

Sunraysia Community Radio Association Inc.

ABN 19 305 406 312

Special Purpose Financial Statements

for the year ended 30 June 2020

Contents

Financial Statements

Committee's Report
Statement of Profit or Loss and Other Comprehensive Income
Statement of Financial Position
Statement of Changes in Equity
Statement of Cash Flows
Notes to the Financial Statements
Statement by Members of the Committee
Independent Auditor's Report

SUNRAYSIA COMMUNITY RADIO ASSOCIATION INC.
ABN 19 305 406 312

COMMITTEE'S REPORT

Your committee members submit the special purpose financial report of the Sunraysia Community Radio Association for the financial year ended 30 June 2020.

Committee Members

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

Bill Sauer (President)	Margaret Burrell (Secretary)
Jack Thompson (Vice President)	Ivan Behsmann (Treasurer / Station Co-ordinator)
Clem Carlucci	Barb MacDonald
Alpay Bakhurt	Vittorio Carlucci
Lynette Rattray	Phil Kettle
Rob Manger (Tech Support) [no voting rights]	

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 2020 financial year was a \$45,852 surplus (2019: \$5,949 deficit).

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



Bill Sauer
President



Ivan Behsmann
Treasurer

Dated this 12th day of November, 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 2020

	2020	2019
	\$	\$
INCOME		
Business Sponsors	41,572	50,645
Fundraising Event	27	4,007
Grants Received	100,729	33,554
ATO Cashflow Boost	9,576	-
Interest Received	53	15
Membership Fees	305	514
Other Income	1,733	2,149
Rent Received	10,345	14,271
Total Income	164,340	105,155
 EXPENDITURE		
Programs and Presenters		
APRA / PBAA / BBC & Other Fees	10,101	9,954
Conferences / Special Events	1,613	1,196
CBF Grant Refund	-	935
Miscellaneous	1,105	259
Presenters Expenses	753	4,958
	13,572	17,302
 Technical & Operations		
Equipment Replacement	925	725
Power	8,942	14,701
Technician	459	3,713
	10,326	19,139
 Administration		
Advertising	2,618	3,313
Audit / Bookkeeping	6,220	3,412
Insurance	3,971	4,087
Petty Cash / Bank Fees / Sundry	1,794	911
Postage / Printing / Stationery / Computer	1,834	1,338
Rates / Rent	32,357	34,830
Repairs / Cleaning	4,770	412
Subscriptions / Lease Renewals	1,361	563
Telephone / Internet	7,682	9,098
Volunteer Gratuities / Wages	31,983	16,699
	94,590	74,086
Total Expenditure	118,488	111,104
Net Surplus/(Deficit) for the Year	45,852	(5,949)

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 2020

	Note	2020	2019
		\$	\$
CURRENT ASSETS			
Cash and Cash Equivalents	2	32,213	16,769
Trade and Other Receivables		13,663	12,770
TOTAL CURRENT ASSETS		45,876	29,539
NON-CURRENT ASSETS			
Property, Plant and Equipment	3	205,442	180,471
TOTAL NON-CURRENT ASSETS		205,442	180,471
TOTAL ASSETS		251,318	210,010
CURRENT LIABILITIES			
Trade and Other Payables	4	13,308	17,852
TOTAL CURRENT LIABILITIES		13,308	17,852
TOTAL LIABILITIES		13,308	17,852
NET ASSETS		238,010	192,158
EQUITY			
Retained Earnings		238,010	192,158
TOTAL EQUITY		238,010	192,158

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 2020

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2018	198,107	198,107
Deficit for the Year	<u>(5,949)</u>	<u>(5,949)</u>
Balance at 30 June 2019	192,158	192,158
Surplus for the Year	<u>45,852</u>	<u>45,852</u>
Balance at 30 June 2020	<u>238,010</u>	<u>238,010</u>

The accompanying notes form part of these financial statements.

SUNRAYZIA COMMUNITY RADIO ASSOCIATION INC.
ABN 19 305 406 312

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020	2019
		\$	\$
Cash Flows from Operating Activities			
Receipts from operations		163,394	131,893
Payment to suppliers and employees		(123,032)	(109,766)
Interest received		53	15
Net Cash provided by operating activities	5	<u>40,415</u>	<u>22,142</u>
Cash Flows from Investing Activities			
Payments for fixed assets		(24,971)	(12,300)
Net Cash used in investing activities		<u>(24,971)</u>	<u>(12,300)</u>
Net Increase / (Decrease) in Cash Held		15,444	9,842
Cash and cash equivalents at beginning of financial year		16,769	6,927
Cash and cash equivalents at end of financial year	2	<u>32,213</u>	<u>16,769</u>

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 2020

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

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Association expects to receive in exchange for those goods or services.

