

SOUTH GIPPSLAND RADIO 3MFM INC.

A0044149S

SPECIAL PURPOSE
FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

SOUTH GIPPSLAND RADIO 3MFM INC.
A0044149S

INCOME & EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2021	2020
Bingo income			
Donations		26,844	44,873
Fundraising		2,143	7,484
Grants – CBF		2,937	8,466
Grants - other		17,764	41,641
Interest		22,162	2,292
Membership		175	443
Merchandise		9,340	10,204
Rental income		605	847
Sponsorship		-	6,299
Insurance claim proceeds		74,002	90,864
TOTAL INCOME	2	155,972	227,817
Accounting fees		1,450	1,400
Advertising		968	783
Bank fees and charges		92	172
Bingo costs		12,113	25,199
Consumables		2,710	3,070
Depreciation	4	10,834	11,077
Electricity and gas		5,658	7,113
Equipment < \$500		232	1,254
Fundraising expenses		1,871	1,250
Events		-	801
Grant expenses		2,260	1,888
Insurance		7,780	5,043
Kitchen supplies		687	894
Leave provisions movement		(2,129)	(1,771)
Licences, permits and government charges		5,976	7,744
Loss on disposal of assets		305	10,262
Miscellaneous		2,114	2,846
Motor vehicle – fuel/oil		-	691
News		3,000	3,900
Postage		466	805
Rates and taxes – council		1,753	1,768
Rates and taxes – water		903	854
Rent		12,632	17,208
Repairs and maintenance & replacements		9,100	19,961
Sponsorship costs		4,860	4,680
Subscriptions and memberships		1,372	1,249
Subcontractors		2,565	3,422
Superannuation		6,555	6,875
Telephone		4,002	3,503
Training		515	77
Travel		1,344	1,740
Wages		109,082	105,335
TOTAL EXPENDITURE		211,070	251,093
NET OPERATING DEFICIT		(55,098)	(23,276)
Cash Flow Boost received	11	10,000	10,000
JobKeeper subsidy received	11	90,750	36,000
Total COVID-19 income		100,750	46,000
NET SURPLUS		45,652	22,724

The accompanying notes form part of these financial statements.

SOUTH GIPPSLAND RADIO 3MFM INC.
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BALANCE SHEET
AS AT 30 JUNE 2021

	NOTE	2021	2020
CURRENT ASSETS			
Cash and cash equivalents	7	113,785	79,892
Trade and other receivables	3	9,193	15,550
TOTAL CURRENT ASSETS		122,978	95,442
NON-CURRENT ASSETS			
Property, plant & equipment	4	106,786	98,749
TOTAL NON-CURRENT ASSETS		106,786	98,749
TOTAL ASSETS		229,764	194,191
CURRENT LIABILITIES			
Trade and other payables	5	5,692	10,445
Short term provisions	6	6,646	8,775
Unexpended grants	8	-	3,197
TOTAL CURRENT LIABILITIES		12,338	22,417
TOTAL LIABILITIES		12,338	22,417
NET ASSETS		217,426	171,774
MEMBERS' FUNDS			
Accumulated surplus		171,774	149,050
Current year surplus / (deficit)		45,652	22,724
TOTAL MEMBERS' FUNDS		217,426	171,774

The accompanying notes form part of these financial statements.

SOUTH GIPPSLAND RADIO 3MFM INC.
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Accumulated Surplus
Balance at 1 July 2019	149,050
Surplus attributable to members	22,724
Balance at 30 June 2020	171,774
Surplus attributable to members	45,652
Balance at 30 June 2021	217,426

The accompanying notes form part of these financial statements.

SOUTH GIPPSLAND RADIO 3MFM INC.
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CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

CASH FLOWS FROM OPERATING ACTIVITIES	NOTE	2021	2020
Grants received		40,720	42,377
Operating receipts		141,627	208,803
Cash Flow Boost and JobKeeper received		88,750	34,000
Interest received		175	443
Payments to suppliers		(100,437)	(128,007)
Payments to employees		(117,766)	(113,982)
NET CASH PROVIDED BY OPERATING ACTIVITIES	7b	53,069	43,634
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant & equipment		(19,455)	(24,926)
Sale of plant & equipment		279	-
NET CASH USED IN INVESTING ACTIVITIES		(19,176)	(24,926)
NET INCREASE IN CASH HELD		33,893	18,708
CASH AT THE BEGINNING OF THE FINANCIAL YEAR		79,892	61,184
CASH AT THE END OF THE FINANCIAL YEAR	7a	113,785	79,892

The accompanying notes form part of these financial statements.

