

North Coast Radio Incorporated

ABN 75 224 975 728

Financial Statements

For the Year Ended 30 June 2023

North Coast Radio Incorporated

ABN 75 224 975 728

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For the Year Ended 30 June 2023

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30 November 2023

The Station Manager
North Coast Radio Incorporated
PO Box 550
Lismore NSW 2480

**REGISTERED
COMPANY
AUDITORS**

SI Trustum
BBus, CA, DipFP

TL Kirkland
BBus, CA

MP McNamara
BBus, CA

**SMSF
AUDITORS**

SI Trustum
BBus, CA, DipFP

MJ Gahan
BBus, CA, DipFP

AUDITOR'S INDEPENDENCE DECLARATION

This declaration is made in connection with our audit of the financial report of North Coast Radio Incorporated for the year ended 30 June 2023 and in accordance with the provisions of the Australian Charities and Not-for-profits Commission Act 2012.

We declare that, to the best of our knowledge and belief, there have been no contraventions of any applicable Code of Professional Conduct in relation to this audit.

Yours faithfully,

wca audit & assurance pty ltd
Authorised Audit Company



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Director

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North Coast Radio Incorporated

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2023

		2023	2022
	Note	\$	\$
Revenue and other income	4	114,721	82,783
Depreciation		(1,734)	(2,729)
Employee expense		(50,317)	(28,490)
Other operating expenses		(74,327)	(81,083)
Profit for the year		(11,657)	(29,519)

The accompanying notes form part of these financial statements.

North Coast Radio Incorporated

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Statement of Financial Position As At 30 June 2023

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	4,783	18,579
Trade and other receivables	7	8,222	11,099
Other assets	9	4,500	1,108
TOTAL CURRENT ASSETS		<u>17,505</u>	<u>30,786</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	3,793	2,866
TOTAL NON-CURRENT ASSETS		<u>3,793</u>	<u>2,866</u>
TOTAL ASSETS		<u>21,298</u>	<u>33,652</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	6,184	4,553
Other liabilities	11	10,041	12,369
TOTAL CURRENT LIABILITIES		<u>16,225</u>	<u>16,922</u>
TOTAL LIABILITIES		<u>16,225</u>	<u>16,922</u>
NET ASSETS		<u>5,073</u>	<u>16,730</u>
EQUITY			
Retained earnings		<u>5,073</u>	<u>16,730</u>
TOTAL EQUITY		<u>5,073</u>	<u>16,730</u>

The accompanying notes form part of these financial statements.

North Coast Radio Incorporated

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Statement of Changes in Equity For the Year Ended 30 June 2023

2023

	Retained Earnings
	\$
Balance at 1 July 2022	<u>16,730</u>
Profit/(loss) for the year	<u>(11,657)</u>
Balance at 30 June 2023	<u><u>5,073</u></u>

2022

	Retained Earnings
	\$
Balance at 1 July 2021	<u>46,249</u>
Profit/(loss) for the year	<u>(29,519)</u>
Balance at 30 June 2022	<u><u>16,730</u></u>

The accompanying notes form part of these financial statements.

North Coast Radio Incorporated

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Notes to the Financial Statements For the Year Ended 30 June 2023

The financial report covers North Coast Radio Incorporated as an individual entity. North Coast Radio Incorporated is a not-for-profit Association, registered and domiciled in Australia.

The functional and presentation currency of North Coast Radio Incorporated is Australian dollars.

1 Basis of Preparation

In the opinion of the Management committee the Association is not a reporting entity since there are unlikely to exist users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

2 Summary of Significant Accounting Policies

(a) Income Tax

The Association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(b) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Association and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Grant revenue

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the Association obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

When grant revenue is received whereby the Association incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

Other income

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

Notes to the Financial Statements For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(c) Goods and services tax (GST)

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 Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

(d) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Association, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Plant and Equipment	20% - 33%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Association classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL

Financial assets are not reclassified subsequent to their initial recognition unless the Association changes its business model for managing financial assets.

Notes to the Financial Statements For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

Financial assets

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Association's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss (refer to hedging accounting policy for derivatives designated as hedging instruments.)

The Association holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Association 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 Association's historical experience and informed credit assessment and including forward looking information.

The Association uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Association uses the presumption that a financial asset is in default when:

Notes to the Financial Statements

For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

Financial assets

- the other party is unlikely to pay its credit obligations to the Association in full, without recourse to the Association to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Association in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Association has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Association renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Association measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Association comprise trade payables, bank and other loans and finance lease liabilities.

(e) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(f) Adoption of new and revised accounting standards

The Association has adopted all standards which became effective for the first time at 30 June 2023, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Association.

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Notes to the Financial Statements For the Year Ended 30 June 2023

2 Summary of Significant Accounting Policies

(g) Going concern

The financial statements have been prepared on a going concern basis which includes the realisation of assets and settlement of liabilities in the ordinary course of business.