Revenue is recognised by applying a five step model as follows:

1. Identify the contract with the customer,
2. Identify the performance obligations,
3. Determine the transaction price,
4. Allocate the transaction price to the performance obligations; and
5. Recognise revenue as and when control of the performance obligations is transferred.

Generally, the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Association have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

SUNRAYSIA COMMUNITY RADIO ASSOCIATION INC.
ABN 19 305 406 312

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Contract assets and liabilities

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or the before payment is due, the Association presents the contract as a contract asset, unless the Association's rights to that amount of consideration are unconditional, in which case the Association recognises a receivable.

When an amount of consideration is received from a customer prior to the entity transferring a good or service to the customer, the Association presents the contract as a contract liability.

Contract cost assets

The Association recognises assets relating to the costs of obtaining a contract and the costs incurred to fulfil a contract or set up / mobilisation costs that are directly related to the contract provided they will be recovered through performance of the contract.

Where the Association receives a non-reciprocal contribution of an asset from a government or other party for no or nominal consideration, the asset is recognised at fair value and a corresponding amount of revenue is recognised.

Donations income

Donations collected are recognised as revenue when the Association gains control, economic benefits are probable and the amount of the donation can be measured reliably.

Other income

Other income is recognised on an accruals basis when the Association is entitled to it.

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.

(g) New or amended Accounting Standards and Interpretations adopted

The Association has adopted all standards which became effective for the first time at 30 June 2020, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Association.

SUNRAYSIA COMMUNITY RADIO ASSOCIATION INC.
ABN 19 305 406 312

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
NOTE 2: CASH AND CASH EQUIVALENTS		
Capital investment accounts	25,722	12,421
Operating investment account	6,396	4,253
Petty Cash	95	95
	32,213	16,769

NOTE 3: PLANT AND EQUIPMENT

3HOT FM Studio Equipment

Transmitters		
- Coomealla	2,200	2,200
- Mildura	29,699	29,699
- 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
	142,241	142,241

Radio 3ML

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
- Broadcasting equipment	24,971	-
	63,201	38,230
Total Plant and Equipment	205,442	180,471

NOTE 4: TRADE AND OTHER PAYABLES

Trade Creditors	7,759	12,382
GST, PAYG and Superannuation Payable	5,549	5,470
	13,308	17,852

SUNRAYSIA COMMUNITY RADIO ASSOCIATION INC.
ABN 19 305 406 312

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
NOTE 5: CASHFLOW INFORMATION		
Reconciliation of Net Cash provided by Operating Activities to Results from Ordinary Activities		
Net Surplus/(Deficit) for the year	45,852	(5,949)
<i>Changes in assets and liabilities</i>		
(Increase)/Decrease in receivables	(893)	26,753
(Increase)/Decrease in payables	(4,544)	1,338
Net cash inflow/(outflow) from operating activities	40,415	22,142

NOTE 6: CONTINGENT LIABILITIES AND ASSETS

As at 30 June 2020, the Committee is unaware of any liability or asset, contingent or otherwise, which has not already been elsewhere in this report.

NOTE 7: EVENTS AFTER THE BALANCE SHEET DATE

The Association is aware of the World Health Organisation's declaration of a global health emergency relating to the spread of COVID 19 on 31 January 2020. The Committee members have considered that this is a "non adjusting" subsequent event and have appropriately disclosed all known information about this event in the financial statements.

The Committee has considered whether there is reasonable expectation that the Association has adequate resources to continue to operate for the foreseeable future, a period not less than one year from the approval date of the financial statements. The pandemic continues to evolve and the extent of the pandemic and measures to counter it is uncertain.

The Committee members are unable to quantify the financial impact of the pandemic on the Association. For these reasons, the Committee members continue to adopt the going concern assumption in preparing the financial statement for the year ended 30 June 2020.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations, or the state of affairs of the Association in future financial years.

NOTE 8: 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 9: 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 10: 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 7 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 2020 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:



Bill Sauer
President



Ivan Behsmann
Treasurer

Dated this 12th day of November, 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 "the Association", which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows 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 2020 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

Sponsorship receipts completeness and classification

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

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 2020. 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*.

Expenses Occurrence and Classification

We were not able to form an opinion on the classification and occurrence of expenses as we have not been able to support three of the items selected in our sample with sufficient and appropriate audit evidence, which comprised a material amount when projected over the population of expenses.

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.

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss Verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Murray Darling, an affiliate of Findex (Aust) Pty Ltd. Liability limited by a scheme approved under Professional Standards Legislation. Liability limited other than for acts or omissions of financial services licensees.

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 committee's 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 the 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 committee.
- Conclude on the appropriateness of the committees' 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 12th day of November, 2020.