

ORIGINAL

**ILLAWARRA COMMUNITY FM BROADCASTERS LIMITED
A COMPANY LIMITED BY GUARANTEE
A.C.N. 003 160 594**

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2017**

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ILLAWARRA COMMUNITY FM BROADCASTERS LIMITED
A COMPANY LIMITED BY GUARANTEE
A.C.N. 003 160 594

DIRECTORS' REPORT

Your directors present this report on the company for the year ended 30 June 2017.

Directors

The names of each person who has been a director during the year and to the date of this report, are:

Benjamin Hession	(Director since September 1997)
Grace Kane	(Passed away 18 March 2017)
Leslie (Joe) Patterson	(Director since October 2011)
Steven Despotovski	(Director since October 2011)
Llion (Lee) Jones	(Term ended November 2016)
Zhivko Apostolovski	(Term ended November 2016)
Keith Murphy	(Resigned 16 June 2016)
George Vatos	(Term ended November 2016)
Robert Little OAM	(Director since August 2014)
Kamal (Gino) Rikhye	Elected 26 October 2016
Sylvia Richards	Elected 26 October 2016
Judith Clare	Elected 26 October 2016
	(Resigned 19 May 2017)
Sean O'Neill	Appointed to Board 11 April 2017
	(Resigned 27 June 2017)

Principal Activities

The principal activities of the company during the financial year were:

Community Access Broadcast Station

Operating Results

The net result of the company for the year was a surplus/(deficit) of \$(70,161) (2016 \$9,329 surplus).

Significant Changes in State of Affairs

No significant change in the state of affairs of Illawarra Community FM Broadcasters Limited occurred during the financial year.

After Balance Date Events

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the company, to affect significantly the operations of the company, the results of those operations, or the state of affairs of the company, in future financial years.

**ILLAWARRA COMMUNITY FM BROADCASTERS LIMITED
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A.C.N. 003 160 594**

DIRECTORS' REPORT (Continued)

Information on Directors

Benjamin Hession
Elected Director 1997
Pensioner/Writer
Secretary from September 2014
Programming Committee Chairperson since November 2015

Grace Kane
Elected Director October 2015
Retired

Leslie (Joe) Patterson
Elected Director October 2011
Retired
President since November 2013

Steven Despotovski
Elected Director October 2011
Builder
Treasurer since November 2016
Ethnic Liaison Committee Chairperson since November 2015

Llion (Lee) Jones
Appointed director August 2014. Re-elected Director October 2014.
Term ended as Director November 2016.
Retired.
Vice President November 2015 to November 2016

Robert (Bobby) Little OAM
Appointed Director August 2014. Re-elected Director October 2015
Retired.
Vice President since November 2016

Zhivko Apostolovski
Elected Director October 2014.
Electronics and Communications Engineer

George Vatos
Elected Director October 2014.
Term ended as Director November 2016.
Retired.
Treasurer November 2014 to November 2016

Keith Murphy
Elected Director October 2014. Resigned June 2017
Retired.
Assistant Treasurer/Secretary November 2016 to June 2016

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DIRECTORS' REPORT (Continued)

Kamal (Gino) Rikhye
 Elected Director October 2016
 Administration/
 Ethnic Liaison Committee Secretary since January 2016

Sylvia Richards
 Elected Director October 2016
 Casual Cafe Assistant

Judith Clare
 Elected Director October 2016
 Resigned as Director May 2017
 Retired.

Sean O'Neill
 Appointed Director April 2017
 Resigned as Director June 2017
 Information Services Manager

Meetings of directors

The following table sets out the number of directors' meetings held during the financial year and the number of meetings attended by each director (while they were a director). During the year, 12 Board meetings were held.

