159,150)	(8,066,260)
Publicity, marketing and other direct costs		(1,149,788)	(792,600)
Festival employment costs		(6,786,853)	(6,537,448)
Administration costs		(218,988)	(170,097)
Depreciation expenses	10	(39,437)	(29,925)
Contra sponsorships expenses		(1,104,731)	(924,840)
<b>Operating expenditure</b>		<b>(24,458,947)</b>	(16,521,170)
Finance income	6	137,529	3,853
Finance costs	6	-	-
<b>Net finance income</b>		<b>137,529</b>	3,853
<b>Operating surplus</b>		<b>472,728</b>	607,988
<b>Other comprehensive income</b>			
Other comprehensive income		-	-
<b>Total comprehensive surplus for the year</b>		<b>472,728</b>	607,988
<b>Opening accumulated funds</b>		<b>4,348,438</b>	3,740,450
Total comprehensive surplus - restricted	20	199,605	428,868
Total comprehensive surplus - unrestricted		273,123	179,120
<b>Closing accumulated funds</b>		<b>4,821,166</b>	4,348,438



## Perth International Arts Festival Limited

### Consolidated statement of cash flows

For the year ended 30 June 2023

	2023	2022
Note	\$	\$
<b>Cash flows from operating activities</b>		
Cash receipts from customers/supporters	13,686,491	8,512,402
Cash receipts from government grants and subsidies	11,804,436	8,510,623
Cash paid to suppliers and employees	<u>(25,617,187)</u>	<u>(16,803,582)</u>
<b>Cash (used in)/generated from operating activities</b>	<b>(126,260)</b>	<b>219,443</b>
Interest received	6 137,529	3,853
<b>Net cash from operating activities</b>	<b><u>11,269</u></b>	<b><u>223,296</u></b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	10 -	(190,828)
<b>Net cash used in investing activities</b>	<b><u>-</u></b>	<b><u>(190,828)</u></b>
<b>Net increase in cash and cash equivalents</b>		
Cash and cash equivalents at the beginning of the year	11,269	32,468
<b>Cash and cash equivalents at the end of the year</b>	<b>8 <u>5,352,320</u></b>	<b><u>5,319,852</u></b>
	<b><u>5,363,589</u></b>	<b><u>5,352,320</u></b>



The accompanying notes form part of these consolidated financial statements

## **Notes to the consolidated financial statements**

### **1 Reporting entity**

The financial report covers Perth International Arts Festival Limited (the "Company") and its controlled entity (the "Group").

The address of the Group's registered office is 3 Crawley Avenue, Crawley, WA, 6009.

The Company is domiciled in Australia, is registered as a charity with the *Australian Charities and Non-for-profits Commission* and is a wholly-owned subsidiary of UWA.

The Group is a not-for-profit entity and primarily involved in advancing culture by promotion of performing arts, music, film, visual arts and literature to enrich life in Western Australia.

### **2 Basis of preparation**

#### **(a) Statement of compliance**

In the opinion of the directors, the Group is not publicly accountable. These consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures made by the Australian Accounting Standards Board ("AASB") and the *Australian Charities and Non-for-profits Commission Act 2012* to satisfy the financial reporting requirements of the *Australian Charities and Non-for-profits Commission Act 2012*.

The Group is a not-for-profit entity and the consolidated financial statements have been prepared under the historical cost convention.

The consolidated financial statements were approved by the Board of Directors on 27 September 2023. Details of the Group's accounting policies are included in Note 3.

#### **(b) Functional and presentation currency**

These consolidated financial statements are presented in Australian dollars, which is the Group's functional currency.

#### **(c) Use of estimates and judgements**

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the accounting policies and the reportable amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively. Estimates and judgments applied for the financial year ended 30 June 2023 are not considered to have a material impact on the consolidated financial statements.

#### **(d) Going concern**

The Consolidated Statement of Comprehensive Income and Accumulated Funds shows that the Group generated a surplus of \$472,728 during the year ended 30 June 2023. The Consolidated Statement of Financial Position shows that the Group had cash and cash equivalents of \$5,363,589, a net current asset position of \$4,667,615 and a net asset position of \$4,821,166 as at 30 June 2023.

## **Notes to the consolidated financial statements**

### **2 Basis of preparation (continued)**

#### **(d) Going concern (continued)**

The directors have concluded that the Group is a going concern, and these consolidated financial statements have been prepared on that basis. In arriving at this position the directors have had regard to the matters noted below to ensure that all debts can be settled as and when they fall due for a period of at least 12 months from the date of this report:

- Receiving strong indications of consistent financial support from historic funders;
- Not entering into significant financial commitments until there is certainty around funding levels; and
- Keeping administrative costs to a minimum through careful cash management should income levels be reduced.

