radio 5mbs 99.9fm

Patron: *Barbara Hardy AO*

The Music Broadcasting Society of SA Inc
ABN 37 506 525 369
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Thursday, 17 October 2019

Brendon Skates
Gray Perry - DFK
1st Floor, 89 – 92 South Terrace
ADELAIDE SA 5000

Dear Sir

Pursuant to your request and in connection with your examination of the financial statements for The Music Broadcasting Society of SA Incorporated for the year ended 30 June 2019 we submit the following representations, after making appropriate inquires and according to the best of our knowledge and belief.

General

1 We acknowledge our responsibility for the fair presentation of the financial statements in accordance with the Associations Incorporations Act and the appropriate disclosures of all information required by the association's constitution.

2 All financial records and related data have been made available for inspection. All material transactions have been properly recorded in the accounting records underlying the financial reports. An accurate and complete members' list has been provided.

3 There have been no irregularities involving any member of management or other members of the Association that could have a material effect on the financial statements.

4 There have been no:

violations or possible violations of law or regulations, the effects of which should be considered for disclosure in the financial statements or as a basis for recording a contingent loss; or

communications from regulatory authorities concerning non-compliance with, or deficiencies in, financial reporting practices.

Assets

5 Adequate provision has been made for allowances which may be given and for losses which may be sustained in connection with the collection of accounts receivable and non-trade receivables.

6 There were no deficiencies or encumbrances attaching to the title of the association's assets at balance date other than those reflected in the financial statements.

7 There are no agreements to repurchase assets previously recorded in the accounting records as sold.

8 Adequate provision has been made in the financial report for any permanent diminution in the value to the Association of any non-current assets.

Liabilities

9 All liabilities which have arisen or which will arise out of the activities of the association to the end of the financial year have been included in the financial report.

10 There were no contractual commitments for capital expenditure at balance date not included in the financial report or the notes thereto.

11 There were no contingent liabilities, including guarantees, at balance date which are not disclosed in the financial report or the notes thereto.

Other

12 No events have occurred subsequent to balance date which would require adjustment to or disclosure in the financial report.

13 The association has no plans or intentions that may materially affect the book value or classification of assets and liabilities at balance date.

14 All details concerning related party transactions and related amounts receivable or payable (including purchases, loans and guarantees) have been correctly recorded in the accounting records and have been properly disclosed in the association's financial report or the notes thereto, either where required by statute or where such disclosure is necessary for the fair presentation of the association's financial report.

15 Other than as detailed in the association's financial report, the association is not aware of any breach or non-compliance with the terms of any contractual

arrangements, however caused which could initiate claims on the association which would have an effect on the association's financial report.

16 The association has an established procedure whereby the adequacy of insurance cover on all assets and insurable risks is reviewed. This review has been performed, and where it is considered appropriate, assets and insurable risks of the association are adequately covered by insurance.

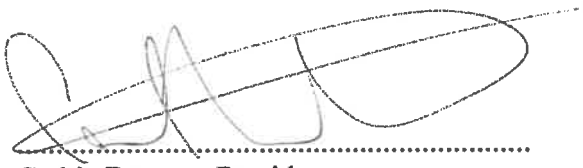
17 The minutes of committee meetings made available to you are a complete and authentic record of all meetings since 01/07/18 to the date of this letter. All statutory records were properly kept during the period.

18 Records maintained during the period were in accordance with the Australian Tax Office requirements.

19 We have responded fully to all inquiries made to us during the course of your examination.

20 Nothing has come to our attention that would indicate that the financial report is inaccurate, incomplete or otherwise misleading.

(23/10/2019)



Cathie Brown - President

THE MUSIC BROADCASTING SOCIETY OF SOUTH AUSTRALIA INC
FINANCIAL REPORT FOR THE YEAR ENDED 30TH JUNE 2019

THE MUSIC BROADCASTING SOCIETY OF SOUTH AUSTRALIA INC.