Name of Director	No. Meetings Attended	No. Board Meetings while Director	Status
Ben Hession	19	19	Director since September 1997
Grace Kane	10	19	Passed Away March 2017
Leslie (Joe) Patterson	17	19	Director since October 2011
Steven Despotovski	17	19	Director since October 2011
Llion (Lee) Jones	3	19	Term Ended November 2016
Zhivko Apostolovski	1	19	Term Ended November 2016
Keith Murphy	16	19	Resigned from Board June 2017
George Vatos	14	19	Term Ended November 2016
Robert Little OAM	19	19	Director since August 2014
Kamal (Gino) Rikhye	11	19	Elected in October 2016
Sylvia Richards	14	19	Elected in October 2016
Judith Clare	12	19	Elected in October 2016, Resigned May 2017
Sean O'Neill	3	19	Elected in April 2017, Resigned in June 2017

Indemnifying Officers or Auditor

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

ILLAWARRA COMMUNITY FM BROADCASTERS LIMITED
A COMPANY LIMITED BY GUARANTEE
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DIRECTORS' REPORT (Continued)

Members' Guarantee

The company is limited by Guarantee. If the company is wound up, the articles state that each member is required to contribute a maximum of \$1 each towards meeting any outstanding obligation of the company.

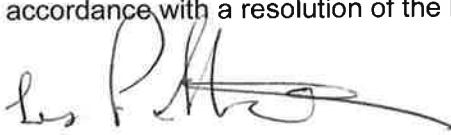
Directors' Benefits

Neither during nor since the year ended 30 June 2017 has a director received or become entitled to receive a benefit (other than a salary of a part-time employee of Illawarra Community FM Broadcasters Limited or a related corporation or a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the accounts) because of a contract that the director, or a firm of which the director is a member, or an entity in which the director has a substantial financial interest, has made during the financial year, or any other year, with the Illawarra Community FM Broadcasters Limited or any entity that Illawarra Community FM Broadcasters Limited controlled, or a body corporate that was related to Illawarra Community FM Broadcasters Limited, when the contract was made or when the director received or became entitled to receive the benefit.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2017 has been received and can be found on page 5 of the Directors' report.

Signed in accordance with a resolution of the Board of Directors:

Director 
 LES PATERSON

Director 
 S. DESPOTOVSIRI

Dated this 22 day of December 2017

**ILLAWARRA COMMUNITY FM BROADCASTERS LIMITED
A COMPANY LIMITED BY GUARANTEE**

**AUDITORS' INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001**


I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017 there have been no contraventions of:

- i. the auditor's independence requirements as set out in the Corporations Act 2001 in relation to the audit, and
- ii. any applicable code of professional conduct in relation to the audit.

In conducting our audit, we have complied with the independence requirements of the Australian Charities and Not-for-profits Commission Act 2012.

KH ACCOUNTING & FINANCIAL GROUP

SIGNED:



Registered Auditor
Chartered Accountant
Suite 4, 27-29 Princes Highway
FAIRY MEADOW NSW 2519

Dated this 22 day of December 2017

**ILLAWARRA COMMUNITY FM BROADCASTERS LIMITED
A COMPANY LIMITED BY GUARANTEE**

**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017**

	Note	2017 \$	2016 \$
Revenues	2	165,392	167,873
Employee benefits expense		(15,873)	(17,447)
Depreciation and amortisation expenses		(9,857)	(18,540)
Broadcasting expense		(28,987)	(27,172)
Other expenses extraordinary events		(92,996)	-
Other expenses from ordinary activities		<u>(87,840)</u>	<u>(95,385)</u>
Profit/(Loss) before income tax expense		<u>(70,161)</u>	<u>9,329</u>
Profit/(Loss) attributable to members of the entity		<u>\$(70,161)</u>	<u>\$ 9,329</u>

The accompanying notes form part of these financial statements.

ILLAWARRA COMMUNITY FM BROADCASTERS LIMITED
A COMPANY LIMITED BY GUARANTEE

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note	2017 \$	2016 \$
CURRENT ASSETS			
Cash and cash equivalents	4	231,362	214,944
Receivables	5	2,428	223
Other Financial Assets	6	4	4
Other Current Assets	7	<u>1,728</u>	<u>4,266</u>
TOTAL CURRENT ASSETS		<u>235,522</u>	<u>219,437</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	<u>51,093</u>	<u>127,157</u>
TOTAL NON-CURRENT ASSETS		<u>51,093</u>	<u>127,157</u>
TOTAL ASSETS		<u>286,615</u>	<u>346,594</u>
CURRENT LIABILITIES			
Payables	9	<u>10,182</u>	-
TOTAL CURRENT LIABILITIES		<u>10,182</u>	-
NON-CURRENT LIABILITIES			
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		<u>10,182</u>	-
NET ASSETS		<u>\$276,433</u>	<u>\$346,594</u>
EQUITY			
Retained earnings		<u>276,433</u>	<u>346,594</u>
TOTAL EQUITY		<u>\$276,433</u>	<u>\$346,594</u>

The accompanying notes form part of these financial statements.