Significantly, cash reserves at 30 June 2023 are sufficient for the Group to operate for more than 12 months without undertaking trading activity.

### **3 Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

#### **(a) Basis of consolidation**

##### **(i) Subsidiaries**

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

##### **(ii) Transactions eliminated on consolidation**

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

#### **(b) Financial instruments**

##### **(i) Recognition and initial measurement**

Financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial instruments are initially measured at fair value adjusted for transaction costs, except where the instrument is classified as fair value through profit or loss ("FVTPL"), in which case transaction costs are immediately recognised as expenses in the income statement.

##### **(ii) Classification and subsequent measurement**

###### ***Financial assets***

Financial assets are subsequently measured at either amortised cost or fair value, subject to their classification and whether the Group irrevocably designates the financial asset on initial recognition at fair value through other comprehensive income in accordance with the relevant criteria in AASB 9 *Financial Instruments*.

## Notes to the consolidated financial statements

### 3 Significant accounting policies (continued)

#### (b) Financial instruments (continued)

##### (ii) Classification and subsequent measurement (continued)

###### **Financial assets (continued)**

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting year following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

###### **Financial liabilities – Classification, subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition.

##### (iii) Derecognition

###### *Financial assets*

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its Consolidated Statement of Financial Position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

###### *Financial liabilities*

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the income statement.

##### (iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Consolidated Statement of Financial Position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.



## **Notes to the consolidated financial statements**

### **3 Significant accounting policies (continued)**

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

##### **(i) Recognition and measurement**

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain and loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the income statement.

##### **(ii) Subsequent costs**

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the component will flow to the Group. Ongoing repairs and maintenance is expensed as incurred.

##### **(iii) Depreciation**

Items of property, plant and equipment are depreciated on a straight-line basis in the income statement over the estimated useful lives of each component.

Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use.

The estimated useful lives for current significant items of property, plant and equipment are as follows:

• furniture & equipment	4 years
• computer equipment	4 years
• productions equipment	4-10 festivals
• motor vehicles	5 years

Depreciation methods, useful lives and residual values are reviewed at each financial reporting date and adjusted as appropriate.

#### **(d) Leases**

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in AASB 16 *Leases* ("AASB 16").

## **Notes to the consolidated financial statements**

### **3 Significant accounting policies (continued)**

#### **(d) Leases (continued)**

##### **(i) Lease assets**

At the commencement date of a lease (other than leases of 12-months or less and leases of low value assets), the Group recognises a lease asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

Lease assets are initially recognised at cost, comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date of the lease, less any lease incentives received, any initial direct costs incurred by the Group, and an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Subsequent to initial recognition, lease assets are measured at cost (adjusted for any remeasurement of the lease liability), less accumulated depreciation and any accumulated impairment loss.

Lease assets are depreciated over the shorter of the lease term and the estimated useful life of the underlying asset, consistent with the estimated consumption of the economic benefits embodied in the underlying asset.

##### **(ii) Lease liabilities**

At the commencement date of a lease (other than leases of 12-months or less and leases of low value assets), the Group recognises a lease asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

Lease liabilities are initially recognised at the present value of the future lease payments (i.e., the lease payments that are unpaid at the commencement date of the lease). These lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or otherwise using the Group's incremental borrowing rate.

Subsequent to initial recognition, lease liabilities are measured at the present value of remaining lease payments (i.e., the lease payments that are unpaid at the reporting date). Interest expense on lease liabilities is recognised in the income statement (presented as a component of finance costs). Lease liabilities are remeasured to reflect changes to lease terms, changes to lease payments and any lease modifications not accounted for as separate leases.

Variable lease payments not included in the measurement of lease liabilities are recognised as an expense when incurred.

##### *Leases of 12-months or less and leases of low value assets*

Lease payments made in relation to leases of 12-months or less and leases of low value assets (for which a lease asset and a lease liability has not been recognised) are recognised as an expense on a straight-line basis over the lease term.

