

# Sunraysia Community Radio Association Inc.

ABN 19 305 406 312

Financial Statements for the year ended 30 June 2019

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**SUNRAYSIA COMMUNITY RADIO ASSOCIATION INC.**  
**ABN 19 305 406 312**

**COMMITTEE'S REPORT**

Your committee members submit the financial report of the Sunraysia Community Radio Association for the financial year ended 30 June 2019.

**Committee Members**

The names of committee members throughout the year and at the date of this report are:

Jack Thompson (President)	Margaret Burrell (Secretary)
Bill Sauer (Vice President)	Ivan Behsmann (Treasurer / Station Co-ordinator)
Clem Carlucci	Kerrie Manger
Alpay Bayhert	Vittorio Carlucci
Rob Manger (Tech Support) [no voting rights]	Dave Williams

**Principal Activities**

The principal activities of the association during the financial year were:

- The promotion and provision of community radio within the Sunraysia Region.

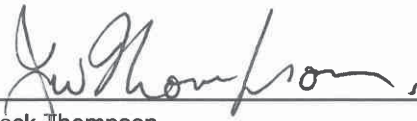
**Significant Changes**

No significant change in the nature of these activities occurred during the year.

**Operating Result**

The net operating result for the 2019 financial year was a (\$5,949) deficit (2018: \$29,608 surplus).

Signed in accordance with a resolution of the Members of the Committee.

  
\_\_\_\_\_  
Jack Thompson  
President

  
\_\_\_\_\_  
Ivan Behsmann  
Treasurer

Dated this 29<sup>th</sup> day of January, 2020.

**SUNRAYSIA COMMUNITY RADIO ASSOCIATION INC.**  
**ABN 19 305 406 312**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2019**

	2019	2018
	\$	\$
<b>INCOME</b>		
Business Sponsors	50,645	50,704
Fundraising Event	4,007	-
Grants Received	33,554	64,310
Interest Received	15	4
Membership Fees	514	495
Other Income	2,149	5,786
Rent Received	14,271	12,590
<b>Total Income</b>	<b>105,155</b>	<b>133,890</b>
<b>EXPENDITURE</b>		
<b>Programs and Presenters</b>		
APRA / PBAA / BBC & Other Fees	9,954	5,530
Conferences / Special Events	1,196	1,295
CBF Grant Refund	935	-
Miscellaneous	259	-
Presenters Expenses	4,958	14,835
	<b>17,302</b>	<b>21,661</b>
<b>Technical &amp; Operations</b>		
Equipment Replacement	725	2,782
Power	14,701	9,445
Security / Licences	-	262
Technician	3,713	-
	<b>19,139</b>	<b>12,489</b>
<b>Administration</b>		
Advertising	3,313	222
Audit / Bookkeeping	3,412	9,500
Insurance	4,087	2,784
Petty Cash / Bank Fees / Sundry	911	2,125
Postage / Printing / Stationery / Computer	1,338	1,287
Rates / Rent	34,830	30,306
Repairs / Cleaning	412	19
Subscriptions / Lease Renewals	563	332
Telephone / Internet	9,098	4,888
Volunteer Gratuities / Wages	16,699	18,677
	<b>74,086</b>	<b>70,132</b>
<b>Total Expenditure</b>	<b>111,104</b>	<b>104,282</b>
<b>Net Surplus/(Deficit) for the Year</b>	<b>(5,949)</b>	<b>29,608</b>

The accompanying notes form part of these financial statements.

**SUNRAYSIA COMMUNITY RADIO ASSOCIATION INC.**  
**ABN 19 305 406 312**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2019**

	Note	2019	2018
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	2	16,769	6,927
Trade and Other Receivables		<u>12,770</u>	<u>39,523</u>
<b>TOTAL CURRENT ASSETS</b>		<u><b>29,539</b></u>	<u><b>46,450</b></u>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	3	<u>180,471</u>	168,172
<b>TOTAL NON-CURRENT ASSETS</b>		<u><b>180,471</b></u>	<u><b>168,172</b></u>
<b>TOTAL ASSETS</b>		<u><b>210,010</b></u>	<u><b>214,622</b></u>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	4	<u>17,852</u>	16,514
<b>TOTAL CURRENT LIABILITIES</b>		<u><b>17,852</b></u>	<u><b>16,514</b></u>
<b>TOTAL LIABILITIES</b>		<u><b>17,852</b></u>	<u><b>16,514</b></u>
<b>NET ASSETS</b>		<u><b>192,158</b></u>	<u><b>198,107</b></u>
<b>EQUITY</b>			
Retained Earnings		<u>192,158</u>	198,107
<b>TOTAL EQUITY</b>		<u><b>192,158</b></u>	<u><b>198,107</b></u>

The accompanying notes form part of these financial statements.