ILLAWARRA COMMUNITY FM BROADCASTERS LIMITED
A COMPANY LIMITED BY GUARANTEE

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Balance at 1 July 2016		346,594	337,265
Profit/(Loss) attributable to equity		<u>(70,161)</u>	<u>9,329</u>
Balance at 30 June 2017		<u>\$276,433</u>	<u>\$346,594</u>

The accompanying notes form part of these financial statements.

ILLAWARRA COMMUNITY FM BROADCASTERS LIMITED
A COMPANY LIMITED BY GUARANTEE

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Receipts in the course of operations		161,974	165,377
Interest Received		3,694	2,496
Payment to Suppliers and Employees		<u>(129,250)</u>	<u>(149,667)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		36,418	18,206
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed Asset Purchases		<u>(20,000)</u>	-
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		<u>(20,000)</u>	-
Net increase (decrease) in cash held		16,418	18,206
Cash at beginning of financial year		<u>214,944</u>	<u>196,738</u>
Cash at end of year	12(a)	<u>\$231,362</u>	<u>\$214,944</u>

The accompanying notes form part of these financial statements.

ILLAWARRA COMMUNITY FM BROADCASTERS LIMITED
A.C.N 003 160 594
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements cover Illawarra Community FM Broadcasters Limited as an individual entity, incorporated and domiciled in Australia for the year ended 30 June 2017. Illawarra Community FM Broadcasters Limited is a company limited by guarantee.

The financial statements were authorised for issue on 31 January 2017 by the directors of the company.

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, 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 amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

a. Revenue

Non-reciprocal grant revenue is recognised in profit or loss when the entity obtains control of the grant and 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.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

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 financial position as a liability until the service has been

ILLAWARRA COMMUNITY FM BROADCASTERS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

delivered to the contributor, otherwise the grant is recognised as income on receipt.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.

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

b. Property, Plant and Equipment

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

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(d) for details of impairment).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

Plant and equipment that have been contributed at no cost or for nominal cost are recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is available for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

ILLAWARRA COMMUNITY FM BROADCASTERS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Leasehold Improvements	20%
Plant and Equipment	20-60%
Leased Plant and Equipment	25-50%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

c. Leases

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

Finance leases are capitalised, recognising an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

d. Impairment of Assets

At the end of each reporting period, the entity reviews the carrying amounts 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 amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

ILLAWARRA COMMUNITY FM BROADCASTERS LIMITED
A.C.N 003 160 594
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017 (Continued)

Where it is not possible to estimate the recoverable amount of an asset's class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

e. Employee Provisions

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee provisions that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee provisions payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows attributable to employee provisions.

Contributions are made by the entity to an employees' superannuation fund and are charged as expenses when incurred.

f. Cash on Hand

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

g. 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 Taxation 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 expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

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

h. Income Tax

Income tax has not been provided for as the company is exempt from income tax under Section 50-10 of the Income Tax Assessment Act 1997 and is endorsed as a tax exempt entity under Section 50-145.

ILLAWARRA COMMUNITY FM BROADCASTERS LIMITED
A.C.N 003 160 594
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017 (Continued)

i. Accounts Payable

Trade payables and other accounts payable are recognised when the company becomes obliged to make future payments resulting from the purchase of goods and services.

j. Comparative Figures

Comparative figures are, where appropriate, reclassified so as to be comparable with the figures presented for the current financial year.

k. Receivables

Trade receivables representing members' subscriptions and grants have been brought to account at their invoiced value less unearned component not paid by 30 June, 2016.

l. Revenue Recognition

Sale of Goods and Disposal of Assets

Revenue from the sale of goods and disposal of other assets is recognised when the company has passed control of the goods or other assets to the buyer.