SOUTH GIPPSLAND RADIO 3MFM INC.
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the *Associations Incorporation Reform Act (Vic) 2012*. The committee has determined that the association is not a reporting entity.

Basis of preparation

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

The following significant accounting policies, which are consistent with the prior period unless otherwise stated, have been adopted in the preparation of this report.

a. Income Tax

The association is exempt from income tax due to the nature of its activities.

b. Plant & Equipment

Transmission and office equipment are carried at cost less, where applicable, any accumulated depreciation.

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

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

c. Impairment of Assets

At each reporting date, the association reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value-in-use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement. Where it is not possible to estimate the recoverable amount of an individual asset, the association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

d. Employee Benefits

Provision is made for the association's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits have been measured at the amounts expected to be paid when the liability is settled.

Contributions are made by the association to an employee superannuation fund and are charged as expenses when incurred.

e. Provisions

Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured. Provisions are measured at the best estimate of the amounts required to settle the obligation at reporting date.

SOUTH GIPPSLAND RADIO 3MFM INC.
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f. **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.

g. **Revenue**

Sponsorship revenue is recognised upon the delivery of the service to the customer.

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

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

h. **Leases**

Leases of property, plant and equipment where substantially all the risks and benefits incidental to ownership of the asset, but not the legal ownership, are transferred to the association, are classified as finance leases.

The association does not have any finance leases.

The association has not applied Australian Accounting Standard requirements for leases under AASB16 *Leases*. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the period in which they are incurred.

i. **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

j. **Comparative Figures**

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

k. **Key Judgments**

The committee has estimated the value of debt which may not be recoverable, and no doubtful debt provision has been required at 30 June 2021.

SOUTH GIPPSLAND RADIO 3MFM INC.
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 2: REVENUE	2021	2020
Operating activities		
Bingo income	26,844	44,873
Donations	2,143	7,484
Fundraising	2,937	8,466
Grants – CBF	17,764	41,641
Grants - other	22,162	2,292
Membership	9,340	10,204
Merchandise	605	847
Sponsorship	74,002	90,864
	155,797	206,671
Non-operating activities		
Interest	175	443
Rental income	-	6,299
Insurance claim proceeds	-	14,404
Total Revenue	155,972	227,817

NOTE 3: TRADE AND OTHER RECEIVABLES

Trade receivables	9,193	3,550
JobKeeper for June 2020 receivable	-	12,000
Total	9,193	15,550

NOTE 4: PLANT & EQUIPMENT

Total plant and equipment at written down value	106,786	98,749
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Movements in carrying amounts:

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

Balance at start	98,749	95,162
Additions	19,455	24,926
Depreciation	(10,834)	(11,077)
Disposal of assets	(584)	(10,262)
Balance at end	106,786	98,749

SOUTH GIPPSLAND RADIO 3MFM INC.
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

NOTE 5: TRADE AND OTHER PAYABLES	2021	2020
Accounts payable	-	541
ATO PAYG payable	1,345	7,050
Superannuation payable	1,902	1,678
GST payable	2,445	1,176
Total	5,692	10,445

NOTE 6: SHORT TERM PROVISIONS

Annual leave	4,473	6,917
Long Service Leave	2,173	1,858
Total	6,646	8,775

NOTE 7: CASH FLOW INFORMATION

a) Reconciliation of cash for purposes of cash flows:

Cash on hand	179	206
Trading account	48,370	26,763
NAB term deposit – 53	15,296	15,229
NAB Term Deposit - 86	20,222	20,129
Bingo account	27,413	13,799
Bingo Jackpot account	2,060	570
Grants account	245	3,196
Total	113,785	79,892

b) Reconciliation of net cash provided by operating activities to operating surplus:

Net operating surplus	45,652	22,724
<i>Non-cash flows in operating surplus</i>		
Depreciation	10,834	11,077
Loss on disposal of assets	305	10,262
<i>Changes in assets & liabilities:</i>		
(Increase) / decrease in receivables	6,357	1,420
Increase / (decrease) in payables	(4,753)	5,330
Increase / decrease in unexpended grants	(3,197)	(5,408)
Increase / (decrease) in provisions	(2,129)	(1,771)
Net cash provided by operating activities	53,069	43,634

c) The association has no credit standby or financing facilities in place.

d) There were no non-cash financing or investing activities during the year.

