

ArtSound FM Inc

ABN: 29 083 850 739

Financial Statements

For the Six Months Ended 31 December 2015

ArtSound FM Inc

ABN: 29 083 850 739

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For the Six Months Ended 31 December 2015

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ArtSound FM Inc

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Committee's Report

31 December 2015

The committee members submit the financial report of the Association for the period ended 31 December 2015.

1. General information

Committee members

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

Richard Scherer

Gabriela Cabral

Paul Conn

David Chalker

Jeannie McLellan

Maria Greene

Evana Ho

Emeritus Prof. Deane Terrell AO

Rebecca Scouller

Mike Kennedy

Barbara Campbell

Principal activities

The principal activity of the Association during the period was the operation of a community arts radio station.

Significant changes

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

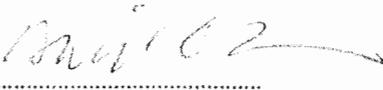
2. Operating results and review of operations for the period

Operating result

The deficit of the Association for the period amounted to \$ (9,135) (30 June 2015 surplus: \$ 43,844).

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

Committee member: 

Committee member: 

Dated 22 June 2016

ArtSound FM Inc

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**Statement of Profit or Loss
For the Six Months Ended 31 December 2015**

	December 2015	Year Ended June 2015
	\$	\$
Income		
Operating income	105,187	197,225
Grant income - ACT Arts Fund Program	39,337	67,838
Grant Income - Community Broadcasting Foundation	12,334	56,348
Grant income - ACT Government Participation	1,818	9,300
Interest received	4	4
	<u>158,680</u>	<u>330,715</u>
Expenditure		
Administrative expenses	22,271	42,937
Audio services	16,697	33,285
Broadcast costs	58,680	90,158
Contract management services	31,571	40,763
Depreciation -other assets	2,716	4,734
Supplies and services	35,880	74,994
	<u>167,815</u>	<u>286,871</u>
Income tax expense	-	-
(Deficit)/surplus for the period	<u>(9,135)</u>	<u>43,844</u>
Retained earnings at the beginning of the financial period	<u>227,687</u>	<u>183,843</u>
Retained earnings at the end of the financial period	<u><u>218,552</u></u>	<u><u>227,687</u></u>

The accompanying notes form part of these financial statements.

ArtSound FM Inc

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Assets and liabilities statement

As At 31 December 2015

		December 2015	Year Ended June 2015
	Note	\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	71,508	100,423
Trade and other receivables	5	10,654	16,999
Prepayments		5,323	8,842
TOTAL CURRENT ASSETS		87,485	126,264
NON-CURRENT ASSETS			
Plant and equipment	6	161,399	181,509
TOTAL NON-CURRENT ASSETS		161,399	181,509
TOTAL ASSETS		248,884	307,773
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	14,556	24,533
Income in advance	8	14,555	55,637
Goods & services tax payable/(refundable)		1,221	(84)
TOTAL CURRENT LIABILITIES		30,332	80,086
TOTAL LIABILITIES		30,332	80,086
NET ASSETS		218,552	227,687
MEMBERS' FUNDS			
Retained earnings		218,552	227,687
TOTAL MEMBERS' FUND		218,552	227,687

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity
For the Six Months Ended 31 December 2015

Six Months Ended 31 December 2015

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2015	227,687	227,687
Deficit for the period	<u>(9,135)</u>	<u>(9,135)</u>
Balance at 31 December 2015	<u>218,552</u>	<u>218,552</u>

Year Ended 30 June 2015

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2014	183,843	183,843
Surplus for the year	<u>43,844</u>	<u>43,844</u>
Balance at 30 June 2015	<u>227,687</u>	<u>227,687</u>

The accompanying notes form part of these financial statements.

ArtSound FM Inc

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Statement of Cash Flows**For the Six Months Ended 31 December 2015**

	December 2015	Year Ended June 2015
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	148,532	316,650
Payments to suppliers and employees	(176,434)	(296,969)
Interest received	4	4
Net cash provided by/(used in) operating activities	9 <u>(27,898)</u>	<u>19,685</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	<u>(1,018)</u>	<u>(7,032)</u>
Net cash used by investing activities	<u>(1,018)</u>	<u>(7,032)</u>
Net increase/(decrease) in cash and cash equivalents held	(28,916)	12,653
Cash and cash equivalents at beginning of year	<u>100,424</u>	<u>87,771</u>
Cash and cash equivalents at end of financial year	4 <u><u>71,508</u></u>	<u><u>100,424</u></u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Six Months Ended 31 December 2015

The financial statements cover ArtSound FM Inc as an individual entity. ArtSound FM Inc is a not-for-profit Association incorporated in the Australian Capital Territory under the *Associations Incorporation Act (ACT) 1991* ('the Act').

1 Basis of Preparation

In the opinion of the Committee of Management, the Association is not a reporting entity since there are unlikely to exist users of the financial report 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 Act.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 1054 *Australian Additional Disclosures*.

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.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

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.

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

Grant revenue

Grant revenue is recognised in the statement of profit or loss when the entity 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 entity 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 assets and liabilities as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Notes to the Financial Statements

For the Six Months Ended 31 December 2015

2 Summary of Significant Accounting Policies continued

(b) Revenue and other income continued

Interest revenue

Interest is recognised using the effective interest method.