## Notes to the consolidated financial statements

### 3 Significant accounting policies (continued)

#### (d) Leases (continued)

##### (ii) Lease liabilities (continued)

###### *Leases at significantly below-market terms and conditions*

The Group leases its headquarters, Tuart House, 3 Crawley Drive, from UWA (the "Lease"). The Lease includes significantly below-market terms and conditions principally designed to enable the Group to further its objectives, with the terms and conditions resulting in what is commonly known as a "peppercorn lease". The Group has elected to adopt an accounting policy to measure the Lease at cost at initial recognition, taking advantage of the exemption for not-for-profit organisations allowable within AASB 16 with respect to peppercorn leases. The Lease term commenced on 1 May 2019 for a period of five years with an option to extend for a further five years period, with annual payments of \$1. Per the terms of the Lease, the Group can only use Tuart House, 3 Crawley Drive for office and administration purposes. The Group has elected not to recognise a right-of use asset and a lease liability for the Lease on the basis the amount would be wholly immaterial.

#### (e) Impairment

##### (i) Non-derivative financial assets

###### ***Financial instruments and contract assets***

The Group recognises loss allowances for expected credit losses ("ECLs") on:

- financial assets measured at amortised cost; and
- contract assets.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

###### *Measurement of ECLs*

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

###### *Credit-impaired financial assets*

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

###### *Presentation of allowance for ECL in the statement of financial position*

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

## Notes to the consolidated financial statements

### 3 Significant accounting policies (continued)

#### (e) Impairment (continued)

##### (i) Non-derivative financial assets (continued)

###### ***Financial instruments and contract assets (continued)***

###### *Write-off*

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery.

##### (ii) Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Impairment losses are recognised in the income statement. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amount of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### (f) Employee benefits

##### (i) Long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior years; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. Remeasurements are recognised in the income statement in the year in which they arise.

#### (g) Revenue

###### ***AASB 15 Revenue from contracts with customers ("AASB 15")***

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer. For each contract with a customer, the Group:

## Notes to the consolidated financial statements

### 3 Significant accounting policies (continued)

#### (g) Revenue (continued)

##### **AASB 15 Revenue from contracts with customers ("AASB 15") (continued)**

- identifies the contract with a customer;
- identifies the performance obligations in the contract;
- determines the transaction price which takes into account estimates of variable consideration and the time value of money;
- allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and
- recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method, however these do not have a material impact on the accounts.

##### **AASB 1058 Income for Not-for-Profit Entities ("AASB 1058")**

Income is recognised under AASB 1058 when it relates to a grant, donation or bequest, or when an asset is procured by the Group at less than fair value to enable the Group to further its objectives.

If the transaction does not enable the Group to acquire or construct a recognisable non-financial asset to be controlled by the Group, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately.

A disaggregation of the Group's revenue by type of arrangements is provided on the face of the Consolidated Statement of Comprehensive Income and Accumulated Funds.

#### **(i) Sales revenue including Performance income**

Revenue is measured based on the consideration specified in a contract with a customer and excludes any amounts collected on behalf of third parties. The Group recognises revenue when it satisfies a performance obligation at a point of time by transferring control over a good or service to a customer.

#### **(ii) Grants revenue**

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when those obligations have been met. Other grant income is recognised on an accrual basis when the Group has gained control of the asset.

#### **(iii) Donations revenue**

Unless there are sufficiently specific performance obligations, donations are recognised on an accruals basis when the Group has gained control of the asset.

#### **(iv) Sponsorship revenue**

Where sponsorship income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when those obligations have been met. Other sponsorship income is recognised on an accruals basis when the Group has gained control of the asset.

## **Notes to the consolidated financial statements**

### **3 Significant accounting policies (continued)**

#### **(g) Revenue (continued)**

##### **AASB 1058 Income for Not-for-Profit Entities ("AASB 1058") (continued)**

#### **(v) In-kind support**

Where the value of in-kind support can be reliably determined the Group recognises it as revenue at fair value. Fair value is determined using market values, contracted rates, or confirmation with third party suppliers. An equal and offsetting contra-expense is recognised within expenditure for all in-kind income.

#### **(vi) Other revenue**

Other revenue includes sundry sales and rental income. Sundry income is recognised as it accrues. Rental income is recognised in the income statement as revenue on a straight-line basis.

#### **(h) Finance income and finance costs**

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in the income statement.

#### **(i) Income tax**

The Group is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997* as it is a registered charity with the *Australian Charities and Not-for Profits Commission*.

#### **(j) Goods and services tax**

Revenue, expenses and assets are recognised net of the amount of goods and services tax ("GST"), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Where GST is charged receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the Australian Taxation Office ("ATO") is included as a current asset or liability in the Consolidated Statement of Financial Position.

Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

#### **(k) Restricted reserves**

Reserves are established to set aside funds for the Group to allocate for a specific purpose. A reserve may be restricted on the instruction of the directors, or as required by a donor as specified in a gift instrument. Upon creation of a reserve, the directors shall adopt parameters in relation to the purpose of the reserve, how transfers to the reserve and from the reserve are calculated, and how any unexpended balance shall be treated.

## Notes to the consolidated financial statements

### 4 Operating grants

	2023	2022
	\$	\$
The University of Western Australia	610,000	610,000
Lotterywest	7,700,000	7,700,000
	<b>8,310,000</b>	<b>8,310,000</b>

All operating grant income is generated wholly within the geographical area of Australia, and is recognised in accordance with policy in Note 3(g).

### 5 Fundraising and sponsorship

	2023	2022
	\$	\$
Government grants	4,104,436	810,623
Corporate sponsorship	1,581,600	1,747,393
Donations - restricted*	199,605	428,868
Donations - unrestricted	1,524,676	1,238,835
	<b>7,410,317</b>	<b>4,225,719</b>
<b>Total - restricted</b>	<b>199,605</b>	<b>428,868</b>
<b>Total - unrestricted</b>	<b>7,210,712</b>	<b>3,796,851</b>
	<b>7,410,317</b>	<b>4,225,719</b>

All fundraising and sponsorship income is generated wholly within the geographical area of Australia, and is recognised in accordance with policy in Note 3(g).

\*The Donations revenue includes restricted funds of \$199,605 (2022: \$428,868) raised for a specific purpose. Further details are described in Note 20.

### 6 Net finance income

	2023	2022
	\$	\$
Finance income under the effective interest method on financial assets not measured at FVTPL	137,529	3,853
<b>Finance income</b>	<b>137,529</b>	<b>3,853</b>
Interest expense using the effective interest rate method – other	-	-
<b>Finance costs</b>	<b>-</b>	<b>-</b>
<b>Net finance income recognised in profit or loss</b>	<b>137,529</b>	<b>3,853</b>

### 7 Other income

	2023	2022
	\$	\$
Other income	555,316	896,411
	<b>555,316</b>	<b>896,411</b>

All other income is generated wholly within the geographical area of Australia, and is recognised in accordance with policy in Note 3(g).

## Notes to the consolidated financial statements

### 8 Cash and cash equivalents

	2023	2022
	\$	\$
Bank balances	5,363,589	5,352,320
Cash and cash equivalents	<u>5,363,589</u>	<u>5,352,320</u>

### 9 Trade and other receivables

	2023	2022
	\$	\$
<b>Current</b>		
Trade receivables	998,996	247,714
Provision for expected credit loss	(212,668)	(79,808)
Prepayments	-	5,000
Other receivables	-	850
	<u>786,328</u>	<u>173,756</u>

Trade receivables are non-interest bearing with 30 day terms. An impairment loss is recognised in accordance with the accounting policy as disclosed in Note 3(e). Other than those receivables provided for, all amounts are considered fully recoverable.

### 10 Property, plant and equipment

	Production equipment	Computer equipment	Works of art	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2022:</b>				
Gross carrying amount	1,183,523	87,718	1	1,271,242
Accumulated depreciation	(992,844)	(85,410)	-	(1,078,254)
<b>Net carrying amount at 1 July 2022</b>	<u>190,679</u>	<u>2,308</u>	<u>1</u>	<u>192,988</u>
Depreciation for the year	(37,129)	(2,308)	-	(39,437)
<b>Net carrying amount at 30 June 2023</b>	<u>153,550</u>	<u>-</u>	<u>1</u>	<u>153,551</u>
<b>Balance at 30 June 2023</b>				
Gross carrying amount	1,183,523	87,718	1	1,271,242
Accumulated depreciation	(1,029,973)	(87,718)	-	(1,117,691)
<b>Net carrying amount at 30 June 2023</b>	<u>153,550</u>	<u>-</u>	<u>1</u>	<u>153,551</u>

### 11 Trade and other payables

	2023	2022
	\$	\$
<b>Current</b>		
Trade payables	69,718	106,543
Accruals and other creditors	299,352	255,752
Payroll payables	11,431	137,339
Other payables	71,409	419,507
	<u>451,910</u>	<u>919,141</u>



## Notes to the consolidated financial statements

### 12 Unearned revenue

	2023 \$	2022 \$
<b>Current</b>		
Other unearned revenue	563,874	54,946
	<b>563,874</b>	<b>54,946</b>

### 13 Employee benefits

	2023 \$	2022 \$
<b>Current</b>		
Liability for annual leave	277,248	259,816
Liability for special leave	11,929	32,159
Liability for long-service leave	177,341	104,564
	<b>466,518</b>	<b>396,539</b>

Contributions to defined contribution plans recognised as an expense in profit or loss during the year ended 30 June 2023 were \$653,175 (2022: \$594,094).