BOARD REPORT

Your Board members submit the financial report of the Music Broadcasting Society of South Australia Inc for the financial year ended 30th June 2019.

Board Members

The names of the Board members as at the date of this report are as follows: -

President	Cathie Brown
Vice-President	Greg Stevens
Secretary	Yvonne Green
Treasurer	David Anthony
Others	David Wiffen
	Emily Sutherland
	Michelle Pfitzner
	Stephen Faulkner
	George Gatenby (by invitation)

Principal Activities

The principal activities of the society during the financial year were to broadcast and otherwise provide classical, jazz and other fine music for the members of the Society.

Operating Result

The profit for the period amounted to: $636 (2018 - Profit: $6,007)

Related Party Transactions

The society did not enter into any related party transactions during the financial year.

Signed in accordance with a resolution of the Members of the Board

Cathie Brown..... President

Dated this 23rd day of October 2019

THE MUSIC BROADCASTING SOCIETY OF SOUTH AUSTRALIA INC

INCOME STATEMENT FOR THE YEAR ENDED 30TH JUNE 2019

Income	**2019**	**2018**
Arts Diary and Jazz Diary Fees	4,238	5,573
Bequests	10,000	
Donations	30,087	45,033
Fundraising income	11,705	14,613
Interest received	1,509	1,645
Membership fees	38,004	39,382
Recording services income	1,473	0
Sponsorship income	7,266	5,295
Volunteer amenities income	798	1,864
Young Performer of the year	917	3,026
Total Income	**105,997**	**116,431**
Expenditure		
Advertising	2,250	304
Audit fees	1,650	1,600
Bank and credit card fees	1,585	2,226
Cleaning	2,985	2,915
Computer expenses	71	327
Depreciation expense	14,448	15,289
Equipment rental	2,878	
Electricity and gas	5,210	5,618
Fund raising expenses	5,339	5,628
Insurance	2,146	2,120
Internet	180	511
Licenses	1,199	2,305
Maintenance expenses	982	902
Miscellaneous	26	8
Outgoings	3,959	4,608
Postage	2,754	2,640
Printing and stationery	2,600	2,939
Promotions and Marketing	4,026	5,059
Recording services expenses	2,940	2,372
Rent	29,814	29,672
Subscriptions	2,783	4,371
Telephone	3,378	4,288
Training, travel and conference expenses	1,314	4,371
Transmission costs	5,529	6,964
Volunteer amenities expenses	776	1,229
Young Performer of the Year	4,539	4,102
Total Expenses		
Profit/(Loss) for the Period	**105,361**	**110,424**
	636	**6,007**

The accompanying notes form part of this financial report

THE MUSIC BROADCASTING SOCIETY OF SOUTH AUSTRALIA INC

BALANCE SHEET AS AT 30TH JUNE 2019

	Note	2019	2018
Assets			
Current Assets			
Petty Cash Floats		70	70
Cash in Hand		2,130	5,385
Cheque Accounts		25,361	27,497
Savings Accounts		117,819	102,513
GST Refundable		1,149	1,232
Sundry Debtors		0	520
Prepaid Expenses		0	0
Total Current Assets		**146,529**	**137,217**
Non-Current Assets			
Property, Plant & Equipment	3	48,517	58689
Total Non-Current Assets		48,517	58689
Total Assets		**195,046**	**195,906**
Liabilities			
Current Liabilities			
Trade Creditors		2,523	2,793
GST Payable	1(d)		
Total Current Liabilities		2,523	2,793
Total Liabilities		2,523	2,793
Net Assets		**192,523**	**193,113**
Members' Funds			
Members Reserves		50,396	50,396
Accumulated Profits	4	142,127	142,717
Total Members' Funds		**192,523**	**193,113**

The accompanying notes form part of this financial report

THE MUSIC BROADCASTING SOCIETY OF SOUTH AUSTRALIA INC

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

NOTE 1: Statement of Significant Accounting Policies

In the opinion of the Board, the Music Broadcasting Society of South Australia Inc (the Society) is not a reporting entity.