Other income

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

(c) 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 statement of assets and liabilities are shown inclusive of GST.

(d) Plant and Equipment

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

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

Depreciation

Plant and equipment, excluding freehold land, is depreciated on a reducing balance basis over the assets useful life to the Association, commencing when the asset is ready for use.

(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.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of assets and liabilities.

3 Change in reporting periods

The entity has changed its year end from June to December. The December statement of Profit and Loss is for the six months to December 2015. The comparatives are for the twelve months to June 2015..

Notes to the Financial Statements
For the Six Months Ended 31 December 2015

4 Cash and cash equivalents

	December 2015	Year Ended June 2015
	\$	\$
Cash at bank and in hand	71,508	100,423

5 Trade and other receivables

	December 2015	Year Ended June 2015
	\$	\$
CURRENT		
Trade receivables	9,984	16,999
Other receivables	670	-
	<u>10,654</u>	<u>16,999</u>

6 Plant and equipment

Office equipment		
At cost	19,786	19,786
Accumulated depreciation	(12,529)	(9,813)
Total office equipment	<u>7,257</u>	<u>9,973</u>
Broadcast and audio equipment		
At fair value	239,739	238,721
Accumulated depreciation	(95,030)	(78,978)
Total broadcast and audio equipment	<u>144,709</u>	<u>159,743</u>
Computer and other furniture and equipment		
At fair value	27,172	27,172
Accumulated depreciation	(17,739)	(15,380)
Total Computer and other furniture and equipment	<u>9,433</u>	<u>11,792</u>
Total property, plant and equipment	<u><u>161,399</u></u>	<u><u>181,508</u></u>

7 Trade and other payables

	December 2015	Year Ended June 2015
	\$	\$
CURRENT		
Trade payables	6,497	22,487
PAYGW	4,055	2,046
Accrued expenses	4,004	-
	<u>14,556</u>	<u>24,533</u>

Notes to the Financial Statements

For the Six Months Ended 31 December 2015

8 Income in Advance

	December 2015	Year Ended June 2015
	\$	\$
CURRENT		
ACT Arts Fund Program	5,000	34,337
ACT Government Participation (Seniors)	-	9,318
Community Broadcasting Foundation	4,565	4,834
Sponsorship in advance	4,990	7,148
Total	14,555	55,637

9 Cash Flow Information

(a) Reconciliation of result for the period to cashflows from operating activities

Reconciliation of net (deficit)/surplus to net cash provided by operating activities:

	December 2015	Year Ended June 2015
	\$	\$
(Deficit)/surplus for the period	(9,135)	43,844
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	21,127	24,106
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in trade and other receivables	6,345	6,112
- (increase)/decrease in prepayments	3,519	1,671
- increase/(decrease) in income in advance	(41,082)	(46,295)
- increase/(decrease) in trade and other payables	(15,990)	(6,756)
- increase/(decrease) in goods & services tax liability	1,305	-
- increase/(decrease) in accruals	4,004	-
- increase/(decrease) in other payables	2,009	-
- increase/(decrease) in employee benefits	-	(2,997)
Cashflow from operations	(27,898)	19,685

ArtSound FM Inc

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Statement by Members of the Committee

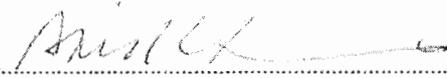
The committee has determined that the Association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 2 to the financial statements.

In the opinion of the committee the financial report as set out on pages 2 to 9:

1. Presents fairly the financial position of ArtSound FM Inc as at 31 December 2015 and its performance for the period ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that ArtSound FM 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:

President.....

Treasurer.....

Dated 22 June 2016

Independent Audit Report to the members of ArtSound FM Inc

Report on the Financial Report

We have audited the accompanying financial report being a special purpose financial report, of ArtSound FM Inc, which comprises the statement of assets and liabilities as at 31 December 2015, the statement of profit or loss, statement of changes in equity and statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by members of the committee.

Officers' Responsibility for the Financial Report

The officers of ArtSound FM Inc are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1, is appropriate to meet the requirements of the *Associations Incorporation Act (ACT) 1991* and is appropriate to meet the needs of the members. The officers' responsibility also includes such internal control as the officers determine 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

As is common for organisation of this type, it is not practicable for ArtSound FM Inc to maintain an effective system of internal control over cash revenue from fund raising activities until their initial entry into the accounting records. Accordingly, our audit in relation to this type of revenue was limited to amounts recorded.



Independent Audit Report to the members of ArtSound FM Inc

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial report presents fairly, in all material respects, the financial position of ArtSound FM Inc as at 31 December 2015, and its financial performance and its cash flows for the year then ended in accordance with the *Associations Incorporation Act (ACT) 1991*.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report which describes the basis of accounting. The financial report is prepared to assist ArtSound FM Inc to comply with the financial reporting provisions of the Associations Incorporation Act (ACT) 1991. As a result, the financial report may not be suitable for another purpose.

Hardwickes

Hardwickes
Chartered Accountants

R Johnson

Robert Johnson FCA
Partner

Deakin, ACT

22 June 2016