**SUNRAYSIA COMMUNITY RADIO ASSOCIATION INC.**  
**ABN 19 305 406 312**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2019**

	<b>Retained Earnings</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2017</b>	<b>168,499</b>	<b>168,499</b>
Surplus for the Year	<u>29,608</u>	<u>29,608</u>
<b>Balance at 30 June 2018</b>	<b>198,107</b>	<b>198,107</b>
Deficit for the Year	<u>(5,949)</u>	<u>(5,949)</u>
<b>Balance at 30 June 2019</b>	<b><u>192,158</u></b>	<b><u>192,158</u></b>

The accompanying notes form part of these financial statements.

**SUNRAYSIA COMMUNITY RADIO ASSOCIATION INC.**  
**ABN 19 305 406 312**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

**Note 1: Summary of Significant Accounting Policies**

These financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the *Associations Incorporation Reform Act 2012*. The Committee has determined that the Association is not a reporting entity.

The financial statements have been prepared on a going concern basis. Under this assumption the Association will need to continue to secure government funding and sponsorships to ensure that it can meet its liabilities as and when they become due.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The following material accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of these financial statements.

**(a) Income tax**

Sunraysia Community Radio Association Inc. is a not for profit organisation and is exempt from income tax under Section 50 of the *Income Tax Assessment Act 1997* and is therefore not required to make any provision for income tax.

**(b) Property, plant and equipment**

Leasehold improvements are carried at cost.

All items of plant and equipment are carried at cost. The association has chosen not to apply depreciation against the carrying value of its assets.

**(c) Leases**

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

**(d) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

**(e) Revenue and Other Income**

Revenue from the sale of goods is recognised upon the delivery of goods to customers generally accepted in the market for similar arrangements.

Interest revenue is recognised on a proportional basis taking into account the interest rate applicable to the financial assets.

Grant and donation income is recognised when the entity obtains control over the funds, which is generally at the time of receipt.

All revenue is stated net of the amount of goods and services tax (GST).

**(f) Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

**SUNRAYSIA COMMUNITY RADIO ASSOCIATION INC.**  
**ABN 19 305 406 312**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

	2019	2018
	\$	\$
<b>NOTE 2: CASH AND CASH EQUIVALENTS</b>		
Capital investment accounts	12,421	6,917
Operating investment account	4,253	10
Petty Cash	95	-
	<b>16,769</b>	<b>6,927</b>
<b>NOTE 3: PLANT AND EQUIPMENT</b>		
<b>3HOT FM Studio Equipment</b>		
Transmitters		
- Coomealla	2,200	2,200
- Mildura	29,699	17,400
- Nangiloc	2,000	2,000
- Robinvale	8,745	8,745
- Wentworth	5,190	5,190
Studio - News	4,000	4,000
- Studio One	16,018	16,018
- Studio Two	11,518	11,518
1000-Watt Transmitter	8,072	8,072
Administration	5,140	5,140
Control Panel / Logging System	2,837	2,837
General	19,028	19,028
Studio Commander System	9,358	9,358
Studio Consoles (x2)	4,000	4,000
Server Upgrade	11,800	11,800
Shipping Container	2,636	2,636
	<b>142,241</b>	<b>129,942</b>
<b>Radio 3ML</b>		
Building	18,000	18,000
Transmitters		
- Merbein	2,200	2,200
- Mildura	5,200	5,200
- Red Cliffs	1,250	1,250
- Wentworth	2,500	2,500
- Studio	9,080	9,080
	<b>38,230</b>	<b>38,230</b>
<b>Total Plant and Equipment</b>	<b>180,471</b>	<b>168,172</b>
<b>NOTE 4: TRADE AND OTHER PAYABLES</b>		
Trade Creditors	12,382	3,635
Other Payables	-	5,000
GST Payable, Superannuation	5,470	7,880
	<b>17,852</b>	<b>16,514</b>



**SUNRAYSIA COMMUNITY RADIO ASSOCIATION INC.  
ABN 19 305 406 312**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 5: CONTINGENT LIABILITIES AND ASSETS**

As at 30 June 2019, the Committee is unaware of any liability or asset, contingent or otherwise, which has not already been elsewhere in this report.