### 14 Related party

#### (a) Transactions with key management personnel

##### (i) Key management personnel compensation

The total remuneration paid to key management personnel (FTE of 8.41) of the Group for the financial year is as follows (2022: FTE of 6.0).

	2023 \$	2022 \$
Short-term employee benefits	1,468,915	1,162,298
Post-employment benefits	135,016	112,418
	<b>1,603,931</b>	<b>1,274,716</b>

##### (ii) Key management personnel and director transactions

Donations of \$67,900 (2022: \$167,975) were received from directors and director related organisations during the year upon terms which were no more favourable than those available to non-related parties.

Purchases of \$50,374 (2022: \$28,409) were made from director related companies on usual commercial terms. These were predominantly related to venue hire and catering.

Sales relating to festival events and hospitality of \$43,700 (2022: nil) were made to directors and director related companies on usual commercial terms.

## **Notes to the consolidated financial statements**

### **14 Related party (continued)**

#### **(b) Other related party transactions**

Transactions between related parties are conducted on normal commercial terms and conditions which are no more favourable than those available to non-related parties, unless otherwise stated.

Grants and donations of \$610,000 (2022: \$610,000) were received from UWA, the sole member and parent of the Company during the year, and a director related Company.

Purchases of \$150,012 (2022: \$106,648) were made on usual commercial terms, predominantly for ICT, software, postal, and printing services. Ticketing discounts of 10% were made available to staff and students of UWA for Festival tickets.

Collective sales of \$76,416 (2022: \$42,273) and purchases of \$578,661 (2022: \$603,643) were made to four of UWA's subsidiaries (The University of WA - OSHC, The University of WA – Injury Management and Well Being, UWA Accommodation and University Theatres), predominantly relating to workers compensation claims, accommodation, and equipment and venue hire, on normal commercial terms. At year-end, receivables of \$788 remain outstanding from University Theatres.

### **15 List of subsidiaries**

	<b>Country of incorporation</b>	<b>Ownership interest</b>	
		<b>2023</b>	<b>2022</b>
<b>Subsidiaries</b>			
Perth Festival Special Projects Limited	Australia	<b>100%</b>	<b>100%*</b>

\*Perth Festival Special Projects Limited is a fully owned subsidiary by the Company that was established during the 2022 financial year.

## Notes to the consolidated financial statements

### 16 Parent entity disclosures

As at, and throughout, the financial year ended 30 June 2023 the parent entity of the Group was Perth International Arts Festival Limited.

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Results of the parent</b>		
Surplus for the period	<b>338,544</b>	513,757
Other comprehensive income	-	-
<b>Total comprehensive surplus</b>	<b>338,544</b>	513,757
<b>Financial position of parent entity at year end</b>		
Current assets	<b>6,149,918</b>	5,522,814
Non-current assets	<b>153,551</b>	192,988
<b>Total assets</b>	<b>6,303,469</b>	5,715,802
Current liabilities	<b>1,712,743</b>	1,463,620
<b>Total liabilities</b>	<b>1,712,743</b>	1,463,620
<b>Net assets</b>	<b>4,590,726</b>	4,252,182
<b>Total equity of the parent entity</b>		
Restricted funds	<b>199,605</b>	428,868
Accumulated funds	<b>4,391,121</b>	3,823,314
<b>Total equity</b>	<b>4,590,726</b>	4,252,182

#### Parent entity commitments

During the year the Company received \$199,605 from funding providers that has been recognised in the Consolidated Statement of Comprehensive Income and Accumulated Funds by applying the requirements of AASB 1058 as it was determined that the funding did not relate to an enforceable agreement with sufficiently specific performance obligations to be recognised by applying the requirements of AASB 15. On 27 September 2023 the directors of the Company formally endorsed the decision made as at the year end that the \$199,605 should only be used for the purposes of commissioning the 2024 and 2025 Festival program, and as such this amount has been recognised as a restricted fund in the Consolidated Statement of Comprehensive Income and Accumulated Funds and the Consolidated Statement of Financial Position to be used for this purpose only going forward.