The Association has generated a trading loss of \$11,657 for the year ended 30 June 2023. The Association has cash on hand of \$4,783 and consumed \$13,796 in cash from operations for the year ended 30 June 2023. These conditions give rise to a material uncertainty that may cast significant doubt upon the Association's ability to continue as a going concern. The ongoing long term operation of the Association is dependent on the Association reducing expenditure in line with available funds generated and obtaining sufficiently regular cash inflows.

The ability of the association to continue as a going concern is dependant upon the ongoing financial support of it's bankers, creditors and members.

In the event that the Association does not reduce expenditure in line with available funding and/or obtain sufficiently regular cash inflows, it may not be able to continue its operations as a going concern and therefore may not be able to realise its assets and extinguish its liabilities in the ordinary course of operations and at the amounts stated in the financial statements.

3 Critical Accounting Estimates and Judgments

The Management committee make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

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Notes to the Financial Statements For the Year Ended 30 June 2023

4 Revenue and Other Income

	2023	2022
	\$	\$
CBF Grants	75,078	41,664
Donations received	1,545	111
Local Cash Sponsorships	2,223	1,727
Membership fees	1,297	1,007
Rent	10,400	12,872
Server Rack	6,520	5,463
Shed Rent - Parrots Nest	1,418	1,418
Sponsorship	16,109	17,722
Subscription Income	131	264
Other Income	-	467
Production fees	-	68
Total Revenue	114,721	82,783

5 Result for the Year

The result for the year includes the following specific expenses:

	2023	2022
	\$	\$
Rent	14,182	14,182
Accounting and bookkeeping	6,900	7,200
Licence Fees	6,277	5,739
Repairs and Maintenance	5,022	8,773
Office Expenses	4,000	2,792
Music	3,600	3,535
Equipment < \$1000	2,683	3,355

6 Cash and Cash Equivalents

	2023	2022
	\$	\$
Petty Cash	117	117
Community First	4,260	16,799
Everyday	328	278
Paypal Account	68	774
Deposits at call	-	601
Summerland Credit Union Shares	10	10
	4,783	18,579

North Coast Radio Incorporated

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Notes to the Financial Statements For the Year Ended 30 June 2023

7 Trade and Other Receivables

	2023	2022
	\$	\$
CURRENT		
Trade receivables	8,222	4,229
	<u>8,222</u>	<u>4,229</u>
Accrued revenue	-	6,307
Uncategorised Asset	-	563
Total current trade and other receivables	<u><u>8,222</u></u>	<u><u>11,099</u></u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

8 Property, plant and equipment

PLANT AND EQUIPMENT		
At cost	17,893	15,232
Accumulated depreciation	<u>(14,100)</u>	<u>(12,366)</u>
Total property, plant and equipment	<u><u>3,793</u></u>	<u><u>2,866</u></u>

9 Other Assets

	2023	2022
	\$	\$
CURRENT		
Credit from supplier	-	1,108
Deposit Paid on Asset	4,500	-
	<u>4,500</u>	<u>1,108</u>

10 Trade and Other Payables

	2023	2022
	\$	\$
Current		
Trade payables	2,942	329
GST payable	346	1,822
Accrued Expenses	1,409	600
Superannuation Payable	276	350
Child Support Unpaid	-	251
Members Swipe Cards	809	799
Bond Held	<u>402</u>	<u>402</u>

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Notes to the Financial Statements For the Year Ended 30 June 2023

10 Trade and Other Payables

2023	2022
\$	\$
<u>6,184</u>	<u>4,553</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

11 Other liabilities

	2023	2022
	\$	\$
CURRENT		
Grants Carried Forward	<u>10,041</u>	<u>12,369</u>
	<u>10,041</u>	<u>12,369</u>

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Responsible Persons' Declaration

The responsible persons declare that in the responsible persons' opinion:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Responsible person Responsible person

Dated

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
NORTH COAST RADIO INCORPORATED

Opinion

We have audited the financial report of North Coast Radio Incorporated (the Entity), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Committee Statement.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Entity as at 30 June 2023, and its financial performance and its cash flows for the year then ended in accordance with the financial reporting requirements of the *Associations Incorporation Act 2009* (NSW) and the *Australian Charities and Not-for-profits Commission Act 2012*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Entity 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 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.

Inherent Uncertainty Regarding Continuation as a Going Concern

Without qualification to the opinion expressed above, attention is drawn to the following matter. As a result of matters described in note 2(g) there is significant uncertainty, in the absence of obtaining sufficient cash inflows and reducing expenditure, whether the entity will be able to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Entity to meet the requirements of the *Associations Incorporation Act 2009* (NSW) and the *Australian Charities and Not-for-profits Commission 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.

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INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
NORTH COAST RADIO INCORPORATED

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the *Associations Incorporation Act 2009* (NSW) and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Entity'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 management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

WCA audit & assurance services pty ltd
Authorised Audit Company

Tania L Kirkland
Director

Date:

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