Rendering of Services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract.

Interest Revenue

Interest income is recognised as it accrues.

Subscription Amounts

Due to the voluntary basis of membership, the company does not take up income from subscriptions due until they are actually received.

	2017	2016
	\$	\$
NOTE 2 PROFIT FROM ORDINARY ACTIVITIES		
(a) Expenses		
Movement in Provisions		
Depreciation of non-current assets:		
Property, plant and equipment	9,857	18,540
Other:		
Employee Entitlements	—	—
Net expense resulting from movement in provisions	<u>\$ —</u>	<u>\$ —</u>
Remuneration of the auditors:		
Auditing Services	<u>4,330</u>	<u>4,460</u>
	<u>\$ 4,330</u>	<u>\$ 4,460</u>

ILLAWARRA COMMUNITY FM BROADCASTERS LIMITED
A.C.N 003 160 594
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017 (Continued)

(b) Revenue and Net Gains:

Operating Activities	161,698	165,377
Non-operating activities:		
Non-trading revenue	<u>3,694</u>	<u>2,496</u>
	<u>\$165,392</u>	<u>\$167,873</u>

NOTE 3 INCOME TAX EXPENSE

In accordance with section 23 (e) of the Income Tax Assessment Act, the company, as a non-profit organisation is exempt from income tax.

Similarly, given that the company assets are applied for the purpose of earning the exempt income, the company is also exempt from tax for capital gains tax purposes.

Dividends and interest are brought to account in the profit and loss statement when received.

	2017 \$	2016 \$
NOTE 4 CASH AND CASH EQUIVALENTS		
Cash on Hand	230	-
Cash at Bank – General A/C	5,727	33,690
Cash at Bank – Fundraising A/C	13,001	15,790
Cash at Bank – Term Deposit	118,628	115,407
Cash at Bank – Voxe Saver	15,669	15,446
Cash at Bank – Ethnic Grant	59,261	16,205
Cash at Bank – Sponsorship	18,846	12,217
Barter Card	<u>-</u>	<u>6,189</u>
	<u>\$231,362</u>	<u>\$214,944</u>
NOTE 5 RECEIVABLES		
CURRENT		
GST Refundable	-	223
Other Debtors	<u>2,428</u>	<u>-</u>
	<u>\$ 2,428</u>	<u>\$ 223</u>
NOTE 6 OTHER FINANCIAL ASSETS		
CURRENT		
City Coast Credit Union – Shares	<u>\$ 4</u>	<u>\$ 4</u>
NOTE 7 OTHER CURRENT ASSETS		
CURRENT		
Prepayments	1,728	3,666
Deposits Paid	<u>-</u>	<u>600</u>
	<u>\$ 1,728</u>	<u>\$ 4,266</u>

ILLAWARRA COMMUNITY FM BROADCASTERS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017 (Continued)

	2017	2016
	\$	\$
NOTE 8 PROPERTY, PLANT AND EQUIPMENT		
Plant and Equipment – at Cost	137,679	117,679
Less: Accumulated Depreciation	<u>86,586</u>	<u>76,729</u>
	<u>51,093</u>	<u>40,950</u>
Records and Tapes – at directors' valuation 09/10/1995	-	29,149
Less: Accumulated Depreciation	<u>-</u>	<u>29,149</u>
	<u>-</u>	<u>-</u>
Furniture and Fittings – at Cost	-	591
Less: Accumulated Depreciation	<u>-</u>	<u>591</u>
	<u>-</u>	<u>-</u>
Leasehold Improvements – Theatre	-	31,822
Less: Accumulated Depreciation	<u>-</u>	<u>5,397</u>
	<u>-</u>	<u>26,425</u>
Land and Building – Coniston	-	71,019
Less: Accumulated Depreciation	<u>-</u>	<u>11,237</u>
	<u>-</u>	<u>59,782</u>
Total Plant and Equipment	<u>\$ 51,093</u>	<u>\$127,157</u>
	2017	2016
	\$	\$
NOTE 9 PAYABLES		
GST – Net		
Security Deposits	880	-
Accounts Payable	<u>9,302</u>	<u>-</u>
	<u>\$10,182</u>	<u>\$ -</u>