This financial report has been drawn up as a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act (South Australia) and the Rules of the Society.

The Board is of the opinion that the accounts are AIFRS compliant. There were no adjustments to the opening balances as a result of the review of the impact of AIFRS on the financial statements.

The financial report has been prepared in accordance with the requirements of the Society's Rules, the Associations Incorporation Act (SA), and the following Australian Accounting Standards:

AASB 1031	Materiality
AASB 110	Events after Balance Date
AASB 117	Leases

No other applicable Accounting Standards, Urgent Issues Group Interpretations or other Authoritative Pronouncements of the Australian Accounting Standards Board have been applied.

The financial report has been prepared on accruals basis, 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 material accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

(a) Income Tax

The Society is an incorporated body formed primarily for the benefit of its Members and is therefore exempt from income tax. Non-member net income is deemed to be nil or of such immaterial or incidental nature as to be non-assessable for income tax.

(b) Fixed Assets

All transmission, recording, computer, office equipment and other fixed assets are carried at either cost or at Board valuation, less accumulated depreciation where applicable

The carrying amounts of all non-current assets are reviewed at least annually, to determine whether they are in excess of their recoverable amount. If the carrying amount of a non-current asset exceeds the recoverable amount, the asset is written down to the lower value. In assessing recoverable amounts, the relevant cash flows have not been discounted to present value.

The depreciable amounts of all fixed assets are depreciated using the diminishing value method over the useful lives of the assets to the Society, commencing from the time the asset is held ready for use. Depreciation rates are as specified by the Australian Taxation Office (ATO). Rates employed include:

Furniture & Fittings	20-40%
Transmission & Recording Equipment	30%

(c) Leases

The Society has not entered into any finance leases of fixed assets.

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

(d) Goods & Services Tax (GST)

Revenues, expenses and assets are recognised net of GST except where the amount of the GST incurred is not recoverable. In these circumstances, the GST is recognised as part of the cost of an asset or expense.

Receivables and payables are stated as GST inclusive amounts.

The net amount of GST recoverable from, or payable to, the ATO is classified as a current asset or liability in the Balance Sheet.

NOTE 2: Income Tax

No income tax has been paid or provided for in the financial report for the reasons explained in Note 1(a).

NOTE 3: Property, Plant & Equipment	**2019**	**2018**
CD & Tape Library (Society Valuation	15,000	15,000
	15,000	15,000
Leasehold Improvements	6,620	6,620
Accumulated Depreciation	(6,232)	(6,135)
	388	485
Computer Equipment - at Cost	54,953	53,243
Accumulated Depreciation	(49,432	(46,047)
	5,521	7,196
Furniture & Fittings - at Cost	4,594	,4,593
Accumulated Depreciation	3,862	(3,678)
	732	915
Kitchen Equipment - at Cost	1,398	1,398
Accumulated Depreciation	1,397	(1,397)
	1	1
Office Equipment (Other) - at Cost	20,949	,22,026
Accumulated Depreciation	19,313	(19,164)
	1,636	2,862
Studio Equipment (Other) - at Cost	48,129	45,674
Accumulated Depreciation	45,280	(44,191)
	2,849	1,483

Transmission Equipment - at Cost	142,469	142,469
Accumulated Depreciation	123,011	(114,672)
	19,458	27,797
Recording Equipment - at Cost	27,339	26,364
Accumulated Depreciation	24,406	(23,414)
	2,933	2,950
Total Property, Plant & Equipment	**4 8518**	**59,689**

NOTE 4: Retained Profits

Opening Accumulated Profits	142,717	136,710
Profit/(loss) for the Period	636	6,007
2018 Adjustment Re Equipment Rental	(1,226)	
Closing Accumulated Profits	142,147	142,717

In the 2017-18 accounts payments to Capital Finance were incorrectly capitalised rather than expensed. The adjustment above reflects the impact on that year's profit.