**NOTE 6: EVENTS AFTER THE BALANCE SHEET DATE**

Since the reporting date, there have been no events which materially impact on the content and the result of the financial report.

**NOTE 7: RELATED PARTY TRANSACTIONS**

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

**NOTE 8: SEGMENT REPORTING**

The Association operates predominantly in one business and geographical segment, being the local radio media sector providing multi-cultural broadcasting services to the wider community throughout the region.

**NOTE 9: ASSOCIATION DETAILS**

The principal place of business of the Association is:

Sunraysia Community Radio Association Inc.  
6 Byrne Court  
Mildura VIC 3500

**SUNRAYSIA COMMUNITY RADIO ASSOCIATION INC.**  
**ABN 19 305 406 312**

**STATEMENT BY MEMBERS OF THE COMMITTEE**

The Committee has determined that the Association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Committee the financial report as set out on pages 1 to 6 comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity and notes to the financial statements:

1. Presents fairly the financial position of Sunraysia Community Radio Association Incorporated as at 30 June 2019 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Sunraysia Community Radio Association Incorporated will be able to pay its debts as and when they fall due.

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

  
\_\_\_\_\_  
Jack Thompson  
President

  
\_\_\_\_\_  
Ivan Behsmann  
Treasurer

Dated this 29<sup>th</sup> day of January, 2020.

## INDEPENDENT AUDITOR'S REPORT TO THE SUNRAYSIA COMMUNITY RADIO ASSOCIATION INCORPORATED

### Report on the Audit of the Financial Report

#### Qualified Opinion

We have audited the special purpose financial report (the financial report) of Sunraysia Community Radio Association Incorporated, which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income and the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the statement by members of the committee.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of the report, the accompanying financial report of Sunraysia Community Radio Association Incorporated is in accordance with the *Associations Incorporation Reform Act 2012*, including:

- (a) giving a true and fair view of the Association's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1, and the *Associations Incorporation Reform Act 2012*.

#### Basis for Qualified Opinion

##### *Fundraising receipts completeness and classification*

Fundraising receipts are a significant source of fundraising revenue for the Sunraysia Community Radio Association Incorporated. The Sunraysia Community Radio Association Incorporated has determined that it is impracticable to establish control over the collection of Fundraising receipts prior to entry into its financial records. Accordingly, as the evidence available to us regarding fundraising revenue from this source was limited, our audit procedures with respect to Fundraising receipts had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion whether Fundraising receipts of Sunraysia Community Radio Association Incorporated are complete and classified correctly in the financial report.

##### *Opening balances and comparative financial information*

We were not appointed as auditors of the Association until 6 November 2019. As the previous auditor of the Association has been deregistered with ASIC and has not furnished a reply to our contact, we accordingly have not been able to obtain sufficient appropriate evidence in relation to the opening balances as at 1 July 2018 (comparative information presented for the year ended 30 June 2018). Since opening balances factor into the determination of the financial performance for the year reported in the statement of profit or loss and other comprehensive income.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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#### *Property, Plant & Equipment existence and no depreciation expense*

We were not able to form an opinion on the Property, Plant & Equipment balances in the absence of a Fixed Assets Register and historical records to support the existence and classification of those balances as at 30 June 2019. We also note the assets were not depreciated during the current year as per the accounting policies disclosed within Note 1, which is a departure from Australian Accounting Standard AASB116: *Property, Plant & Equipment*.

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 the Association 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 for the purpose of fulfilling the committees financial reporting responsibilities under the *Associations Incorporation Reform Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

#### Responsibilities of the Committee for the Financial Report

The committee is responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Associations Incorporation Reform Act 2012* and for such internal control as the members 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, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless committee either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

#### Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the committee members 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 the audit.

#### **CROWE MURRAY DARLING**



**Josh Porker**  
*Senior Manager*

Dated this 29<sup>th</sup> day of January, 2020.