#### Parent entity contingent assets and contingent liabilities

The parent entity did not have any material contingent assets nor any contingent liabilities as at 30 June 2023 (2022: none).

### 17 Remuneration of auditors

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Audit services</b>		
<i>Office of The Auditor General</i>		
Audit of financial reports	<b>33,500</b>	30,300
	<b>33,500</b>	30,300

### 18 Contingent assets and contingent liabilities

In the opinion of the directors, the Group did not have any material contingent assets or contingent liabilities as at 30 June 2023 (2022: none).

## Notes to the consolidated financial statements

### 19 Financial instruments

#### Accounting classifications

The following table show the carrying amounts of financial assets and financial liabilities:

	Note	2023 \$	2022 \$
<b>Financial assets at amortised cost</b>			
Cash and cash equivalents	8	<b>5,363,589</b>	5,352,320
Trade and other receivables	9	<b>786,328</b>	168,756
		<b><u>6,149,917</u></b>	<u>5,521,076</u>
<b>Financial liabilities measured at amortised cost</b>			
Trade and other payables	11	<b>451,910</b>	919,141
Unearned revenue	12	<b>563,874</b>	54,946
		<b><u>1,015,784</u></b>	<u>974,087</u>

### 20 Commitments

During the year the Group received \$199,605 from funding providers that has been recognised in the income statement by applying the requirements of AASB 1058 as it was determined that the funding did not relate to an enforceable agreement with sufficiently specific performance obligations to be recognised by applying the requirements of AASB 15. On 27 September 2023 the directors of the Group resolved that the \$199,605 should only be used for the purposes of commissioning the 2024 and 2025 Festival program, and as such this amount has been recognised as a restricted fund in the income statement and the statement of financial position to be used for this purpose only going forward.

### 21 Subsequent events

There has not arisen in the interval between the end of the financial year and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Group to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.


## Perth International Arts Festival Limited

### Directors' declaration

In the opinion of the directors of Perth International Arts Festival Limited, (the "Group"):

- (a) the Group is not publicly accountable;
- (b) the consolidated financial statements and notes, set out on pages 11 to 28, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:
  - (i) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
  - (ii) complying with Australian Accounting Standards – Simplified Disclosure Requirements and *Australian Charities and Not-for-profits Commission Regulations 2022*; and
- (c) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors.



Director

Dated at Perth on 27 day of September 2023



## Auditor General

### AUDITOR GENERAL'S INDEPENDENCE DECLARATION

#### To the Directors of Perth International Arts Festival Limited

In relation to the independent audit of Perth International Arts Festival Limited for the year ended 30 June 2023, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*; and
- (ii) No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect to the Perth International Arts Festival Limited and the entity it controlled during the year.

A handwritten signature in blue ink, appearing to read 'P. Arulsingham'.

Patrick Arulsingham  
Senior Director Financial Audit  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
27 September 2023



# Auditor General

## INDEPENDENT AUDITOR'S REPORT 2023

To the Members of Perth International Arts Festival Limited

### Opinion

I have audited the financial report of Perth International Arts Festival Limited and its subsidiary (the Group), which comprises:

- the Consolidated Statement of Financial Position as at 30 June 2023, the Consolidated Statement of Comprehensive Income and accumulated Funds and Consolidated Statement of Cash Flows for the year then ended
- notes comprising a summary of significant accounting policies
- the directors' declaration.

In my opinion, the accompanying financial report of the Group has been prepared in accordance with *Division 60 of the Australian Charities and Not-for-profits Commission Act 2012*, including:

- giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- complying with Australian Accounting Standards -Simplified Disclosures to the extent disclosed within Notes 2 and 3 to the financial statements, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2022*.

### Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section of my report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Other information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and my auditor's report.

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

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

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

## Responsibilities of the directors for the financial report

The directors of the company are responsible for:

- preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards-Simplified Disclosures, and the *ACNC Act*
- such internal control as the directors determine 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 directors are responsible for:

- assessing the ability of the group to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial report

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial report. The objectives on my audit 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 my 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. 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.

A further description of my responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at [https://www.auasb.gov.au/auditors\\_responsibilities/ar3.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar3.pdf).

## My independence and quality management relating to the report on the financial report

I have complied with the independence requirements of the *Auditor General Act 2006*, the *ACNC Act* and the relevant ethical requirements relating to assurance engagements. In accordance with *ASQM 1 Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, the Office of the Auditor General maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



Patrick Arulsingham  
Senior Director Financial Audit  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
2 October 2022