NOTE 5: Lease Commitments	**2019**	**2018**
Office Rent		
- not later than 1 year	33,773	33,955
- later than 1 year, but less than 5 years	33,773	33,955

The lease term of the office is for 5 years (expiring June 2024 with right of renewal for 5 years)

The lease was renewed in June 2019 for a further 5 years with a right of renewal for a further 5 years

Transmitter
The rental agreement lapsed in June 2009. A monthly rental of $527 is being paid.

NOTE 6 : Events Subsequent to Balance Date

The finance agreement with Capital Finance for the new Telephone Equipment was paid out in September 2019.

No other events subsequent to balance date have occurred warranting disclosure.

THE MUSIC BROADCASTING SOCIETY OF SOUTH AUSTRALIA INC

STATEMENT BY MEMBERS OF THE BOARD OF DIRECTORS

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

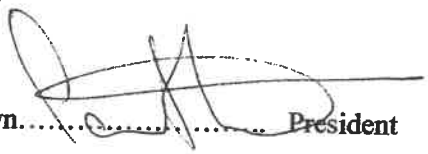
In the opinion of the Board the financial report:

1. Presents fairly the financial position of the Society as at 30th 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 the Society will be able to pays its debts as and when they fall due.

3. The financial statements have been prepared in accordance with those Australian Accounting Standards that are necessary to meet the needs of users.

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



Cathie Brown..... President

Dated this 23rd day of October 2019

GRAY PERRY - DFK
Chartered Accountants

PARTNERS
James W Perry CA
Michael D Gray CA
Brendon Skates CA

Independent Auditor's Report to the Members of The Executive Committee for the Year Ended 30 June 2019

Scope

We have audited the financial report, being a special purpose financial report, of The Music Broadcasting Society of SA Incorporated for the year ended 30 June 2019 which includes the Statement by Members of the Committee, Income and Expenditure Statement, Balance Sheet and notes to and forming part of the financial statement.

Committee's Responsibility for the Financial Statement

The committee is responsible for the financial report and has determined that the accounting policies used and described in Note 1 to the financial statements which form part of the financial report are appropriate to meet the requirements of the *Associations Incorporation Act (SA) 1985* and are appropriate to meet the needs of the members. The committee's responsibilities also include establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

We have conducted an independent audit of this financial report in order to express an opinion on it to the members of The Music Broadcasting Society of SA Incorporated. No opinion is expressed as to whether the accounting policies used are appropriate to the needs of the members.

The financial report has been prepared for the purpose of fulfilling the requirements of the *Associations Incorporations Act (SA) 1985*. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any other person other than the members, or for any purpose other than that for which it was prepared.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free from material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates.
These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the accounting policies described in Note 1 so as to present a view which is consistent with our understanding of the Association's financial position, and performance as represented by the results of its operations. These policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements in Australia.

The audit opinion expressed in the report has been formed on the above basis.

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Basis of Qualified Opinion

It was not possible to establish accounting control over cash income prior to its receipt in the records of the Association. Accordingly, it was not possible in relation to such income to extend our examination beyond the amounts entered in the records of the Association.

Qualified Auditor's Opinion

In our opinion, except for the effect of such adjustments, if any, as might have been determined to be necessary had the limitations discussed in the qualification paragraph not existed, the financial report presents fairly, in all material respects, the financial position of The Music Broadcasting Society of SA Incorporated as at 30 June 2019, and the results of its operations for the year then ended.

Basis of Accounting and Distribution of Use

Without modifying our opinion, we draw attention to Note 1 of the financial report, which describes the basis for accounting. The financial report has been prepared to assist The Music Broadcasting Society of SA Incorporated to meet the requirements of the *Associations Incorporation Act (SA) 1985* referred to above. As a result, the financial report may not be suitable for another purpose.

Gray Perry DFK
Chartered Accountants

Brendon J Skates
1st Floor 89-92 South Terrace
Adelaide, SA 5000

Dated this 24TH day of OCT 2019