SOUTH GIPPSLAND RADIO 3MFM INC.
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE 8: UNEXPENDED GRANTS	2021	2020
Community Broadcasting Foundation – Emergency Grant	-	447
Community Broadcasting Foundation - Food for Thought Grant	-	2,750
Total	-	3,197

NOTE 9: LEASING COMMITMENTS

Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

Payable — minimum lease payments

- not later than 12 months	19,981	19,400
- between 12 months and 5 years	25,764	45,745
- greater than 5 years	-	-

The association has a non-cancellable lease for the premises at 10B Williams Street, Inverloch which was extended for five years from 1 October 2018.

NOTE 10: RELATED PARTY TRANSACTIONS

Members of the committee act in an honorary capacity and do not receive any payments for performing this role.

Other members of the committee do not receive any benefit other than those available to any member of the association.

NOTE 11: COVID-19 PANDEMIC

In March 2020, a global pandemic for COVID-19 coronavirus was declared by the World Health Organisation. As a result, COVID-19 restrictions were introduced and the Australian Federal Government announced financial stimulus packages, including the ATO *Cash Flow Boost* and *Job Keeper*.

The association was entitled to an initial Cash Flow Boost of \$10,000 for the period from March to June 2020 which was recorded as income in the prior year. A further instalment of \$10,000 was received this financial year for the period from July 2020 to September 2020.

The association was also entitled to participate in the JobKeeper scheme receiving \$90,750 in the current year and \$36,000 in the prior year.

As expected, the financial impact of COVID-19 to the 2020-21 financial year has been significant, with a substantial decrease in the main operating revenues or bingo and sponsorship. However, careful management of expenditure, combined with COVID-19 targeted government assistance, has kept the organisation viable, with a satisfactory cash position at the end of the year.

STATEMENT OF MEMBERS OF THE COMMITTEE

The committee has determined that the association is not a reporting entity and 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 2 to 10:

- i) Presents a true and fair view of the financial position of South Gippsland Radio 3MFM Inc. as at 30 June 2021 and its performance for the year ended on that date.
- ii) At the date of this statement, there are reasonable grounds to believe that South Gippsland Radio 3MFM Inc. will be able to pay its debts as and when they fall due.

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



Peter Francis
Vice President

Date:

11/10/21



Cliff Hammond
Treasurer

11/10/2021

**COMPILATION REPORT
TO THE MEMBERS OF SOUTH GIPPSLAND RADIO 3MFM INC.**

We have compiled the accompanying special purpose financial statements of South Gippsland Radio 3MFM Inc. which comprise the balance sheet at 30 June 2021, the income and expenditure statement, statement of changes in equity and the cash flow statement for the year then ended and the notes to the financial statements.

The specific purpose for which the special purpose financial statements have been prepared is to provide financial information to the committee and for complying with the financial reporting requirements of the *Associations Incorporation Reform Act (Vic) 2012* and the association's constitution.

The Responsibility of the Committee

The committee of South Gippsland Radio 3MFM Inc. is solely responsible for the information contained in the special purpose financial statements, the reliability, accuracy and completeness of the information and for the determination that the basis of accounting used is appropriate to meet their needs and for the purpose that the financial statements were prepared.

Our Responsibility

On the basis of information provided by the committee we have compiled the accompanying special purpose financial statements in accordance with the basis of accounting as described in Note 1 to the financial statements and APES315: *Compilation of Financial Information* (issued by the Accounting Professional & Ethical Standards Board).


We have applied our expertise in accounting and financial reporting to compile these financial statements in accordance with the basis of accounting described in Note 1 to the financial statements. We have completed with the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants*.

Assurance Disclaimer

Since a compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy or completeness of the information provided to us by management to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on these financial statements.

The special purpose financial statements were compiled exclusively for the benefit of the committee who are responsible for the reliability, accuracy and completeness of the information used to compile them. We do not accept responsibility for the contents of the special purpose financial statements.

CARDELL ASSURANCE & AUDIT



Lyndal J. McKenzie
3A Billson Street
WONTHAGGI VIC 3995

11 October 2021