ILLAWARRA COMMUNITY FM BROADCASTERS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017 (Continued)

	2017	2016
	\$	\$
NOTE 10 REMUNERATION AND RETIREMENT BENEFITS		
Directors' Remuneration:		
Income paid or payable to all directors of the company by the company and any related parties	-	-
Number of directors whose income from the company or any related parties was within the following bands:		
There were no directors paid	-	-
The names of directors who have held office during the financial year are:		
Benjamin Hession		
Grace Kane		
Leslie (Joe) Patterson		
Steven Despotovski		
Shirley Smith		
Llion (Lee) Jones		
Zhivko Apostolovski		
Keith Murphy		
George Vatos		
Robert Little OAM		
Retirement and Superannuation Payments:		
Amounts of a prescribed benefit given during year by the company or a related party to a director or prescribed superannuation fund in connection with the retirement from a prescribed office	\$ _____ -	\$ _____ -

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ILLAWARRA COMMUNITY FM BROADCASTERS LIMITED
A.C.N. 003 160 594**

Report on the Financial Report

We have audited the accompanying financial report of Illawarra Community FM Broadcasters Limited (the company) which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act) and for such internal control as the directors 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.

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 whether the financial report is free of 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 judgment, 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 company's preparation of the financial report that gives a true and fair view 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 the directors, 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 audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 and any applicable code of professional conduct in relation to the audit.

Opinion

In our opinion, the financial report of Illawarra Community FM Broadcasters Limited is in accordance with the Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2016 and of its financial performance and cash flows for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the Australian Charities and Not-for-profit Commission Regulation 2013.

KH ACCOUNTING & FINANCIAL GROUP

Chartered Accountants

By: 
.....

ELIAS KINNAS

Suite 4, 27-29 Princes Highway

FAIRY MEADOW NSW 2519

Dated this 22 Day of December 2017

ILLAWARRA COMMUNITY FM BROADCASTERS LIMITED
A COMPANY LIMITED BY GUARANTEE

DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
INCOME			
Air Time Fees & Membership Subscriptions		10,973	11,907
Donations		6,744	6,535
Grant Proceeds		112,489	122,408
Interest Received		3,694	2,496
Sponsorship Fees		<u>31,492</u>	<u>24,527</u>
TOTAL INCOME		<u>165,392</u>	<u>167,873</u>
EXPENDITURE			
Advertising and Promotions		1,072	900
Auditor's Remuneration		4,330	4,460
Bank Charges		-	22
Bookkeeping Fees		3,605	320
Broadcasting Fees		28,987	27,171
Cleaning		2,638	2,528
Commission Paid		10,392	6,941
Computer Expenses		5,120	7,022
Depreciation		9,857	18,540
Donation		-	200
Electricity and Gas		10,916	8,888
Ethnic Grant Payment		14,853	18,508
General Expenses		1,467	1,811
Hire of Plant and Equipment		-	1,789
Insurance		4,651	3,905
Legal Fee		-	500
Member Amenities		2,165	90
Minor Asset Purchases		-	1,103
Postage		967	568
Printing and Stationery		5,209	3,996
Rates		867	1,310
Rent		4,395	4,395
Security		2,155	5,153
Repairs and Maintenance		3,955	4,924
Return of Ethnic Grant		-	10,390
Subscriptions		4,607	3,274
Superannuation		1,377	1,234
Telephone		5,076	2,389
Wages		14,496	16,213
Write Off Fixed Assets – Theatre & Coniston		86,207	-
Write Off Barter Card Account		<u>6,189</u>	<u>-</u>
TOTAL EXPENDITURE		<u>235,553</u>	<u>158,544</u>
NET PROFIT/(LOSS)		<u>\$ (70,161)</u>	<u>\$ 9,329</u>